

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION
FOR FURTHER INFORMATION REGARDING THE ENTIRE CAPITAL AND DEBT RESTRUCTURING
PROGRAMME PLEASE REFER TO THE ENCLOSED DETAILED TRANSACTION ANNOUNCEMENT DATED
27 NOVEMBER 2008**

The definitions and interpretations commencing on page 4 of this circular apply *mutatis mutandis* to this document including this cover page.

This document is not a prospectus but comprises an advertisement for the purposes of 3.2.2 of the United Kingdom prospectus rules made under Part VI of the Financial Services and Markets Act 2000. A prospectus will be published in due course, copies of which will, following publication, be available from Metorex's registered office and from the offices of Beaumont Cornish Limited.

Action required

If you are in any doubt as to what action to take, you should consult your CSDP, broker, attorney, accountant, banker or other professional adviser immediately.

If you have disposed of all your shares in Metorex Limited prior to or on Tuesday, 23 December 2008, this circular should be handed to the purchaser of such shares or the broker or banker or other agent through whom the disposal was effected.

If you are unable to attend the general meeting convened to be held at The Kwacha Room, The Rosebank Hotel, Corner Tyrwhitt and Sturdee Avenue, Rosebank, South Africa at 10:00 on Tuesday, 23 December 2008 and you wish to be represented thereat, you should complete the attached form of proxy, in accordance with the instructions therein and lodge it with Link Market Services South Africa (Proprietary) Limited, 11 Diagonal Street, Johannesburg, 2001 by no later than 10:00 on Friday, 19 December 2008.



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")

CIRCULAR TO METOREX SHAREHOLDERS

regarding

- **an increase the authorised share capital of Metorex;**
- **a specific issue of shares for cash;**

and incorporating

- **a notice convening a general meeting of Metorex shareholders; and**
 - **a form of proxy (blue) (for use by certificated shareholders and dematerialised shareholders with "own name" registration only).**
-

Date of issue: Monday, 1 December 2008

CORPORATE INFORMATION

Directors

A S Malone* (*Chairman*)
C D S Needham * (*Chief Executive Officer*)
M Smith* (*Financial Director*)
K C Spencer* (*Operations Director*)
E W Legg*
A Barrenechea
G A Forrest
A L Laughland
R G Still

* Executive

Company secretary

Moore Stephens MWM Incorporated
Chartered Accountants (SA)
7 West Street
Houghton 2198, South Africa
(PO Box 1574, Houghton, 2041)

Sponsor book-runner and corporate adviser

Barnard Jacobs Mellet Corporate Finance
(Proprietary) Limited
24 Fricker Road
Ground Floor, Illovo Corner
Illovo, 2196, South Africa
(PO Box 62200, Marshalltown, 2107)

Legal Adviser

Bowman Gilfillan Incorporated
165 West Street
Johannesburg, 2146, South Africa
(PO Box 785812, Sandton, 2146)

Independent reporting accountants and auditors

Deloitte & Touche, Registered Auditors
The Woodlands
Woodlands Drive, Woodmead
Sandton, 2196, South Africa
(Private Bag X6, Gallo Manor, 2052)

Bankers

The Standard Bank of South Africa Limited
5 Simmonds Street
Johannesburg, 2001, South Africa
(PO Box 7725, Johannesburg, 2000)

Independent expert

Venmyn Rand (Proprietary) Limited
First Floor, Block G, Rochester Place
173 Rivonia Road
Sandton, 2146, South Africa
(PO Box 782761, Sandton, 2146)

STOCK EXCHANGE LISTINGS

ISIN: ZAE000022745

| Stock Exchange | Type | Share code |
|----------------|--------|------------|
| JSE | Shares | MTX |
| LSE | Shares | MTX LN |
| NYSE | ADRs | MRXLY |

JSE is the primary listing.

Website

<http://www.metorex.co.za>

Date and place of incorporation

18 April 1934
Johannesburg, South Africa

Registered office

Metorex Limited
2nd Floor, Cradock Heights
21 Cradock Avenue
Rosebank 2196, South Africa
(PO Box 2814, Saxonwold, 2132)

Transfer secretaries

Link Market Services South Africa
(Proprietary) Limited
11 Diagonal Street
Johannesburg, 2001, South Africa
(PO Box 4844, Johannesburg, 2000)

Sponsoring Broker USA

Barnard Jacobs Mellet USA LLC
31st Floor, 780 Third Avenue
New York, NY 10017
USA

Legal adviser to book-runner

Cliffe Dekker Hofmeyr Incorporated
1 Protea Place
Sandown
Sandton, 2196, South Africa
(Private Bag X40, Benmore, 2010)

Independent Sponsor

Deloitte & Touche Sponsor Services
(Proprietary) Limited
The Woodlands, 20 Woodlands Drive
Woodmead, 2196, South Africa
(Private Bag X6, Gallo Manor, 2052)

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ACTION REQUIRED BY SHAREHOLDERS

This circular is important and requires your immediate attention. The action you need to take is set out below. The definitions and interpretations commencing on page 4 of this circular have been used in this section.

If you are in any doubt as to what action to take, consult your CSDP broker, accountant, attorney or other professional adviser immediately.

1. IF YOU HAVE DEMATERIALISED YOUR SHARES WITHOUT “OWN NAME” REGISTRATION:

1.1 Voting at the general meeting

- 1.1.1* You should contact your CSDP/broker in accordance with their cut off time, prior to the date of the general meeting and instruct them as to how you wish to cast your vote at the general meeting and to cast your vote in accordance with your instructions.
- 1.1.2* If your CSDP/broker does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the agreement concluded between you and your CSDP/broker.
- 1.1.3* You must **NOT** complete the attached form of proxy.

1.2 Attendance at the general meeting

In accordance with the agreement between you and your CSDP/broker, you must advise your CSDP/broker if you wish to attend the general meeting in person, or if you wish to send a proxy to represent you at the general meeting, and your CSDP/broker will issue the necessary letter of representation for you or your proxy to attend the general meeting.

2. IF YOU HAVE NOT DEMATERIALISED YOUR SHARES OR YOU HAVE DEMATERIALISED YOUR SHARES WITH “OWN NAME” REGISTRATION:

2.1 Voting, attendance and representation at the general meeting

- 2.1.1* You may attend and vote at the general meeting in person.
- 2.1.2* Alternatively, you may appoint a proxy to represent you at the general meeting by completing the attached form of proxy in accordance with the instructions it contains and returning it to the transfer secretaries to be received by no later 10:00 on Friday, 19 December 2008.

2.2 If you wish to dematerialise your shares, please contact your CSDP/broker.

3. IF YOU HAVE DISPOSED OF YOUR SHARES

If you have disposed of your shares, this circular, together with the attached form of proxy, should be handed to the purchaser of such ordinary shares or the broker or other agent who disposed of your shares for you.

English copies of this document will be available at the registered office of Metorex during normal business hours from 1 December 2008, up to and including 23 December 2008.

DEFINITIONS AND INTERPRETATIONS

In this circular, unless otherwise stated or the context so requires, the words in the first column have the meanings stated opposite them in the second column, words in the singular shall include the plural and *vice versa*, words denoting one gender include the other and expressions denoting natural persons include juristic persons and associations of persons:

| | |
|------------------------------------|---|
| "the Act" | the Companies Act, 1973 (Act 61 of 1973), as amended; |
| "Allan Gray" | Allan Gray Limited (registration number 2005/002576/06); |
| "Beankin" | Beankin Investments (Proprietary) Limited (registration number 2003/008102/07) a company wholly owned by a trust of which Mr R Still (a director of Metorex) is a trustee and potential beneficiary; |
| "the board" | the board of directors of Metorex as constituted from time to time; |
| "bridging facility" | a loan provided to Metorex by Standard Bank to the value of the bridging facility amount which is governed by the bridging facility agreement; |
| "bridging facility agreement" | the agreement, entered into between Standard Bank and Metorex on Tuesday, 11 November 2008, subject to the terms and conditions of which Standard Bank has agreed to provide the bridging facility to Metorex; |
| "bridging facility amount" | a maximum of R300 000 000 (three hundred million Rand); |
| "bridging facility effective date" | the first business day after all conditions precedent to the bridging facility have been waived or fulfilled, being 28 November 2008; |
| "business day" | any day other than a Saturday, Sunday or a South African public holiday; |
| "cents" | South African cents; |
| "certificated shares" | shares which have not yet been dematerialised, title to which is represented by a share certificate or other document of title; |
| "certificated shareholders" | shareholders who have not dematerialised their Metorex share certificates in terms of Strate; |
| "this circular" | all the documents contained in this bound document, dated 28 November 2008, including the circular to shareholders and the Annexures hereto, a notice of general meeting and a form of proxy; |
| "CIPRO" | the Companies and Intellectual Property Registration Office; |
| "claw-back offer" | the renounceable claw-back offer by Metorex of 129 461 597 ordinary shares at a subscription price of 200 cents per share in the ratio of 34.94 new ordinary shares for every 100 ordinary shares held at the close of business on Friday, 19 December 2008, details of which will be contained in a circular to shareholders to be dated on or about 22 December 2008; |
| "common monetary area" | South Africa, the Kingdoms of Swaziland and Lesotho and the Republic of Namibia; |
| "Coronation" | Coronation Asset Management (Proprietary) Limited (registration number 1993/002807/07); |
| "CRC" | means Copper Resources Corporation, a company incorporated as an International Business Company and automatically re-registered as a BVI Business Company and existing under the Laws of the British Virgin Islands; |

| | |
|---|--|
| “CSDP” | Central Securities Depository Participant; |
| “dematerialisation” | the process by which certificated shares are converted to an electronic form as uncertificated shares and recorded in the sub-register of shareholders maintained by a CSDP; |
| “dematerialised shares” | shares which have been incorporated into the Strate system and which are no longer evidenced by certificates or other physical documents of title; |
| “dematerialised shareholders” | Metorex shareholders holding dematerialised shares; |
| “Exchange Act” | the U.S. Securities Exchange Act of 1934, as amended; |
| “the directors” | the directors of Metorex at the last practicable date, as listed in the “Corporate information” section of this circular; |
| “effective date” | the effective date of the specific issue which is Wednesday, 24 December 2008; |
| “general meeting” | the general meeting of shareholders to be held at 10:00 at The Kwacha Room, The Rosebank Hotel, Cnr Tyrwhitt and Sturdee Avenue, Rosebank, South Africa on Tuesday, 23 December 2008 to consider, and if deemed fit, approve the resolutions contained in the notice of general meeting of shareholders attached to this circular; |
| “the IDC” | The Industrial Development Corporation of South Africa Limited (registration number 1940/014201/06); |
| “IFRS” | International Financial Reporting Standards; |
| “independent expert” | Venmyn Rand (Proprietary) Limited (registration number 1988/004918/07); |
| “independent reporting accountants” and/or “auditors” | Deloitte & Touche, Registered Auditors; |
| “JIBAR” | the 1 (one) month Johannesburg Interbank Agreed Rate of interest as calculated by Standard Bank; |
| “the JSE” | JSE Limited (registration number 2005/022939/06), a public company incorporated in South Africa and a licensed stock exchange in accordance with the Securities Services Act, No. 36 of 2004; |
| “the last practicable date” | Wednesday, 26 November 2008, being the last practicable date prior to the finalisation of this circular; |
| “Listings Requirements” | the Listings Requirements of the JSE; |
| “LSE” | the main market operated by the London Stock Exchange Group plc, a company incorporated with limited liability under the laws of England and Wales (registration number 02075721); |
| “Metorex” or “the Company” | Metorex Limited (registration number 1934/005478/06), a public company duly incorporated in terms of the laws of the South Africa, the shares of which are listed on the JSE; |
| “Metorex group” or “the group” | Metorex and its subsidiaries from time to time; |
| “Minersa” | Minerales y Productos Derivados, S.A. a privately owned company incorporated in Spain (registration number A/48008502); |
| “PIC” | the Public Investment Corporation Limited (registration number 2005/009094/06); |
| “Ruashi” | Ruashi Mining sprl, owned 80% by Ruashi Holdings (Proprietary) Limited (a wholly-owned subsidiary of Metorex), is Metorex’s operating copper and cobalt company in the DRC; |

| | |
|---------------------------------|---|
| “Securities Act” | the US Securities Act of 1933, as amended; |
| “SENS” | Securities Exchange News Service of the JSE; |
| “shares” or “ordinary shares” | ordinary shares of 10 cents each in the share capital of Metorex; |
| “shareholders” | holders of ordinary shares in Metorex; |
| “SA” or “South Africa” or “RSA” | the Republic of South Africa; |
| “specific issue” | the specific issue of 242 538 403 ordinary Metorex shares for cash at the subscription price to the subscribers; |
| “Sponsor” | Barnard Jacobs Mellet Corporate Finance (Proprietary) Limited (registration number 2006/033725/07); |
| “Strate” | Strate Limited (registration number 1998/022242/06), a public company duly incorporated in accordance with the laws of South Africa and a registered CSDP responsible for the electronic custody and settlement system used by the JSE; |
| “Standard Bank” | The Standard Bank of South Africa Limited (registration number 1962/000738/06), a subsidiary of Standard Bank Group Limited; |
| “Stanlib” | Stanlib Asset Management Limited (registration number 1969/0027553/06); |
| “subscribers” | the selected investors who entered into the subscription agreements, namely Allan Gray, Coronation, IDC, Minersa, PIC, Standard Bank, Stanlib and Beankin; |
| “subscription agreement” | the agreements entered into, on 26 November 2008, between the Company and the subscribers in terms of which subscribers subscribed for the specific issue; |
| “subscription price” | the price paid for the shares by the subscribers in terms of the subscription agreements being an amount of 200 cents per Metorex ordinary share; |
| “transfer secretaries” | Link Market Services South Africa (Proprietary) Limited (registration number 2000/007239/07), a private company duly incorporated in terms of the laws of South Africa; |
| “USD” | is the American dollar, the official currency of the United States of America; |
| “VAT” | Value-Added Taxation in terms of the Value-Added Tax Act, 89 of 1991; |
| “VWAP” | is the volume weighted average price; and |
| “ZAR” or “Rand” or “R” | South African Rand. |

SALIENT DATES AND TIMES

2008

| | |
|--|------------------------|
| Last day to lodge forms of proxy for the general meeting by 10:00 on | Friday, 19 December |
| General meeting of shareholders to be held at 10:00 on | Tuesday, 23 December |
| Results of general meeting published on SENS on | Tuesday, 23 December |
| Results of general meeting published in press on | Wednesday, 24 December |
| Effective date on | Wednesday, 24 December |

Notes:

1. All dates and times are South African dates and times unless otherwise stated.
2. Holders of dematerialised shares are required to notify their CSDP or broker of the action they wish to take in respect of the general meeting in the manner and by the time stipulated in the agreement governing the relationship between the Metorex shareholder and his CSDP or broker, although the directors recommend that such notification be given not less than five days prior to the general meeting.



METOREX LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1934/005478/06)
Share code: MTX ISIN: ZAE000022745
Issuer code: MEMTX

Directors

A S Malone* (*Chairman*), C D S Needham* (*Chief Executive*), M Smith* (*Financial Director*),
K C Spencer* (*Operations Director*), E W Legg*, A Barrenechea, G A Forrest, A J Laughland, R G Still

* Executive

CIRCULAR TO METOREX SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF CIRCULAR

Metorex wishes to perform a specific issue of shares for cash. In order to issue further shares the Company requires shareholders to approve an increase in the authorised share capital of the Company by an amount of 1 000 000 000 ordinary shares of 10 cents each.

Shareholders were advised by way of an announcement published on SENS on 27 November 2008 that Metorex intends to perform a claw-back offer and a specific issue of shares for cash. Metorex will raise R744 million as a result of the full subscription of both of these capital raising exercises which is to be used to fund the current operations until completion. Further details regarding the rationale for the specific issue is detailed in paragraph 2.2 below.

Metorex has entered into the bridging facility agreement with Standard Bank, which agreement provides, *inter alia*, for the provision to Metorex of a facility to the value of the bridging facility amount until 30 November 2009. The facility is to be used by Metorex to cover its working capital requirements and for the purpose of advancing loans to group companies. The outstanding bridging facility amount at the effective date will be reduced by the amount of Standard Bank's subscription to the specific issue. The bridging facility will convert into a term loan facility with the same terms and conditions on the effective date.

There are no outstanding conditions precedent to the bridging facility at the last practicable date.

The salient terms of the bridging facility are as follows:

- an upfront fee equal to 5.0% of the maximum amount of the bridging facility amount, being R300 million, payable out of the proceeds of the claw-back offer undertaken by Metorex, shall be paid to Standard Bank within two days of Metorex or its agent receiving the cash proceeds from the claw-back offer;
- interest is payable to Standard Bank at a rate equal to JIBAR plus 7.5% per annum (nominal annual compounded monthly);
- a commitment fee of 3.75% per annum will be charged on any committed but undrawn amount of the bridging facility from the earlier of the bridging facility effective date and the date on which Standard Bank makes any advance to Metorex on account of the bridging facility, and will be payable quarterly in arrears;
- draw down on the facility occurs at Metorex's request and instance; and

- Metorex may cancel the whole or any portion of the undrawn amount of the bridging facility by providing notice in writing to Standard Bank of not less than 10 business days, in respect of which cancelled portion of the bridging facility Metorex shall not be liable for any penalties or commitment fees.

Metorex will raise R485 076 806 through the specific issue which monies will be used for the purposes described in paragraph 2.2 below, subject to shareholders' approval.

2. SPECIFIC AUTHORITY TO ISSUE SHARES

2.1 Nature of business and prospects

Metorex occupies a unique position within the mining industry of sub-Saharan Africa. Metorex specialises in identifying, turning to profit and managing, mineral deposits. The Company's current activity is in base metals, industrial minerals and gold.

Metorex's basic tenets are:

- partnerships in all its investments; and
- a centralised strategic logic combined with a strong decentralised profit centre concept at operational level, which gives management at the mines the confidence and flexibility to conduct their operations efficiently.

The elements which contribute to the success of Metorex include:

- a natural caution;
- operational leanness;
- rigid cost control;
- strong accountability;
- limited capital expenditure;
- the utilisation of specialist consultants; and
- the quality of the orebody.

The Company has evolved by assembling a portfolio of profitable mining companies with a well-balanced commodity mix and good growth prospects. Metorex has a record of sustained profitability, despite the cyclical nature of commodity prices. The current mining activities are in antimony, cobalt, copper, gold, and fluorspar.

Metorex's expertise ranges across the broad spectrum of the mining industry, from prospect selection, ground acquisition, exploration and feasibility studies through operations management and financing, to mine closure.

The directors are of the opinion that with the introduction of the capital to be raised from the claw-back offer and the specific issue that Metorex's projects described in paragraph 2.2 below will be completed and enter production shortly. Once fully operational the director's are of the opinion that these projects will reap substantive rewards for the Company and its shareholders.

2.2 Rationale for the specific issue

As a result of commissioning delays and capital cost escalations, Metorex requires additional capital for the completion of its Ruashi projects in the DRC as well as to provide funding for CRC's operations.

Ruashi produces copper and cobalt and is located near Lubumbashi in the Katanga province of the DRC. Ruashi has the rights to process the ore stockpiles on Ruashi and Etoile and the rights to exploit the Ruashi orebody. Cold commissioning of the Phase I concentrator commenced in June 2006 and the first ore feed to the plant occurred during July 2006. Following a 12-month production build-up the Ruashi Phase I concentrator is approaching production of copper and cobalt concentrate containing 10 000 tons of copper and 800 to 1 000 tons of cobalt per annum.

Metorex requires additional capital for the completion of commissioning and the ramp-up to full production of Ruashi. The additional funding requirement arose principally from the following:

- application of the Ruashi hedgebook profits to an extended hedgebook;
- increases in the scope and extent of the Ruashi Project from the original feasibility study (which study was completed in 2006);
- unexpected commissioning delays during September, October and November 2008 following pumps, valves and piping design flaws, resulting in the loss of anticipated revenue and cash flow from the project;
- delays in the completion of the cobalt circuit;
- inflation related capital cost escalations during the construction and commissioning phases, particularly including in relation to stainless steel, cement and diesel prices; and
- further capital cost overruns.

These operational issues have led to a lack of liquidity and a requirement for Metorex to enter into a debt and capital restructuring programme to address the Company's immediate liquidity requirements. Metorex estimates that it requires approximately R700 million of additional funding to ensure completion and ramp-up to full production of the Ruashi Project. The Capital Raising and, preceding full implementation thereof, the bridging facility, will be applied principally towards the funding requirements relating to the Ruashi Project. The Board is confident that the Ruashi Project, once at design capacity, should produce copper at the lower end of the global copper cost curve, net of cobalt credits.

The construction of Ruashi is currently approximately 85 percent complete and an estimated 78 percent of the required cash for the completion of the project has been outlaid as at the last practicable date.

Metorex is acutely aware of the recent volatility and weakness in metal prices and the potential funding implication thereof on its other operations. At present, its principal non-copper key operations, being Vergenoeg Mining Company (Proprietary) Limited and Barberton Mines (Proprietary) Limited operated by Metorex's subsidiary, Pan African Resources PLC, are operating in line with expectations, and are generating significant cash flows. Chibuluma Mines PLC is operating at design capacity with total on-mine and off-mine costs at below \$1.20/lb of copper.

Notwithstanding the above, Metorex considered it prudent to raise sufficient capital to withstand anticipated metal price pressure and other market forces that could impact the Metorex Group's cash flow position in the foreseeable future.

2.3 Salient terms of the specific issue

The shares to be issued in terms of the specific issue will rank *pari passu* with existing shares in issue.

242 538 403 ordinary Metorex shares with a par value of 10 cents each have been subscribed for at a price of 200 cents per share representing a discount of 65% to the 30-day VWAP of the shares at the date of signature of the subscription agreements, being 26 November 2008.

The specific issue remains, *inter alia*, conditional upon the following suspensive conditions as included in the subscription agreements:

- Metorex shareholders passing the special resolution authorising an increase in the authorised share capital of Metorex;
- such resolution duly registered with CIPRO; and
- approval of the specific issue by a 75% majority of the votes cast in favour of a general resolution by all Metorex shareholders, which are not disqualified from doing so in terms of the Listings Requirements.

In terms of the Listings Requirements any parties and their associates participating in a specific issue for cash are excluded from voting on the resolution authorising such issue.

3. REGULATIONS AND STATUTORY MATTERS

3.1 Exchange Control Regulations

This circular is not a vendor placing in any area of jurisdiction in which it is illegal to make such an offer. The following summary is intended as a guide only and is therefore not comprehensive. If you are in any doubt hereto, please consult your professional adviser.

3.1.1 Emigrants from the common monetary area

- 3.1.1.1 A former resident of the common monetary area who has emigrated from South Africa may use blocked Rand accounts to purchase shares in terms of this circular.
- 3.1.1.2 All payments in respect of subscriptions for shares by non-residents using blocked Rand must be made through an Authorised Dealer in foreign exchange.
- 3.1.1.3 Shares certificates issued in respect of shares purchased with blocked Rand in terms of this circular will be endorsed "non-resident" in accordance with the Exchange Control Regulations. Shares will be placed under the control of the Authorised Dealer through whom the payment was made.
- 3.1.1.4 Shares issued to a dematerialised shareholder whose registration as a shareholder has been marked as being an "emigrant", will be similarly marked as being held by an "emigrant".
- 3.1.1.5 If applicable, refund monies payable in respect of unsuccessful applications, for shares in terms of this circular, emanating from blocked Rand accounts will be returned, in terms of the Exchange Control Regulations, to the Authorised Dealer administering such blocked Rand accounts for credit of such applicants' blocked Rand accounts. The CSDP or broker through whom the Metorex shareholders have dematerialised their shares will ensure that they adhere to the Exchange Control Regulations.

3.1.2 Applicants resident outside the common monetary area

- 3.1.2.1 A person who is not resident in the common monetary area should obtain advice as to whether any governmental and/or other legal consent is required and/or whether any other formality must be observed to enable a subscription to be made in terms of the vendor placing.
- 3.1.2.2 All shares issued to non-residents of South Africa will be endorsed "non-resident" in accordance with the Exchange Control Regulations.
- 3.1.2.3 All shares issued to dematerialised shareholders, whose registration has been so endorsed, will be endorsed "non-resident" in accordance with the Exchange Control Regulations. The CSDP or broker through whom the Metorex shareholders have dematerialised their shares will ensure that they adhere to the Exchange Control Regulations.

3.2 JSE

The JSE has granted listing for the new shares with effect from Wednesday, 24 December 2008 subject to the approval of the shareholders. The shares will be allotted and issued to the following entities:

| Name | Cents per share | Number of shares | Class of shares |
|---------------|------------------------|-------------------------|------------------------|
| Allan Gray | 200 | 6 195 262 | Ordinary |
| Coronation | 200 | 14 455 611 | Ordinary |
| IDC | 200 | 92 330 279 | Ordinary |
| Minersa | 200 | 32 167 370 | Ordinary |
| PIC | 200 | 6 195 817 | Ordinary |
| Beankin | 200 | 13 260 349 | Ordinary |
| Standard Bank | 200 | 61 000 000 | Ordinary |
| Stanlib | 200 | 16 933 715 | Ordinary |
| | | 242 538 403 | |

No application will be made to the Financial Services Authority for the new shares to be admitted to the official list in the UK and no application will be made to the LSE for the new shares to be admitted to trading on the LSE's main market, until the Company has issued a prospectus to its shareholders.

4. FINANCIAL EFFECTS

Pro forma financial effects of the specific issue

The table below sets out the unaudited *pro forma* financial effects of the specific issue, the bridging facility and claw back offer based on the Company's consolidated reviewed provisional results for the year ended 30 June 2008 as announced on SENS on 21 August 2008 and are presented in a manner consistent with the format and accounting policies adopted by Metorex. The unaudited *pro forma* financial effects are presented for illustrative purposes only and because of their nature may not give a fair reflection of the Company's financial position after the specific issue, the bridging facility and claw back offer. It has been assumed for purposes of the *pro forma* financial effects that the specific issue, the bridging facility and claw back offer took place with effect from 30 June 2008 for balance sheet purposes and 1 July 2007 for income statement purposes. These *pro forma* financial effects are the responsibility of the directors of Metorex.

It has also been assumed that the total amount in respect of both capital raisings equate to R744 million with the specific issue's cash consideration amounting to R485 076 806 and the claw back offer being subscribed for at a total amount of R258 923 194. The bridging facility has been assumed to be drawn down by R178 million at the respective dates.

These *pro forma* financial effects are the responsibility of the directors of Metorex.

The *pro forma* consolidated balance sheet and income statement of Metorex is set out in Annexure 3 to this circular.

The independent reporting accountants' report on the *pro forma* financial information is set out in Annexure 2 to this circular.

| | Before (cents) | After the specific Issue (cents) | Movement (%) | After the bridging facility (cents) | Movement (%) | After the claw back offer (cents) | Movement (%) | Total movement (%) |
|--|-------------------|---|-----------------|--|-----------------|--|-----------------|--------------------------|
| Net asset value per share ¹ | 934.60 | 641.10 | (31.4) | 638.60 | (0.4) | 559.20 | (12.4) | (40.2) |
| Net tangible asset value per share ¹ | 871.40 | 603.00 | (31.0) | 600.50 | (0.4) | 527.70 | (12.1) | (39.4) |
| Earnings per share ² | 159.40 | 93.90 | (41.1) | 86.10 | (8.3) | 70.60 | (18.0) | (55.7) |
| Diluted earnings per share ³ | 156.50 | 92.90 | (41.0) | 85.10 | (8.4) | 69.90 | (17.9) | (55.3) |
| Headline earnings per share ⁴ | 131.70 | 77.60 | (41.1) | 69.70 | (10.2) | 57.20 | (17.9) | (56.6) |
| Diluted headline earnings per share ⁵ | 129.30 | 76.80 | (41.0) | 69.00 | (10.2) | 56.70 | (17.8) | (56.1) |
| Weighted average number of shares in issue ('000) ⁶ | 347 797 | 590 335 | 70.0 | 590 335 | 0.0 | 719 797 | 21.9 | 107.0 |
| Weighted average diluted number of shares in issue ('000) ⁷ | 354 447 | 596 985 | 68.4 | 596 985 | 0.0 | 726 447 | 21.7 | 105.0 |
| Number of shares in issue ('000) ⁸ | 369 173 | 611 711 | 66.0 | 611 711 | 0.0 | 741 173 | 21.2 | 100.8 |

Notes:

1. Net asset value per share is computed by dividing total equity by the number of shares in issue. Net tangible asset value per share is computed by dividing total equity (excluding intangible assets) by the number of shares in issue.
2. Earnings per share is computed by dividing net profit attributable to equity holders of parent by the weighted average number of shares in issue.
3. The diluted earnings per share is computed by dividing net earnings attributable to the equity holders of parent by the weighted average diluted number of shares in issue.
4. Headline earnings removes items of a capital nature and earnings in respect of discontinued operations from the calculation of earnings per share. Headline earnings per share is computed by dividing headline earnings by the weighted average number of shares in issue.
5. The diluted headline earnings per share is computed by dividing net headline earnings attributable to the equity holders of parent by the weighted average diluted number of shares in issue.
6. The weighted average number of Metorex shares in issue was 347.797 million for the year ended 30 June 2008 and as a result of the issuance of 242.538 million and 129.462 million Metorex Shares in respect of the specific issue and the claw back offer respectively, the weighted average number of Metorex shares in issue for that period would have been 590.335 million and 719.797 million shares after the specific issue and claw back offer, respectively.
7. The weighted average diluted number of Metorex shares in issue for the year ended 30 June 2008 does assume the effect of 6.65 million shares issuable upon the exercise of the share incentive options.
8. The number of Metorex shares in issue at 30 June 2008 was 369.173 million and, as a result of the issues of shares, the number of Metorex shares in issue at that date would have been 611.711 million and 741.173 million after the specific issue and claw back offer, respectively.
9. Estimated issue and related issue expenses comprise the following (a detailed break-down of this fee is provided in paragraph 9 of this circular):

| Description | Specific Issue (R) | Claw Back Offer (R) |
|--------------------|-------------------------------|--------------------------------|
| Placement fees | 12 126 920 | 6 473 080 |
| Liquidity fee | – | 12 946 160 |
| Legal fees | 1 000 000 | 1 000 000 |
| Other costs | 593 000 | 438 000 |
| | 13 719 920 | 20 857 240 |

10. The following estimated costs in respect of the bridging facility were taken into account:

| Description | Pro forma income statement (R) | Pro forma balance sheet (R) |
|--------------------|---|--|
| Facility fee | 15 000 000 | 15 000 000 |
| Interest expense* | 33 483 900 | – |
| | 48 483 900 | 15 000 000 |

* Assuming an amount of R178 million is drawn down upon inception and remains outstanding for the entire period.

11. The issue price per Metorex share was assumed to be R2.00 in respect of the specific issue and claw back offer.

5. DIRECTORS' INFORMATION

5.1 Directors of Metorex

Details relating to the directors of Metorex and its major subsidiary companies are set out below:

| Name of director/ company secretary | Age | Business address | Role within Metorex group and abbreviated curriculum vitae |
|--|------------|--|---|
| Anthony Simon Malone B.Sc, MBL, Fellow (SAIMM), Pr.Eng (South African) | 64 | Metorex Limited 2nd Floor Cradock Heights 21 Cradock Avenue Rosebank, 2196 South Africa (PO Box 2814 Saxonwold, 2132) | Chairman Simon, a founding member of Metorex in 1975, is a mining engineer with a business degree. His expertise lies in the identification, evaluation and development of mining projects. Simon's current focus is on the strategic development and positioning of the Company. |

| Name of director/ company secretary | Age | Business address | Role within Metorex group and abbreviated curriculum vitae |
|--|------------|--|---|
| Charles Denby Stockton Needham (South African) | 54 | Metorex Limited 2nd Floor Cradock Heights 21 Cradock Avenue Rosebank, 2196 South Africa (PO Box 2814 Saxonwold, 2132) | Chief Executive Member of Audit Committee Charles joined Metorex in 1983. His specific expertise lies in the field of financing, financial reporting, management reporting, hedging and Company affairs, as well as in-depth knowledge of and experience in the Metorex group operations. As our Chief Executive, Charles is active in the interface between corporate and operational management. |
| Keith Cousens Spencer Pr.Eng; B.Sc Eng (Mining) Fellow (SAIMM) (South African) | 58 | Metorex Limited 2nd Floor Cradock Heights 21 Cradock Avenue Rosebank, 2196 South Africa (PO Box 2814 Saxonwold, 2132) | Operations Director Chairman of Pan African Resources (Barberton) Responsible for Consolidated Murchison Division Keith is a mining engineer with 34 years of practical mining experience. Keith was Mine Manager and Consulting Engineer to various companies in the Goldfields of SA stable before establishing himself as an independent consultant. Keith joined Metorex in 1999 and was appointed as Operations Director of the Company in September 2001, with responsibility for various operations within the group. He was appointed to the position of Chairman of Pan African Resources in October 2008 and has taken on the management of Consolidated Murchison, the second gold producing mine in the Metorex stable. |
| Edward Legg B.Sc Mining (Wits), MBA (Herriot Watt) Pr.Eng (ECSA), Fellow (SAIMM) (South African) | 51 | Metorex Limited 2nd Floor Cradock Heights 21 Cradock Avenue Rosebank, 2196 South Africa (PO Box 2814 Saxonwold, 2132) | Executive Director Managing Director of Chibuluma Mines. Managing Director of Sable Zinc Kabwe. Managing Director of of Vergenoeg Mining Company. |

| Name of director/ company secretary | Age | Business address | Role within Metorex group and abbreviated curriculum vitae |
|--|-----|--|---|
| Maritz Smith CA(SA) (South African) | 32 | Metorex Limited 2nd Floor Cradock Heights 21 Cradock Avenue Rosebank, 2196 South Africa (PO Box 2814 Saxonwold, 2132) | <p>Responsible for the Alfluorco Project</p> <p>Ed is a mining engineer, who has worked at AngloGold and Anglo Platinum, and has extensive operational and strategic planning experience. Ed was appointed as Executive Director, and as Managing Director of Vergenoeg Mining Company, in February 2005. Ed manages the Aluminium Fluoride Project – an expansion programme of Vergenoeg Mining Company.</p> <p>Financial Director Chief Financial Officer</p> <p>Maritz, who is a Chartered Accountant (SA), joined Metorex in 2002 from Deloitte & Touche. He was appointed CFO in 2005, and in this capacity has overall responsibility for the group's financial affairs and reporting. Maritz was appointed to the Metorex Board as Alternate Director to Charles Needham in November 2007.</p> |
| Alberto Barrenechea (Spanish) | 64 | Metorex Limited 2nd Floor Cradock Heights 21 Cradock Avenue Rosebank, 2196 South Africa (PO Box 2814 Saxonwold, 2132) | <p>Non-Executive Director Member of the Remuneration Committee</p> <p>Alberto has 34 years of industry experience and is a Director of the largest producer and consumer of fluorspar in Europe – the Spanish-based Minerales Y Productos Derivados. He is also an adviser on plant upgrades and the general metallurgical process of Metorex's fluorspar mine, Vergenoeg.</p> |
| George Arthur Forrest (Belgian) | 68 | Metorex Limited 2nd Floor Cradock Heights 21 Cradock Avenue Rosebank, 2196 South Africa (PO Box 2814 Saxonwold, 2132) | <p>Non-Executive Director and Chief Executive Officer</p> <p>of the Forrest Group of companies, George has been chairman for over twenty years. This is a private group with companies located across Africa, Middle East and Europe, and active across a broad range of</p> |

| Name of director/ company secretary | Age | Business address | Role within Metorex group and abbreviated curriculum vitae |
|---|-----|--|--|
| Alistair John Laughland (British) | 60 | Metorex Limited 2nd Floor Cradock Heights 21 Cradock Avenue Rosebank, 2196 South Africa (PO Box 2814 Saxonwold, 2132) | <p>Independent Non-Executive Director Chairman of the Audit Committee</p> <p>Alistair has extensive experience in banking, specifically in corporate and mining finance. He was a board member of Maranda Mines Limited and has served as an Independent Non-Executive Director of Metorex since 1999.</p> |
| Robert George Still BCom (Hons) CA(SA), IMM (South African) | 53 | Metorex Limited 2nd Floor Cradock Heights 21 Cradock Avenue Rosebank, 2196 South Africa (PO Box 2814 Saxonwold, 2132) | <p>Deputy Chairman Chairman of the Remuneration Committee</p> <p>Rob started his career as a Chartered Accountant, becoming a partner of Ernst & Whinney before leaving in 1986 to co-found the JSE-listed exploration and mining company Rhoex Ltd. Since that time Rob has been involved in both the senior and junior sectors of the mining industry world-wide and has held both executive and non-executive director positions in mining and exploration companies listed in South Africa, Australia, Canada and the UK. Rob has participated in the development of several new mining projects including Rhovan, Tigor Titanium,</p> |

| Name of director/ company secretary | Age | Business address | Role within Metorex group and abbreviated curriculum vitae |
|--|------------|-------------------------|---|
| | | | Pangea Goldfields, Southern Mining (Corridor Sands), Great Basin Gold (Burnstone) and Zimbabwe Platinum Mines Ltd. He is currently chairman of Pangea Exploration, a private company active in exploration, mining project development and mining finance. Rob was appointed to the Metorex Board in February 2005 and as Deputy Chairman in November 2007. |

5.2 Directors' interests in securities

At 30 June 2008, the directors' interests in Metorex shares were as follows:

| Director | Beneficial | | Total | Percentage of total |
|-----------------|-------------------|-------------------|-------------------|--------------------------------|
| | Direct | Indirect | | |
| A S Malone | – | 15 101 511 | 15 101 511 | 4.1 |
| C D S Needham | 2 095 086 | – | 2 095 086 | 0.6 |
| A Barrenechea | – | 1 696 242 | 1 696 242 | 0.5 |
| K C Spencer | – | 122 500 | 122 500 | 0.0 |
| E W Legg | 522 000 | – | 522 000 | 0.1 |
| R G Still | – | 478 403 | 478 403 | 0.1 |
| | 2 617 086 | 17 398 656 | 20 015 742 | 5.4 |

There has been no change in these interests between the date of the Company's most recent year-end and the last practicable date, other than the acquisition of 2 646 500 Metorex shares by a company in which Mr A Barrenechea has an indirect beneficial interest.

5.3 Directors' interests in transaction

None of the directors of the Metorex group have any interest in any transaction, direct or indirect, which is material to the business of Metorex and which was effected during the current or immediately preceding financial year or during an earlier financial year that remains in any respect outstanding or unperformed.

5.4 Directors' remuneration

The total aggregate remuneration and benefits paid to the directors of Metorex for the year ended 30 June 2008 were as follows:

| | Basic salary R'000 | Bonuses R'000 | Vehicle allowances R'000 | Company contributions R'000 | Medical aid R'000 | Directors' fees R'000 | Total emoluments R'000 |
|----------------------|-------------------------------|--------------------------|-------------------------------------|--|------------------------------|----------------------------------|-----------------------------------|
| Executive | | | | | | | |
| Mr A Malone | 810 | 224 | 162 | 178 | - | - | 1 374 |
| Mr C Needham | 1 812 | 910 | 181 | 232 | - | - | 3 135 |
| Mr E Legg | 1 308 | 375 | 123 | 219 | - | - | 2 025 |
| Mr K Spencer | 1 404 | 610 | 141 | 205 | - | - | 2 360 |
| Mr M Smith* | 473 | - | 173 | 142 | - | - | 788 |
| | 5 807 | 2 119 | 780 | 976 | - | - | 9 682 |
| Non-Executive | | | | | | | |
| Mr A Barrenechea | - | - | - | - | - | 143 | 143 |
| Mr A Laughland | - | - | - | - | - | 145 | 145 |
| Mr R Still | - | - | - | - | - | 173 | 173 |
| Mr G Forrest** | - | - | - | - | - | - | - |
| | - | - | - | - | - | 461 | 461 |

* Appointed, effective 1 December 2007.

**Appointed, effective 27 September 2007.

No management, consulting, technical or other fees, directly or indirectly, including payments to management companies have been paid to any directors of the Company. There are no commissions, gains or profit-sharing arrangements payable to any of the directors.

Details of the directors' interests in share options over Metorex shares are provided below:

| | Total options 1 July 2007 | Options granted | Options exercised (cents) | Average option price | Total options 30 June 2008 |
|------------------|--------------------------------------|------------------------|--------------------------------------|-----------------------------|---------------------------------------|
| Mr A Malone | 1 000 000 | 200 000 | - | 550 | 1 200 000 |
| Mr C Needham | 681 250 | 350 000 | (185 000) | 980 | 846 250 |
| Mr K Spencer | 550 000 | 226 000 | - | 725 | 776 000 |
| Mr E Legg | 725 000 | 172 000 | (462 500) | 910 | 434 500 |
| Mr M Smith | 170 000 | 272 000 | (40 000) | 1 345 | 402 000 |
| Mr A Barrenechea | 200 000 | 125 000 | - | 1 166 | 325 000 |
| Mr A Laughland | 200 000 | 125 000 | - | 1 166 | 325 000 |
| Mr R Still | 200 000 | 125 000 | - | 1 166 | 325 000 |
| | 3 726 250 | 1 595 000 | (687 500) | 4 633 750 | |

At the last practicable date, no payment had been made to any director in the preceding three years in order to induce him to become a director.

Metorex has not made any loans or furnished any security for the benefit of any director or manager or any associate of any director or manager.

No amounts have been paid to third parties *in lieu* of directors' fees.

There will be no variation in the remuneration receivable by any of the directors as a consequence of the specific issue.

6. GENERAL

6.1 Litigation statement

To the best of the directors' knowledge, there are no current, pending or threatened legal or arbitration proceedings against Metorex or the Metorex group, which may have or have had a material effect on its financial position during the 12 months preceding the last practicable date.

6.2 Directors' responsibility statement

The directors, whose names are given in the "Corporate information" section of this circular, collectively and individually, accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that this circular contains all information required by law and the Listings Requirements.

6.3 Code of Corporate Practices and Conduct

The Metorex group endorses the Code of Corporate Governance as set out in the King II Report as well as the Listings Requirements. In the opinion of the directors, the group has complied in all material aspects with the King Code throughout the current financial year. Metorex' statement in support of the King II Report is set out in Annexure 4 to this circular.

7. SHARE CAPITAL

7.1 Authorised and issued share capital

The authorised and issued share capital of Metorex, before the specific issue and increase in authorised share capital, is set out below:

| | R'000 |
|--|------------------|
| <hr/> | |
| <i>Authorised share capital</i> | |
| 500 000 000 ordinary shares of 10 cents each | 50 000 |
| <hr/> | |
| <i>Issued share capital</i> | |
| 370 538 403 ordinary shares of 10 cents each | 37 054 |
| Share premium | 2 342 167 |
| | 2 379 221 |

The authorised and issued share capital of Metorex after the specific issue and increase in authorised share capital is set out below:

| | R'000 |
|--|------------------|
| <hr/> | |
| <i>Authorised share capital</i> | |
| 1 500 000 000 ordinary shares of 10 cents each | 150 000 |
| <hr/> | |
| <i>Issued share capital</i> | |
| 613 076 806 ordinary shares of 10 cents each | 61 308 |
| Share premium | 2 802 990 |
| | 2 864 298 |

7.2 Unissued share capital

The authorised but unissued share capital of the Company is under the control of the directors of the Company subject to the provisions of sections 221 and 222 of the Act and subject to the Listings Requirements.

7.3 Rights attaching to the ordinary shares

The existing ordinary shares rank *pari passu* in every respect.

8. OPINIONS AND RECOMMENDATIONS

Minersa and Beankin are related parties to the Company in terms of the Listings Requirements. As a result of this a fairness opinion prepared by an independent expert is required in terms of the Listings Requirements. This opinion is attached per Annexure 5 to this circular. The directors of Metorex are, after assessing the opinion of the independent expert, of the opinion that the specific issue is fair and have committed to voting their shares in favour of the specific issue. Accordingly, the directors recommend that shareholders vote in favour of the ordinary resolution relating to the specific issue of shares to be passed at the general meeting of shareholders.

9. COSTS

The costs relating to the specific issue and related circular are estimated, exclusive of VAT, as detailed below.

| | R'000 |
|---|---------------|
| Independent sponsor and reporting accountants and auditors fees – Deloitte & Touche | 50 |
| Legal fees – Bowman Gilfillan Inc. and Cliffe Dekker Hofmeyr Inc. | 1 000 |
| Sponsor, book-runner and corporate adviser – Barnard Jacobs Mellet Corporate Finance (Pty) Ltd | 12 127 |
| Independent expert – Venmyn Rand (Pty) Limited | 300 |
| Documentation fees – JSE Limited | 9 |
| Printing and posting – Ince (Pty) Ltd | 100 |
| Listing Fees – JSE Limited | 134 |
| | 13 720 |

10. CONSENTS

The experts have all consented, in writing, to the inclusion of their reports in this circular and have not withdrawn their consents prior to the publication of this circular.

The independent sponsor, reporting accountants and auditors, independent expert, legal advisers, transfer secretaries, investment bank, corporate adviser, book-runner and sponsor have all consented, in writing, to act in the capacities stated and to their names being used in this circular and have not withdrawn their consents prior to the publication of this circular.

11. GENERAL MEETING

The general meeting of Metorex shareholders will be held in the boardroom at The Kwacha Room, The Rosebank Hotel, Corner Tyrwhitt and Sturdee Avenue, Rosebank, South Africa at 10:00 on Tuesday, 23 December 2008 in order to consider and, if deemed fit, pass, with or without modification, the ordinary and special resolutions necessary to implement the specific issue, which are detailed in this circular. A notice convening such general meeting is attached to, and forms part of, this circular.

A form of proxy, for the use by those certificated shareholders and dematerialised shareholders with "own name" registration who are unable to attend the general meeting but wish to be represented thereat, is attached to, and forms part of this circular. Duly completed forms of proxy must be received by the transfer secretaries by no later than 10:00 on Friday, 19 December 2008.

Shareholders who hold dematerialised shares in Metorex through a CSDP or broker and do not have an "own name" registration, must timeously advise their CSDP or broker of their intention to attend and vote at the general meeting or be represented by proxy thereat in order for the CSDP or broker to provide the necessary Letter of Representation to do so, or should shareholders not wish to attend the general meeting in person, must timeously provide their CSDP or broker with the voting instruction in order for the CSDP or broker to vote in accordance with their instruction at the general meeting.

12. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection by shareholders, during normal business hours at the registered office of Metorex from 1 December 2008 until 23 December 2008;

- 12.1** memoranda and articles of association of Metorex and its subsidiaries;
- 12.2** signed copy of this circular dated 1 December 2008;
- 12.3** written consents of the advisers to the publication of their names and reports in this circular in the form and context in which they appear;
- 12.4** copies of significant contracts entered into by Metorex;
- 12.5** copies of original and revised service agreements between Metorex and each of its directors, where applicable;
- 12.6** copies of the subscription agreements and irrevocable undertakings entered into by the subscribers;
- 12.7** copies of the bridging facility agreement;
- 12.8** consolidated reviewed provisional results of Metorex for the financial year ended 30 June 2008; and
- 12.9** audited annual financial statements of Metorex for each of the previous three financial years ended 30 June 2007.

SIGNED ON BEHALF OF THE BOARD IN TERMS OF THE POWERS OF ATTORNEY SIGNED BY ALL THE DIRECTORS OF THE BOARD AT JOHANNESBURG ON 29 NOVEMBER 2008

C NEEDHAM

Chief Executive Officer

SHARE PRICE HISTORY OF METOREX

Day ended

| Date | High (Cents) | Low (Cents) | Volume | Value (R) |
|-------------|-------------------------|------------------------|---------------|----------------------|
| 28-Nov-08 | 290 | 235 | 5 595 138 | 14 326 124 |
| 27-Nov-08 | 414 | 360 | 497 745 | 1 860 357 |
| 26-Nov-08 | 395 | 354 | 829 940 | 3 041 367 |
| 25-Nov-08 | 435 | 390 | 748 555 | 3 048 402 |
| 21-Nov-08 | 410 | 370 | 1 002 076 | 3 751 710 |
| 20-Nov-08 | 400 | 365 | 856 679 | 3 315 013 |
| 19-Nov-08 | 402 | 330 | 688 023 | 2 558 339 |
| 18-Nov-08 | 420 | 360 | 369 029 | 1 481 960 |
| 17-Nov-08 | 490 | 420 | 204 195 | 890 517 |
| 14-Nov-08 | 500 | 439 | 1 460 590 | 6 882 266 |
| 13-Nov-08 | 510 | 459 | 254 692 | 1 209 247 |
| 12-Nov-08 | 560 | 520 | 689 545 | 3 634 825 |
| 11-Nov-08 | 630 | 535 | 790 293 | 4 357 958 |
| 10-Nov-08 | 701 | 600 | 1 264 866 | 8 107 985 |
| 07-Nov-08 | 575 | 560 | 234 444 | 1 340 179 |
| 06-Nov-08 | 610 | 570 | 198 769 | 1 164 642 |
| 05-Nov-08 | 620 | 590 | 291 456 | 1 760 443 |
| 04-Nov-08 | 599 | 570 | 717 585 | 4 181 263 |
| 03-Nov-08 | 599 | 562 | 231 176 | 1 337 559 |
| 31-Oct-08 | 560 | 520 | 1 459 064 | 7 922 359 |
| 30-Oct-08 | 575 | 510 | 2 858 788 | 15 085 469 |
| 29-Oct-08 | 550 | 484 | 3 728 073 | 18 667 876 |
| 28-Oct-08 | 520 | 465 | 2 405 750 | 11 944 031 |
| 27-Oct-08 | 525 | 408 | 1 887 019 | 8 556 651 |
| 24-Oct-08 | 602 | 495 | 1 355 396 | 6 971 456 |
| 23-Oct-08 | 718 | 620 | 339 785 | 2 226 568 |
| 22-Oct-08 | 785 | 699 | 341 609 | 2 510 561 |
| 21-Oct-08 | 850 | 780 | 846 060 | 6 645 809 |
| 20-Oct-08 | 880 | 780 | 292 713 | 2 395 185 |
| 17-Oct-08 | 870 | 765 | 383 401 | 3 013 279 |
| 16-Oct-08 | 900 | 765 | 476 373 | 3 982 319 |
| 15-Oct-08 | 1 039 | 900 | 351 808 | 3 285 565 |
| 14-Oct-08 | 1 100 | 1 000 | 1 174 753 | 12 430 878 |
| 13-Oct-08 | 1 075 | 900 | 473 684 | 4 748 288 |

Month ended

| Date | High (Cents) | Low (Cents) | Volume | Value (R) |
|-------------|-------------------------|------------------------|---------------|----------------------|
| 21-Nov-08 | 410 | 370 | 9 253 418 | 45 973 906 |
| 31-Oct-08 | 560 | 520 | 38 231 699 | 315 284 694 |
| 30-Sep-08 | 1 340 | 1 198 | 32 671 188 | 468 573 345 |
| 29-Aug-08 | 1 650 | 1 600 | 26 094 394 | 417 346 778 |
| 31-Jul-08 | 1 981 | 1 887 | 28 272 974 | 546 770 886 |
| 30-Jun-08 | 2 330 | 2 204 | 19 835 006 | 449 784 041 |
| 30-May-08 | 2 400 | 2 231 | 21 694 650 | 507 425 819 |
| 30-Apr-08 | 2 384 | 2 296 | 33 742 981 | 741 463 704 |
| 31-Mar-08 | 2 130 | 2 065 | 23 583 103 | 505 581 533 |
| 29-Feb-08 | 1 850 | 1 800 | 36 634 019 | 721 059 297 |
| 31-Jan-08 | 1 922 | 1 857 | 27 070 337 | 503 558 131 |
| 31-Dec-07 | 2 200 | 2 116 | 14 491 805 | 312 275 354 |
| 30-Nov-07 | 2 265 | 2 180 | 33 162 733 | 797 696 274 |

Quarter ended

| Date | High (Cents) | Low (Cents) | Volume | Value (R) |
|-------------|-------------------------|------------------------|---------------|----------------------|
| 28-Sep-07 | 2 830 | 2 720 | 108 336 679 | 2 676 343 043 |
| 29-Jun-07 | 2 510 | 2 435 | 52 510 851 | 1 301 219 776 |
| 30-Mar-07 | 2 385 | 2 250 | 63 357 478 | 1 179 747 642 |
| 29-Dec-06 | 1 635 | 1 610 | 51 227 556 | 733 020 916 |
| 29-Sep-06 | 1 270 | 1 245 | 20 523 170 | 239 390 447 |
| 30-Jun-06 | 1 150 | 1 073 | 36 863 705 | 374 089 319 |
| 31-Mar-06 | 965 | 945 | 33 607 734 | 270 605 274 |
| 30-Dec-05 | 729 | 720 | 25 151 327 | 160 717 008 |
| 30-Sep-05 | 515 | 498 | 18 795 121 | 83 977 644 |

Source: McGregor BFA

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The definitions outlined in the "Definitions and interpretations" sector, commencing on page 4 of the circular, to which this report relates and of which this report forms part, have been used mutatis mutandis in this report.

"The Directors
Metorex Limited
2nd Floor, Cradock Heights
21 Cradock Avenue
Rosebank
2196

27 November 2008

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' LIMITED ASSURANCE REPORT ON THE PRO FORMA FINANCIAL INFORMATION OF METOREX RELATING TO THE SPECIFIC ISSUE OF SHARES FOR CASH**INTRODUCTION**

We have performed our limited assurance engagement in respect of the *pro forma* financial effects as set out in paragraph 4 and the *pro forma* income statement and balance sheet set out in Annexure 3 ("*pro forma* financial information") to the circular, to be dated on or about 1 December 2008 ("the circular") to be issued to Metorex ordinary shareholders in connection with the specific issue of 242 538 403 ordinary shares at an issue price of 200 cents per share ("the specific issue"), which is the subject of the circular, to which this report is attached.

The *pro forma* financial information has been compiled from the unaudited annual financial statements of Metorex for the year ended 30 June 2008 and has been prepared in accordance with the Listings Requirements, for illustrative purposes only, to provide information about how the specific issue offer might have affected the reported historical information presented, had the specific issue been implemented at the date of the *pro forma* financial information being reported on. Because of their nature, the unaudited *pro forma* financial information may not fairly present the financial position of Metorex.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for the compilation, contents and presentation of the *pro forma* financial information contained in the circular and for the financial information from which they have been prepared. Their responsibility includes determining that:

- the *pro forma* financial information has been properly compiled on the basis stated;
- the basis is consistent with the accounting policies of Metorex;
- the *pro forma* adjustments are appropriate for the purposes of the *pro forma* financial information disclosed in terms of the Listings Requirements.

REPORTING ACCOUNTANTS' RESPONSIBILITY

Our responsibility is to express our limited assurance conclusion on the *pro forma* financial information included in the circular. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements applicable to Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Guide on *Pro Forma* Financial Information issued by SAICA. This standard requires us to obtain sufficient appropriate evidence on which to base our conclusion.

We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the *pro forma* financial information, beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

SOURCES OF INFORMATION AND SCOPE OF WORK PERFORMED

Our procedures consisted primarily of comparing the unadjusted financial information with the source documents, considering the *pro forma* adjustments in light of the accounting policies of Metorex, considering the evidence supporting the *pro forma* adjustments and discussing the adjusted *pro forma* financial information with the directors of Metorex in respect of the specific issue.

In arriving at our conclusion, we have relied upon financial information prepared by the directors of Metorex and other information from various public, financial and industry sources.

While our work performed has involved an analysis of the historical published reviewed financial information and other information provided to us, our assurance engagement does not constitute an audit or review of any of the underlying financial information conducted in accordance with International Standards on Auditing or International Standards on Review Engagements and accordingly, we do not express an audit or review opinion.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

CONCLUSION

Based on our examination of the evidence obtained, nothing has come to our attention, which causes us to believe that, in terms of paragraphs 8.17 and 8.30 of the Listings Requirements:

- the *pro forma* financial information has not been properly compiled on the basis stated;
- such basis is inconsistent with the accounting policies of Metorex;
- the adjustments are not appropriate for the purposes of the *pro forma* financial information as disclosed.

CONSENT

This report on the *pro forma* financial information relating to the specific issue is included in the circular solely for the information of the shareholders of Metorex. We consent to the inclusion of this report on the *pro forma* financial information and the references thereto, in the circular in the form and context in which they appear.

Yours faithfully

Deloitte & Touche
Registered Auditors

Deloitte Place
The Woodlands
Woodlands Drive
Woodlands
2146

Per I T Marshall
Partner

National Executive: G G Gelink Chief Executive, A E Swiegers Chief Operating Officer, G M Pinnock Audit, D L Kennedy Tax & Legal and Financial Advisory, L Geeringh Consulting, L Bam Corporate Finance and Strategy, Beukman, Finance, T J Brown Clients & Markets, N T Mtoba Chairman of the Board, C R Qually Deputy Chairman of the Board.

A full list of partners and directors is available on request."

PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The unaudited *pro forma* consolidated income statement and balance sheet for the year ended 30 June 2008 before and after the specific issue, claw back and bridging facility, and presented in a manner consistent with the format and accounting policies adopted by Metorex, are set out below. The unaudited *pro forma* financial information is the responsibility of the directors of Metorex and it has been prepared for illustrative purposes only, in order to provide information about the financial position and results of Metorex assuming that the specific issue, claw back offer and bridging facility had been implemented on 30 June 2008 for balance sheet purposes and 1 July 2007 for income statement purposes.

Due to its nature, the *pro forma* financial information may not give a fair reflection of Metorex' financial position and results of operations subsequent to the specific issue.

The independent reporting accountants' report on the *pro forma* financial effects of the specific issue is set out in Annexure 2.

Pro forma consolidated income statement

| | Metorex year ended 30 June 2008 R'000 | Specific issue R'000 | Pro forma Year ended 30 June 2008, after specific issue R'000 | Bridging facility R'000 | Pro forma year ended 30 June 2008, after bridging facility R'000 | Claw back offer R'000 | Note | Pro forma year ended 30 June 2008 R'000 |
|--|--|----------------------------|---|-------------------------------|--|--------------------------------|------|--|
| Gross revenue | 2 438 519 | – | 2 438 519 | – | 2 438 519 | – | | 2 438 519 |
| Realisation costs | (304 581) | – | (304 581) | – | (304 581) | – | | (304 581) |
| On-mine revenue | 2 133 938 | – | 2 133 938 | – | 2 133 938 | – | | 2 133 938 |
| Cost of production | (1 213 076) | – | (1 213 076) | – | (1 213 076) | – | | (1 213 076) |
| Mining profit | 920 862 | – | 920 862 | – | 920 862 | – | | 920 862 |
| Other expenses | (38 511) | – | (38 511) | – | (38 511) | – | | (38 511) |
| Held-for-sale and discontinued operations | (8 859) | – | (8 859) | – | (8 859) | – | | (8 859) |
| Reverse acquisition of PAR | 157 995 | – | 157 995 | – | 157 995 | – | | 157 995 |
| Finance income | 10 556 | – | 10 556 | – | 10 556 | – | | 10 556 |
| Finance costs | (10 688) | – | (10 688) | (48 484) | (59 172) | – | 1.1 | (59 172) |
| Profit before taxation | 1 031 355 | – | 1 031 355 | (48 484) | 982 871 | – | | 982 871 |
| Taxation | (335 261) | – | (335 261) | – | (335 261) | – | | (335 261) |
| Profit for the year | 696 094 | – | 696 094 | (48 484) | 647 610 | – | | 647 610 |
| <i>Attributable to:</i> | | | | | | | | |
| Equity holders of the parent | 554 552 | – | 554 552 | (46 473) | 508 079 | – | | 508 079 |
| Minority interest | 141 542 | – | 141 542 | (2 011) | 139 531 | – | | 139 531 |
| Profit for the year | 696 094 | – | 696 094 | (48 484) | 647 610 | – | | 647 610 |

| | Metorex year ended 30 June 2008 R'000 | Specific issue R'000 | Pro forma Year ended 30 June 2008, after specific issue R'000 | Bridging facility R'000 | Pro forma year ended 30 June 2008, after bridging facility R'000 | Claw back offer R'000 | Note | Pro forma year ended 30 June 2008 R'000 |
|---|--|----------------------------|---|-------------------------------|--|--------------------------------|------|--|
| From continuing and discontinued operations: | | | | | | | | |
| Earnings per share (cents) | 159.40 | | 93.90 | | 86.10 | | | 70.60 |
| Diluted earnings per share (cents) | 156.50 | | 92.90 | | 85.10 | | | 69.90 |
| From continuing operations: | | | | | | | | |
| Earnings per share (cents) | 159.40 | | 93.90 | | 86.10 | | | 70.60 |
| Diluted earnings per share (cents) | 156.50 | | 92.90 | | 85.10 | | | 69.90 |
| Headline earnings per share is calculated using the following (R'000): | | | | | | | | |
| Income attributable to ordinary shareholders | 554 552 | | 554 552 | | 508 079 | | | 508 079 |
| Profit after tax on reverse acquisition of PAR | (105 220) | | (105 220) | | (105 220) | | | (105 220) |
| Loss on sale of fixed assets net of tax | 31 | | 31 | | 31 | | | 31 |
| Impairment reversal net of tax and minorities | | | | | | | | |
| Discontinued operations – O'Okiep | 8 859 | | 8 859 | | 8 859 | | | 8 859 |
| Headline earnings (R'000) | 458 222 | | 458 222 | | 411 749 | – | | 411 749 |
| Headline earnings per share (cents) | 131.7 | | 77.6 | | 69.7 | | | 57.20 |
| Diluted headline earnings per share (cents) | 129.3 | | 76.8 | | 69.0 | | | 56.70 |
| Weighted average number of shares in issue ('000) | 347 797 | 242 538 | 590 335 | | 590 335 | 129 462 | | 719 797 |
| Diluted number of shares in issue ('000) | 354 447 | 242 538 | 596 985 | | 596 985 | 129 462 | | 726 447 |

Notes:

1. Notes to the adjustments to the *pro forma* consolidated income statement.

1.1 Finance costs

The following costs in respect of the bridging facility were taken into account:

- Facility fee R15 000 000 Based on 5% on total facility initially available of R300 million.
- Interest expense R33 483 900

Total R48 483 900

Interest expense is based on an annual interest rate of JIBAR plus 7.5% (nominal annual compounded monthly) with JIBAR being assumed as 11% per annum.

Pro forma consolidated balance sheet

| | Metorex as at 30 June 2008 R'000 | Specific issue R'000 | Pro forma as at 30 June 2008, after specific issue R'000 | Bridging facility R'000 | Pro forma as at 30 June 2008, after bridging facility R'000 | Claw back offer R'000 | Notes | Pro forma as at 30 June 2008 R'000 |
|---|--|----------------------------|---|-------------------------------|--|--------------------------------|-------|--|
| ASSETS | | | | | | | | |
| Non-current assets | | | | | | | | |
| Property, plant and equipment | 3 191 306 | | 3 191 306 | | 3 191 306 | | | 3 191 306 |
| Mineral rights | 3 286 840 | | 3 286 840 | | 3 286 840 | | | 3 286 840 |
| Goodwill | 233 104 | | 233 104 | | 233 104 | | | 233 104 |
| Investments | 3 443 | | 3 443 | | 3 443 | | | 3 443 |
| Rehabilitation Trust funds | 40 962 | | 40 962 | | 40 962 | | | 40 962 |
| | 6 755 655 | | 6 755 655 | | 6 755 655 | | | 6 755 655 |
| Current assets | | | | | | | | |
| Inventories | 328 096 | | 328 096 | | 328 096 | | | 328 096 |
| Trade and other receivables | 662 114 | | 662 114 | | 662 114 | | | 662 114 |
| Bank balances and cash | 203 435 | 451 493 | 654 928 | 163 000 | 817 928 | 238 066 | 1.3 | 1 055 994 |
| | 1 193 645 | 451 493 | 1 645 138 | 163 000 | 1 808 138 | 238 066 | | 2 046 204 |
| Assets held for sale net | 8 440 | | 8 440 | | 8 440 | | | 8 440 |
| Total assets | 7 957 740 | 451 493 | 8 409 233 | 163 000 | 8 572 233 | 238 066 | | 8 810 299 |
| EQUITY AND LIABILITIES | | | | | | | | |
| Capital and reserves | | | | | | | | |
| Share capital | 36 917 | 24 254 | 61 171 | | 61 171 | 12 946 | 1.1 | 74 117 |
| Share premium | 2 292 746 | 447 103 | 2 739 849 | | 2 739 849 | 225 120 | 1.1 | 2 964 969 |
| Hedging and translation reserve | (173 178) | | (173 178) | | (173 178) | | | (173 178) |
| Retained earnings | 1 389 089 | | 1 389 089 | (15 000) | 1 374 089 | | 1.4 | 1 374 089 |
| Share option equity | 26 452 | | 26 452 | | 26 452 | | | 26 452 |
| Equity reserve | (121 922) | | (121 922) | | (121 922) | | | (121 922) |
| Equity attributable to equity holders of the parent | 3 450 104 | 471 357 | 3 921 461 | (15 000) | 3 906 461 | 238 066 | | 4 144 527 |
| Minority interest | 683 570 | | 683 570 | | 683 570 | | | 683 570 |
| Total equity | 4 133 674 | 471 357 | 4 605 031 | (15 000) | 4 590 031 | 238 066 | | 4 828 097 |
| Non-current liabilities | | | | | | | | |
| Long-term liabilities – interest bearing | 1 364 993 | | 1 364 993 | | 1 364 993 | | | 1 364 993 |
| Long-term provisions | 209 767 | | 209 767 | | 209 767 | | | 209 767 |
| Deferred tax liabilities | 889 323 | | 889 323 | | 889 323 | | | 889 323 |
| | 2 464 083 | – | 2 464 083 | – | 2 464 083 | – | | 2 464 083 |
| Current liabilities | | | | | | | | |
| Trade and other payables | 593 220 | | 593 220 | | 593 220 | | | 593 220 |
| Short-term borrowings – interest bearing | 187 982 | | 187 982 | 178 000 | 365 982 | | 1.5 | 365 982 |
| Short-term provisions | 44 388 | | 44 388 | | 44 388 | | | 44 388 |
| Derivative instruments, net | 305 023 | | 305 023 | | 305 023 | | | 305 023 |
| Taxation | 209 506 | | 209 506 | | 209 506 | | | 209 506 |
| Bank overdraft | 19 864 | (19 864) | – | | – | | 1.2 | – |
| | 1 359 983 | (19 864) | 1 340 119 | 178 000 | 1 518 119 | – | | 1 518 119 |
| Total equity and liabilities | 7 957 740 | 451 493 | 8 409 233 | 163 000 | 8 572 233 | 238 066 | | 8 810 299 |
| Number of shares in issue | 369 172 653 | 242 538 403 | 611 711 056 | – | 611 711 056 | 129 461 597 | | 741 172 653 |
| Net asset value per share (cents) | 935 | | 641 | | 639 | | | 559 |
| Net tangible asset value per share (cents) | 871 | | 603 | | 601 | | | 528 |

Notes:

- Notes to the adjustments to the *pro forma* consolidated balance sheet.

1.1 Ordinary share capital and share premium

Specific issue: The increase in the share capital and share premium is due to the share issue proceeds of R485.1 million and the issue and related expenses of R13.7 million.

Claw-back offer: The increase in the share capital and share premium is due to the share issue proceeds of R258.9 million and the issue and related expenses of R20.9 million.

1.2 Bank overdraft

Specific issue: The net proceeds of R471.4 million from the share issue are used to repay the bank overdraft of R19.9 million.

1.3 Bank balances and cash

Specific issue: The remaining proceeds of R451.5 million is after repayment of the bank overdraft.

Bridging facility: Represent the net proceeds in respect of the bridging facility being the gross proceeds of R178 million less R15 million related expenses.

Claw-back offer: The net proceeds of R238 million is added to bank balances and cash.

1.4 Retained earnings

Bridging facility: The effect of the related costs in respect of the bridging facility.

1.5 Short-term borrowing

Bridging facility: Comprise the gross drawdown amount of R178 million.

General notes:

- Net asset value per share is computed by dividing total equity by the number of shares in issue. Net tangible asset value per share is computed by dividing total equity (excluding intangible assets) by the number of shares in issue.
- Earnings per share is computed by dividing net profit attributable to equity holders of parent by the weighted average number of shares in issue.
- The diluted earnings per share is computed by dividing net earnings attributable to the equity holders of parent by the weighted average diluted number of shares in issue.
- Headline earnings removes items of a capital nature and earnings in respect of discontinued operations from the calculation of earnings per share. Headline earnings per share is computed by dividing headline earnings by the weighted average number of shares in issue.
- The diluted headline earnings per share is computed by dividing net headline earnings attributable to the equity holders of parent by the weighted average diluted number of shares in issue.
- The weighted average number of Metorex shares in issue was 347.797 million for the year ended 30 June 2008 and, as a result of the issuance of 242.538 million and 129.462 million Metorex Shares in respect of the specific issue and the claw-back offer, respectively, the weighted average number of Metorex shares in issue for that period would have been 590.335 million and 719.797 million shares after the specific issue and claw-back offer, respectively.
- The weighted average diluted number of Metorex shares in issue for the year ended 30 June 2008 does assume the effect of 6.65 million shares issuable upon the exercise of the share incentive options.
- The number of Metorex shares in issue at 30 June 2008 was 369.173 million and, as a result of the issues of shares, the number of Metorex shares in issue at that date would have been 611.711 million and 741.173 million after the specific issue and claw-back offer, respectively.
- Estimated issue and related expenses comprise the following:

| Description | Specific Issue (R) | Claw back offer (R) |
|----------------|-----------------------|------------------------|
| Placement fees | 12 126 920 | 6 473 080 |
| Liquidity fee | – | 12 946 160 |
| Legal fees | 1 000 000 | 1 000 000 |
| Other costs | 593 000 | 438 000 |
| | 13 719 920 | 20 857 240 |

- The following estimated costs in respect of the bridging facility were taken into account:

| Description | <i>Pro forma</i> income statement (R) | <i>Pro forma</i> balance sheet (R) |
|-------------------|--|---------------------------------------|
| Facility fee | 15 000 000 | 15 000 000 |
| Interest expense* | 33 483 900 | – |
| | 48 483 900 | 15 000 000 |

* Assuming an amount of R178 million is drawn down upon inception and remains outstanding for the entire period.

- The issue price per Metorex share was assumed to be R2.00 in respect of the specific issue and claw back offer.

CODE OF CORPORATE PRACTICE AND CONDUCT

The Metorex group endorses the code of corporate governance as set out in the King II Report as well as in the Listings Requirements. In the opinion of the directors the group has complied in all material aspects with the code of King II and JSE throughout the current financial year. In supporting the code the Board reviews and enhances the group's systems of internal control and governance on a continual basis to ensure that its business is managed ethically and in conformity with accepted standards of best practice. The directors of Metorex are committed to the principles of fairness accountability responsibility and transparency in all their dealings with stakeholders.

CODE OF ETHICS

The group's Code of Ethics requires all employees within the group to act with the utmost good faith and integrity in all transactions and with all stakeholders with whom they interact. It commits Metorex and its employees to sound business practices and compliance with legislation. Metorex is committed to operating in accordance with the highest standards of professional and business ethics by maintaining a Board of directors and management as well as the development of a community of employees with the highest ethical levels.

The Company has developed a Code of Ethics which complies with sound corporate governance principles and has the full support of the Board of directors and senior management as we believe that this is the only way to do business. The Company has also established a method for reporting fraud which is well-communicated to all staff and management. Further insight regarding the Company's Code of Ethics can be obtained via the Metorex website (www.metorexgroup.co.za).

Amongst the principles to which the directors management and employees dedicate themselves are:

- compliance with legislative and regulatory provisions;
- the protection of human life by following leading-edge safety health and environmental practices;
- treating all employees and stakeholders with respect;
- not discriminating against any person;
- providing employees with equality of opportunity based on merit;
- ensuring that the quality of life of stakeholders is maintained by seeking to improve rather than adversely affect the environment;
- upholding the integrity of all stakeholders;
- respecting the cultural background of stakeholders;
- avoiding all potential conflicts of interest by being transparent in the declaration of all interests;
- only using Company resources for the benefit of the Company and its shareholders; and
- providing all employees with the opportunity to grow and advance.

THE BOARD

The Board of directors sets overall group policy which provides input and makes decisions on matters of strategic importance. The roles of the chairman and chief executive officer are separated to ensure that no one person has unfettered powers.

The main responsibilities of the Board are to:

- determine the Company's purpose and values;
- determine the strategy to achieve its purpose;
- exercise leadership enterprise integrity and judgement in directing the Company so as to achieve continuing prosperity for its shareholders;

- ensure that procedures and practices are in place that protect the Company's assets and reputation;
- monitor and evaluate the implementation of strategies policies management performance criteria and business plans;
- ensure that the Company complies with all the relevant laws regulations and codes of best business practice;
- ensure that technology and systems used in the Company are adequate to run the business properly and for it to compete through the efficient use of its assets processes and human resources;
- identify key risk areas and key performance indicators of the business in order for the Company to generate economic profit so as to enhance shareholders' value in the long term;
- regularly assess its performance and effectiveness as a whole;
- and that of individual directors including the CEO;
- ensure that the Company has developed a succession plan for its executive directors and senior management.

The Board of directors meets quarterly and is responsible for preparing financial statements monitoring executive management and exercising control over group activities.

BOARD COMMITTEES

In order to aid and assist the Board and its directors in discharging their duties and responsibilities specific responsibilities have been allocated to three committees namely; the Audit Committee Hedging and Risk Committee and the Remuneration and Nomination Committee. All the Board committees are chaired by a non-executive director and these committees are free to seek independent professional advice at the Company's expense if so required.

AUDIT COMMITTEE

Messrs A J Laughland, R G Still and C D S Needham serve as members of the Audit Committee which meets semi-annually.

The external and internal auditors have unrestricted access to the committee and representatives of the external auditors attend the committee meetings by invitation.

The principal functions of the committee as set out in the formal terms of reference are to review the financial statements and accounting policies the effectiveness of internal controls and to review and discuss the risks facing the group and the findings and recommendations of the internal and external auditors. The use of auditors for non-audit services is controlled by the committee.

REMUNERATION AND NOMINATION COMMITTEE

The committee which comprises Messrs A S Malone, A Barrenechea and R G Still meets quarterly and reviews directors' and senior management's salaries. This is done by reviewing salaries in the marketplace to ensure that the Company is competitive and offers reward for individual contributions which enhance the performance and achievements of the group.

The committee also puts recommendations forward with regard to new share option grants in terms of the Group Share Incentive Plan. This is done by reviewing similar trends in the marketplace assessment of management performance as well as group and subsidiary performance.

ROTATION AND SELECTION PROCESS OF DIRECTORS

The retirement of directors follows a staggered process with one-third of the directors retiring at the annual general meeting every three years and no director serving for more than three years without being re-elected by the members in general meeting. Retiring directors are free to make themselves available for re-election and may as such be re-elected at the annual general meeting at which they retire. A summarised *curriculum vitae* of each retiring director is circulated to shareholders with the notice of annual general meeting in terms of the Company's articles of association.

The Company in general meeting may also from time to time increase or reduce the number of directors and may also determine in what rotation such increased or reduced number is to go out of office.

Non-executive directors are individuals of calibre and credibility and have the necessary skill and experience to bring judgement to bear independent of management on issues of strategy performance resources transformation diversity and they also maintain the balance of power between shareholders and management.

All non-executive directors receive remuneration in the form of share options in line with the Company's previous remuneration policies.

INTERNAL AUDIT

The internal audit function is currently performed by Moore Stephens MWM. This function provides management with an independent objective consulting and assurance service that reviews matters relating to control risk management and corporate governance.

The function's responsibility is to independently assess and appraise the systems of internal control and the policies and procedures of the group in order to monitor how adequate and effective they are in ensuring the achievement of organisational objectives the relevance reliability and integrity of management and financial information the safeguarding of assets and compliance with relevant policies procedures laws and regulations.

The internal audit function reports directly to the Audit Committee. Bi-annual operational visits are undertaken to each of our operations and the results of these audits are tabled at Audit Committee meetings. A corporate governance review was also conducted by the internal audit function during the financial year.

FAIRNESS OPINION

“The Directors
Metorex Limited
Cradock Heights, 2nd Floor
21 Cradock Avenue
Rosebank, 2196

28 November 2008

Dear Sirs

REPORT OF THE INDEPENDENT PROFESSIONAL EXPERT TO METOREX LIMITED REGARDING THE SPECIFIC ISSUE OF 242 538 403 NEW METOREX SHARES FOR CASH

Introduction

Venmyn Rand (Pty) Limited has been appointed by the board of directors of Metorex Limited (“Metorex”, or “the company”) to provide an independent fairness opinion to the shareholders of Metorex with regard to the specific issue of 242 538 403 new Metorex shares for cash at an Issue Price of 200 cents per share (“the Issue Price”), resulting in a total cash consideration of R485 076 806 received from various parties before expenses

(the Specific Issue).

Fairness opinion required in terms of Section 5 of the JSE Listings Requirements

In order for the directors of Metorex to provide a statement that the Specific Issue is fair insofar as the shareholders of Metorex (excluding any related parties) are concerned, the directors of Metorex are required, in terms of section 5.51 of the JSE Listings Requirements, to obtain an independent fairness opinion before making this statement

(the fairness opinion).

The fairness opinion will be available for inspection at the offices of Metorex during normal business hours for 28 days from the date of this opinion.

Responsibility

Compliance with the JSE Listings Requirements is the responsibility of the directors of Metorex. Our responsibility is to report to the shareholders on the fairness of the terms and conditions of the Specific Issue.

Explanation as to how the term “fair” applies in the context of the Specific Issue

Schedule 5.7 of the JSE Listings Requirements states that the “fairness” of a transaction is based on quantitative issues.

Broadly speaking the Specific Issue would be considered fair to the shareholders of Metorex if the value received in terms of the Specific Issue is equal to or greater than the value of the shares issued, or unfair if the value received in terms of the Specific Issue is less than the value of the shares issued.

The Specific Issue would be considered fair to the shareholders of Metorex if the Issue Price of 200 cents per share is equal to or greater than the value of one Metorex share prior to the Specific Issue, and unfair if the Issue Price is less than the value of one Metorex share prior to the Specific Issue.

In this particular case, it was important to be mindful of the requirements of the SAMVAL Code prepared under the auspices of the Southern African Institute of Mining and Metallurgy (SAIMM) and the Geological Society of Southern Africa (GSSA) which is specifically relevant to mineral companies. To this end, Venmyn Rand (Pty) Limited not only has Competent Persons and Competent Valuers but has also prepared numerous fairness opinions for mineral companies. However, this fairness opinion is not a SAMVAL Code valuation as defined.

Details and sources of information

In arriving at our opinion we have relied upon the following principal sources of information:

- Audited financial statements of Metorex for the years ended 30 June 2006 and 2007;
- Draft unsigned financial statements of Metorex for the year ended 30 June 2008;
- Unaudited management accounts of Metorex for each underlying operation and on a consolidated basis for the year ended 30 June 2008;
- Unaudited management accounts of Metorex for each underlying operation and on a consolidated basis from 1 July 2008 to 31 October 2008;
- Forecast monthly financial information for Metorex for each underlying operation and on a consolidated basis for the 12 months from 1 November 2008 to 31 October 2009, prepared by management;
- Forecast consolidated financial information for Metorex for the years ended 30 June 2009 to 2018, prepared by management;
- Forecast financial information per underlying operation on an annual basis for the remaining life of the respective asset;
- Details of outstanding debt as at 26 November 2008;
- Discussions with Metorex directors and management regarding the forecast financial information presented;
- SAMREC Code compliant Mineral Resources and Reserves Statement in respect of each operation, prepared by management as at 30 June 2008, checked and authorised by a Competent Person;
- Discussions with Metorex management with respect to head grades, mining and production rates, recoveries and metal price forecasts;
- The Independent Engineer's Report in respect of Metorex, prepared by SRK Consulting (South Africa) (Pty) Limited ("SRK") including a review and valuation of Metorex's underlying assets effective as at 1 July 2007 (the "Independent Engineer's Report") and published on 8 November 2007;
- Discussions with Metorex directors and management on prevailing market, economic, legal and other conditions which may affect underlying value;
- Amended and restated bridge facility agreement between the Standard Bank of South Africa Limited ("Standard Bank") and Metorex;
- Conditional subscription agreements between the subscribers and Metorex;
- Subscription agreements subject to a claw back offer between certain entities and individuals and Metorex;
- Pro forma financial information in respect of the Specific Issue;
- The draft circular to Metorex shareholders to be posted to shareholders on or about 1 December 2008;
- Publicly available information relating to the Mining sector; and
- Publicly available information relating to Metorex that we deemed to be relevant, including company announcements, analysts' reports and media articles.

The information above was sourced from:

- Directors and management of Metorex and their advisors; and
- Third party sources, insofar as such information related to publicly available economic, market and other data applicable to or potentially influencing Metorex.

Assumptions

We arrived at our opinion based upon the following assumptions:

- That reliance can be placed on the audited financial statements of Metorex;
- That reliance can be placed on Mineral Resources and Reserves Statements in respect of Metorex's underlying operations; and
- That reliance can be placed on the Independent Engineer's Report.

Appropriateness and reasonableness of underlying information and assumptions

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our opinion by:

- Reliance on audit reports in the financial statements of Metorex;
- Conducting analytical reviews on the financial statements, such as key ratio and trend analyses;
- Review of Mineral Resources and Reserves Statements in respect of Metorex's underlying operations and the Independent Engineer's Report by an independent mining valuation expert; and
- Determining the extent to which representations from management of Metorex was confirmed by third party and documentary evidence as well as our understanding of the company and the economic environment in which it operates.

Going Concern

The Going Concern assumption is the assumption that an entity will continue to operate for the foreseeable future. Where there is a reasonable expectation that a company will be unable to meet its current obligations as they become due, the Going Concern assumption may not apply.

The liquidity position of Metorex has been adversely affected by a number of factors that were exacerbated by recent declines in metal prices.

These factors include, *inter alia*:

- significant declines in commodity prices in recent months, and in particular the copper price has compromised the short term value proposition of some of Metorex's core projects and in particular the Ruashi Copper Project undertaken by Metorex and its affiliates in the Democratic Republic of the Congo (the Ruashi Project);
- the Ruashi Project has experienced delays in commissioning and production ramp-up;
- capital expenditure overruns on the Ruashi Project have strained the company's cash resources and the project cannot proceed without further capital;
- further funding requirements arising from Metorex's controlling interest in Copper Resources Corporation (CRC);
- the requirement to reinvest Metorex's copper hedge book profits from the Ruashi Project into the project finance facility pertaining to the Ruashi Project in order to maintain sound funding principles in the light of recent metal price volatility and weakness;
- the temporary suspension of antimony sales from Consolidated Murchison has put that operation into a loss making position;
- the inability to sustain exploration on a number of highly prospective base metal projects has jeopardised Metorex's ability to retain those projects; and
- the inability to internally fund significant capital and working capital requirements particularly with respect to the Ruashi Project.

These operational issues have led to a lack of liquidity and a requirement for Metorex to enter into a debt and capital restructuring programme to address the Company's immediate liquidity requirements.

This is intended to ensure that Metorex is adequately capitalised over the medium- to long-term (the Capital and Debt Restructuring Programme).

The terms and conditions of the Capital and Debt Restructuring Programme are contained in the draft circular to Metorex shareholders dated 1 December 2008 ("the Circular"). The Specific Issue is a condition of the Capital and Debt Restructuring Programme, without which the Capital and Debt Restructuring Programme cannot proceed.

Our review of Metorex's cash position has confirmed that without the Capital and Debt Restructuring Programme, the company will be unable to meet its current obligations as they become due.

Consequently, the continued applicability of the Going Concern assumption to Metorex depends on the assumption that the Capital and Debt Restructuring Programme will be implemented.

For the purposes of this Fairness Opinion, we cannot assume that the Capital and Debt Restructuring Programme will be implemented in assessing the fairness of the Issue Price. Consequently, we cannot apply the Going Concern assumption when assessing the fair value of the shares to be issued in terms of the Specific Issue.

Where the Going Concern assumption does not apply, the fair value of a company's equity is the fair value that can be realised for the company's assets on liquidation, less the fair value of the company's debt. We have applied a liquidation scenario in assessing the fair value of Metorex's assets in order to determine the fair value of the shares to be issued in terms of the Specific Issue.

Limiting conditions

This opinion is provided to the board of directors and shareholders of Metorex in connection with and for the purposes of the Specific Issue. The opinion does not purport to cater for each individual shareholder's perspective, but rather that of the general body of Metorex shareholders.

An individual shareholder's decision as to whether to vote in favour of the Specific Issue may be influenced by his particular circumstances. The assessment as to whether or not the directors of Metorex decide to recommend the Specific Issue is a decision that can only be taken by the directors of Metorex. Should a Metorex shareholder be in doubt as to what action to take, he or she should consult an independent adviser.

We have relied upon and assumed the accuracy of the information provided to us in deriving our opinion. Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussion with management of Metorex, by reference to publicly available or independently obtained information. While our work has involved an analysis of, *inter alia*, the annual financial statements, the underlying technical and cashflow valuation information for each mineral project, together with other information provided to us, our engagement does not constitute an audit conducted in accordance with generally accepted auditing standards.

Where relevant, forward-looking information on Metorex relates to future events and is based upon assumptions that may or may not remain valid for the whole of the forecast period. Consequently, such information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely the actual future results of Metorex will correspond to those projected. Where practicable, we have compared the forecast financial information to past trends as well as discussing the assumptions inherent therein with the management of Metorex.

We have also assumed that the Specific Issue will have the legal consequences described in discussions with, and materials furnished to us by representatives and advisors of Metorex and we express no opinion on such consequences.

Our opinion is based upon the current economic, regulatory and market conditions which for the minerals industry are particularly unusual and exceptional. Subsequent developments may affect this opinion, and we are under no obligation to update, review or re-affirm our opinion based on such developments.

Independence

In terms of schedule 5.1(a) of the JSE Listings Requirements, we confirm that Venmyn Rand (Pty) Limited has no equity interest in Metorex or in any other party to the Specific Issue.

In terms of schedule 5.1(a) of the JSE Listings Requirements, we confirm that there is no existing relationship between Venmyn Rand (Pty) Limited and any of the parties to the Specific Issue.

Furthermore, we confirm that our professional fees are not contingent upon the successful implementation of the Specific Issue.

Valuation Methods

Being mindful of the SAMVAL Code, Venmyn Rand (Pty) Limited performed a valuation of Metorex's mineral assets specifically together with the other financial assets and liabilities to determine whether the consideration to be received in terms of the Specific Issue represents fair value to Metorex shareholders.

The valuation incorporates Metorex's interests and in particular the following:

- 85% interest in Chibuluma Mines PLC Consolidated (Chibuluma) located at Chibuluma in Zambia;
- 100% interest in Consolidated Murchison Division (Cons Murch) in Mpumalanga Province of South Africa;
- 55.4% interest in Pan African Resources PLC (PAR) (which includes Barberton Mines (Pty) Limited (BML" and exploration interests in Mozambique and Central African Republic);
- 50.3% interest in CRC, the holding company of a group of mineral exploration and development companies;
- 80% interest in Ruashi Mining SPRL (Ruashi) located at Lubumbashi in the DRC;
- 100% interest in Sable Zinc (Pty) Limited located at Kabwe in Zambia (Kabwe)
- 70% interest in Vergenoeg Mining Company (Vergenoeg") in Limpopo Province of South Africa; and
- 100% interest in Group Services (GS) located in Johannesburg.

The valuation of Metorex has been based upon an aggregation of:

- The mineral asset or project values using various methods as derived for each of the individual operating assets;
- The value attributable to Metorex from its stake in Pan African Resources and CRC being listed subsidiaries;
- The value of GS; and
- Balance sheet adjustments to account for debt and cash as at 26 November 2008.

There are three generally accepted valuation approaches as defined in the SAMVAL Code used in the valuation of mineral properties. These include the following:

- Income Approach;
- Market Approach; and
- Cost Approach

The valuation of operating mineral assets has been determined based upon the Income Approach and Market Approach. The Income Approach for each operating part of Metorex has been based on net present values (NPVs) that have been derived using discounted cash flow (DCF) techniques applied on the post-tax pre-finance cash flows.

The NPV of the post-tax pre-finance cash flows applying an appropriate discount rate was then taken as the value for a given operation. Metorex's stake in the given operation was then applied to determine the value attributable to Metorex.

The most important value driver to the DCF is the commodity price assumption. Commodity prices in respect of the Metorex operating assets have fallen dramatically in recent months and no short-term recovery is expected. Other factors that were reviewed were the mineral resources and mineral reserves and their ability to sustain the relevant cash flows together with head grades, the discount rate, working capital and capital expenditure requirements.

Prevailing market and industry conditions were also considered in assessing the risk profile of the Metorex operating assets.

The valuations were performed taking cognisance of risk and other market and industry factors affecting Metorex. Additionally, sensitivity analyses were performed considering the key value drivers.

In terms of the non-producing mineral assets or exploration properties the Market Approach and historical cost or Cost Approach were used. This takes into account comparable transactions relating to the sale, joint venture or farm-in/farm-out of mineral assets are known. Such transactions may be used as a guide to, or means of, valuation. For a transaction to be considered comparable it should be similar to the asset being valued in terms of location, timing and commodity and the transaction regarded as of "arm's length".

PAR and CRC are listed subsidiaries. We considered the value of the effective stake in PAR and CRC at market values, less a realisation discount. In addition, Metorex is currently obliged as the controlling shareholder of CRC to inject significant working capital and capital funding into CRC's operations in the DRC.

Exploration properties were valued using the Market Approach and Cost Approach.

Valuation Results

Having considered all material issues with respect to Metorex's ability to fulfil its obligations with respect to capital and working capital commitments for its mineral projects and exploration, it is clear that the mineral asset portfolio is in jeopardy. The company has a substantial level of debt and the combination of these financial factors has resulted in the going concern assumption being brought into doubt.

Ruashi is Metorex's most significant asset and is currently in an expansion phase. The group's liquidity constraints are primarily a result of the Ruashi expansion and in respect of Chibuluma's capital requirements.

In undertaking the valuation exercise above, incorporating certain assumptions regarding the value of all of Metorex's underlying assets and liabilities, we determined a valuation range for Metorex of 150 cents to 200 cents per share.

The valuation exercise above was undertaken solely in respect of the fairness opinion and should not be used for any other purposes.

Procedures

In arriving at our opinion we have undertaken the following procedures and taken into account the following factors in evaluating the fairness of the Specific Issue:

- Reviewed the terms and conditions of the Specific Issue as detailed in the draft circular;
- Reviewed the audited and unaudited financial information related to Metorex, as detailed above;
- Reviewed Mineral Resource and Reserve Statements in respect of Metorex's underlying operations and the Independent Engineer's Report
- Considered the SAMVAL Code requirements for valuation of mineral assets and prepared a consolidated valuation assessment incorporating DCF and comparative mineral asset valuations;
- Assessed the effects of the unusual and exceptional commodity price volatility which were incorporated into the mineral asset valuations to illustrate the dramatic fall in the values of Metorex's mineral assets;
- Held discussions with certain directors and management of Metorex and considered such other matters as we consider necessary, including assessing the prevailing economic and market conditions;
- Reviewed Metorex's forecast financial information and the basis of the assumptions therein including the prospects of the operations. This review included an assessment of the recent historical performance to-date as well as the reasonableness of the future outlook based on discussions with management;
- Compiled a financial model using the forecast financial information prepared by the management of Metorex and applied our estimates of Life-of-Mine production rates, head grades, commodity prices, capital and working capital commitments. These were sensitised and evaluated over a range of discount rates and applied to the predicted cash flows to produce a discounted cash flow valuation;
- Some comparisons were made for exploration assets held by Metorex, some of which are considered to be highly prospective;
- Considered the historical share price movement of Metorex over the last 12 months to assess the relative liquidity and volatility of Metorex; and
- Reviewed certain publicly available information relating to Metorex that we deemed to be relevant, including company announcements, analysts' reports and media articles.

Opinion

Venmyn Rand (Pty) Limited have considered the terms and conditions of the Specific Issue and, based upon and subject to the conditions set out herein, are of the opinion that the Specific Issue is fair to the shareholders of Metorex.

Our opinion is necessarily based upon the information available to us up to 27 November 2008, including in respect of the financial information as well as other conditions and circumstances existing and disclosed to us. We have assumed that all conditions precedent, including any material regulatory and other approvals or consents required in connection with the Specific Issue have been fulfilled or obtained.

Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

Yours faithfully

Venmyn Rand (Pty) Limited

A N Clay

M.Sc. (Geol.), M.Sc. (Min. Eng.), Dip. Bus. M.
Pr Sci Nat, MSAIMM, FAusIMM, FGSSA, MAIMA, M.Inst.D., LoD, AAPG
MANAGING DIRECTOR: VENMYN"



METOREX LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1934/005478/06)

Share code: MTX ISIN: ZAE000022745

Issuer code: MEMTX

NOTICE OF GENERAL MEETING

The definitions and interpretations commencing on page 4 of the circular to which this notice of general meeting is attached apply to this notice of general meeting.

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of the Company's shareholders will be held at 10:00 on Tuesday, 23 December 2008 at The Kwacha Room, The Rosebank Hotel, Corner Tyrwhitt and Sturdee Avenue, Rosebank, South Africa at 10:00 on Tuesday, 23 December 2008, to consider and, if deemed fit, pass, with or without modification, the special and ordinary resolutions set out below:

SPECIAL RESOLUTION NUMBER 1

"RESOLVED THAT the authorised share capital of the Company be increased from R50 million, comprising 500 million ordinary shares with a par value of 10 cents each to R150 million, comprising 1 500 million ordinary shares with a par value of 10 cents each."

Reason for and effect of special resolution number 1

Section 75 (1)(a) of the Act permits a company to increase its authorised share capital by way of a special resolution of its shareholders. The effect of special resolution number 1 is to increase the Company's share authorised capital by 1 000 million ordinary shares with a par value of 10 cents each.

ORDINARY RESOLUTION NUMBER 1

"RESOLVED THAT, subject to the passing of special resolution number 1 and ordinary resolutions numbers 2, 3, 4, 5, 6, 7 and 8 as set out in this notice of general meeting, in terms of section 221(2) of the Companies Act, the directors are hereby granted the specific authority to allot and issue 6 195 262 new ordinary shares in the share capital of the Company to Allan Gray at 200 cents per share in terms of a specific issue of shares for cash upon the terms set out in the agreement between Metorex and Allan Gray dated 26 November 2008."

In terms of the Listings Requirements, ordinary resolution number 1 requires the approval of a 75% majority of votes cast in favour thereof by all shareholders present or represented by proxy, excluding any parties and their associates, participating in the specific issue for cash.

ORDINARY RESOLUTION NUMBER 2

"RESOLVED THAT, subject to the passing of special resolution number 1 and ordinary resolutions numbers 1, 3, 4, 5, 6, 7 and 8 as set out in this notice of general meeting, in terms of section 221(2) of the Companies Act, the directors are hereby granted the specific authority to allot and issue 14 455 611 new ordinary shares in the share capital of the Company to Coronation at 200 cents per share in terms of a specific issue of shares for cash upon the terms set out in the agreement between Metorex and Coronation dated 26 November 2008."

In terms of the Listings Requirements, ordinary resolution number 2 requires the approval of a 75% majority of votes cast in favour thereof by all shareholders present or represented by proxy, excluding any parties and their associates, participating in the specific issue for cash.

ORDINARY RESOLUTION NUMBER 3

“RESOLVED THAT, subject to the passing of special resolution number 1 and ordinary resolutions numbers 1, 2, 4, 5, 6, 7 and 8 as set out in this notice of general meeting, in terms of section 221(2) of the Companies Act, the directors are hereby granted the specific authority to allot and issue 92 330 279 new ordinary shares in the share capital of the Company to the IDC at 200 cents per share in terms of a specific issue of shares for cash upon the terms set out in the agreement between Metorex and the IDC dated 26 November 2008.”

In terms of the Listings Requirements, ordinary resolution number 3 requires the approval of a 75% majority of votes cast in favour thereof by all shareholders present or represented by proxy, excluding any parties and their associates, participating in the specific issue for cash.

ORDINARY RESOLUTION NUMBER 4

“RESOLVED THAT, subject to the passing of special resolution number 1 and ordinary resolutions numbers 1, 2, 3, 5, 6, 7 and 8 as set out in this notice of general meeting, in terms of section 221(2) of the Companies Act, the directors are hereby granted the specific authority to allot and issue 32 167 370 new ordinary shares in the share capital of the Company to Minersa at 200 cents per share in terms of a specific issue of shares for cash upon the terms set out in the agreement between Metorex and Minersa dated 26 November 2008.”

In terms of the Listings Requirements, ordinary resolution number 4 requires the approval of a 75% majority of votes cast in favour thereof by all shareholders present or represented by proxy, excluding any parties and their associates, participating in the specific issue for cash.

ORDINARY RESOLUTION NUMBER 5

“RESOLVED THAT, subject to the passing of special resolution number 1 and ordinary resolutions numbers 1, 2, 3, 4, 6, 7 and 8 as set out in this notice of general meeting, in terms of section 221(2) of the Companies Act, the directors are hereby granted the specific authority to allot and issue 6 195 817 new ordinary shares in the share capital of the Company to the PIC at 200 cents per share in terms of a specific issue of shares for cash upon the terms set out in the agreement between Metorex and the PIC dated 26 November 2008.”

In terms of the Listings Requirements, ordinary resolution number 5 requires the approval of a 75% majority of votes cast in favour thereof by all shareholders present or represented by proxy, excluding any parties and their associates, participating in the specific issue for cash.

ORDINARY RESOLUTION NUMBER 6

“RESOLVED THAT, subject to the passing of special resolution number 1 and ordinary resolutions numbers 1, 2, 3, 4, 5, 7 and 8 as set out in this notice of general meeting, in terms of section 221(2) of the Companies Act, the directors are hereby granted the specific authority to allot and issue 13 260 349 new ordinary shares in the share capital of the Company to Beankin at 200 cents per share in terms of a specific issue of shares for cash upon the terms set out in the agreement between Metorex and Beankin dated 26 November 2008.”

In terms of the Listings Requirements, ordinary resolution number 6 requires the approval of a 75% majority of votes cast in favour thereof by all shareholders present or represented by proxy, excluding any parties and their associates, participating in the specific issue for cash.

ORDINARY RESOLUTION NUMBER 7

“RESOLVED THAT, subject to the passing of special resolution number 1 and ordinary resolutions numbers 1, 2, 3, 4, 5, 6 and 8 as set out in this notice of general meeting, in terms of section 221(2) of the Companies Act, the directors are hereby granted the specific authority to allot and issue

61 000 000 new ordinary shares in the share capital of the Company to Standard Bank at 200 cents per share in terms of a specific issue of shares for cash upon the terms set out in the agreement between Metorex and Standard Bank dated 26 November 2008."

In terms of the Listings Requirements, ordinary resolution number 7 requires the approval of a 75% majority of votes cast in favour thereof by all shareholders present or represented by proxy, excluding any parties and their associates, participating in the specific issue for cash.

ORDINARY RESOLUTION NUMBER 8

"RESOLVED THAT, subject to the passing of special resolution number 1 and ordinary resolutions numbers 1, 2, 3, 4, 5, 6 and 7 as set out in this notice of general meeting, in terms of section 221(2) of the Companies Act, the directors are hereby granted the specific authority to allot and issue 16 933 715 new ordinary shares in the share capital of the Company to Stanlib at 200 cents per share in terms of a specific issue of shares for cash upon the terms set out in the agreement between Metorex and Stanlib dated 26 November 2008."

In terms of the Listings Requirements, ordinary resolution number 8 requires the approval of a 75% majority of votes cast in favour thereof by all shareholders present or represented by proxy, excluding any parties and their associates, participating in the specific issue for cash.

ORDINARY RESOLUTION NUMBER 9

"RESOLVED THAT any director of the Company be and is hereby authorised do all such things as may be necessary to give effect to special resolution number 1 and ordinary resolutions numbers 1, 2, 3, 4, 5, 6, 7 and 8 as set out in this notice of general meeting."

VOTING AND PROXIES

On a show of hands every shareholder of the Company who (being an individual) is present in person or by proxy at the general meeting or which (being a company or body corporate) is represented thereat by a representative appointed pursuant to section 188 of the Act shall have one vote and on a poll every shareholder of the Company present in person (whether an individual or a company or other body corporate) or represented by proxy at the general meeting shall have one vote for each ordinary share of which he is the registered holder.

A shareholder entitled to attend and vote at the general meeting may appoint one or more persons as his proxy to attend speak and subject to the articles of association of Metorex vote in his stead. A proxy need not also be a shareholder of the Company.

Holders of certificated shares and holders of dematerialised shares who have elected own-name registration in the sub-register through a CSDP who are unable to attend the general meeting but wish to be represented thereat must complete and return the attached form of proxy (blue) in accordance with the instructions contained therein so as to be received by the transfer secretaries by no later than 10:00 on Friday, 19 December 2008.

Holders of dematerialised shares, other than with "own name" registration, must instruct their CSDP or broker to vote by proxy on their behalf in terms of the agreement entered into between such shareholders and their CSDP or broker should such shareholders wish to be represented thereat. Such shareholders who wish to attend the general meeting must request their CSDP or broker to provide them with the necessary Letters of Representation to attend and vote their shares.

Shares held by the Company as treasury shares and the Company's share incentive scheme will be excluded from the quorum and voting on the specific issue.

By order of the board

Moore Stephens MWM Incorporated
Company Secretary

1 December 2008

Registered office

Metorex Limited
2nd Floor, Cradock Heights
21 Cradock Avenue
Rosebank
Johannesburg, 2196
South Africa
(PO Box 2814, Saxonwold, 2132)

United Kingdom Registrars

The Capita Group plc
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
England

North America and Canada

The Bank of New York Mellon Inc.
101 Barlay Street
New York NY 10286
USA

Transfer secretaries**South Africa**

Link Market Services South Africa (Pty) Ltd
11 Diagonal Street
Johannesburg, 2001
South Africa
(PO Box 4844, Johannesburg, 2000)



METOREX LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1934/005478/06)

Share code: MTX ISIN: ZAE000022745

Issuer code: MEMTX

FORM OF PROXY

For use at the general meeting to be held at 10:00 on Tuesday, 23 December 2008.

FOR HOLDERS OF CERTIFICATED SHARES AND HOLDERS OF DEMATERIALIZED SHARES WHO HAVE ELECTED OWN-NAME REGISTRATION

who wish to vote on the special and ordinary resolutions as set out in the circular to which this form is attached at the general meeting to be held at The Kwacha Room, The Rosebank Hotel, Corner Tyrwhitt and Sturdee Avenue, Rosebank, South Africa at 10:00 on Tuesday, 23 December 2008.

I/We (Full name in print)

of (address)

Telephone: (Work) area code ()

Telephone: (Home) area code ()

being the holder of ordinary shares in the Company, hereby appoint (see note 1):

1. _____ or failing him/her,
2. _____ or failing him/her,

3. the chairperson of the general meeting,

as my/our proxy to attend speak and vote on my/our behalf at the general meeting which will be held for the purpose of considering and if deemed fit passing with or without modification the special and ordinary resolutions to be proposed thereat and at any adjournment thereof and to vote for or against such resolutions or to abstain from voting in respect of the ordinary shares in the issued share capital of the Company registered in my/our name/s in accordance with the following instruction (see note 2):

| | For | Against | Abstain |
|---|-----|---------|---------|
| Special resolution 1 To increase the authorised share capital by 1 000 000 000 ordinary shares of 10 cents each | | | |
| Ordinary resolution number 1 To provide the directors with the specific authority to issue shares for cash to Allan Gray | | | |
| Ordinary resolution number 2 To provide the directors with the specific authority to issue shares for cash to Coronation | | | |
| Ordinary resolution number 3 To provide the directors with the specific authority to issue shares for cash to the IDC | | | |
| Ordinary resolution number 4 To provide the directors with the specific authority to issue shares for cash to Minersa | | | |
| Ordinary resolution number 5 To provide the directors with the specific authority to issue shares for cash to the PIC | | | |
| Ordinary resolution number 6 To provide the directors with the specific authority to issue shares for cash to Beankin | | | |
| Ordinary resolution number 7 To provide the directors with the specific authority to issue shares for cash to Standard Bank | | | |
| Ordinary resolution number 8 To provide the directors with the specific authority to issue shares for cash to Stanlib | | | |
| Ordinary resolution number 9 To authorise the directors to do all such things necessary to give effect to special resolution number 1 and ordinary resolutions numbers 1 to 8 | | | |

Please indicate with an "X" or the relevant number of votes in the relevant spaces above according to how you wish your votes to be cast. If you wish to cast your votes in respect of a lesser number of shares than you own in the Company insert the number of shares held in respect of which you desire to vote (see note 2).

Signed at _____ on _____ 2008

Signature _____ Authority of signatory to be attached (see notes 5 and 6)

Assisted by (where applicable) _____

Only shareholders holding share certificates or holders of dematerialised shares with own-name registration who are entitled to attend and vote at the general meeting and at any adjournment thereof may appoint one or more proxies to attend speak and vote in place of such shareholder. A proxy so appointed need not be a shareholder of the Company.

Please read the notes on the reverse side hereof.

Notes:

1. A holder of certificated shares or holder of dematerialised shares who have elected own-name registration in the sub-register through a CSDP may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided with or without deleting "the chairperson of the general meeting" but any such deletion must be signed in full by the shareholder concerned. The person whose name appears first on this form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow. If no proxy is inserted in the spaces provided the chairperson shall be deemed to be appointed as the proxy to vote in the manner indicated in the form and if no clear indication is made to vote in favour of the proposed resolutions.
2. Please insert an "X" in the relevant spaces according to how you wish your votes to be cast. However if you wish to cast your votes in respect of a lesser number of shares than you own in the Company insert the number of ordinary shares held in respect of which you wish to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the general meeting as he deems fit in respect of all the shareholder's votes exercisable thereat, provided that, in the case of the chairperson, the chairperson shall be required to vote in favour of the proposed resolutions. A shareholder or his proxy is not obliged to use all the votes exercisable by the shareholder or by his proxy but the total of the votes cast and in respect whereof abstentions recorded may not exceed the total of the votes exercisable by the shareholder or by the proxy.
3. The date must be filled in on this form of proxy when it is signed.
4. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof. Where there are joint holders of shares, the vote of the senior joint holder who tenders a vote as determined by the order in which the names stand in the register of members will be accepted.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company's transfer secretaries or waived by the chairperson of the general meeting.
6. Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form of proxy unless it has previously been registered with the Company or the transfer secretaries.
7. A vote given in accordance with the terms of a proxy shall be valid, notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer of the shares in respect of which the proxy is given, provided that no intimation in writing of such death insanity or revocation shall have been received by the Company by no later than one hour before the commencement of the general meeting at which the proxy is to be used.
8. Where shares are held jointly, all joint holders are required to sign this form of proxy.
9. Any alterations or corrections made to this form of proxy must be signed in full and not only initialled by the signatories.
10. A minor must be assisted by his parent or guardian unless the relevant documents establishing his legal capacity are produced or have been registered by the transfer secretaries of the Company.
11. The chairperson of the general meeting may accept or reject any form of proxy in the chairperson's absolute discretion which is completed, other than in accordance with these notes.
12. If required, additional forms of proxy are available from the transfer secretaries of the Company.
13. Forms of proxy must be received by the transfer secretaries of which details are set out in the "Corporate information" section of the circular by no later than 10:00 on Friday, 19 December 2008.

**Sponsor, Book-runner and
Corporate Adviser**



**Independent Reporting
Accountants and Auditors**



**Legal Adviser to the
Book-runner**



**Investment bank to
Standard Bank and
Bankers to Metorex**



Independent Sponsor



Legal Adviser to Metorex



Transfer Secretaries



Independent Expert

