

METOREX LIMITED
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 ("Metorex")

Ruashi Life of mine plan and Operational update

Metorex, a focussed base metals mining group, listed on the JSE Limited, wishes to inform shareholders and update the market of Ruashi Mining SPRL's performance during October 2009 and on the life of mine plan.

Chief Executive Officer Terence Goodlace said; ***"The Ruashi mine continues to improve output and the mine produced 2,512 tons of copper and 274 tons of cobalt for the month of October 2009 and the plant tonnage throughput is at 90 per cent of capacity. Positive increases in copper and cobalt prices are driving revenues higher and total costs net of the cobalt credit have reduced to US\$2,800 per ton of copper produced. The Ruashi life of mine plan has been completed to the required level of technical diligence utilising the new resource model. We can now move forward and build off the current base through completing the production ramp up and advancing the infill drilling required to bring inferred resources into account. The life of mine shows that the mine can produce an average of 36,000 tons of copper and 4,000 to 5,000 tons of cobalt per annum. It is also pleasing to note that the sale of our 55% stake in the Vergenoeg flourspar mine for US\$60m is on track for completion during December 2009."***

Table 1 – Salient Production Features at Ruashi

	Units	June 2009 quarter	September 2009 quarter	October 2009 month
Waste Mined	Tons	1,369,295	1,690,647	828,688
Ore Mined	Tons	247,344	430,720	169,171
Processed	Tons	229,820	303,786	107,247
Processed	% Cu	2.69%	2.76%	2.87%
Processed	% Co	0.49%	0.57%	0.45%
Copper Produced	Tons	5,245	5,690	2,512
Cobalt Produced	Tons	568	666	274

Mineral Resource Management

The Ruashi geological resource model has been updated based on the 2009 drilling campaign results and in-pit mapping. This has markedly improved the structural and lithological interpretation of the deposit with the orebody being further sub-divided into oxide and sulphide zones based on the observed degree of weathering in the drillholes.

The 2009 geological block model was completed by IGS (Pty) Ltd using the Surpac geological and mine planning software platform. Grades were interpolated by ordinary kriging into discrete geological (lithological and structural) domains with geostatistical estimation parameters matched to each domain. A hard boundary approach has been applied to oxide and sulphide zones of the same lithological unit to more accurately reflect the statistical difference in grades between the weathered and unweathered units.

The 2009 Ruashi orebody model has been classified into SAMREC compliant resource categories on a subjective basis by the Competent Person, with the majority of the drillhole data spaced close enough to categorise the resource as either Indicated or Measured. A high geological confidence exists in the location and continuity of the Lower Ore Body ("LOB") stratiform units. These units have been categorized as Measured in the Ruashi 1 and 2 orebodies where current mining activity has confirmed the continuity and grade of the units. Further drilling will be required to upgrade these units to Measured in the Ruashi 3 orebody.

With the exception of the Calcaire a Minerais Noire zone ("CMN"), all other lithological units have been classified as Indicated. The CMN zone occurs in the stratigraphic hangingwall of the Upper Orebody ("UOB") and is dominated by weathered and altered dolomite mineralization. This zone has proved to be more lenticular in nature with a vertical structural and surface weathering control. In the opinion of the Competent Person, this zone has a low geological confidence based on the current drillhole spacing and has consequently been downgraded to an Inferred category. Additional drilling is planned in the future to upgrade the CMN zone into the Indicated and Measured category.

A revised Ruashi LOM reserve pit shell for the 2009 model was completed by VBKOM Consulting Engineers (Pty) Ltd using the Whittle 4X pit optimization software. A mining cost of US\$4.10 per ton mined (based on the current waste:ore ratio) and a processing cost of US\$72.70 per ton processed has been used based on F2010 steady state budget prices and the completion of the acid plant. Reserves as of 30 June 2009 have been stated within an optimal NPV Whittle pit shell based on a long-term copper and cobalt price of US\$5,000 per ton copper and US\$15 per pound cobalt respectively. Inferred resources were not included in the life of mine ("LOM") plan and production schedule for Ruashi. The detailed life of mine pit design and scheduling has now been completed using the Mine24D and XPac Scheduler mine planning software.

Two Year Plan

A detailed two year mining schedule has been completed to the end of F2011. For the eight months remaining in F2010 it is planned to process 904,000 dry metric tons split 60:40 between open pit feed and feed from stockpile and tailings sources. This throughput includes taking account of the rainy season between November and April and the commissioning of the new crusher circuit and coarse ore stockpile facility as from January 2010. A total of 4.4 million tons of waste will be stripped. Metal production is expected to be 20,000 tons of copper cathode and 1,756 tons of contained cobalt for the eight months ending June 2010.

During F2011, 1.35 million tons of ore and 13 million tons waste are scheduled to be mined. Metal production will rise to an average of 3,000 tons of cathode and 330 tons of contained cobalt per month as the full plant feed originates from the open pits.

Thereafter the mining profile stabilises at a rate of 1.44 million ore tons and 9 million tons of waste per annum, with a forecast metal production of 36,000 tons of finished cathode and in excess of 4,500 tons of contained cobalt per annum. Cobalt production is expected to peak at over 5,200 tons of contained cobalt in F2013 coinciding with a period of high cobalt grades from the upper benches of Pit 3.

Waste pre-stripping of Pit 3 is scheduled to commence in March 2010 with the stripping ratio increasing to a peak of 9.6 tons of waste per 1 ton of ore mined in F2011. As from F2012 the stripping ratio reduces to an average of 6.25:1. As a result of the increased stripping requirement for Pit 3, mining costs are expected to increase proportionally.

Total unit costs have now reduced to US\$2,800 per ton of copper cathode (net of cobalt credits), and ongoing plant optimisation at steady state production is expected to result in a further

reduction in costs. Cobalt revenue achieved for October was 64 per cent of the US\$15.88 per pound cobalt price.

In addition cobalt recoveries are expected to improve from current levels as the benefits of plant enhancements in the cobalt circuit are realised. Cobalt revenues are also expected to increase as a result of a general improvement in the cobalt price and the payability increasing to 70 per cent from November 2009, further reducing the net copper cost.

The current LOM schedule indicates a mine life in excess of 10 years, based solely on scheduling available current reserves within the practical pit design. A drilling programme is continuing to provide for enhance geological confidence and a full grade control programme has now been implemented. This does not include processing of approximately 0.6 million tons of low grade tailings, or the conversion of any inferred resources to reserves, or any other opportunities available to Ruashi. Other processing opportunities that need to be investigated in the short term are the sulphide mining (open pit and underground) and processing options through the Phase 1 concentrator. This plant is currently on care and maintenance, and has an installed ore processing capacity to treat 480,000 tons per annum.

Ore Reserves as declared as at 30 June 2009

OXIDES CLASSIFICATION	Tons (Mt)		Cu Grade (%)		Copper ('000t)		Co Grade (%)		Cobalt ('000t)	
	F2009	F2008	F2009	F2008	F2009	F2008	F2009	F2008	F2009	F2008
Oxides										
Probable	15.1	18.5	3.2	3.7	483	686	0.39	0.36	59	67
Total Oxides	15.1	18.5	3.2	3.7	483	686	0.39	0.36	59	67
Surface Stockpiles										
Probable	0.3	-	2.5	-	7	-	-	-	-	-
Total Surface Stockpiles	0.3	-	2.5	-	7	-	-	-	-	-
OXIDE TOTAL	15.4	18.5	3.2	3.7	491	686	0.39	0.36	59	67

Competent persons

The Ruashi geological resource estimation and mine design were completed and signed off by independent consultants as stated below.

	Resource Estimation	Reserve Estimation
Independent Competent Persons	Mr. S. Savage, PrSciNat, BSc(Hons) IGS (Pty) Ltd	Mr F. van Daalen, PrEng, BSc(Eng) VBKOM Consulting Engineers (Pty) Ltd

This report has been compiled and checked by Mr.T.P.Williams, PrSciNat (SA Council of Natural and Scientific Professionals Registration No 400387/04), Fellow of the Southern African Institute of Mining and Metallurgy, BSc (Hons). Mr Williams is Group Mineral Resource Manager and is a full-time employee of the Company. He is a mining geologist with 19 years experience in exploration, resource development and estimation and mining geology in gold and base metals

through west, central and east Africa. Mr Williams is based at the Company's Head Office at 2nd Floor, Cradock Heights, 21 Cradock Avenue, Rosebank 2146, Johannesburg.

Johannesburg

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Sponsor

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