

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" or "the Group")

UPDATE ON THE PROPOSED DISPOSAL BY METOREX OF ITS ENTIRE SHAREHOLDING IN VERGENOEG MINING COMPANY (PROPRIETARY) LIMITED ("VERGENOEG") AND FURTHER CAUTIONARY ANNOUNCEMENT

1. INTRODUCTION

Shareholders of Metorex are referred to the announcement released by the Company on 23 September 2009 ("Transaction Announcement") regarding the proposed disposal by Metorex of its entire shareholding in Vergenoeg comprising 137 500 ordinary shares constituting 55% of the issued ordinary share capital of Vergenoeg ("the Sale Shares") to Minerales Y Productos Derivados SA ("Minersa") for a cash consideration of US\$60 million ("the Transaction").

In line with the Metorex management's ("Management") stated intention to restructure and reduce debt at its Ruashi project in the Democratic Republic of the Congo, Management has continued to pursue the strategy of disposing of certain of the Group's assets.

2. TRANSACTION UPDATE

Shareholders are referred to the conditions precedent as set out in the Transaction Announcement and are advised that the Transaction remains subject to the fulfilment of the following conditions precedent:

1. the necessary approvals being obtained from the JSE Limited ("JSE") in terms of the Listings Requirements of the JSE (which is anticipated to be completed no later than 30 November 2009);
2. shareholders of Metorex approving the transaction (which is anticipated to be completed no later than 15 December 2009);
3. the Transaction and all the related agreements being approved unconditionally by the Spanish competition authorities in accordance with the relevant rules and regulations, or conditionally approved on terms and conditions acceptable to Metorex and "Minersa" (which is anticipated to be completed no later than 30 November 2009). Approval by the South African competition authorities are not required;

4. the Transaction being approved to the extent required, in terms of the Mineral and Petroleum Resources Development Act No 28 of 2002, either unconditionally, or subject to such conditions as may be approved by Metorex and Minersa; and
5. The Standard Bank of South Africa Limited releasing the Sale Shares from the existing pledge and cession, on such terms and conditions as may be acceptable to Metorex.

All other conditions precedent have been waived or fulfilled by the parties.

3. **UNAUDITED PRO FORMA FINANCIAL EFFECTS**

The unaudited *pro forma* financial effects are provided for illustrative purposes only to provide information about how the Transaction may impact on Metorex's results and financial position. Due to the nature of the unaudited *pro forma* financial information, it may not give a fair presentation of the Group's results and financial position after the Transaction.

The unaudited *pro forma* financial effects are based on the reviewed financial information for the year ended 30 June 2009 as announced on SENS on 9 September 2009 and have been prepared in accordance with the accounting policies of Metorex at that date.

The unaudited *pro forma* financial effects have been included in terms of the Listings Requirements of the JSE Limited. The directors of Metorex are responsible for the preparation of the unaudited *pro forma* financial effects.

	Reviewed results for the year ended 30 June 2009	Unaudited <i>Pro forma</i> After the Transaction	Percentage Change (%)
Earnings per share (cents) ⁽²⁾	(272.38)	(217.73)	20.1
Headline earnings per share (cents) ⁽²⁾	23.92	14.25	(40.4)
Net asset value per share (cents) ⁽³⁾	323.00	367.13	13.7
Net tangible asset value per share (cents) ⁽³⁾	322.00	366.13	13.7
Weighted average number of shares	553,349	553,349	-
Shares in issue	742,538	742,538	-

Notes:

- (1) The unaudited *pro forma* financial effects on the Income Statement were prepared on the basis that the Transaction was completed on 1 July 2008 and the unaudited *pro forma* financial effects on the Balance Sheet were prepared on the basis that the Transaction was completed on 30 June 2009.
- (2) Earnings and headline earnings per share are based on the weighted average number of shares in issue at 30 June 2009 and have been adjusted to take into account costs of the Transaction of R3,1 million (before taxation) and an after tax profit on the sale of the Sale Shares of R359 million.
- (3) Net asset value per share and net tangible asset value per share have been adjusted to include the net cash proceeds of the Transaction of R459,8 million, basis gross proceeds of R462,9 million (US\$60 million translated at a rate of R7.71/US\$) and costs of R3,1 million.
- (4) The after tax profit on the Transaction incorporates a deferred taxation charge of R 42.6 million.

4. FURTHER CAUTIONARY ANNOUNCEMENT

Shareholders are advised that Metorex remains in negotiations which may have a material effect on the price of Metorex securities.

Accordingly, shareholders should continue to exercise caution when dealing in their Metorex securities until a further announcement is made.

30 October 2009

Rosebank

Corporate advisor and sponsor:

Barnard Jacobs Mellet Corporate Finance (Pty) Limited

Reporting Accountants

Deloitte