

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")

Consolidated unaudited interim results for the six months ended 30 June 2011

POSITIONED FOR GROWTH

Highlights

for the six months ended 30 June 2011

- Copper production increased by 5% to 26 562 tons
- Cobalt production increased by 18% to 1 890 tons
- Mining profit increased by 148% to US\$131 million (ZAR903 million)
- Net debt reduced by 53% to US\$29 million (ZAR196 million)
- Adjusted HEPS increased by 155% to 4,5 US cents (31 ZAR cents)
- Sable disposal in progress for a consideration of R190 million

Commentary

Terence Goodlace, Chief Executive Officer said: "Metorex has continued to improve operational performance and deliver positive cash flows. Comprehensive due diligence work has provided a Kinsenda copper mine feasibility study and preliminary works and the ordering of long lead time items has commenced. Copper prices remain resilient and the Jinchuan offer remains on track with shareholders having now voted to accept the offer of R8,90 per share".

Salient features

Financial performance		6 months June 2011	6 months June 2010
Gross revenue	(US\$'000)	259 903	169 601
Cash mining profit	(US\$'000)	131 201	52 927
Cash mining profit margin	(%)	50	31
EPS	(US cents)	2,81	1,46
EPS	(ZAR cents)	19,3	11,0
HEPS	(US cents)	3,81	1,49
HEPS	(ZAR cents)	26,3	11,2
Adjusted HEPS	(US cents)	4,47	1,75
Adjusted HEPS	(ZAR cents)	30,8	13,2
Market capitalisation	(R'000)	7 933 678	3 307 468
Shares in issue	('000)	1 004 263	1 002 263
Weighted average number of shares	('000)	1 003 048	860 091
Share price	(ZAR cents)	790	330
ZAR/US\$ rate – Average	(ZAR/US\$)	6,88	7,53
ZAR/US\$ rate – Close	(ZAR/US\$)	6,76	7,67

Commodity production

		6 months June 2011	6 months June 2010
Copper	(t)	26 562	25 211
Cobalt	(t)	1 890	1 601

The figures are stated as gross and do not represent Metorex's attributable beneficial interest.

Commodity sales

		6 months June 2011	6 months June 2010
Copper	(t)	26 469	25 492
Cobalt	(t)	2 127	1 741

The figures are stated as gross and do not represent Metorex's attributable beneficial interest.

Average prices achieved, net of hedges

		6 months June 2011	6 months June 2010
Copper	(US\$/t)	8 178	5 275
Cobalt (70% of LMB)	(US\$/t)	26 156	28 952

Safety, health, environment and communities ("SHEC")

		6 months June 2011	6 months June 2010
Non lost time injuries	No	29	104
Lost time injuries ("LTI")	No	5	11
Lost time injury frequency rate*	Rate	1,2	2,9

*per million man hours worked

It was pleasing to note that the Group has not had a fatality in over 36 months and the number of injuries reduced over the last six months when compared to the corresponding period last year. The lost time injury frequency rate has improved from 2,9 to 1,2 per million man hours worked. Metorex has commenced with the process of implementing the Voluntary Principles on Security and Human Rights, and the initial risk assessment at Ruashi has been completed. The Group had one level three environmental incident which was recorded at Ruashi and which is being rectified.

Financial overview – six months ended June 2011 ("current period") compared with the six months ended June 2010 ("previous period")

Shareholders are referred to the Company announcement dated 4 June 2010 wherein Metorex announced its change in year-end from June to December. This release constitutes an interim unaudited report for the six months ended 30 June 2011.

Shareholders are further referred to the Company announcement dated 1 March 2011 wherein Metorex announced its change in reporting currency from South African Rand ("ZAR") to United States Dollars ("US\$"). This release is presented in United States Dollars, with the comparative figures accordingly re-presented.

Group operations

Copper production increased by 5 percent to 26 562 tons and copper sales increased by 4 percent to 26 469 tons. Copper production at Ruashi was negatively impacted by grid power interruptions experienced during the months of May and June 2011.

Cobalt production increased by 18 percent from the previous period to 1 890 tons. The increase followed a 26 percent improvement in cobalt recoveries from 54,7 percent to 68,7 percent.

Group revenue increased by 53 percent from US\$170 million to US\$260 million. This was on the back of higher copper prices, the improved hedge book positions and higher cobalt volumes.

Production and realisation costs, including stock movements, increased by 10 percent to US\$128,7 million (June 2010: US\$116,7 million). Cash costs per ton of copper sold decreased by seven percent to US\$2 416 at Ruashi, which was as a result of the benefits from higher cobalt credits. The Chibuluma cash costs increased by 15% to US\$3 270 per ton due to higher engineering maintenance costs, diesel and power cost escalations as well as a move to introducing industry best safety practices.

Mining profit amounted to US\$131 million for the six months ended June 2011, an increase of 148 percent compared to the previous period, reflecting a margin of 50 percent.

Assets held for sale ("AHFS") relates to Sable Zinc Kabwe Limited ("Sable") which has been classified as an AHFS in the current period. The comparative statement of comprehensive income has been re-presented to disclose Sable as an AHFS.

Adjusted headline earnings per share increased by 155 percent to US\$4,5 cents and excludes the non-recurring non-cash put option premium amortisation charge at Ruashi of US\$0,6 cents per share. This put option premium has now been fully amortised.

The Group's financial position further improved over the last six months with net assets increasing by 15 percent to US\$600 million and net debt reducing by 53 percent to US\$29 million. Cash on hand increased to US\$75 million at 30 June 2011.

Capital expenditure

		6 months June 2011	6 months June 2010
Ruashi	(US\$m)	28,2	20,5
Chibuluma	(US\$m)	9,1	11,7
Copper Resources Corporation	(US\$m)	10,1	8,7
Other	(US\$m)	0,2	-
Total	(US\$m)	47,6	40,9

The Ruashi capital expenditure mainly related to increased over-burden stripping of Pit 3 amounting to US\$17 million and US\$3 million towards the construction of the acid plant.

The Chibuluma capital expenditure included ongoing ramp decline development, the purchase of new production machines and exploration spend.

The capital expenditure at Copper Resources Corporation comprised the ongoing monthly holding costs of US\$1 million and the advancement of the feasibility study.

Contracted capital commitments amount to US\$4,2 million (June 2010: US\$11 million), while uncontracted approved capital commitments amount to US\$54,9 million (June 2010: US\$ nil). Operating lease commitments, which fall due within the next year amount to US\$0,4 million (June 2010: US\$0,8 million), while commitments of US\$1,9 million (June 2010: US\$1,2 million) fall due during the next four years.

Group debt position

		Nature of debt	June 2011	Dec 2010
Ruashi 1	(US\$m)	Project Finance	70,0	86,1
Ruashi 2	(US\$m)	Pre-offtake Finance	10,1	13,6
Chibuluma 1	(US\$m)	Term Loan	20,0	24,4
Chibuluma 2	(US\$m)	Invoice discounting facility	5,0	5,1
Total	(US\$m)		105,1	129,2

Commodity hedgebook

Copper	Maturity	Period	Volume (tons)	Prices (US\$/t)	Comment
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	(months)				
Ruashi	12	July 2011 – June 2012	12 000	6 600 – 7 600	Zero cost collar
Ruashi	6	July 2012 – December 2012	6 000	7 500 – 10 565	Zero cost collar
Chibuluma	6	July 2011 – December 2011	3 000	7 000 – 8 015	Zero cost collar
Chibuluma	12	January 2012 – December 2012	6 000	7 000 – 11 900	Zero cost collar

Zambian tax

The Group's tax charge includes Chibuluma taxes, accrued at 42 percent (June 2010: 30 percent) in accordance with the new mining tax regime implemented by the Government of the Republic of Zambia ("GRZ"). Following extended discussions with the GRZ and other industry players in Zambia, the Group resolved to impair the GRZ taxation receivable amounting to US\$9,8 million. Arrear taxes amounting to US\$6 million were paid in June 2011. This receivable related to historic taxes in excess of those permitted under the Chibuluma Development Agreement.

Growth projects update

The first half of 2011 was very productive for the Metorex Growth Projects team and good progress is being made towards completion of feasibility studies for each of the projects.

Kinsenda Project

The US\$2,1 million phase II drilling programme recommended by Snowden Mining Consultants ("Snowden") to confirm historical drilling located beyond the western section of the mine has been completed and an updated resource model is expected in September 2011. The Board has also approved a further US\$1,4 million phase III drilling programme.

During the period January 2011 to June 2011, Metorex, along with its appointed consultants, completed the Kinsenda Bankable Feasibility Study ("BFS") for a further de-risking and peer review process. Based on the latest geological model and taking the prevailing geotechnical considerations into account, Snowden have designed mine access, infrastructure and mining methods capable of delivering 40 000 tons of ore per month to the concentrator plant. MDM Engineering have completed the design of the process plant which comprises conventional crushing and milling followed by flotation of sulphide and oxide copper minerals to produce both sulphide and oxide copper concentrates. Recovery of the sulphide copper minerals is estimated at 93 percent while 70 percent of the oxide copper minerals are expected to be recovered into concentrate. Post the inclusion of all modifying factors the total forecast copper production from Kinsenda is now estimated at approximately 17 000 tons of copper contained per annum. The key risk to the project remains one of flooding and pump tests were conducted to test the response of the aquifer and thereby model future groundwater inflows into the mine. The re-modelling exercise increased the estimated inflows from 45 000m³ per day to 70 000m³ per day and as a result of this increase, additional studies have been recommended to review the mine design and increase the capacity of water pumping facilities to de-risk the threat of flooding of the mine.

The Board of Directors of Metorex ("the Board") has approved that the Kinsenda Project proceed subject to the completion of the de-risking and optimisation studies underway. The updated ore reserve is due for completion in October 2011 and to be presented to the Board in November 2011. Expected project capital costs are now estimated as follows:

	US\$'million
Direct project spend (concentrator, infrastructure, mining)	208
Owners costs, holdings costs and community development programmes	47
Detailed engineering and escalation assumptions	18
Total	273

The ordering of long lead time items worth US\$30 million for the project have commenced and preliminary project work has commenced on site.

The notice to shareholders in terms of section 45 (5)(b) of the Companies Act, No 71 of 2008, as amended

("Companies Act") whereby the Board authorised the financial assistance provided for this project has been posted to all shareholders per registered mail on 5 September 2011.

Ruashi Sulphides Project

The 4 450m (21 holes) infill drilling programme on the Ruashi Pit 1 orebody which commenced in December 2010 was completed. This programme comprised five geotechnical holes, one metallurgical test hole and 15 infill holes to provide 50m drillhole spacings and was focused on an area immediately accessible from the Ruashi Pit 1 floor. The analytical results have been received and the geological model updated. The SAMREC compliant sulphide resource has increased from 15,8 million tons at 2,9 percent copper to 27,6 million tons at 1,6 percent copper. Significantly, the confidence in the Pit 1 resource has increased considerably as a result of the Indicated Resource in this particular area increasing from 2,4 million tons at 2,2 percent copper to 8,0 million tons at 1,4 percent copper. Sound Mining Solutions (Pty) Limited has been appointed to design the mine and Metorex is at an advanced stage of appointing the process plant consultants. The US\$2,3 million feasibility study is on track for completion by the end of 2011.

Exploration in Zambia

A dedicated exploration team was established at Chibuluma Mine during the period under review.

Expansion drilling of the Chifupu prospect at depth commenced and by the end of June, four holes had been completed with two in progress totalling 1 502m out of a planned meterage of 6 020m (25 percent completed). A total of eight holes with 12 deflections will be completed during the programme. Results are awaited for two mineralised intersections while two drillholes were barren, and have closed off the deposit to the south.

Detailed geophysical interpretation of the Spectrem Airborne electromagnetic, magnetic and radiometric regional geophysical survey data was completed by Earthmaps Consulting during this period. Fourteen Lower Roan footwall and two upper Katangan stratiform targets have been identified on, or close to, the Chibuluma West and Chibuluma South Mining Licences. Follow up on these targets will commence in the second half of 2011 with a general increase expected in exploration drilling activity.

A 900m deep hole is planned to be drilled down dip of the Chibuluma South mine to test for favourable Lower Roan geological stratigraphy and potential mineralisation.

Lubembe Project

The US\$0,9 million infill drilling programme to test continuity of high grade mineralisation at Lubembe was completed. The geological model has been updated and the SAMREC compliant mineral resource estimate for the Lubembe deposit has now increased from 75 million tons at 2,0 percent copper to 93,4 million tons at 1,9 percent copper. Metallurgical test work is largely complete, environmental baseline studies have been conducted and conceptual mining methods evaluated. The initial US\$3,7 million concept and pre-feasibility study work is progressing.

Musonoi Est (Dilala East) Project

Drilling of the Dilala East project continued during H1 2011, focusing on extending the sulphide resource down to 600m below surface (from its current limit of 500m). Analytical results for completed boreholes have been received and the geological model is in the process of being updated. Metorex is working with its partner to agree and approve the scope of work for a definitive feasibility study.

Corporate activity

Metorex has, over the last year, been approached by various parties interested in acquiring the Company, given its critical mass, managerial record and strategic platform to operate and develop future mines in the Central African Copper Belt. Mindful of its duty to act in the best interests of shareholders, Metorex in late 2010 implemented a highly disciplined and professional process, under a tight legal and confidentiality regime, to allow qualified and credible parties the necessary access to the Company to facilitate a potential offer for consideration by the Board and, ultimately, its shareholders.

On 8 April 2011 Metorex announced a binding offer from Vale S.A. ("Vale") ("Vale offer") to acquire the entire issued and to be issued share capital of Metorex at a price of R7,35 per share, which offer excluded Metorex's shareholding in Sable, which was to be sold or unbundled for the benefit of Metorex shareholders ("shareholders") as a condition of the Vale offer ("Vale Firm Intention Announcement").

On 8 June 2011, Metorex announced the disposal of its non-core interest in Sable to a subsidiary of Glencore International plc ("Glencore") for R190 million ("Glencore offer"), subject to a price adjustment mechanism for undisclosed liabilities and changes in the net asset value from 31 March 2011 to the final disposal date. This

disposal was subject to the fulfilment or waiver of a number of conditions precedent, including the completion of the Vale offer. The Board believes the Glencore offer represents an attractive offer for the assets of Sable and the Board took a decision to de-link the disposal of Sable from the Vale offer. Subject to the fulfilment of the remaining conditions precedent to the Glencore offer, Sable will be disposed of to Glencore.

A circular to shareholders with regard to the Vale Offer was posted to shareholders on 17 June 2011 ("Vale circular"). The Vale circular provided details of the Vale offer and provided notice of the general meeting, to consider and vote on the Vale offer, which was held on Friday, 22 July 2011.

On 17 June 2011, shareholders were advised that the Board had received an unsolicited, non-binding "expression of interest" from a bona fide party to acquire the entire issued share capital of Metorex ("Alternate Party"). In terms of the Takeover Regulations issued in terms of the Companies Act, the Alternate Party was provided with the same information as was provided to Vale. Shareholders were advised that there was no certainty that the Alternate Party would make a firm offer for the Company and were advised to exercise caution when dealing in the Company's securities.

The Board then received a firm intention from the Alternate Party, Jinchuan Group Limited ("Jinchuan") to make an offer for 100 percent of Metorex ("Jinchuan offer"). The Jinchuan offer is an all cash offer of R8,90 per share for the entire issued and to be issued share capital of Metorex. Further detailed terms were contained in the announcement published on SENS on Tuesday, 5 July 2011 and in the press on Wednesday, 6 July 2011. In exercising its fiduciary duty and acting in good faith, the Board and the Independent Board then determined that the Jinchuan offer was a superior proposal to the Vale offer, as defined in the Implementation Agreement entered into between Metorex and Vale S.A. dated 8 April 2011 ("Vale Implementation Agreement") and as referred to in the Vale Firm Intention Announcement published on the same date.

Vale was informed of the Independent Board's decision and were afforded eight business days ("Matching Period") in which to match (or better) the Jinchuan offer ("Amended Vale offer"). The Board received written notice from Vale that it did not intend to submit an Amended Vale offer and Vale agreed to the termination of the Implementation Agreement subject to receipt by Vale from Metorex of the break fee provided for in the Vale implementation agreement, being an amount of R75 240 000 ("Vale break fee"). The Vale Implementation Agreement was duly terminated and the Vale break fee was paid on 13 July 2011.

At the general meeting of shareholders held on 22 July 2011, the ordinary and special resolutions contained in the Vale circular and tabled for voting were voted down, by the requisite percentage of shareholders present or represented by proxy.

The Jinchuan offer has now been made by Jinchuan's indirect South African subsidiary, Newshelf 1124 (Proprietary) Limited ("Jinchuan SubCo") by way of a scheme of arrangement proposed by the Board ("scheme") in terms of section 114(1)(c) of the Companies Act, and by way of a separate offer to the holders of options to acquire Metorex shares.

A circular containing details of the scheme and incorporating a notice of general meeting ("Jinchuan circular") was posted to shareholders on 2 August 2011 and is available on Metorex's website at www.metorexgroup.com. Shareholders were advised that the completion of the scheme is subject to the fulfilment or waiver of certain conditions precedent set forth in the Jinchuan circular, and were advised to review the Jinchuan circular for the terms and conditions of the scheme.

A general meeting of shareholders ("general meeting") was held at 10:00 on Friday, 2 September 2011 for the purpose of considering and, if deemed fit, passing with or without modification, the resolutions set out in the notice of the general meeting included in the Jinchuan circular. At this meeting the requisite majority of shareholders present and represented by proxy voted in favour of the ordinary and special resolutions, as tabled for voting.

The Scheme is subject to three broad categories of outstanding consents as conditions precedent to the Scheme, namely Regulatory Consents, Third Party Consents and People's Republic of China ("PRC") Consents as defined in the Jinchuan Circular. The Scheme is also conditional upon a Material Adverse Change, as defined in the Jinchuan Circular, not occurring.

The Regulatory Consents primarily concern approval of the Scheme by competition authorities in Zambia, South Africa and the PRC. The South African and Zambian filings have been submitted and filing fees paid. Good progress has been made with the Chinese competition authority process. As the Scheme's implementation clearly

has limited, if any, impact on competition related matters, it is not anticipated that the approvals in respect of the various competition authorities will raise concerns.

Some progress has been made with Third Party Consents and, with regard to the PRC Consents required, and Jinchuan's opinion, as set out in paragraph 6.3 of the Jinchuan Circular, namely that it does not anticipate that the applications and approvals in respect of the various PRC Consents will raise concerns and that the transaction will be approved and registered in due course, has not changed.

Nonetheless, the above update in no way provides assurances that the conditions precedent upon which the fulfilment of the Scheme is conditional will be met.

Going concern

The directors are satisfied that the Group is a going concern for the foreseeable future, and have adopted the going-concern basis in preparing these financial statements.

Accounting policies

The unaudited condensed interim financial information has been prepared in accordance with the framework, concepts and measurement and recognition of International Financial Reporting Standards ("IFRS"), the AC 500 standards as issued by the Accounting Practices Board and the information as required by IAS 34: Interim Financial Reporting. The accounting policies, which are in terms of IFRS, are consistent with those adopted in the 18 months ended 31 December 2010, except for the comparative period statement of comprehensive income which has been re-presented for Sable as an asset held for sale in terms of IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. The change in the presentation currency from ZAR to US\$ is applied retrospectively in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors and therefore requires comparative information to be re-presented and consequently, a third statement of financial position is presented.

The accounting standards, amendments to issued accounting and interpretations, which are relevant to the Group, but not yet effective at 30 June 2011, have not been adopted. The Group is currently evaluating the impact of these pronouncements.

The unaudited condensed interim financial information for the six-month period ended 30 June 2011 has not been reviewed or reported on by the Group's auditors, Deloitte & Touche. Any reference to future financial performance included in this announcement, has also not been reviewed or reported on by the Company's auditors.

Mineral Reserves and Resources

The Group Mineral Resources and Reserves as at 31 December 2010 were published in the Mineral Resources and Ore Reserves supplement in March 2011. No further changes have been made to this document.

Ongoing drilling and related geological model updates at Ruashi mine, Musonoi and Kinsenda projects are expected to result in incremental changes to the Mineral Resources in H2 2011. At Ruashi, ongoing high resolution grade control drilling and a reclassification of a portion of the Calcaire Minerais Noir ("CMN") zone from the Inferred to Indicated category at Ruashi is also expected to have a positive effect on the Resource statement.

Detailed life of mine ("LOM") planning has commenced on all operations as the first phase of the business planning cycle for 2012. Amended mining reserves based on the revised LOM designs will be presented for approval to the Metorex Board in November 2011.

Mineral Resources and Reserves in this report have been compiled, approved and reviewed by Mr TP 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 20 years' experience in exploration, resource development, 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.

Outlook

The Group's financial position has continued to improve and the focus remains on operating and project development strategies. Copper and cobalt production is expected to continue at current levels. Cost pressures remain at all operating and project development sites and cost reduction measures remain paramount. The processes and regulatory permissions required to advance the Jinchuan offer to shareholders are expected to be completed by December 2011 whereupon Metorex will be de-listed from the exchange operated by the JSE Limited.

Rob Still
Chairman

Terence Goodlace
Chief Executive Officer

5 September 2011

The preparation of the Group's condensed consolidated unaudited interim results was supervised by Maritz Smith, Chief Financial Officer, BComm, BComm (Hons), CA(SA).

Condensed consolidated statement of comprehensive income

	6 months June 2011 (US\$'000)	6 months June 2010* (US\$'000)
Mineral sales		
Copper	204 411	120 043
Cobalt	55 492	49 558
Gross revenue	259 903	169 601
Realisation costs	31 126	26 507
On-mine revenue	228 777	143 094
Cost of production	91 738	82 127
Stock movement	5 838	8 040
Cash mining profit	131 201	52 927
Ruashi deferred put premium – non cash	(11 888)	–
Royalties	(11 190)	(8 101)
Other (expenses) income, net	(3 660)	1 031
EBITDA	104 463	45 857
Loss on the disposal of Cons Murch	(3 332)	–
Finance income	583	1 232
Finance costs	(3 605)	(4 468)
Income before depreciation	98 109	42 621
Depreciation	21 550	17 758
Income before assets held for sale ("AHFS")	76 559	24 863
AHFS and discontinued operation	1 310	(2 198)
Income before taxation	77 869	22 665
Impairment – Zambian taxation	9 898	–
Taxation expense	30 263	5 820
Income after taxation	37 708	16 845
Income attributable to non-controlling interests	9 555	4 270
Retained income for the period	28 153	12 575
Total other comprehensive income	42 533	37 337
Attributable to:		
Equity holders of the parent	41 357	38 257
Non-controlling interests	1 176	(920)
	42 533	37 337
From continuing and discontinuing operations		
Earnings per share (US cents)	2,81	1,46
Diluted earnings per share (US cents)	2,81	1,45
Headline earnings per share (US cents) ("HEPS")	3,81	1,49
Diluted headline earnings per share (US cents)	3,81	1,48
Adjusted headline earnings per share (US cents) ("Adjusted HEPS")	4,47	1,75

Weighted average shares in issue (000's)	1 003 048	860 091
Diluted number of shares in issue (000's)	1 003 048	868 014
Shares in issue (000's)	1 004 263	1 002 263
HEPS reconciliation		
Income attributable to ordinary shareholders	28 153	12 575
Zambian tax impairment, net of minorities	8 413	–
Net loss on the sale of fixed assets and Cons Murch, net of tax	1 258	251
Discontinued operations	441	17
Headline earnings (US\$'000's)	38 265	12 843
Headline earnings per share (US cents)	3,81	1,49
Diluted headline earnings per share (US cents)	3,81	1,48
Adjusted HEPS reconciliation		
Headline earnings (US\$'000's)	38 265	12 843
Ruashi deferred put premium, net of tax and minorities	6 241	–
AHFS, net of tax	323	2 198
Adjusted headline earnings (US\$'000's)	44 829	15 041
Adjusted headline earnings per share (US cents)	4,47	1,75

*Re-presented for assets held for sale and a change to US\$ reporting using a rate of ZAR7,53 to the US\$.

Condensed consolidated statement of financial position

	6 months ended June 2011 (US\$'000)	18 months ended December 2010* (US\$'000)	12 months ended June 2009* (US\$'000)
ASSETS			
Non-current assets			
Property, plant, equipment and mineral rights	691 079	677 610	732 696
Goodwill	1 745	1 745	1 745
Investments and rehabilitation trust fund	12 090	12 352	12 197
Derivative instrument	–	–	14 386
	704 914	691 707	761 024
Current assets			
Inventories	47 912	50 145	40 011
Trade and other receivables	66 571	81 442	67 828
Taxation prepaid	1 292	2 290	939
Bank balances and cash	75 219	66 193	11 145
	190 994	200 070	119 923
Assets held for sale, net	16 559	–	107 898
Total assets	912 467	891 777	998 845
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent	574 713	504 967	363 582
Non-controlling interests	24 874	15 944	69 279
Total equity	599 587	520 911	432 861
Non-current liabilities			

Long-term borrowings – interest bearing	54 519	76 480	214 495
Long-term provisions	20 951	22 105	27 473
Deferred tax liabilities	97 802	86 924	71 110
Derivative instruments	876	9 135	–
	174 148	194 644	313 078
Current liabilities			
Trade and other payables	40 313	62 365	84 526
Short-term borrowings – interest bearing	50 580	52 703	105 403
Short-term provisions	2 593	3 929	5 313
Derivative instruments	35 261	48 072	34 887
Taxation	9 985	4 291	4 546
Bank overdraft	–	–	8 231
	138 732	171 360	242 906
Liabilities held for sale, net	–	4 862	–
Total equity and liabilities	912 467	891 777	988 845
Net assets value per share (US cents)	57	50	49
Net tangible asset value per share (US cents)	57	50	49

*Re-presented for US\$ reporting using a rate of ZAR6,5995 to the US\$.

Condensed consolidated cash flow statement

	6 months June 2011 (US\$'000)	6 months June 2010 (US\$'000)
Cash generated by operations, pre-working capital	118 742	44 604
Working capital	(5 842)	(5 383)
Cash generated by operations	112 900	39 221
Dividends paid to non-controlling interests	(1 800)	–
Taxation paid	(13 459)	(10 344)
Arrear Zambian taxes paid	(6 116)	–
Finance costs, net	(3 022)	(3 236)
Cash inflows from operating activities	88 503	25 641
Cash outflows from investing activities	(53 911)	(41 099)
Additions to property, plant, equipment, mineral rights and investments	(47 574)	(40 928)
Movement in AHFS/discontinued operations	2 140	(170)
Disposal of Consolidated Murchison	(8 477)	–
Cash (outflows)/inflows from financing activities	(23 530)	57 391
Shares issued	554	114 549
Borrowings repaid	(24 084)	(57 158)
Net increase in cash and cash equivalents	11 062	41 933
Cash at beginning of period	66 193	27 241
Sable Zinc – AHFS	(922)	–
Effect of foreign exchange rate changes	(1 114)	(1 209)

Cash at end of period	75 219	67 965
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Condensed consolidated statement of changes in equity

	6 months June 2011 (US\$'000)	6 months June 2010 (US\$'000)
Shareholders' equity at start of period	520 911	327 253
Ordinary shares issued	554	114 549
Other comprehensive income	42 533	37 337
Profit for the period	28 153	12 575
Equity reserve	–	(602)
Share option equity	2 262	1 274
Non-controlling interests	8 930	17 739
Equity attributable to AHFS	(3 756)	602
Total equity	599 587	510 727

Annexure 1: Operational review
for the six months ended 30 June 2011 ("current period") compared with the six months ended June 2010 ("previous period")

Ruashi

		6 months June 2011	6 months June 2010
Tons mined	(t)	524 425	436 588
Tons milled	(t)	633 753	600 437
Headgrade – Copper	(%)	3,18	2,98
– Cobalt	(%)	0,43	0,48
Recovery – Copper	(%)	82,1	80,7
– Cobalt	(%)	68,7	54,7
Copper produced	(t)	16 548	14 323
Copper sold – total	(t)	16 444	14 702
– into hedgebook	(t)	8 100	11 700
– at spot price	(t)	8 344	3 002
– hedgebook price achieved	(US\$/t)	5 972	3 900
– average spot price achieved	(US\$/t)	9 306	6 163
Cobalt produced	(t)	1 886	1 572
Cobalt sold	(t)	2 120	1 709
On-mine costs per ton milled, net of ore stock movement	(US\$/t)	112	106
Copper realisation costs per ton of copper sold	(US\$/t)	657	657
Cobalt realisation costs per ton of cobalt sold	(US\$/t)	5 504	4 996
Total cash cost/ton of copper sold, net of cobalt credits	(US\$/t)	2 416	2 598

Safety

There was one lost time injury during the period under review wherein an employee slipped and fell on a highwall at the open pits.

Environment

The company had one level 3 environmental incident during the six months wherein ground water activity levels increased in monitoring boreholes near the tailings dam. Pumps have been installed in these boreholes and the water is being returned to the tailings dam where it is neutralised.

Production and financial

Tons of ore mined increased by 20 percent for the six-month period to June 2011 when compared to the previous six-month period. The main reason for this is additional articulated dump truck capacity, availability and performance.

Milling volumes increased by six percent for the reporting period to June 2011 when compared to the previous six-month period. The current period was affected by both power supply issues and to a lesser extent transformer issues. Spare transformer units are now on site.

The copper and cobalt feed grades were seven percent above and 10 percent below those of the comparable period respectively. The reduction in the cobalt feed grade is in line with the geological model and was supplemented by feeding a proportion of a high cobalt grade stockpile into the plant.

Copper recoveries improved marginally to 82,1 percent for the six-month period. Cobalt recoveries showed a significant improvement of 26 percent. This is attributed to ongoing operating efficiency improvements and greater residence time.

Copper production for the six-month period was 16,548 tons which represents a 16 percent improvement when compared to the previous six-month period. This improvement is due to a combination of higher feed tons and feed grade as mentioned above. Cobalt production has improved by 20 percent to 1,886 tons. The improvement is attributed to feed tons and recoveries as mentioned above.

On-mine costs per ton milled increased by 6 percent to US\$112 per ton. This is mainly due to an increase in copper and cobalt processing costs due to increased reagent prices as well as higher diesel prices affecting mining and transport costs.

Copper realisation costs were in line with the comparable period, however cobalt realisation costs per ton of cobalt sold increased by 10 percent. This increase in the cobalt realisation cost is attributed to both moisture levels being higher than in the previous period and the effects of the incremental export costs per ton as a result of, among others, the US\$60 per ton export charge which was introduced mid-way through the comparable period.

Total cash costs cost per ton of copper sold, net of cobalt credits improved by 7,0 percent for the six-month period to June 2011. The cost reduction is attributed mainly to improved cobalt production and the consequential improvement in cobalt sales tonnages.

Capital

Capital expenditure for the six months totalled US\$28 million which represents an increase of 41 percent when compared to the previous six-month period. The capital spend consists mainly of planned Pit 3 strip volumes that increased by approximately four million tons, the sulphide drilling programme and the construction of the acid plant.

Acid plant

Acid Plant construction continued during the period with hot commissioning now planned for September 2011.

Spin/flash drier

A feasibility study for the construction of a spin/flash drier as an alternative solution for the drying of the cobalt hydroxide has been approved. The project cost is estimated at US\$14,4 million and is expected to take 12 months to construct and has a payback of approximately 18 months. This drier will reduce cobalt hydroxide moisture levels from 65 percent to 20 percent, which will reduce realisation costs.

Chibuluma

		6 months June 2011	6 months June 2010
Tons milled	(t)	279 748	269 432
Headgrade – Copper	(%)	3,44	3,60
Overall recovery– Copper	(%)	91	90

Copper produced	(t)	8 783	8 721
Copper sold – total	(t)	8 761	8 702
– into hedgebook	(t)	3 000	4 200
– at spot price	(t)	5 761	4 502
– hedgebook price achieved	(US\$/t)	8 000	5 308
– average spot price achieved	(US\$/t)	9 400	7 488
On-mine costs per ton milled, net of ore stock movement	(US\$/t)	71	59
Copper realisation costs per ton of copper sold	(US\$/t)	988	987
Total cash cost per ton of copper sold	(US\$/t)	3 270	2 840

Safety

The company had four lost time injuries during the first three months of the six-month period. Three of the LTIs were related to fall of ground incidents and one was related to a moving mobile machine incident. During this period fall of ground procedures were revised incorporating more practical ways of barring. A full review of moving mobile equipment operating procedures has been undertaken encouraging participation at all levels.

Environment

The mine had two level two environmental incidents during the six-month period, one relating to a utility vehicle diesel leak and one relating to grease contamination in an exploration diamond drill sump.

Production and financial

Ore milled volumes were four percent higher than the comparative period ended June 2010 with grades decreasing from 3,60 percent to 3,44 percent. The increase in milling volumes was mainly due to the processing of additional low grade ore stockpiles, resulting in an overall lower grade achieved for the current period.

Copper feed grades decreased by four percent from the previous period and were in line with the mine plan. Overall plant recoveries improved by one percent to 91 percent in the current period versus 90 percent in the previous period. Management has focussed on improving recoveries and numerous interventions, primarily related to ensuring constant flow through the float plant and improving the crushing circuit.

Both copper sold and produced increased by one percent over the same period ending 30 June 2010, mainly due to an increase throughput of ore through the plant and higher overall recoveries.

On-mine costs per ton of ore milled increased by 20 percent from US\$59 to US\$71 per ton. This increase was mainly due to the mine's move to industry best practices in terms of systems and processes as well as significant increases in fuel and electricity, driven by higher oil prices and electricity levies. The mine embarked on a cost drive exercise during the current period, using activity based costing methods and tools to assist in determining areas of focus, specifically engineering.

Total cash costs per ton of copper sold increased by 15 percent to US\$3 270 per ton when compared to the previous period.

Capital

Capital expenditure remained relatively constant and amounted to US\$9,1 million as a result of the purchase of new mining fleet vehicles (US\$1,3 million) needed to maintain production levels as well as increased capital spend on engineering items required to upgrade the quality of capital equipment at Chibuluma. In addition, Chibuluma continued with an exploration programme aimed at increasing the life of the mine (US\$1,4 million). Mining development remained a large proportion of the capital spending (US\$3,3 million).

Chibuluma is well set to maintain mining and milling volumes in the coming period. Although cost pressures will be experienced, the focus will be on cost management during the next six months. Capital expenditure levels are expected to remain similar in the next six months, with additional expenditure incurred on exploration activities targeted at extending the life of the mine.

Sable

		6 months June 2011	6 months June 2010
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Copper produced	(t)	1 231	2 167
Copper sold	(t)	1 264	2 008
Cobalt produced	(t)	4	29
Cobalt sold	(t)	7	32
Acquisition cost of contained copper feed (% of copper LMB price)	(%)	69	71
Overall copper process recovery	(%)	95	94
Net margin on copper production after acquisition and process costs	(%)	9	5

Safety and environmental

The company had no major safety or environmental incidents during the period under review.

Production and financial

Sable's copper production for the quarter reduced by 43 percent to 1,231 tons due to reduced tons milled and lower feed grades.

The volume of ore purchased and milled reduced by 25 percent when compared to the six-month period to June 2010 due to a lack of third party ore. Zambian ore has been sourced and purchased, however this resulted in both lower volumes and lower feed grades. Copper recoveries remained consistently good at approximately 94,5 percent.

Annexure 2: Statement of comprehensive income

For the six months ended 30 June 2011 and 30 June 2010

Condensed consolidated statement of comprehensive income

	Ruashi US\$'000	Chibuluma US\$'000	Corporate US\$'000	Group US\$'000
Six months to June 2011				
Mineral sales				
Copper	126 022	78 389	—	204 411
Cobalt	55 492	—	—	55 492
Gross revenue	181 514	78 389	—	259 903
Realisation costs	22 466	8 660	—	31 126
On-mine revenue	159 048	69 729	—	228 777
Cost of production	67 168	19 556	5 014	91 738
Stock movement	5 586	252	—	5 838
Mining profit	86 294	49 921	(5 014)	131 201
Ruashi deferred put premium	(11 888)	—	—	(11 888)
Royalties	(8 702)	(2 488)	—	(11 190)
Other (expenses) income, net	(2 541)	(1 036)	(83)	(3 660)
EBITDA	63 163	46 397	(5 097)	104 463
Disposal of Cons Murch	—	—	(3 332)	(3 332)
Finance (costs) income, net	(3 009)	(470)	457	(3 022)
Income (loss) before depreciation	60 154	45 927	(7 972)	98 109
Depreciation	14 474	6 988	88	21 550
Income (loss) before AHFS	45 680	38 939	(8 060)	76 559
AHFS and discontinued operations	—	—	1 310	1 310

Income (loss) before taxation	45 680	38 939	(6 750)	77 869
Impairment – Zambian taxation	—	9 898	—	9 898
Taxation expenses (credit)	14 751	17 037	(1 525)	30 263
Income (loss) after taxation	30 929	12 004	(5 225)	37 708
Income attributable to non-controlling interests	7 754	1 801	—	9 555
Retained income (accumulated loss) for the period	23 175	10 203	(5 225)	28 153

Condensed consolidated statement of comprehensive income

	Ruashi US\$'000	Chibuluma US\$'000	Corporate US\$'000	Group US\$'000
Six months to June 2010				
Mineral sales				
Copper	64 034	56 009	—	120 043
Cobalt	49 558	—	—	49 558
Gross revenue	113 592	56 009	—	169 601
Realisation costs	17 911	8 596	—	26 507
On-mine revenue	95 681	47 413	—	143 094
Cost of production	61 747	15 677	4 703	82 127
Stock movement	7 599	441	—	8 040
Mining profit	26 335	31 295	(4 703)	52 927
Royalties	(6 217)	(1 884)	—	(8 101)
Other income (expenses), net	4 325	(1 406)	(1 888)	1 031
EBITDA	24 443	28 005	(6 592)	45 857
Finance (costs) income, net	(2 588)	(1 103)	455	(3 236)
Income (loss) before depreciation	21 855	26 902	(6 136)	42 621
Depreciation	13 248	4 493	17	17 758
Income (loss) before AHFS	8 607	22 409	(6 153)	24 863
AHFS and discontinued operations	—	—	(2 198)	(2 198)
Income (loss) before taxation	8 607	22 409	(8 351)	22 665
Taxation expenses (credit)	2 893	5 143	(2 216)	5 820
Income (loss) after taxation	5 714	17 266	(6 135)	16 845
Income attributable to non-controlling interests	1 273	2 997	—	4 270
Retained income (accumulated loss) for the period	4 441	14 269	(6 135)	12 575

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