

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”)

RELATED PARTY TRANSACTION AND FURTHER CAUTIONARY ANNOUNCEMENT

Metorex Chief Executive Officer, Terence Goodlace said-

“We are pleased to announce this transaction, which allows Shanduka to flip up into Pan African Resources, bringing with it recognized broad-based black economic empowerment credentials and streamlining the structure of the Pan African group.”

1. INTRODUCTION

Shareholders are referred to the announcement by Pan African Resources Plc (“PAR”) dated 19 June 2009 (“the PAR Announcement”) whereby shareholders of PAR were advised of its intention to acquire the current 26% shareholding of Shanduka Gold (Proprietary) Limited (“Shanduka Gold”) in Barberton Mines (Proprietary) Limited (“Barberton Mines”), in exchange for PAR issuing new ordinary shares in the share capital of PAR to Shanduka Gold (“the Share Exchange”).

The new ordinary shares to be issued by PAR to Shanduka Gold will represent 21% of PAR’s enlarged issued share capital following implementation of the Share Exchange.

Upon implementation of the Share Exchange, Barberton Mines will become a wholly-owned subsidiary of PAR.

2. THE SHARE EXCHANGE

PAR, Shanduka Gold and Shanduka Resources (Proprietary) Limited (“Shanduka Resources”) (Shanduka Gold and Shanduka Resources together referred to as “Shanduka”), have entered into a Share Exchange Agreement on 18 June 2009 (“the Share Exchange Agreement”) in terms of which Shanduka Gold will subscribe for 295 751 549 new shares in PAR (“the Consideration Shares”) at a price of 80 cents per share. Accordingly, the transaction value of the Share Exchange would be R 236 601 239.

Shanduka Gold will transfer its 26% shareholding in Barberton Mines to PAR. The Share Exchange will replace and supersede the rights granted to Shanduka Gold by PAR in terms of the Letter of Intent and Tripartite Agreements entered into on 19 March 2007 and 31 August 2008, respectively.

The additional holding in Barberton Mines will be retained by PAR after the Share Exchange.

Full details of the Share Exchange are set out in the PAR Announcement.

3. RELATED PARTY TRANSACTION

Mr Cyril Ramaphosa is a director of Barberton Mines (a subsidiary of PAR and Metorex) and Shanduka Resources. Mr Ramaphosa also has a beneficial interest in Shanduka Gold.

Shanduka Gold currently owns 26% of Barberton Mines.

Accordingly, the Share Exchange is deemed to be a related party transaction for Metorex in terms of the Listings Requirements of the JSE Limited ("JSE").

Metorex will appoint an independent professional expert to provide an opinion as to whether the Share Exchange is fair to Metorex shareholders.

A circular to shareholders setting out full details of the related party transaction, including the opinion by the independent professional expert as well as salient dates and times in terms of the general meeting of Metorex shareholders to approve the Share Exchange, will be issued in due course.

4. BACKGROUND INFORMATION ON METOREX, PAR, THE SHANDUKA GROUP AND BARBERTON MINES

4.1 Metorex

Metorex is an established mid-tier mining group that occupies a unique position in the southern African mining industry. It specialises in identifying, developing and profitably managing mining projects. The Company's current diversified portfolio includes base-metal, gold and industrial minerals mines.

Metorex has evolved by assembling a portfolio of profitable mining companies with a well-balanced commodity mix and good growth prospects. The Company has a record of sustained profitability, despite the cyclical nature of commodity prices.

4.2 PAR

PAR is an emerging mid-tier gold producer with significant exploration targets focused on the acquisition and development of a portfolio of gold deposits in favourable areas of Africa to enhance shareholder value.

4.3 Shanduka Group

The Shanduka Group is a leading black owned and managed investment holding company established in November 2000. The group's investment activities span the Resources, Financial Services, Property, Energy, and Beverages sectors. Shanduka Resources has made a number of investments in the precious metals, coal, steel, diamonds, mining services, paper and forestry arenas. The Shanduka Group's major shareholders include the Ramaphosa Family Trust, the Lilitha Consortium (a broad based women's group), the Shanduka Foundation (more than 65 000 historically

disadvantaged individuals are beneficiaries), management and staff, and financial institutions.

4.4 Barberton Mines

Barberton Mines comprises three operating mines, namely Fairview, New Consort and Sheba, situated in the Magisterial District of Barberton, Mpumalanga Province, Republic of South Africa, some 370km east of Johannesburg and 47km south-west of Nelspruit.

5. RATIONALE

The rationale for the Share Exchange is to:

- enable the entire PAR group to benefit from Shanduka Gold's Black Economic Empowerment credentials;
- enhance PAR group earnings and attributable gold production;
- streamline the PAR group structure; and
- give effect to the flip-up that was contemplated when PAR acquired its interest in Barberton Mines from Metorex.

6. CONDITIONS PRECEDENT

As set out in the PAR Announcement, the implementation of the Share Exchange Agreement is subject to the fulfilment of the following conditions precedent, by no later than 30 September 2009:

- to the extent required, the approval of the Share Exchange by Metorex and PAR shareholders in general meeting, are obtained;
- all regulatory and other approvals that may be required, including, but not limited to, those pertaining to the JSE, the Securities Regulation Code on Takeovers and Mergers and the Rules of the Securities Regulation Panel ("the SRP Code") and the Minister of Minerals and Energy in terms of the Mineral and Petroleum Resources Development Act No 28 of 2002, are obtained ;
- the admission to trading of the Consideration Shares on the Alternative Investment Market ("AIM") of the London Stock Exchange and approval by the JSE for the listing of the Consideration Shares on the Alternative Exchange operated by the JSE;
- the directors of PAR, in consultation with its Nominated Adviser, determining that the terms of the Share Exchange are fair and reasonable to Pan African shareholders in accordance with AIM Rule 13;
- to the extent required, Metorex obtaining a fairness opinion from an independent professional expert stating that the Share Exchange is fair to the shareholders of Metorex;

- the members of Shanduka Gold passing a special resolution in terms of the South African Companies Act, authorising the disposal of Shanduka Gold's interest in Barberton Mines to PAR and the registration of such resolution by the Companies and Intellectual Property Registration Office; and
- such other statutory and regulatory approvals as are customary to a transaction of this nature.

To the extent that any regulatory approvals in terms of (1) the Mineral and Petroleum Resources Development Act No 28 of 2002 and (2) the SRP Code, are not required, PAR and Shanduka may waive the conditions precedent relating such approvals.

The remaining conditions precedent are incapable of being waived.

7. EFFECTIVE DATE

In terms of the Share Exchange Agreement, the effective date of the Share Exchange will be first business day after the date upon which the last of the Conditions Precedent, as set out in paragraph 6 above, are fulfilled or waived, as the case may be.

8. PRO FORMA FINANCIAL EFFECTS

The unaudited pro forma financial effects as out below have been prepared for illustrative purposes only to assist the shareholders of Metorex to assess the impact of the Share Exchange on the earnings per share ("EPS"), diluted earnings per share ("DEPS"), headline earnings per share ("HEPS"), diluted headline earnings per share ("DHEPS"), net asset value per share ("NAVPS") and tangible net asset value per share ("TNAVPS") of Metorex had the Share Exchange occurred on 1 July 2008 for income statement purposes and 31 December 2008 for balance sheet purposes.

These unaudited pro forma financial effects have been disclosed in terms of the Listing Requirements of the JSE and because of their nature may not fairly present Metorex's financial position, changes in equity, results of operations or cash flows.

The unaudited pro forma financial effects have not been reviewed or reported on by the Company's auditors and are the responsibility of the directors of Metorex.

	Notes	Unaudited before the Share Exchange	Pro forma after the Share Exchange	Change (%)
EPS (cents)	1	42.09	49.10	16.65
DEPS (cents)	1	41.88	48.90	16.76
HEPS (cents)	1	48.21	49.82	3.34
DHEPS (cents)	1	47.96	49.56	3.34
NAVPS (cents)	2	843.61	856.64	1.54
TNAVPS (cents)	2	805.58	854.76	6.10
Weighted average number of shares in issue (000)		379 304	379 304	0
Weighted average diluted number of shares in issue (000)		381 283	381 283	0
Number of shares in issue (000)		613 077	613 077	0

Notes:

1. The EPS, DEPS, HEPS and DHEPS, as set out in the "before" column of the table, are based on Metorex's consolidated unaudited interim results as at 31 December 2008 as published on SENS on 3 March 2009.
2. The NAVPS and TNAVPS, as set out in the "before" column of the table, are based on Metorex's consolidated unaudited interim results as at 31 December 2008 as published on SENS on 3 March 2009.
3. The unaudited pro forma financial effects have been prepared in accordance with International Financial Reporting Standards and are consistent with the accounting policies applied by Metorex for the financial year ended 30 June 2008.

9. FURTHER CAUTIONARY ANNOUNCEMENT

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

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

Rosebank
19 June 2009

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