

**METOREX LIMITED**  
(Incorporated in the Republic of South Africa)  
(Registration number 1934/005478/06)  
JSE code: MTX  
ISIN: ZAE000022745  
("Metorex" or "the Company")

**ANNOUNCEMENT REGARDING:**

- **A R3 BILLION CAPITAL AND DEBT RESTRUCTURING PROGRAMME;**
- **A SPECIFIC ISSUE OF SHARES FOR CASH;**
- **DECLARATION DATA IN TERMS OF A RENOUNCEABLE CLAW BACK OFFER;**
- **NOTICE OF GENERAL MEETING; AND**
- **FURTHER CAUTIONARY ANNOUNCEMENT**

**1. INTRODUCTION**

Metorex's liquidity position has been adversely affected by a number of factors that were exacerbated by the recent decline in metal prices.

These factors include, *inter alia*:

- delays experienced in the commissioning and production ramp-up of the Ruashi Copper Project undertaken by Metorex and its affiliates in the Democratic Republic of the Congo ("the Ruashi Project");
- additional capital expenditure overruns on the Ruashi Project;
- further funding requirements arising from Metorex's controlling interest in Copper Resources Corporation ("CRC"); and
- the requirement to reinvest the 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.

At the end of October 2008, the Metorex group of companies ("Metorex Group") had long-term and medium-term debt commitments totalling approximately R2.392 billion ("Metorex Group Debt"), comprising the following:

- R1.965 billion in respect of The Standard Bank of South Africa Limited ("Standard Bank"), Export Credit Insurance Corporation Limited and other lenders' project finance facility pertaining to the Ruashi Project ("the Ruashi Debt");
- R386 million in respect of the Chibuluma mining operation ("Chibuluma Debt"); and
- R41 million in respect of other Metorex Group operations ("Other Metorex Debt").

The repayment periods of the Metorex Group Debt vary from 42 months to 60 months and the debt is mainly US Dollar denominated.

The recent weakening of the exchange rate further increased Metorex's debt exposure (expressed in South African Rands).

The board of directors of Metorex ("the Board") appointed Barnard Jacobs Mellet Corporate Finance (Proprietary) Limited ("BJM") to assist the Company in co-ordinating a suitable debt and capital restructuring programme to address the Company's immediate liquidity requirements and to ensure that Metorex is adequately capitalised over the medium term ("the Capital and Debt Restructuring Programme").

This announcement sets out the results and terms and conditions pertaining to the Capital and Debt Restructuring Programme.

## **2. THE CAPITAL AND DEBT RESTRUCTURING PROGRAMME**

BJM is authorised to announce that Metorex has entered into various agreements that, subject to the fulfilment of the conditions detailed in this announcement, will result in a R3 billion Capital and Debt Restructuring Programme, the salient features of which are:

- a fresh equity capital injection of R744 million (“the Capital Raising”);
- a bridging finance facility of R300 million (“the Bridging Finance Facility”);
- a term loan facility (which converts from the Bridging Finance Facility) being an amount after the set-off as described in paragraph 7 below (“the Term Loan Facility”);
- a restructuring of the approximately R2 billion Ruashi Debt, as well as the accompanying repayment terms with Standard Bank (“the Ruashi Debt Restructuring Agreement”); and
- a waiver by Standard Bank of certain of its rights in terms of the agreements pertaining to the Ruashi Debt in order to allow the successful implementation of the Capital Raising and the above mentioned other agreements (“the Waiver”),

(collectively referring to the Bridging Finance Facility, the Term Loan Facility, the Ruashi Debt Restructuring Agreement and the Waiver hereinafter as “the Banking Agreements”).

## **3. PURPOSE AND APPLICATION OF THE CAPITAL AND DEBT RESTRUCTURING PROGRAMME**

### **3.1 Funding required for the Ruashi Project**

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

- increases in the scope and extent of the Ruashi Project from the original feasibility study (which study was completed in 2006);
- commissioning delays, 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 in relation to stainless steel, cement and diesel prices; and
- further capital and social investment cost overruns.

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 Financing Facility, will be applied principally towards the funding requirements relating to the Ruashi Project.

In view of:

- the existing level of Ruashi Debt;
- the existing level of Metorex Group Debt; and
- the current global economic climate (including metal price volatility),

the Board agreed that new equity capital was required to capitalise Metorex appropriately in the medium-term, thus necessitating the Capital Raising. Standard Bank agreed to provide the Bridging Finance Facility (as more fully set out in paragraph 7 below) to allow Metorex to implement the Capital Raising exercise.

### **3.2 Other funding requirements**

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, Metorex’s principal non-copper key operations (notably, Vergenoeg Mining Company (Proprietary) Limited and Barberton Mines (Proprietary) Limited, the latter operated by Metorex’s subsidiary, Pan African Resources PLC) are operating in line with expectations and are generating significant cash flows.

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

### **3.3 Triggering the Banking Agreements**

The Capital Raising and the Banking Agreements are inter-conditional.

As such, Metorex requires the implementation of the agreements pertaining to the Capital Raising to ensure access to the additional lending facilities and ancillary benefits to be derived from the Banking Agreements.

### **3.4 The Ruashi Debt Restructuring Agreement**

The repayment terms pertaining to the Ruashi Debt have been restructured in order to allow Metorex and its affiliates in the Ruashi Project the opportunity to complete commissioning and ramp-up to full production in an orderly fashion.

To this end, the first capital repayment date on the Ruashi Debt has been extended from 30 June 2009 to 31 December 2009 and the remainder of capital and interest repayments have been extended by a similar time frame.

The other terms and conditions pertaining to the Ruashi Debt have remained materially unchanged, save for Metorex agreeing to provide further security to Standard Bank, full details of which will be set out in the circular to shareholders pertaining to the proposed specific issue for cash, referred to in paragraph 13 below.

### **3.5 The Waiver**

In terms of the Waiver, Standard Bank and other lending parties to the Ruashi Debt Restructuring Agreement have agreed to waive, subject to specified conditions, certain rights and conditions pertaining to the existing agreements governing the Ruashi Debt. The purpose of the Waiver is, *inter alia*, to allow:

- Metorex to raise further medium-term funding (as provided for in the Bridging Finance Facility and the resultant Term Loan Facility);
- implementation of the Ruashi Debt Restructuring Agreement; and
- implementation of the Capital Raising.

## **4. IMPLEMENTATION OF THE CAPITAL AND DEBT RESTRUCTURING PROGRAMME**

At the date of this announcement, Metorex has 500 000 000 authorised shares, of which 370 538 403 shares are in issue ("Issued Shares"), resulting in 129 461 597 shares being authorised but unissued ("Unissued Shares").

In order to access the funding provided by the Bridging Finance Facility and to fulfil a condition precedent to the other agreements constituting the Banking Agreements, Metorex agreed to place the full Unissued Shares ("Claw Back Shares") with certain parties. This part of the Capital Raising is dealt with more fully in paragraph 6 below.

Furthermore, in order to provide certainty to Metorex's lenders in terms of the conditions precedent to the Banking Agreements, Metorex undertook and forthwith placed a further 242 538 403 shares with the same parties, as well as with Standard Bank, however this constitutes a conditional subscription for shares subject to, *inter alia*, an increase in Metorex's authorised share capital. This element of the Capital Raising is dealt with more fully in paragraph 5 below.

## 5. TERMS OF THE SPECIFIC ISSUE

At a general meeting of shareholders, details of which are set out in paragraph 10 below (“the General Meeting”), authorisation will be sought for Metorex to create a further 1 000 000 000 ordinary shares and issue 242 538 403 shares at an issue price of 200 cents per share (“the Issue Price”), resulting in a total cash consideration of R485 076 806 to be received from various parties before expenses (“the Specific Issue”).

The Issue Price was determined by the Board after a book-building exercise by BJM amongst selected institutions (“the Book-Build”). The Book-Build simultaneously dealt with the allocation and issue price of the Claw Back Offer, as more fully set out in paragraph 6 below.

The Issue Price represents a discount of 67% to the weighted average traded price of Metorex shares for the 30 trading days ended on 20 November 2008, being the day before the finalisation of the Book-Build. It represents a 48% discount to the weighted average traded price of Metorex shares for the trading day ended on 20 November 2008.

In order to effect the Specific Issue, Metorex is required to increase its authorised share capital. The Board has recommended an increase in the authorised share capital of the Company to 1 500 000 000 ordinary shares with a par value of 10 cents each.

The Specific Issue is, *inter alia*, conditional upon certain of the suspensive conditions as set out in paragraph 8(ii) below.

At the date of listing of these shares, all the issued shares (including the new shares to be issued) will be of the same class and will rank *pari passu* in all respects.

No application will be made to the Financial Services Authority (“FSA”) for the new shares to be admitted to the Official List in the United Kingdom and no application will be made to the London Stock Exchange (“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.

The circular pertaining to the Specific Issue remains subject to JSE Limited (“JSE”) approval.

## 6. TERMS OF THE CLAW BACK OFFER

Metorex will proceed with a claw back offer for a total of 129 461 597 Unissued Shares (“the Claw Back Shares”) offered to Metorex shareholders recorded in the register as shareholders on Friday, 19 December 2008 (“the Record Date”) in the ratio of 34.94 shares for every 100 shares held at an issue price of 200 cents per share (“the Claw Back Offer”).

Fractional entitlements to Claw Back Shares arising from the Claw Back Offer will be rounded down to the nearest whole number if they are less than 0.5 and will be rounded up to the nearest whole number if they are equal to or greater than 0.5. No excess applications will be allowed.

At the date of this announcement the Claw Back Offer is subject to, *inter alia*, the Banking Agreements becoming unconditional.

The circular and letters of allocation pertaining to the Claw Back Offer remains subject to JSE and the Companies and Intellectual Property Registration Office (“CIPRO”) approval.

## 7. TERMS OF THE BRIDGING FINANCE FACILITY

Standard Bank has agreed to provide Metorex with the Bridging Finance Facility in terms of which a maximum amount of R300 million will be extended to Metorex.

The salient terms of the Bridging Finance Facility are as follows:

- an upfront facility fee, equal to 5.0% of the 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 unconditionally receiving the cash proceeds from the Claw Back Offer;
- interest is payable quarterly in arrears at a rate equal to JIBAR (Johannesburg Interbank Agreed Rate) 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 Finance Facility from the earlier of the first business day after the date on which the suspensive and advance conditions are met and/or waived by Standard Bank or the date on which Standard Bank makes any advance to Metorex on account of the Bridging Finance Facility, and will be payable quarterly in arrears;
- draw down on the facility occurs at Metorex's request and instance; and
- Metorex may effect early repayment and/or cancellation of the whole or any portion of the undrawn amount of the facility by providing notice in writing to Standard Bank of not less than ten business days, in respect of which Metorex shall not be liable for any penalties or commitment or other fees.

Subsequent to implementation of the Capital Raising, the outstanding balance on the Bridging Finance Facility will convert into a Term Loan Facility, the salient terms and conditions of which are similar to the Bridging Finance Facility, save for the fact that no upfront or facility fee will be payable. Once converted, the final repayment date of the balance of the Term Loan Facility, subject to certain conditions, will be 30 November 2009.

The equity contribution from Standard Bank arising from its participation in the Specific Issue (refer to paragraph 5 above, as well as paragraph 8 below) shall be settled by means of set off against the outstanding balance of the Bridging Finance Facility at the time of the Specific Issue. To the extent that the outstanding balance of the Bridging Finance Facility is less than the amount of Standard Bank's equity subscription, the balance of the subscription will be settled in cash.

Standard Bank's equity contribution amounts to R122 million and, assuming the full Bridging Finance Facility is drawn down at the time of the Specific Issue, the Bridging Finance Facility will convert into a Term Loan Facility with a facility amount of R178 million.

## **8. THE SUBSCRIBERS**

The following entities have subscribed for the shares offered in terms of the Capital Raising:

- Allan Gray Limited;
- Coronation Asset Management (Proprietary) Limited;
- The Industrial Development Corporation of South Africa Limited;
- Minerales Y Productos Derivados SA ("Minersa");
- The Public Investment Corporation Limited;
- Beankin Investments (Proprietary) Limited ("Beankin");
- Standard Bank; and
- Stanlib Asset Management Limited,

(collectively referred to as "the Subscribers").

In terms of the subscription agreements entered into (“the Subscription Agreements”), the Subscribers have irrevocably undertaken to subscribe for 242 538 403 shares in terms of the Specific Issue and 129 461 597 Claw Back Shares at an issue price of 200 cents per share. Such subscriptions are on the basis that the South African resident Metorex shareholders, recorded in the register as such on the Record Date, be afforded the opportunity to subscribe for the Claw Back Shares in terms of this announcement and the circular to be posted to shareholders detailing the terms and conditions of the Claw Back Offer (refer to paragraphs 11 and 12 below).

The salient features of the Subscription Agreements are detailed below:

i. Liquidity fee

In consideration for the Subscribers agreeing to subscribe for the Claw Back Shares and paying the subscription price, Metorex shall pay to the Subscribers a liquidity fee equal to 5% of the total value subscribed for in terms of the Claw Back Offer.

ii. Suspensive conditions

The Subscription Agreements relating to the Specific Issue contain, *inter alia*, the following suspensive conditions:

- the JSE agreeing to list the new shares issued in terms of the Specific Issue;
- Metorex shareholders passing the special resolution authorising an increase in the authorised share capital of Metorex and such resolution being duly registered by CIPRO;
- approval of the Specific Issue by not less than 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 of the JSE (“Listings Requirements”);
- the Banking Agreements becoming unconditionally operative;
- the Subscribers entering into a subscription agreement with the Company in respect of the Claw Back Offer and such agreement becoming unconditionally operative; and
- Metorex entering into conditional subscription agreements which, together with the subscription for all the Unissued Shares, constitutes a capital raising of no less than R 700 million.

iii. Irrevocable undertakings

In terms of the Subscription Agreements, the Subscribers representing approximately 40.3% of the Issued Shares have provided Metorex with irrevocable undertakings stating that they will vote in favour of the resolutions pertaining to the increase in authorised share capital and the Specific Issue.

iv. Related parties

Minersa and Beankin are classified as “related parties” in terms of the Listings Requirements. Accordingly, the Board has appointed an independent expert to provide a fairness opinion in accordance with the Listings Requirements. Their opinion and the subsequent opinion of the Board will be included in a circular to shareholders, the details of which are provided in paragraph 12 below.

v. Ruling from the Securities Regulation Panel (“SRP”) on Take-Overs and Mergers (“the Code”)

The SRP has issued a ruling to the effect that the Capital Raising does not constitute an affected transaction, as defined in the Code.

## 9. FINANCIAL EFFECTS OF THE CAPITAL RAISING

The table below sets out the unaudited *pro forma* financial effects of the Capital Raising and Term Loan Facility based on the Company's published preliminary results for the year ended 30 June 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 Capital Raising. It has been assumed for purposes of the *pro forma* financial effects that the Capital Raising took place with effect from 30 June 2008 for balance sheet purposes and 1 July 2007 for income statement purposes.

It has also been assumed that the Capital Raising will amount 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 Term Loan 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 and have not been reviewed by Metorex's auditors.

	Before (cents)	After the Specific Issue (cents)	Movement (%)	After the Term Loan Facility (cents)	Movement (%)	After the Claw Back Offer (cents)	Movement (%)	Total movement (%)
Net asset value per share <sup>1</sup>	934.60	641.10	-31.4	638.60	-0.4	559.20	-12.4	-40.2
Net tangible asset value per share <sup>1</sup>	871.40	603.00	-31.0	600.50	-0.4	527.70	-12.1	-39.4
Earnings per share <sup>2</sup>	159.40	93.90	-41.1	86.10	-8.3	70.60	-18.0	-55.7
Diluted earnings per share <sup>3</sup>	156.50	92.90	-41.0	85.10	-8.4	69.90	-17.9	-55.3
Headline earnings per share <sup>4</sup>	131.70	77.60	-41.1	69.70	-10.2	57.20	-17.9	-56.6
Diluted headline earnings per share <sup>5</sup>	129.30	76.80	-41.0	69.00	-10.2	56.70	-17.8	-56.1
Weighted average number of shares in issue (000) <sup>6</sup>	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) <sup>7</sup>	354,447	596,985	68.4	596,985	0.0	726,447	21.7	105.0
Number of shares in issue (000) <sup>8</sup>	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 as at 30 June 2008 was 369.173 million and, as a result of the issues of shares, the number of Metorex shares in issue as 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:

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
Total	13,719,920	20,857,240

10. The following costs in respect of the Term Loan 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	-
<b>Total</b>	<b>48,483,900</b>	<b>15,000,000</b>

\* Assuming an amount of R 178 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 Claw Back Offer and the Specific Issue.

## 10. SALIENT DATES AND TIMES OF THE SPECIFIC ISSUE

Set out below are the proposed salient dates and times pertaining to the Specific Issue:

	Date
Circular posted to shareholders on	Monday, 1 December 2008
Last day to lodge forms of proxy for the General Meeting by 10h00 on	Friday, 19 December 2008
General Meeting of shareholders to be held at The Kwacha Room, The Rosebank Hotel, Corner Tyrwhitt and Sturdee Avenue, Rosebank 10h00 on	Tuesday, 23 December 2008
Results of General Meeting published on SENS on	Tuesday, 23 December 2008
Results of General Meeting published in press on	Wednesday, 24 December 2008

**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 5 (five) days prior to the General Meeting.

**11. SALIENT DATES AND TIMES OF THE CLAW BACK OFFER**

Set out below are the proposed salient dates and times pertaining to the Claw Back Offer:

	<b>Date</b>
Last day to trade in Metorex shares on the JSE in order to participate in the Claw Back Offer (cum rights) on	Thursday, 11 December 2008
Metorex shares trade ex Claw Back Offer rights on the JSE on	Friday, 12 December 2008
Listing and trading on the JSE of the renounceable letters of allocation from the commencement of trade on	Friday, 12 December 2008
Record date in order to be entitled as a Metorex shareholder to participate in the Claw Back Offer	Friday, 19 December 2008
Claw Back Offer opens at 09h00 and the circular including form of instruction, where applicable, is posted to shareholders on	Monday, 22 December 2008
Dematerialised shareholders will have their accounts at their CSDP or broker automatically credited with their renounceable letters of allocation. Certificated shareholders will have letters of allocation credited electronically to an account at Link Market Services South Africa (Pty) Limited on	Monday, 22 December 2008
Last date to trade in the renounceable letters of allocation on the JSE in order to settle by Friday, 16 January 2009 on	Friday, 9 January 2009
Listing and trading on the JSE of Claw Back Shares commences at 09h00 on	Monday, 12 January 2009
Claw Back Offer closes at 12h00 and payment and forms of instruction to be received by the transfer secretaries on (see notes 1 and 5)	Friday, 16 January 2009
Results of Claw Back Offer announcement released on SENS on	Monday, 19 January 2009
Expected date from which share certificates are mailed in respect of certificated shareholders or accounts at the relevant CSDP or broker are updated with their new shares and debited with the costs of the purchase in respect of the dematerialised shareholders on	Monday, 19 January 2009
Announcement giving results of the Claw Back Offer published in the press on	Tuesday, 20 January 2009

**Notes:**

1. Dematerialised shareholders are required to notify their duly appointed CSDP or broker of their acceptance of the Claw Back Offer in the manner and time stipulated in the agreement governing the relationship between the shareholder and his CSDP or broker.
2. All times indicated are South African times unless otherwise stated.
3. Share certificates may not be dematerialised or rematerialised between Friday, 12 December 2008 and Friday, 19 December 2008, both days inclusive.
4. The CSDP / broker accounts of dematerialised shareholders will be automatically credited with new Metorex shares to the extent to which they have accepted the Claw Back Offer on Monday, 19 January 2009. Metorex share

certificates will be posted, by registered post at the shareholders' risk, to certificated shareholders in respect of the Claw Back Offer shares which have been accepted on or about Monday, 19 January 2009.

5. CSDPs or brokers effect payment in respect of dematerialised shareholders on a delivery versus payment method.

## **12. INVESTORS OUTSIDE SOUTH AFRICA**

The Claw Back Shares have not been and will not be registered for the purposes of the Claw Back Offer under the securities laws of the United Kingdom, Canada, United States of America or any other country except South Africa and accordingly, except as stated below, are not being offered, sold, taken up, re-sold or delivered directly or indirectly to shareholders with registered addresses outside South Africa ("Non-Resident Shareholders").

Therefore, the circular detailing details of the Claw Back Offer will be sent to them for information purposes only. In this regard, the approval of CIPRO in terms of section 142(2) (a) of the Companies Act has been sought, to the effect that Metorex is not obliged to extend the Claw Back Offer to shareholders who are not resident in the Republic of South Africa. The rights attributable to such rights Non-Resident Shareholders will, if a premium can be obtained over the expenses of sale, be sold on the JSE, for the benefit of such Non-Resident Shareholders as soon as practicable. However, if the net proceeds of sale in relation to any such rights recipient are less than R5.00, they will be retained for the benefit of Metorex.

No renounceable letters of allocation will be sent, therefore, to any shareholder whose registered address is in the United Kingdom, Canada, the United States or any other country except South Africa.

As at the date of listing of the Claw Back Shares, all the issued shares (including the Claw Back Shares) will be of the same class and will rank pari passu in all respects.

No application will be made to the FSA for the Claw Back Shares to be admitted to the Official List in the United Kingdom and no application will be made to LSE for the Claw Back Shares to be admitted to trading on the LSE's main market until the Company has issued a prospectus to its shareholders.

This document is not a prospectus but comprises an advertisement for the purposes of paragraph 3.3.2R 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 production, be available from the registered offices of Metorex and from the offices of Beaumont Cornish Limited.

## **13. DETAILS OF CIRCULARS TO SHAREHOLDERS**

A circular to shareholders containing details of the proposed increase in the authorised share capital and the Specific Issue and a notice of the General Meeting will be posted to shareholders on or about Monday, 1 December 2008.

A circular to shareholders containing details of the Claw Back Offer will be posted to shareholders on or about Monday, 22 December 2008.

## **14. FURTHER CAUTIONARY ANNOUNCEMENT**

Shareholders are referred to the cautionary announcement dated 10 November 2008 and are advised that Metorex remains involved in negotiations which may have an effect on the price of the Company's securities. Accordingly, shareholders are advised to continue to exercise caution when dealing in the Company's shares until a further announcement is made.

Johannesburg  
27 November 2008

**Corporate advisor, sole book-runner and lead sponsor on the JSE to Metorex**  
Barnard Jacobs Mellet Corporate Finance (Pty) Limited

**Independent sponsor on the JSE to Metorex**  
Deloitte & Touche Sponsor Services (Pty) Limited

**South African legal advisor to Metorex**  
Bowman Gilfillan Incorporated

**South African legal advisor to Barnard Jacobs Mellet Corporate Finance (Pty) Ltd**  
Cliffe Dekker Hofmeyr Inc.

**United Kingdom legal advisor to Barnard Jacobs Mellet Corporate Finance (Pty) Ltd**  
DLA Piper UK LLP

**United Kingdom legal advisors to Metorex**  
Maclay Murray & Spens LLP

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

**South African legal advisor to the Standard Bank of South Africa Limited**  
Deneys Reitz Inc.

**English Law legal advisors to the Standard Bank of South Africa Limited**  
Africa Legal