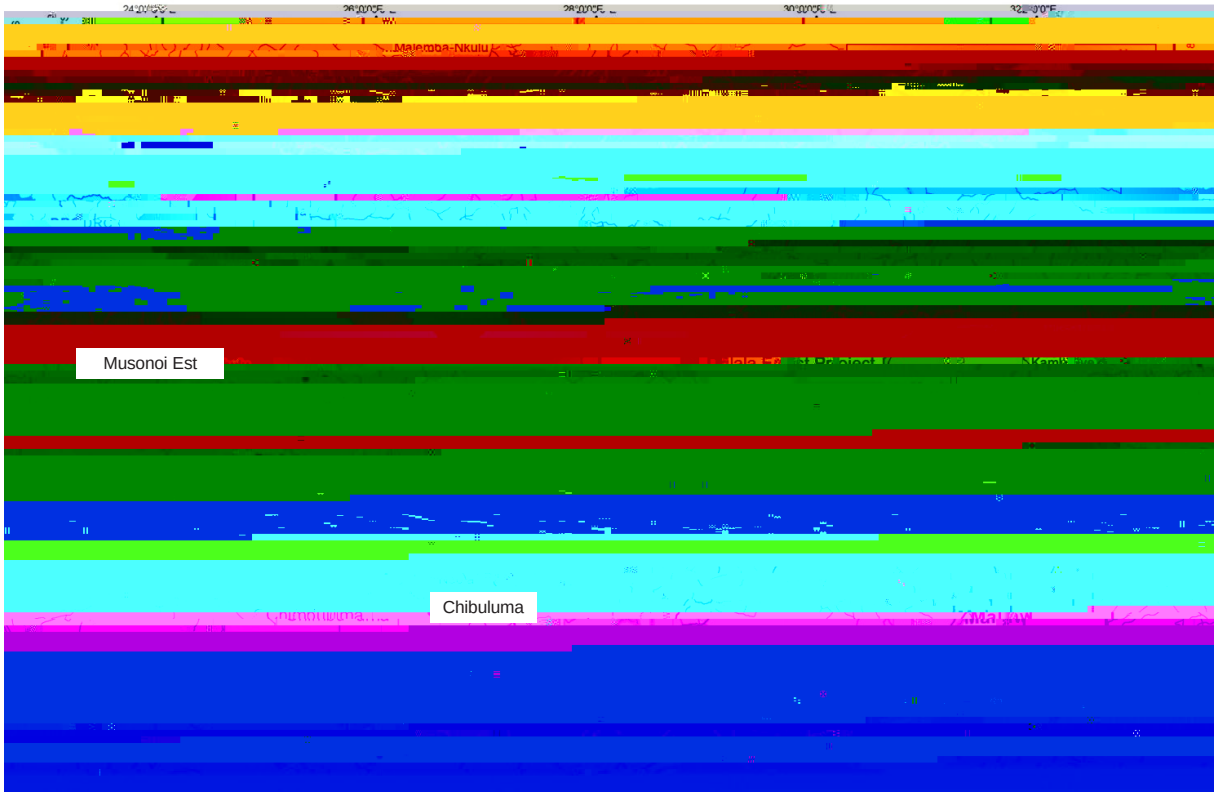
I. OVERVIEW

Metorex is headSa1oT1hed in South Africa and controls two mining projects in Africa which are in operation and are profit generating: (i) Ruashi Mine, a copper and cobalt mine located in the DRC; and (ii) Chibuluma South Mine, a copper mine located in Zambia. In addition, Metorex also has control over the Kinsenda copper project, the Development Project located in the DRC which is held by Kinsenda Sarl, and two advanced stage Exploration Projects located in the DRC, namely (i) Lubembe copper project; and (ii) Musonoi Est copper/cobalt project.

The following map ildaofrates the location of Metorex s key projects:



Source: Competent Person's Report (figure 1.1)

The concessions and their key terms (area and expiry date) that are associated with each of the Operating Mines, the Development Project and the Exploration Projects are summarised in the following table:

Concession	Number	Location/ Licencing Authority	Area (ha)	Valid from	Licence Holder	Expiry Date	Commodity
Ruashi Mine							

Notes:

(1) The mining licence of 7064-HQ-LML is held by Chibuluma plc for the Chibuluma west property which comprises

transactions with any person/entity on the specially designated nationals list (who are subject to sanctions) in the DRC. Based on confirmations received from Metorex Group, the Company understands that the

Notes:

(1)

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Metorex has been involved in the Ruashi Mine since 2004 and has developed the project in two phases. Phase I involved the construction of a concentrator plant to treat the oxide stockpiles that were left untreated by Union MiniŁre and GØcamines with the concentrate being transported to the SX-EW facility owned by Sable Zinc in Zambia where copper cathode and cobalt carbonate were produced. Phase II of the project commenced in March 2007 and involved the development of the Ruashi Mine opencast orebody and the construction of an expanded crushing and milling section, the new acid leaching section and SX-EW plant for the production of copper cathode and cobalt hydroxide on site from ore mined from

Mineral Resources and Mineral Reserves

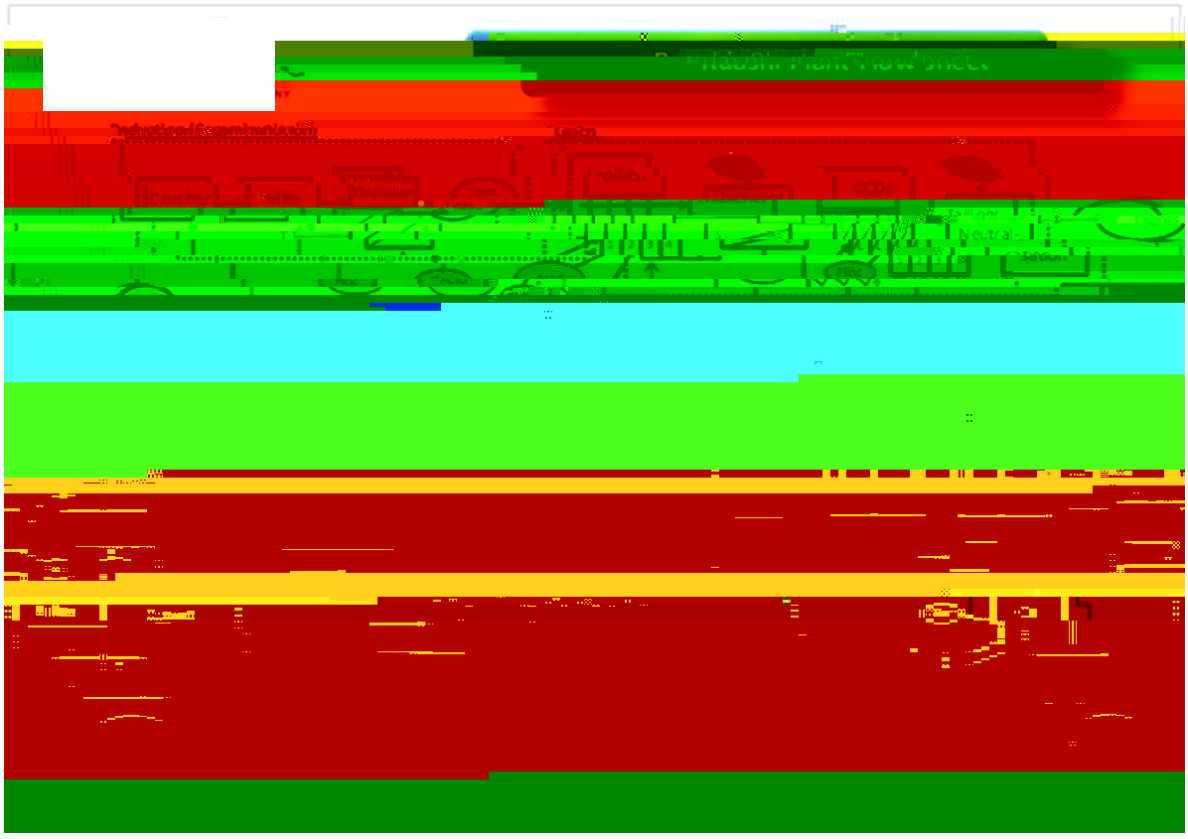
Mineral Resources for the Ruashi Mine as at 30 June 2013 are summarised in the table below:

Mineral Reserves for the Ruashi Mine as at 30 June 2013 are summarised in the table below:

	Mineral Reserves (at 1.23% Cu cut-off)				
Reserve Classification	Tonnage (Mt)	Grade (% Cu)	Contained Cu (kt)	Grade (% Co)	Contained Co (kt)
Oxide Material (in LoM Plan)					
Proved	0.3	6.12	19.7	0.26	0.8
Probable	12.7	2.57	329.7	0.46	58.5
Total Mineral Reserves	13.1	2.68	349.4	0.45	59.3

and comprise the second largest component of the contract. MCK is required to submit a monthly payment claim (based on the portions of works completed, which is measured by Ruashi Mining, and certain fixed amounts for administrative expenses and management fees) for approval and certification before the monthly payment is made. The MCK Mining Contract also has a rise and fall formula which is applicable to all services by MCK other than establishment, mobilisation, demobilisation and early termination payments. The formula, with reference to indices determined on a quarterly basis, seeks to adjust the specified rates for changes in the cost to MCK of providing the contract mining services due to the effects of inflation and general market conditions. The formula recognises that a portion of the specified rates are fixed in nature and not subject to escainistr f providnucr f . Undthan d tK Mining Contract al, Rhi Min 0.02

Solution containing cobalt from the solvent extraction process is processed at the cobalt plant. Impurities such as iron and aluminium are first removed from the solution. A cobalt product is then precipitated and further purified as a result of the removal of magnesium. The resultant cobalt salt is dried, packed, and prepared for dispatch. The cobalt hydroxide produced is exported from the Ruashi Mine to Johannesburg. The Phase II SX-EW plant construction was completed in October 2008 and a simplified flow chart of the processing plant at the Ruashi Mine is set out below:



Source: Competent Person's Report (figure 3.24)

Marketing

Ruashi Mining sells its copper cathode and cobalt hydroxide produced by the Ruashi Mine under off-take agreements entered into with its customers. Ruashi Mining sources its customers through a tender procesoxidd]TJted annually for its copper cathode products. Ruashi Mining has not yet initiated the tender procesoxfor the off-take of its 2014 production. This is normally done in the last quarter of a particular year. Market demand is high for copper cathode and Ruashi Mining expects to receive tenderoxfrom a number of potential off-takeroxbased on its experience in the past years.

Off-take agreement with Glencore

Glencore International AG (Glencore), a leading integrated producer and marketer of commodities, historically purchased 50% and presently purchases approximately 50% annual production of copper cathode produced by Ruashi Mining pursuant to off-take agreements entered into between Ruashi Mining and Glencore, which was first entered into on 4 September 2007. The current off-take agreement has a duration of twelve months which will expire on 31 December 2013, which can be extended upon mutual agreement. Glencore may, upon written notice to Ruashi Mining, terminate the agreement or suspend or defer its performance of the agreement if there is a 2aterial adveroe change to the creditworthinesoxof Ruashi Mining and/or to the abilityxof Ruashi Mining to perform its obligations under the agreement.

Off-take agreement wiMRIore

Electricity

In the DRC, supply of hydro-electric power by the DRC s national electricity company, SNEL,

Initiatives to improve efficiencies in mining and processing operations

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History of Chibuluma Mine

Chibuluma East Mine began production in 1955 and Chibuluma West Mine in 1963 and the town of Kalulushi was developed to support mining operations in the early 1950s. The Chibuluma South Mine deposit was discovered in 1969 as a strike extension to the Chifupu deposit which had been discovered in 1967. The mines on the Zambian Copperbelt were nationalised and merged into ZCCM in 1982. In October 1997, Old Metorex led a consortium of investors which acquired certain assets from ZCCM and procured the issue of prospecting licences and mining licences from the Ministry of Mines and Mineral Development acting through a new company, Chibuluma plc. As part of the purchase consideration, a 15% shareholding in Chibuluma plc was issued to ZCCM. Metorex acquired the consortium members interests in 1999.

The feasibility study for the Chibuluma South Mine was completed in May 2000. The Chibuluma shareholdih diuma Eauth Miexcess fro100,com t frocnes o Chibu, Ocento sec was issucarrich had be0n

with production from stopes expected to begin in 2016. Total production from the Chibuluma South Mine and the Chifupu deposid to1 d the Chifuprase in 2019. It should be noe C that there was some 1.2 Mt of material includ Chin the LoM plan, 0.7 Mt and 0.5 Mt from the Chibuluma South Mine and the Chifupu deposid, res theively, which was remov Chfrom the Mineral Reserves as SRK downgrad Chthe resource classification of thto1material. If includ C, thto1would extend the LoM for the Chibuluma South Mine and the Chifupu deposid by approximately two years and Chibuluma plc plans to undertake the necessary1work ifupoe ntially upgrad these resources.

Chibuluma plc has ntered into a life-time managem nt agreem nt with Metorex and ZCCM where Chibuluma plc appoint ChMetorex as its managerhifuperform the managem nt of Chibuluma plc and undertake all1matters that may ordinarilion/GS1ro61uma plc

Mineral Processing

Ore from the Chibuluma South Mine is treated at the on-site Chibuluma concentrator. Ore is first crushed and milled into a fine powder before being fed into the floatation plant for concentration. At the concentration stage, the ore is mixed with chemicals and introduced to a water bath. Copper sulphides

Operating performance

A summary of the operational performance of Chibuluma plc for the periods indicated in the table is set out below:

Item	Units	For the 18 months ended 31 December 2010	For the year ended 31 December 2011	For the

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Chifupu Deposit

The Chifupu deposit is located approximately 1.7 km southwest from the Chibuluma South Mine and Chibuluma plc is planning on mining the Chifupu deposit in the future. A feasibility study was completed in March 2013 by the Chibuluma Mining Technical Services department and was independently reviewed by Sound Mining Solutions, which indicated that the Chifupu mineral resources could be mined economically, and converted into a mineral reserve. The grade of copper identified at the Chifupu deposit is relatively lower than that found in the Chibuluma South Mine deposit. When blChifd in with the higher quality resources mined at the Chibuluma South Mine, the Chifupu deposit will support the mining operations of the entire Chibuluma complex (including the Chifupu deposit) until 2019. Based on the mineralogical and metallurgical testwork conducted by Chibuluma plc, the metallurgical properties of the Chifupu ore are assumed to be similar to those at the Chibuluma South Mine. Ore development at the Chifupu deposit is planned to commence in 2014, with production from stopes expected to begin in 2016. Capital expenditure for the development of the Chifupu deposit is budgeted at US$28.1 million and will be incurrfd in stages from the second half of 2013 to 2017. This capital expenditure may be fuhifd using internal cash resources of Chibuluma plc. Alternatively, Chibuluma plc may seek external fuhiing for this capital expenditure. In the event of downside market developments, or if the internal cash resources of Chibuluma plc are to be materially adversely affected, Metorex may considei delaying the fuhiing of the Chifupu development project for a limited period.

Because of the geometry and other physical characteristics of the Chifupu deposit orebodies being broadly similar to that of the Chibuluma South Mine, the cut and fill mining method proposed for the Chifupu Deposit is the same as that i.83ca* (md1pifuned to , wpifupu duality(be i. When b3019. Based obotte inc

The relationship between the shareholders of Chibuluma plc is governed by the Shareholders

Chibuluma South Mine

The total closure cost estimate by AMC in 2011 amounted to some US$1.9 million. The closure cost estimate of SRK by reworking the AMC estimate is US$4.1 million.

Chibuluma West Mine

The total cost estimate by AMC in 2011 amounted to some US$1.3 million. The closure cost estimate of SRK by reworking the AMC estimate and taking into account the differences is US$2.9 million.

Chibuluma East Mine

No cost estimate has been seen for Chibuluma East. Chibuluma plc may be liable for environmental damage at Chibuluma East not caused by Chibuluma plc. There is thus a risk that the projected environmental rehabilitation and closure costs may be understated. The associated rehabilitation costs for Chibuluma East is included in the current liability assessment but this may not include all of the applicable third party liabilities. SRK has made a provision of US$1 million.

Total cost and residual risk

According to a SHEC report prepared in 2012, sulfides in waste rock and in-situ rock in the underground workings pose a risk of acid mine drainage. The possibility that on-going water treatment
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development project. Please refer to Financial Information of the Target Groua set out in Appendix I to the circular for more information. As full funding is expected to be in place, the development of the Kinsenda Project is less likely to be adversely impacted by downside market developments.

Mineral Resources and Mineral Reserves

The statement of Mineral Resources and Mineral Reserves as derived by Metorex from the Kinsenda model and based on the LoM plan at 30 June 2013 is presented in the table below.

pumping system has been recently upgraded by Kinsenda Sarl commissioning three vertical 30 m settlers and one clear water vertical dam which is 30 m high to ensure a flooded suction to the clear water pumps. Additional provision has been made by Kinsenda Sarl to install three off mud pumps, which is expected to be used to control the level of mud in each dirty water settler. The existing water pumping system is expected to be extended as the mine deepens and the plan is to install six multi-stage clear water pumps, fitted with 1 MW motors on 430 m level. It is considered that mud pumping will also be required to ensure that mud is pumped separately to the settler overflows reporting to the stage dam for clear water.

Communications

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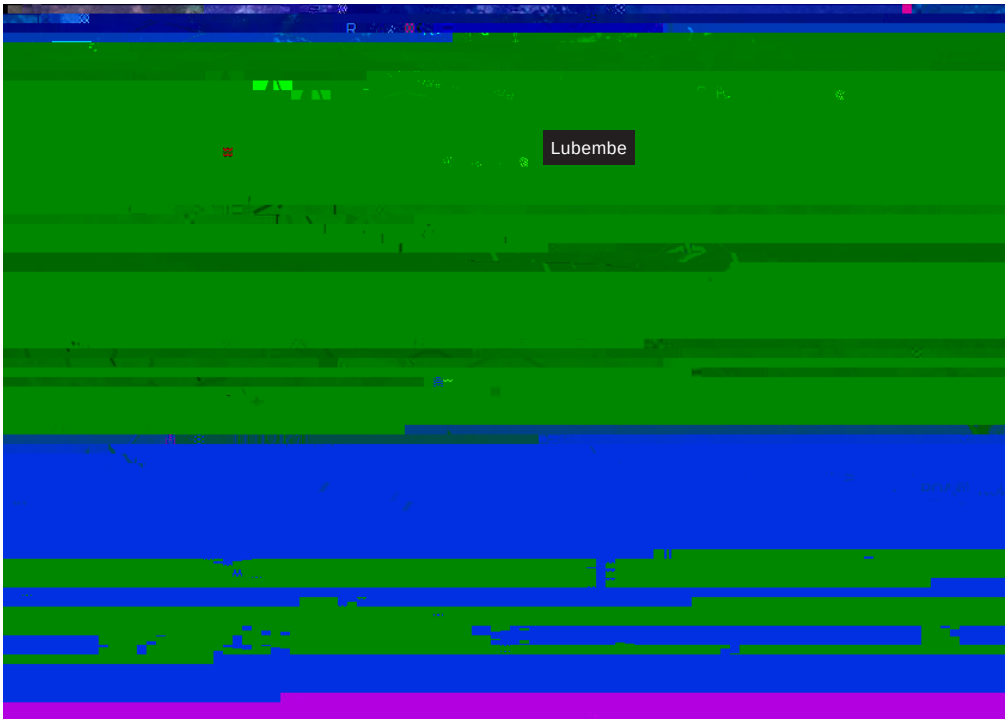

Source: Competent Person's Report (figure 7.1)

Kinsenda Sarl owns the mining rights under mining licence PE330 for the exploitation of the Lubembe Proj332.C advalicd stage e erloitatpbe Proj An infill thdrill minpbegramme tat of the

A pre-feasibility study commenced in mid 2012 to determine the optimal processing option, to carry out detailed metallurgical testing and to commence baseline environmental fieldwork in the areas identified for waste rock dumping and tailings storage. The results of the pre-feasibility study

The project area covers the Dilala Syncline which has been extensively drilled by the Metorex Group since 2006. The Musonoi Esc Project is located within the area for which mining licence PE13083

Environment

Metorex is committed to conduct its operations in a manner that complies with environmental laws and regulations and continually monitors its environmental performance to minimise its impact on the environment. Metorex has integrated environmental management considerations into its overall management practices throughout the Metorex Group. In order to minimise any damage to the environment caused by its operations, Metorex includes environmental considerations into its project planning, implements pollution control and remediation recommendations from internal and external sources, monitors the effects of mining on mining areas, undertakes rehabilitation concurrent with mining operations where possible, and compiles rehabilitation and closure plans. Metorex conducts environmental impact assessments (EIAs), compiles environmental management plans (EMPs) and undertakes required environmental audits in order to comply with the environmental laws of the countries in which

The table below sets out, among others, information regarding the number of lost time injuries (i.e. any injuries that have resulted in the employee being unable to return to his normal duties at work within 24 hours of the incident) (