

Petmin Limited
(Incorporated in the Republic of South Africa)
(Registration number 1972/001062/06)
JSE code: PET AIM code: PTMN
ISIN: ZAE000076014
("Petmin" or "the Group")

"Committed to growth, dedicated to value"

Condensed Preliminary Consolidated Financial Statements
for the year ended 30 June 2011

Another strong operational performance

- Net cash flow from operating activities increased by 12% to R361 million from R322 million.
- Headline earnings per share 17.50 cents, down 8% from 19.09 cents in 2010.
- Normal dividend of 4 cents per share declared (prior year: 4 cents).
- Cash on hand R269 million (2010: R283 million).
- Operations performed well despite negative effect of stronger Rand/Dollar exchange rate.
- Interest-bearing debt to equity ratio of 11.48% (2010: 7.55%).
- Agreement for the sale of SamQuarz for R259 million concluded.
- Construction of second plant at Somkhele to more than double capacity is on track for commissioning in early 2012.
- Business of Tomorrow strategy delivers results with investments in iron and copper projects in Canada, Turkey and Liberia.

Condensed Preliminary Consolidated Income Statement
for the year ended 30 June 2011

	Reviewed	Audited
	Year ended	Year ended
	30 June	30 June
	2011	2010
Note	R'000	R'000
Revenue	471 385	334 880
Cost of sales	(354 683)	(217 368)
Gross profit	116 702	117 512
Operating income	7 433	9 994
Administration expenses	(13 694)	(14 110)
Results from operating activities	110 441	113 396
Net finance income	4 044	1 505

- Finance income		5 235	6 085
- Finance expenses		(1 191)	(4 580)
Share of losses of equity accounted investees		(524)	-
Profit before income tax		113 961	114 901
Income tax expense		(37 060)	(34 764)
Profit for the year from continuing operations		76 901	80 137
Profit for the year from discontinued operation net of income tax	6	24 081	27 580
Profit for the year		100 982	107 717
Earnings per share			
Basic earnings per ordinary share (cents)	7	17.50	19.09
Diluted earnings per ordinary share (cents)	7	17.40	18.97
Earnings per share from continuing operations			
Basic earnings per ordinary share (cents)	7	13.33	14.21
Diluted earnings per ordinary share (cents)	7	13.25	14.12

Condensed Preliminary Consolidated Statement of
Comprehensive Income
for the year ended 30 June 2011

	Reviewed Year ended 30 June 2011 R'000	Audited Year ended 30 June 2010 R'000
Profit for the year	100 982	107 717
Other comprehensive income		
Foreign currency translation differences	(319)	-
Effective portion of changes in fair value of cash flow hedges	-	636
Other comprehensive income for the year net of income tax	(319)	636
Total comprehensive income for the year	100 663	108 353

Condensed Preliminary Consolidated Statement
of Financial Position
as at 30 June 2011

	Note	Reviewed as at 30 June 2011 R'000	Audited as at 30 June 2010 R'000
ASSETS			
Non-current assets	1	130 627	984 283
Property, plant and equipment		625 038	484 215
Intangible assets		1 889	4 407
Investment in equity accounted investee		470 138	470 661
Investments		33 562	25 000
Current assets		660 139	612 054
Inventories		22 134	28 436
Trade and other receivables		117 496	102 688

Current tax assets		4 656	4 186
Cash and cash equivalents		227 792	180 031
Assets classified as held for sale	6	288 061	296 713
Total assets		1 790 766	1 596 337
EQUITY AND LIABILITIES			
Ordinary share capital and reserves		1 317 162	1 241 421
Share capital		143 398	142 681
Share premium		337 807	331 337
Share option reserve		5 627	3 121
Foreign currency translation reserve		(319)	-
Retained earnings		830 649	764 282
Non-current liabilities		249 604	159 357
Interest-bearing loans and borrowings		96 674	42 128
Deferred tax liabilities		133 206	99 519
Environmental rehabilitation provision		19 724	17 710
Current liabilities		224 000	195 559
Trade and other payables		88 131	75 365
Current portion of non-current liabilities		23 466	14 379
Shareholders for dividend		996	-
Liabilities classified as held for sale	6	111 407	105 815
Total equity and liabilities		1 790 766	1 596 337

Condensed Preliminary Consolidated Statement
of Cash Flows
for the year ended 30 June 2011

		Reviewed Year ended 30 June 2011 R'000	Audited Year ended 30 June 2010 R'000
Cash generated by operations		142 018	149 449
Adjustments for:			
- depreciation and amortisation		185 792	118 226
- fair value of derivatives included in payables/receivables		-	636
- impairment charges		3 769	4 983
- notional interest		3 187	2 733
- loss on disposal of property, plant and equipment		10	-
- share-based payment included in expenses		22 336	1 454
- decommissioning asset - new mining areas		1 008	-
- management share options granted		2 532	-
Operating cash flows before changes in working capital		360 652	277 481
(Decrease)/Increase in trade and other receivables		(14 775)	87 121
Decrease/(Increase) in inventories		834	(18 562)
Increase/(Decrease) in trade and other payables		13 159	(17 886)
Cash generated by operations		359 870	328 154
Income tax paid		(4 590)	(10 010)
Finance income		7 073	9 116
Finance expenses		(1 548)	(4 948)
Net cash flow from operating activities		360 805	322 312

Cash flows from investing activities		
Long-term rehabilitation expenditure incurred	(236)	(2 140)
Investment in jointly controlled entities	8 (13 552)	-
Investment in listed shares	(8 216)	-
Acquisition of property, plant and equipment	(361 376)	(122 825)
- to expand operations	(148 056)	(54 855)
- to expand operations - capitalised pre-strip	(181 565)	(56 725)
- to maintain operations	(31 755)	(11 245)
Proceeds from sale of property, plant and equipment	5	10
Net cash flows from investing activities	(383 375)	(124 955)
Cash flows from financing activities		
Proceeds from specific and general share issues for cash during the year	29	26 640
Treasury shares acquired	(15 204)	(14 085)
Payment on options forfeited	(55)	(101)
Repayment of borrowings	(22 718)	(53 093)
Increase in borrowings	80 152	35 200
Dividends paid	(33 617)	-
Net cash flows from financing activities	8 587	(5 439)
Net increase in cash and cash equivalents	(13 983)	191 918
Cash and cash equivalents at beginning of year	283 014	91 096
Cash and cash equivalents at end of year	269 031	283 014

Condensed Preliminary Consolidated Statement of Changes in Equity
for the year ended 30 June 2011

	Share capital R'000	Share premium R'000	Share option reserve R'000	Foreign currency translation reserve R'000
Balance at 1 July 2009	134 686	304 745	23 741	-
Shares issued during the year				
- Share options exercised	9 617	37 661	(20 578)	-
Share issue costs capitalised to share premium	-	(60)	-	-
Treasury shares acquired during the year	(1 804)	(12 281)	-	-
Share options forfeited during the year	-	-	(42)	-
Share-based payment	182	1 272	-	-
Effective portion of changes in fair value of cash flow hedges	-	-	-	-
Profit for the year	-	-	-	-
Balance at 30 June 2010	142 681	331 337	3 121	-
Shares issued during the year				
- Share options exercised	11	43	(26)	-
Share-based payments	1 986	20 350	-	-
Treasury shares acquired during the year	(1 280)	(13 923)	-	-
Share options granted	-	-	2 546	-

Share options forfeited during the year	-	-	(14)	-
Foreign currency translation differences	-	-	-	(319)
Profit for the year	-	-	-	-
Dividend paid	-	-	-	-
Balance at 30 June 2011	143 398	337 807	5 627	(319)

	Hedging reserve R'000	Retained earnings R'000	Total R'000
Balance at 1 July 2009	(636)	656 565	1 119 101
Shares issued during the year			
- Share options exercised	-	-	26 700
Share issue costs capitalised to share premium	-	-	(60)
Treasury shares acquired during the year	-	-	(14 085)
Share options forfeited during the year	-	-	(42)
Share-based payment	-	-	1 454
Effective portion of changes in fair value of cash flow hedges	636	-	636
Profit for the year	-	107 717	107 717
Balance at 30 June 2010	-	764 282	1 241 421
Shares issued during the year			
- Share options exercised	-	-	28
Share-based payments	-	-	22 336
Treasury shares acquired during the year	-	-	(15 203)
Share options granted	-	-	2 546
Share options forfeited during the year	-	-	(14)
Foreign currency translation differences	-	-	(319)
Profit for the year	-	100 982	100 982
Dividend paid	-	(34 615)	(34 615)
Balance at 30 June 2011	-	830 649	1 317 162

Segment reporting

Segment information is presented in the condensed preliminary consolidated financial statements in respect of the Group's segments.

The segment reporting format reflects the Group's management and internal reporting structure as reviewed by the chief operating decision-makers.

Segment revenue represents revenue to external customers. There was no inter-segment revenue during the year ended 30 June 2011 or the prior year. Inter-segment pricing is determined on an arm's length basis.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Reportable segments

The Group comprises the following main reportable segments:

- Silica mining and marketing ("Silica") - Discontinued operation;
- Anthracite mining and marketing ("Anthracite"); and
- Business of Tomorrow, which includes Petmin's exploration and development projects. This segment has been designated as a reportable segment in order to achieve fairer presentation due to its significance.

Segment Report
for the year ended 30 June 2011

		Silica (Discontinued)	
	Units of measure	Year ended 30 June 2011	Year ended 30 June 2010
Saleable tonnes produced	(tonnes)	1 325 868	1 255 559
Tonnes sold	(tonnes)	1 248 989	1 171 355
Segment revenue	R'000	170 082	154 474
Segment revenue per tonne sold	(R/tonne)	R136.18	R131.88
Segment finance (expense)/income			
Finance income	R'000	1 838	3 031
Finance expense	R'000	(357)	(368)
Segment profit per tonne sold	(R/tonne)	R26.47	R33.05
Segment result	R'000	33 058	38 715
Segment profit/(loss) before tax	R'000	33 058	38 715
Segment tax (expense)	R'000	(8 977)	(11 135)
Segment profit after tax	R'000	24 081	27 580
Segment capital expenditure - combined	R'000	63 294	21 614
Segment capital expenditure	R'000	63 294	21 614
Segment capital expenditure - pre-strip	R'000	-	-
Segment depreciation - combined	R'000	16 560	12 433
Segment depreciation	R'000	16 560	12 433
Segment depreciation - pre-strip	R'000	-	-
Share option costs included in segment profit/(loss) before tax	R'000	-	-
Segment assets	R'000	288 061	296 713
Segment liabilities	R'000	111 407	105 815

Anthracite

	Units of measure	Year ended 30 June 2011	Year ended 30 June 2010
Saleable tonnes produced	(tonnes)	524 006	467 843
Tonnes sold	(tonnes)	579 087	411 630

Segment revenue	R'000	471 385	334 880
Segment revenue per tonne sold	(R/tonne)	R814.01	R813.55
Segment finance (expense)/income			
Finance income	R'000	569	1 677
Finance expense	R'000	(852)	(4 063)
Segment profit per tonne sold	(R/tonne)	R202.05	R292.50
Segment result	R'000	117 006	120 402
Segment profit/(loss) before tax	R'000	117 006	120 402
Segment tax (expense)	R'000	(33 599)	(34 433)
Segment profit after tax	R'000	83 407	85 969
Segment capital expenditure - combined	R'000	268 069	81 384
Segment capital expenditure	R'000	86 718	24 659
Segment capital expenditure - pre-strip	R'000	181 351	56 725
Segment depreciation - combined	R'000	166 307	102 984
Segment depreciation	R'000	9 458	15 288
Segment depreciation - pre-strip	R'000	156 849	87 696
Share option costs included in segment profit/(loss) before tax	R'000	-	-
Segment assets	R'000	805 728	690 707
Segment liabilities	R'000	435 167	407 959

Business of Tomorrow

	Units of measure	Year ended 30 June 2011	Year ended 30 June 2010
Saleable tonnes produced	(tonnes)	-	-
Tonnes sold	(tonnes)	-	-
Segment revenue	R'000	-	-
Segment revenue per tonne sold	(R/tonne)		
Segment finance (expense)/income			
Finance income	R'000	-	-
Finance expense	R'000	-	-
Segment profit per tonne sold	(R/tonne)		
Segment result	R'000	(566)	-
Segment profit/(loss) before tax	R'000	(566)	-
Segment tax (expense)	R'000	-	-
Segment profit after tax	R'000	(566)	-
Segment capital expenditure - combined	R'000	467	-
Segment capital expenditure	R'000	467	-
Segment capital expenditure - pre-strip	R'000	-	-
Segment depreciation - combined	R'000	-	-
Segment depreciation	R'000	-	-
Segment depreciation - pre-strip	R'000	-	-
Share option costs included in segment profit/(loss) before tax	R'000	-	-
Segment assets	R'000	527 676	495 661
Segment liabilities	R'000	428	-

Other (Corporate office)

	Units of measure	Year ended 30 June 2011	Year ended 30 June 2010
Saleable tonnes produced	(tonnes)	-	-
Tonnes sold	(tonnes)	-	-
Segment revenue	R'000	-	-
Segment revenue per tonne sold	(R/tonne)		
Segment finance (expense)/income			
Finance income	R'000	4 666	4 408
Finance expense	R'000	(339)	(517)
Segment profit per tonne sold	(R/tonne)		
Segment result	R'000	(2 479)	(5 500)
Segment profit/(loss) before tax	R'000	(2 479)	(5 500)
Segment tax (expense)	R'000	(3 461)	(332)
Segment profit after tax	R'000	(5 940)	(5 832)
Segment capital expenditure - combined	R'000	29 547	19 827
Segment capital expenditure	R'000	29 547	19 827
Segment capital expenditure - pre-strip	R'000	-	-
Segment depreciation - combined	R'000	408	293
Segment depreciation	R'000	408	293
Segment depreciation - pre-strip	R'000	-	-
Share option costs included in segment profit/(loss) before tax	R'000	2 546	-
Segment assets	R'000	432 119	486 516
Segment liabilities	R'000	28 525	40 473

Eliminations

	Units of measure	Year ended 30 June 2011	Year ended 30 June 2010
Saleable tonnes produced	(tonnes)	-	-
Tonnes sold	(tonnes)	-	-
Segment revenue	R'000	-	-
Segment revenue per tonne sold	(R/tonne)		
Segment finance (expense)/income			
Finance income	R'000	-	-
Finance expense	R'000	-	-
Segment profit per tonne sold	(R/tonne)		
Segment result	R'000	-	-
Segment profit/(loss) before tax	R'000	-	-
Segment tax (expense)	R'000	-	-
Segment profit after tax	R'000	-	-
Segment capital expenditure - combined	R'000	-	-
Segment capital expenditure	R'000	-	-

Segment capital expenditure - pre-strip	R'000	-	-
Segment depreciation - combined	R'000	-	-
Segment depreciation	R'000	-	-
Segment depreciation - pre-strip	R'000	-	-
Share option costs included in segment			
profit/(loss) before tax	R'000	-	-
Segment assets	R'000	(262 818)	(367 107)
Segment liabilities	R'000	(101 923)	(193 178)

Consolidated

	Units of measure	Year ended 30 June 2011	Year ended 30 June 2010
Saleable tonnes produced	(tonnes)	1 849 874	1 723 402
Tonnes sold	(tonnes)	1 828 076	1 582 985
Segment revenue	R'000	641 467	489 354
Segment revenue per tonne sold	(R/tonne)		
Segment finance (expense)/income			
Finance income	R'000	7 073	9 116
Finance expense	R'000	(1 548)	(4 948)
Segment profit per tonne sold	(R/tonne)		
Segment result	R'000	147 019	153 617
Segment profit/(loss) before tax	R'000	147 019	153 617
Segment tax (expense)	R'000	(46 037)	(45 900)
Segment profit after tax	R'000	100 982	107 717
Segment capital expenditure - combined	R'000	361 377	122 825
Segment capital expenditure	R'000	180 026	66 100
Segment capital expenditure - pre-strip	R'000	181 351	56 725
Segment depreciation - combined	R'000	183 275	115 710
Segment depreciation	R'000	26 426	28 014
Segment depreciation - pre-strip	R'000	156 849	87 696
Share option costs included in segment			
profit/(loss) before tax	R'000	2 546	-
Segment assets	R'000	1 790 766	1 602 490
Segment liabilities	R'000	473 604	361 069

*The open pit mining profile at Somkhele requires that overburden be removed from the pit before coal can be extracted. This overburden removal is capitalised to the development cost of the open pit (so called "pre-strip") and is then expensed on a units-of-production basis as the coal is extracted from the open pits. As disclosed last year, overburden removal volumes increased markedly this year to ensure supply of run-of-mine coal to feed both the existing and the second plant at Somkhele.

Notes to the Condensed Preliminary Consolidated Financial Statements
for the year ended 30 June 2011

1. Reporting entity

Petmin is a company domiciled in South Africa. The condensed preliminary consolidated financial statements of the Group for the year ended 30 June 2011 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and jointly controlled entities.

The condensed preliminary consolidated financial statements were authorised for issue by the directors on 12 September 2011.

2. Statement of compliance

The condensed preliminary consolidated financial statements have been prepared in accordance with the recognition, measurement, presentation and disclosure requirements of IAS 34 - Interim Financial Reporting, the AC 500 Standards as published by the Accounting Practices Board and the South African Companies Act. The condensed preliminary consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated annual financial statements for the year ended 30 June 2010, which are available upon request from the Company's offices at 37 Peter Place, Bryanston, Johannesburg or at www.petmin.com.

3. Significant accounting policies

The accounting policies have been applied consistently by the Group to all periods presented in these condensed preliminary consolidated financial statements and are consistent to those applied by the Group in its consolidated financial statements as at and for the year ended 30 June 2010.

Accounting for investments in joint ventures

The proportionate share of the financial results of joint ventures is consolidated into the Group's results from acquisition date until disposal date.

The Group combines its share of the joint venture's individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements. The Group recognises the portion of gains and losses on the sale of assets by the Group to the joint venture that is attributable to the other venturers. The Group does not recognise its share of profits or losses from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party, except where unrealised losses provide evidence of an impairment of the asset transferred. When the end date of the reporting period of the parent is different to that of the joint venture, the joint venture prepares, for consolidation purposes, additional financial statements as of the same date as the financial statements of the parent.

Investments in joint ventures are accounted for at cost less any accumulated impairment losses in the separate financial statements of Petmin.

Non-current assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter the assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property and biological assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is represented as if the operation had been discontinued from the start of the comparative period.

New standards

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 30 June 2011 and have not been applied in preparing these financial statements. The Group has not yet determined the potential effect of these standards and interpretations.

Functional and presentation currency

The condensed consolidated preliminary financial statements are presented in Rands, which is the Company's functional currency. All financial information presented in Rands has been rounded to the nearest thousand.

4. Estimates and judgements

The preparation of the condensed preliminary consolidated reviewed financial statements in conformity with IAS 34 - Interim Financial Reporting requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income

and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 30 June 2010.

5. Review of results

The results of the Group as set out above have been reviewed by the Group's auditors, KPMG Inc. The unqualified review report is available for inspection at the Group's registered offices.

6. Discontinued operation

At a meeting of the directors of Petmin held on 29 June 2011, pursuant to the receipt of an offer, Petmin committed to a plan to sell its investment in SamQuarz (Pty) Limited. SamQuarz, the Silica segment, was not classified as held for sale or a discontinued operation as at 30 June 2010 and the comparative income statement has been represented to show the discontinued operation separately from continuing operations. Please refer to note 11.4 for more information on the disposal process and rationale for the sale.

	Reviewed Year ended 30 June 2011 R'000	Audited Year ended 30 June 2010 R'000
Results of discontinued operation		
Revenue	170 082	154 474
Cost of sales	(111 289)	(93 081)
Gross profit	58 793	61 393
Operating expenses	(24 515)	(24 242)
Administration expenses	(2 701)	(1 099)
Results from operating activities	31 577	36 052
Net finance income/(expense)	1 481	2 663
- Finance income	1 838	3 031
- Finance expenses	(357)	(368)
Profit before income tax	33 058	38 715
Income tax expense	(8 977)	(11 135)
Profit for the year	24 081	27 580

Earnings per share		
Basic earnings per share (cents)	4.17	4.88
Diluted earnings per share (cents)	4.15	4.85
Cash flows from/(used in) discontinued operation		
Net cash from operating activities	46 742	52 375
Net cash used in investing activities	(62 286)	(21 614)
Net cash (used in)/from financing activities	(6 200)	34 980
Net cash (used in)/from discontinued operation	(21 744)	65 741

7. Earnings per share

Earnings per share ("EPS") are based on the Group's profit for the year, divided by the weighted average number of shares in issue during the year.

		Reviewed Year ended 30 June 2011	
	Profit for the year R'000	Number of shares in thousands	Per share in cents
Basic earnings per share	100 982	576 908	17.50
Share options	-	3 514	(0.10)
Diluted EPS	100 982	580 422	17.40
Headline earnings per share			
Headline earnings per share is based on the Group's headline earnings divided by the weighted average number of shares in issue during the year.			
Reconciliation between earnings and headline earnings per share:			
Basic EPS	100 982	576 908	17.50
Headline EPS	100 982	576 908	17.50
Share options	-	3 514	(0.10)
Diluted headline EPS	100 982	580 422	17.40

		Audited Year ended 30 June 2010	
	Profit for the year R'000	Number of shares in thousands	Per share in cents
Basic earnings per share	107 717	564 135	19.09
Share options	-	3 559	(0.12)
Diluted EPS	107 717	567 694	18.97
Headline earnings per share			
Headline earnings per share is based on the Group's headline earnings divided			

by the weighted average number of shares in issue during the year. Reconciliation between earnings and headline earnings per share:

Basic EPS	107 717	564 135	19.09
Headline EPS	107 717	564 135	19.09
Share options	-	3 559	(0.12)
Diluted headline EPS	107 717	567 694	18.97

8. Investment in Jointly Controlled entities

	2011 R'000	2010 R'000
Investment, net of cash received		
- Investment in exploration company in Canada	9 984	-
- Investment in Iron Bird Resources Inc.	3 568	-
	13 552	-
Investment in exploration company in Canada		

As previously announced, during the period under review, Petmin acquired a 5% interest in an exploration company in Canada ("Exploration Co.") for an amount of USD1.5 million. Exploration Co. is jointly controlled by Petmin and its Canadian partners from inception. For more information, please refer to Petmin's reviewed results for the period ended 31 December 2010.

Investment in Hummingbird Resources Plc

As announced on 24 January 2011, Petmin entered into an agreement with Hummingbird Resources Plc (Hummingbird: AIM: HUM) and Hummingbird's wholly-owned subsidiary, Iron Bird Resources Inc. ("Iron Bird"), relating to Hummingbird's Mount Ginka Licence for the exploration for iron ore in Liberia. Petmin has invested USD500 000 for a 15% shareholding in Iron Bird and has agreed to invest a further USD1 500 000 to increase its shareholding in Iron Bird to 50%.

9. Related parties

9.1 Loan to and transactions with related party

Dark Capital (Pty) Limited ("Dark Capital"), Petmin's anchor black economic empowerment shareholder, is a material shareholder in Petmin and is therefore a related party as defined by section 10 of the JSE Limited Listings Requirements.

Other than as previously disclosed in the annual financial statements for the year ended 30 June 2010, there have been no further related party transactions with Dark Capital.

9.2 Exercise of options

As announced on 30 June 2011, the Company was informed that executive

directors exercised 5 070 250 options with an exercise price of 65 cents per share. Additionally, 100 000 options with a strike price of 65 cents per share were bought by the Company for 275 cents per share.

Between 1 July 2010 and 30 June 2011, the Company was informed that employees and former employees exercised 44 750 options with an exercise price of 65 cents per share. Additionally, 25 000 options with a strike price of 65 cents per share were bought by the Company for 285 cents per share.

The options were awarded in terms of a share incentive scheme approved by shareholders on 19 July 2005.

9.3 Executive remuneration and share option scheme

As previously announced, at the AGM held on 13 December 2010, shareholders approved the terms of the new Executive Share Option Scheme, the Executive Incentive Scheme and the subscription for 5.4 million shares at R2.84 per share to Ian Cockerill (that has now been completed).

For more information on these items, please refer to Annexure 1 in the Petmin Limited Annual Financial Statements for the year ended 30 June 2010.

In the eight months to 28 February 2011, P Nel was paid R1 117 846 (2010: R356 866) in consulting fees for advisory services to the Group.

9.4 Other transactions with related parties

No other related party transactions were entered into.

10. Change in directors

As previously announced during the year under review:

- Petmin has appointed two independent non-executive directors, Ms Koosum Kalyan and Mr Millard Arnold, with effect from 1 March 2011; and

- Mr Piet Nel has taken up the position as chairman of Petmin's Technical Advisory Committee and announced his resignation as a director of Petmin with effect from 28 February 2011.

11. Subsequent events

11.1 Investment in Iron Bird Resources Inc. ("Iron Bird")

On 11 July 2011, Petmin announced that it has invested a further USD1.5 million in Iron Bird.

The investment takes Petmin's total investment in Iron Bird to USD2 million and, under the terms of the joint venture agreement, Hummingbird and Petmin now each hold 50% in Iron Bird.

11.2 Investment in Red Crescent Resources Limited ("RCR")

On 11 August 2011, Petmin announced that RCR had fulfilled all conditions precedent of the initial memorandum of understanding with Petmin and that Petmin's farm-in agreement had been triggered.

Under the terms of the investment agreement, which were first disclosed on 16 May 2011, Petmin would make an equity investment in RCR totalling CAD4.64 million. Petmin subscribed for and was issued 3 170 000 common shares on 24 May 2011 as part of the initial subscription. The balance was subscribed for and issued, after which, Petmin holds approximately 9.3 million shares in RCR, representing an approximate 10% ownership interest in RCR. Petmin will also invest up to a maximum of CAD17 million in four conditional tranches over a period of 3.5 years, to earn up to a 37.5% interest in the RCR-controlled joint venture, RCR Quantum AS, which is responsible for the management and development of the Sivas Copper project.

11.3 Investment in Joint Venture

As announced previously, Petmin has invested USD1.5 million and acquired a 5% interest in an exploration company in Canada ("Exploration Co").

In accordance with the terms of the investment and subsequent to the initial evaluation phase, on 26 August 2011, Petmin made an additional investment in Exploration Co. of USD2 million for a further 5.714% interest therein.

11.4 Disposal of SamQuarz (Pty) Limited ("SamQuarz")

On 13 September Petmin announced that it has concluded an agreement to dispose of 100% of its interest in SamQuarz to Thaba Chueu Mining (Pty) Limited for a cash consideration of R259 million adjusted for any move in the net asset value of SamQuarz from 30 June 2011 until conclusion of all outstanding regulatory approvals. The sale is subject to normal warranties applicable to a transaction of this nature.

At 30 June 2011, SamQuarz has been accounted for as a non-current asset held for sale in terms of IFRS 5 and the comparatives have been restated accordingly.

Petmin acquired the shares and loans in SamQuarz for R85 million in September 2004, since that date Petmin has received payments of R114 million from SamQuarz for repayment of loans and redemption of preference shares. Net cash returns to Petmin, after taking into account the sale proceeds, have yielded an annual, after-tax, average return to Petmin in excess of 45% per annum.

Rationale for the Sale

Petmin has a history of delivering superior returns to shareholders by cost-effectively purchasing and developing assets and disposing of them for superior returns, returning value to shareholders and reinvesting the gains in new assets. Petmin acquired SamQuarz as an underperforming asset and restructured the business into a long-term, sustainable, reliable cash-producing asset. The cash flows from SamQuarz provided Petmin with a stable

base from which to build on its growth strategy. The disposal will provide Petmin with significant cash resources to be deployed in accelerating the Business of Tomorrow strategy and funding the various project development requirements in Petmin's pipeline of projects. The Sale is subject to, amongst others, the following key conditions:

- by 9 December 2011, the Sale being unconditionally or conditionally approved by the Competition Authorities in terms of the South African Competition Act; and

- by 31 March 2012, the Sale and all agreements and transactions contemplated having been unconditionally or conditionally approved by the South African Minister of Minerals and Energy in terms of section 11 of the Mineral and Petroleum Resources Development Act (MPRDA).

11.5 Appointment of director

Petmin is pleased to announce that, at a meeting held on 12 September 2011, Petmin approved the appointment of Mr Trevor Petersen as an independent non-executive director of Petmin and as a member of the audit and risk committee. Mr Petersen is a Chartered Accountant and is a former Managing Partner of the Cape Town office of audit firm PricewaterhouseCoopers ("PwC"). He also held the position of Chairman of PwC Western Cape and is the past Chairman of the South African Institute of Chartered Accountants. Mr Petersen has also been a member of the University of Cape Town Council since 2002.

11.6 Declaration of dividend

On 13 September 2011, the Company announced that it had declared a dividend of 4 cents per share (prior year: 4 cents normal dividend plus 2 cents special dividend) which is in line with the approved dividend policy. The record date for payment of the cash dividend is 7 October 2011. Please refer to the separate notice of the declaration of dividend dated 13 September 2011 for more details.

11.7 Subsequent events

There have been no other events that have occurred subsequent to 30 June 2011 which require adjustment of, or disclosure in the financial statements or notes thereto in accordance with IAS 10 - Events After the Reporting Date.

(i) General overview of performance

Production and sales volumes increased by 7% and 12%, respectively, in order to ameliorate the impact of the stronger Rand and the increased mining cost due to higher strip ratios at Somkhele. Operational costs and revenues that were under the control of management were well controlled.

The average Rand/Dollar exchange rate for Petmin's Dollar inflows for the year ended 30 June 2011 was 6.60 (2010: 7.41) which reduced profit after tax by approximately R20 million or 3.47 cents per share.

Sales tonnes were 1 828 076 (2010: 1 582 985), generating revenue of R641

million (2010: R489 million).

With the stronger Rand and the increased strip ratios at Somkhele, gross profit margins reduced to 27% from 37%.

The Group's operations remain strongly cash-generative, generating R361 million in the year to 30 June 2011 (2010: R322 million).

Capital expenditure increased to R361 million (2010: R123 million) of which R182 million (2010: R57 million) was spent on pre-stripping the open pits at Somkhele in anticipation of doubling production by the first quarter of 2012 in order to feed the second plant. At SamQuarz, development of the open pit has progressed well with the office move being completed and the mine now having access to additional shallow, glass-grade silica.

In June 2011, the Group drew R80 million on loan from The Industrial Development Corporation to part finance the construction of the second plant at Somkhele. The loan bears interest at 6.3% per annum until 31 March 2015, whereafter the rate will be prime less 0.7%.

The loan is repayable in 48 instalments, with the first payment commencing on the earlier of 30 April 2012 or one month after the second plant is commissioned.

Petmin's interest-bearing debt to equity ratio increased to 11.48% (2010: 7.75%).

Anthracite division

Somkhele anthracite mine and Petmin Logistics

The Anthracite division produced 524 006 tonnes (2010: 467 843 tonnes) and sold 579 087 tonnes (2010: 411 630 tonnes) of anthracite in the year to 30 June 2011.

Net profit margins of 25% (2010: 36%) were achieved in the anthracite division during the year ended 30 June 2011. The reduction in margins was due to the stronger Rand which reduced revenues by approximately R28 million and due to the increased mining cost (as previously announced in November 2010 it was anticipated that mining costs will increase due to an increase in strip ratios in the deeper reserves in Area 1).

The increased amount of overburden to be moved in this higher strip ratio environment resulted in an increase in mining cost of 56% when moving from a strip ratio of 1.7:1 in Area 2 to a strip ratio of 4:1 in Area 1. The increased production and sales volumes combined with efficiency improvements enabled Somkhele to curtail costs and achieve a margin of 25%.

Capital expenditure of R268 million (2010: R81 million) was incurred during the year ended 30 June 2011. R181 million (2010: R57 million) was spent on pre-stripping the open pits in Area 1 in order to ensure that there is sufficient coal available to feed the second plant once it is commissioned.

The main focus of the balance of the capital expenditure was the construction of the second plant and the mineral resource exploration and evaluation drilling programme.

218 exploration and evaluation holes amounting to 29 385 metres were drilled in the 12 months to 30 June 2011 in Somkhele's exploration programme. The programme aims to update Somkhele's existing reserve and resource statement and to identify additional mining areas within the exploration permit Areas 4 and 5. Exploration for new blocks of coal has been aided by an aeromagnetic survey which has been conducted over Areas 4 and 5. Core evaluation drilling of the near-surface Emalahleni and KwaQubuka blocks is almost complete and will enable these previously categorised inferred resources to be upgraded to measured and indicated categories before June 2012.

The construction of the second wash plant at Somkhele is progressing well and is expected to be commissioned during the first quarter of calendar 2012. The original plant design to double the current production capacity (from 530 000 tonnes to 1 060 000 tonnes) has been amended to allow for a 30% increase in the originally designed capacity with a 20% increase in the total project cost. Total capital expenditure on the plant is now expected to increase from R120 million to R144 million, of which R80 million is funded by a loan from the IDC and the balance funded internally by the operation's cash flows.

During the latter half of the year to 30 June 2011, the domestic ferrochrome market experienced a reduction in demand from the Chinese market. Despite this, Somkhele managed to increase its sales volumes to customers in the domestic market and has signed off-take agreements with major producers. Export sales remained underpinned by the take or pay export contract for 200 000 tonnes per annum until December 2013, with demand from the key Brazilian export market remaining steady.

Silica division - SamQuarz silica mine

SamQuarz produced 1 325 868 tonnes (2010: 1 255 559 tonnes) of silica and chert in the year ended 30 June 2011. Sales volumes increased by 7% to 1 248 989 tonnes (2009: 1 171 355 tonnes).

Glass-grade sand demand remained steady despite reduced demand from the automotive and construction sectors in the year to 30 June 2011. Silica and chert rock sales remained at similar levels experienced in 2010 and were affected by the reduced demand from the construction sector, but (as experienced by the anthracite division) remained steady from the metallurgical sector.

The Silica division's profit before tax declined by 15% to R33 million (2010: R39 million) as profit margins were squeezed by the effects of long-term sales contract pricing mechanisms that do not match the inflationary increases of mining costs. Management is negotiating contract price adjustments to reverse this negative trend.

Capital expenditure for the year amounted to R63 million (2010: R22 million),

primarily on the development of the open pit and completion of the relocation of the old office block to allow for access to additional, near-surface, glass-grade ore.

Business of Tomorrow ("BOT") division

In the 12 months to 30 June 2011, Petmin has reviewed numerous expansion opportunities and this focus on the Business of Tomorrow has resulted in three investments:

Pig-iron - Canada

As announced previously, Petmin has invested USD1.5 million and acquired a 5% interest in an exploration company in Canada ("Exploration Co").

In terms of the agreement, Exploration Co. is jointly managed by Petmin and its Canadian partners from inception.

Petmin has the option, solely at its discretion, to acquire up to 40% of Exploration Co. for a total investment of USD25 million. The investment is made on the condition of a properly certified SAMREC Code and CIM Standards compliant resource statement that defines a Measured Resource of magnetite for 20 years, based on the production of 500 000 tonnes of pig-iron per annum.

In the period under review the exploration project drilled 1 376 metres and 1 123 samples were submitted for laboratory analysis. Once the results of the laboratory analysis are received, it is anticipated that there will be sufficient confidence to rapidly progress this project.

Iron ore - Liberia

As announced on 24 January 2011, Petmin entered into an agreement with Hummingbird and Hummingbird's wholly-owned subsidiary, Iron Bird, relating to Hummingbird's Mount Ginka Licence for the exploration for iron ore in Liberia.

Petmin has invested USD500 000 for a 15% shareholding in Iron Bird and on 11 July 2011 invested a further USD1 500 000 to increase its shareholding in Iron Bird to 50%.

On 27 June 2011, Hummingbird and Petmin announced that an aeromagnetic survey over the project had proved the presence of a significant continuous magnetic unit, interpreted as an iron formation extending along strike for approximately 20 kilometres. The unit has an at-surface width of between 150 to 250 metre and the unit is shown to extend to approximately 1 000 metre down dip.

The deposit is located only 20 kilometres South of the Mount Nimba ridge, an historic major iron ore mine which operated between 1964 and 1989 and has recently been reopened by Arcelor Mittal. Approximately 15 kilometres to the West of the Mount Ginka ridge lies the railway built to transport the Mount Nimba iron ore to the deep water port of Buchanan. Iron Bird has commenced a

programme of mapping, trenching and drilling to obtain samples for metallurgical test work.

Iron-ore - South Africa (Veremo project)

During the year under review, Veremo submitted a mining license application over its project areas. An Environmental Management Programme Report in support of this application was submitted to the Department of Mineral Resources ("DMR") in May 2011.

Kermas Limited, the ultimate controlling shareholder of Veremo is assessing various development options to produce some 1 million tonnes of pig iron and potentially titanium slag and awaits the outcome of the mining license application.

Copper - Turkey

On 16 May 2011, Petmin announced that it had entered into a transaction with Red Crescent Resources Limited ("RCR"), a mineral exploration and development company focused on base metals development in Turkey and listed on the Toronto Stock Exchange in Canada (TSX: RCB), to subscribe for shares in RCR and to subsequently invest directly in RCR's Sivas Copper project in central Turkey. The Sivas Copper project will be explored and developed by RCR Quantum Mining A.S. ("RCR Quantum"), which is 75% owned by RCR's Turkey-based subsidiary, Red Crescent Resources Holding A.S. ("RCRH") and 25% owned by Gensay (A Turkish-controlled entity).

In the year ended 30 June 2011, Petmin invested CAD1 585 000 for an initial 3.45% equity holding in RCR. Petmin has invested a further CAD3 055 000 to increase its equity holding in RCR to 10.1%. Petmin will then invest up to a maximum of CAD17 million in the project, in four conditional tranches over a period of 3.5 years, to earn up to a 37.5% interest in the Sivas Copper Project. Petmin will have joint management control of RCR Quantum.

(ii) Net asset value

Petmin's calculated net asset value ("NAV") per share amounts to 495 cents (June 2010: 445 cents). This calculation is, inter alia, based on the sum of the NPV of Somkhele (discounted at 10%), adding the anticipated cash (after-tax) to be obtained from the sale of SamQuarz, adding the director's value for Veremo, adding the net cash in Petmin and adding, at cost, the value of the BOT projects.

It is Petmin's intention to provide regular feedback as to the status of the BOT projects as the directors believe that these projects provides Petmin with material optionality that may substantially enhance the NAV per Petmin share.

Details of the NAV calculation are disclosed on the Petmin website ("September Analyst Presentation").

(iii) Prospects

Anthracite division

Current production and sales levels are expected to be maintained in the six months to December 2011 with some improvement in pricing.

It is anticipated that construction and commissioning will be completed during the first quarter of calendar 2012, whereafter the production from the second plant should see a material increase in sales and production tonnes from the mine. The exploration and evaluation programme is expected to deliver an updated SAMREC compliant report by June 2012.

Silica division

We anticipate current sales and production volumes to be maintained in the year ahead as Petmin manages this asset until the regulatory approvals for the disposal are received. Capital expenditure is expected to reduce to R46 million from the R63 million spent in the year ended 30 June 2011.

Business of Tomorrow division

Bradley Doig, previously Chief Operating Officer, assumed responsibility for the Petmin offshore expansion and Business of Tomorrow with effect from 1 July 2011 in order to rapidly progress the various projects for which Petmin has budgeted project development investments of R86 million in the year ahead.

(iv) General

With its expansion at Somkhele and its various Business of Tomorrow projects, Petmin is delivering on its promise of "Committed to growth, dedicated to value".

More details on Petmin can be found on our website www.petmin.com.

By order of the Board

I D Cockerill
Executive Chairman

J C du Preez
Chief Executive Officer

Johannesburg
13 September 2011

Sponsor
River Group

Directors: I Cockerill# (Executive Chairman) L Mogotsi (Deputy Chairman)
J du Preez (Chief Executive Officer) B Doig B Tanner (Financial Director)
M Arnold*## E de V Greyling* K Kalyan* A Martin* T Petersen* J Strijdom*
J Taylor*

*Non-executive #British ##American

Registered office: Parc Nouveau Third Floor Block C 225 Veale Street Brooklyn
Pretoria 0002
(PO Box 899 Groenkloof 0027)

Corporate office: 37 Peter Place Bryanston 2021 Tel: (011) 706 1644
Fax: (011) 706 1594 Website: www.petmin.co.za

Secretary and sponsor - JSE: River Group Tel: +27 (0) 12 346 8540
Nominated adviser - AIM: Numis Securities Limited Tel: +44 (0) 207 260 1000

Transfer secretaries: JSE: Computershare Investor Services (Proprietary)
Limited

AIM: Computershare Investor Services PLC

Auditors: KPMG Inc.

A PDF version of these results is available on our website: www.petmin.com

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