

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

Condensed Preliminary Consolidated Financial Statements
for the year ended 30 June 2009 and withdrawal of cautionary announcement

Headline earning per share increase by 46% to 22.29 cents despite difficult trading conditions

Achievements:

- Profit before tax and separately disclosed items increased by 52% to R173 million.
- Revenue increased by 18% from R667 million to R789 million.
- Petmin has cash resources of R176 million and undrawn bank facilities of R150 million.
- Net cash flow from operating activities increased by 43% to R225 million

Condensed Preliminary Consolidated Income Statement			
<i>for the year ended 30 June 2009</i>			
GROUP		Reviewed	Audited
		Year ended	Year ended
		30 June 2009	30 June 2008
	Note	R' 000	R' 000
Revenue		788 624	666 879
Cost of sales		(578 419)	(502 753)
Gross profit		210 205	164 126
Administration expenses		(36 311)	(46 335)
Results from operating activities		173 894	117 791
Net finance expense		(969)	(3 773)
- Finance income		11 270	7 676
- Finance expenses		(12 239)	(11 449)
Profit before tax and separately disclosed items		172 925	114 017
Separately disclosed items:			
Loss on sale of subsidiary		(79 170)	-
Impairment loss on goodwill acquired		(1 327)	-
Share of profit of equity accounted investee		78 185	303 133
Profit before income tax		170 613	417 150
Income tax expense		(52 627)	(36 736)
Profit for the year		117 986	380 414
Attributable to:			
- Equity holders of Petmin		118 364	380 353
- Minority interest		(378)	61
Profit for the year		117 986	380 414
Basic earnings per ordinary share (cents)	6	21.86	75.43
Diluted earnings per ordinary share (cents)	6	20.68	74.15

Condensed Preliminary Consolidated Balance Sheet			
<i>at 30 June 2009</i>			
GROUP		Reviewed	Audited
		30 June 2009	30 June 2008
	Note	R' 000	R' 000
ASSETS			
Non-current assets		1 131 688	1 003 860

Property, plant and equipment		629 102	580 200
Intangible assets		6 925	15 034
Investment in equity accounted investee		470 661	375 888
Investments		25 000	2
Restricted investments		-	11 236
Long term receivables		-	21 500
Current assets		341 642	338 175
Inventories		30 373	69 261
Trade and other receivables		214 239	179 410
Current tax assets		5 934	793
Cash and cash equivalents		91 096	88 711
Total assets		1 473 330	1 342 035
EQUITY AND LIABILITIES			
Ordinary share capital and reserves		1 119 101	1 005 424
Share capital		134 686	133 704
Share premium		304 745	304 545
Share option reserve		23 741	27 494
Contingent consideration reserve		-	1 480
Hedging reserve		(636)	-
Retained earnings		656 565	538 201
Minority interest		-	2 434
Total equity		1 119 101	1 007 858
Non-current liabilities		188 828	178 021
Interest bearing loans and borrowings		65 300	55 067
Deferred taxation liabilities		100 901	89 146
Environmental rehabilitation provision		22 627	33 808
Current liabilities		165 401	156 156
Trade and other payables		119 101	132 292
Current portion of non-current liabilities		46 300	15 386
Current tax liabilities		-	8 478
Total equity and liabilities		1 473 330	1 342 035
Net asset value ("NAV") per share (cents)	7	205.51	187.74
Fully diluted NAV per share (cents)	7	190.14	170.46

Condensed Preliminary Consolidated Cash Flow Statement		
<i>for the year ended 30 June 2009</i>		
GROUP	Reviewed	Audited
	Year ended	Year ended
	30 June 2009	30 June 2008
	R' 000	R' 000
Net cash flow from operating activities	225 364	157 154
Cash flows from investing activities		
Acquisition of subsidiary net of cash acquired	-	502
Increase in investment in rehabilitation funds	(5 115)	(1 064)
Increase in equity accounted investee	(41 589)	(11 064)
Acquisition of property, plant and equipment	(290 991)	(228 767)
- to expand operations	(274 500)	(216 155)
- to maintain operations	(16 491)	(12 612)
Proceeds from sale of subsidiary net of cash disposed	77 723	-
Net cash flow from investing activities	(259 972)	(240 393)
Cash flows from financing activities		
Proceeds from specific and general share issues for cash during the period	4 907	91 896
Treasury shares acquired	(8 775)	-
Payment of contingent consideration	(3 990)	(132)
Repayment of borrowings	(16 776)	(11 509)
Increase in borrowings	61 627	31 345
Net cash flows from financing activities	36 993	111 600
Net increase in cash and cash equivalents	2 385	28 361
Cash and cash equivalents at beginning of year	88 711	60 350
Cash and cash equivalents at end of year	91 096	88 711

Condensed Preliminary Consolidated Statement of Changes in Equity									
for the year ended 30 June 2009									
GROUP	Share capital	Share premium	Share option reserve	Contingent consideration reserve	Hedging reserve	Retained earnings	Total	Minority interest	Total equity
	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000
Balance at 1 July 2007	119 972	155 995	15 736	1 500	-	157 848	451 051	-	451 051
Shares issued during the year									
- To acquire Petmin Logistics (Pty) Ltd	438	7 437	-	-	-	-	7 875	-	7 875
- To acquire 25% of Veremo Holdings (Pty) Ltd	5 538	68 978	-	-	-	-	74 516	-	74 516
- General issue for cash	7 000	72 968	-	-	-	-	79 968	-	79 968
- Share options exercised	938	1 566	(820)	-	-	-	1 684	-	1 684
- Share options forfeited	-	-	(55)	-	-	-	(55)	-	(55)
Costs capitalised to share premium	-	(982)	-	-	-	-	(982)	-	(982)
Treasury shares acquired during the year	(182)	(1 418)	-	-	-	-	(1 600)	-	(1 600)
Contingent consideration settled in cash in the year	-	-	-	(20)	-	-	(20)	-	(20)
Share options granted	-	-	12 633	-	-	-	12 633	-	12 633
Minority interest recognised on acquisition of									
Petmin Logistics (Pty) Ltd	-	-	-	-	-	-	-	2 373	2 373
Profit for the year	-	-	-	-	-	380 353	380 353	61	380 414
Balance at 30 June 2008	133 704	304 545	27 494	1 480	-	538 201	1 005 424	2 434	1 007 858
Shares issued during the year									
- To acquire 30% of Petmin Logistics (Pty) Ltd	188	3 188	-	-	-	-	3 375	(2 056)	1 319
- Share options exercised	1 945	7 161	(4 199)	-	-	-	4 907	-	4 907
- Issued to Springlake Vendors	117	163	-	(280)	-	-	0	-	0
Treasury shares acquired during the year	(1 768)	(11 012)	-	-	-	-	(12 780)	-	(12 780)
Treasury shares transferred to Springlake Vendors	500	700	-	(1 200)	-	-	-	-	-
Share options granted	-	-	446	-	-	-	446	-	446
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	(636)	-	(636)	-	(636)
Profit for the year	-	-	-	-	-	118 364	118 364	(378)	117 986
Balance at 30 June 2009	134 686	304 745	23 741	-	(636)	656 565	1 119 101	-	1 119 101

Condensed Preliminary Consolidated Financial Statements
For the year ended 30 June 2009

Segment reporting

Segment information is presented in the condensed preliminary consolidated financial statements in respect of the Group's business segments, which are primary basis of segment reporting. The Business segment reporting format reflects the Group's management and internal reporting structure.

Inter-segment pricing is determined on arm's length basis.

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

Business segments

The Group comprises the following main business segment:

- Silica mining and marketing ("Silica");
- Iron ore mining and beneficiation ("PigIron"); and
- Anthracite mining and marketing ("Anthracite")

	Silica		Anthracite		PigIron		Other (corporate office)		Eliminations		Consolidated	
	Reviewed Year ended 30 June 2009	Audited Year ended 30 June 2008	Reviewed Year ended 30 June 2009	Audited Year ended 30 June 2008	Reviewed Year ended 30 June 2009	Audited Year ended 30 June 2008	Reviewed Year ended 30 June 2009	Audited Year ended 30 June 2008	Reviewed Year ended 30 June 2009	Audited Year ended 30 June 2008	Reviewed Year ended 30 June 2009	Audited Year ended 30 June 2008
	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000
Saleable tonnes produced	1 333 613	1 385 906	1 016 940	1 219 601	-	-	-	-	-	-	2 360 553	2 605 507
Tonnes sold	1 511 850	1 434 853	960 764	1 188 519	-	-	-	-	-	-	2 472 614	2 623 372
Segment revenue	180 796	153 034	607 829	513 845	-	-	-	-	-	-	788 625	666 879
Segment profit/(loss) before tax												
- Segment result	47 524	46 742	128 840	90 973	-	-	507	(23 698)	(3 946)	-	172 925	114 017
- Impairment loss on goodwill acquired			(1 327)								(1 327)	
- Loss on sale of subsidiary	-	-	-	-	-	-	(79 170)	-	-	-	(79 170)	-
- Share of profit of equity accounted investee	-	-	-	-	78 185	303 133	-	-	-	-	78 185	303 133
Segment profit/(loss) before tax	47 524	46 742	127 513	90 973	78 185	303 133	(78 663)	(23 698)	(3 946)	-	170 613	417 150
Segment capital expenditure	16 327	27 362	277 327	198 110	-	-	2 598	3 295	(2 289)	-	293 964	228 767
Segment depreciation	10 335	7 688	120 702	93 680	-	-	177	108	-	-	131 214	101 476
Share option costs included in segment profit/(loss) before tax	-	190	-	-	-	-	446	12 443	-	-	446	12 633
Segment assets	228 612	228 076	653 148	663 356	495 661	375 888	355 908	401 566	(259 999)	(326 851)	1 473 330	1 342 035
Segment liabilities	66 931	100 288	451 964	449 750	-	-	42 497	21 947	(207 163)	(237 808)	354 229	334 177

The losses in the corporate office in 2008 included a once-off impairment charge of R4.7 million and share option costs of R12.7 million.

The sale of Springlake Holdings (Pty) Ltd to Shanduka Coal (Pty) Ltd was concluded on 29 June 2009. Due to adverse international financial market conditions, the selling price was renegotiated to R85 million, resulting in a loss on the sale amounting to R79 million.

The R78 million (2008: R303 million) share of profit on equity accounted investee reflects the financial impact of the capitalisation of Petmin's loan to Veremo whereby Petmin increased its effective economic interest in the Veremo Group, refer to item (ii) in the management commentary.

Notes to the Condensed Preliminary Consolidated Financial Statements

for the year ended 30 June 2009

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 2009 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates.

The condensed preliminary consolidated financial statements were authorised for issue by the directors on 7 September 2009.

2 . Statement of compliance

The condensed preliminary consolidated financial statements have been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards (IFRSs) and the presentation and disclosure requirements of IAS 34 - Interim Financial Reporting, the JSE Limited ("JSE") Listings Requirements and the South African Companies Act, 1973. 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 2008.

3. Significant accounting policies

The condensed preliminary consolidated financial statements are prepared on the historical cost basis, except for financial instruments which are stated at fair value, where applicable, in terms of IAS 32 - *Financial Instruments: Presentation* and IAS 39 - *Financial Instruments: Recognition and Measurement*.

The accounting policies have been applied consistently by Group entities and have been applied consistently to all periods presented in these condensed preliminary consolidated financial statements.

4 . Estimates and judgements

The preparation of 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 2008.

5. Review of results

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

6. Earnings per share

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

	Reviewed Year ended 30 June 2009			Audited Year ended 30 June 2008		
	Profit for the year R' 000	Number of shares in thousands	Per share in cents	Profit for the year R' 000	Number of shares in thousands	Per share in cents
Basic earnings per share	118 365	541 354	21.86	380 353	504 280	75.43
Share options and contingent consideration	-	31 035	(1.18)	-	8 701	(1.28)
Diluted EPS	118 365	572 389	20.68	380 353	512 981	74.15

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.

	Reviewed Year ended 30 June 2009			Audited Year ended 30 June 2008		
	Profit for	Number of	Per	Profit for	Number of	Per share
	the year	shares in	share	the year	shares in	in cents
	R' 000	thousands	in cents	R' 000	thousands	in cents
Reconciliation between earnings and headline earnings per share						
Basic EPS	118 364	541 354	21.86	380 353	504 280	75.43
<i>Adjustments:</i>						
- Impairment of goodwill	1 327	-	0.25	-	-	-
- Loss on sale of subsidiary	79 170	-	14.62	-	-	-
- Share of profit of equity accounted investee	(78 185)	-	(14.44)	(303 133)	-	(60.12)
Headline EPS	120 676	541 354	22.29	77 220	504 280	15.31
Share options and contingent consideration	-	31 035	(1.21)	-	8 701	(0.26)
Diluted headline EPS	120 676	572 389	21.08	77 220	512 981	15.05
EPS decreased by 53.57 cents or 71% compared with 30 June 2008. This was mainly due to the inclusion of R303 million recognised in income in 2008 on the initial acquisition of the investment in Veremo Holdings (Pty) Ltd.						

7. Net asset value ("NAV") per share	Reviewed	Audited
	Year ended	Year ended
	30 June	30 June
	2009	2008
Ordinary share capital and reserves (R'000)	1 119 101	1 005 424
Total number of shares in issue ('000)	544 538	535 541
NAV per share (cents)	205.51	187.74
Ordinary share capital and reserves (R'000)	1 119 101	1 005 424
Total number of shares in issue ('000)	544 538	535 541
Share options and contingent consideration ('000)	44 019	54 299
Fully diluted number of shares ('000)	588 557	589 840
Fully diluted NAV per share (cents)	190.14	170.46

NAV per share increased by 17.77 cents to 205.51 cents or 9.5% compared with 30 June 2008. Fully diluted NAV per share rose by 19.68 cents to 190.14 cents or 11.5% compared with 30 June 2008.

The NAV above includes the value of assets on an historical cost and fair value at acquisition basis. The director's valuation of the investments in the various subsidiaries amounts to R2.2 billion or approximately 374 fully diluted cents per share.

8. Related parties

Dark Capital (Pty) Limited ("Dark Capital"), Petmin's anchor black economic empowerment shareholder, increased its shareholding in Petmin by acquiring 7 million Petmin shares on exercising their share options in October 2008.

Dark Capital is a material shareholder in Petmin and is therefore a related party as defined by Section 10 of the Listings Requirements.

8.1 Petmin Executive Committee Remuneration Scheme and Share Option Trust

As disclosed in the annual financial statements for the year ended 30 June 2008, the Petmin Executive Committee Remuneration Scheme and Share Option Scheme affects the executive directors of the Company and constitutes a related party transaction. The Petmin Executive

Committee Remuneration Scheme was a three-year agreement that terminated on 30 June 2008. As reported in the Annual Report for the year ended 30 June 2008, management has reached agreement with the Remuneration Committee on a new three-year scheme with similar terms and conditions.

8.2 Other transactions with related parties

Johan Strijdom, Enrico Greyling and Lebo Mogotsi, all directors of the company, were issued 250 000 Petmin shares each upon their exercising of options, granted in 2005, to acquire shares at 45 cents each. At the time of the grant, Ms Mogotsi was a non-executive director.

The Springlake Vendors, all of whom are employed by Petmin, were issued with 2 467 000 Petmin shares in final settlement of the warranty shares due in terms of the Springlake acquisition that was concluded in November 2005, resulting in the reduction of the contingent consideration reserve to R nil (2008: R1.48 million).

9. Change in directors

On 28 February 2009, Dawie Warmenhoven announced his resignation as a director of Petmin. He will remain a significant shareholder and continues to provide Petmin with consulting services. The Board of Directors expresses its gratitude to Dawie for his valuable contribution during the formative years of Petmin.

10. Subsequent events

10.1 Appointment of director

On 7 July 2009, Petmin announced the appointment of Bruce Tanner as Financial Director of Petmin with effect from 1 July 2009. Bruce joined Petmin in 2005 as Group Financial Manager and CFO and has served on the Executive Committee since joining the Group.

10.2 Exercise of options

On 30 June 2009, the Company was informed that Lebo Mogotsi and Bradley Doig (both executive directors) directly exercised

4 000 000 options each at an exercise price of 65 cents per share. Dawie Warmenhoven, who resigned as a director of the Company on 28 February 2009, indirectly exercised 3 000 000 options at an exercise price of 65 cents per share. Johan Gloy (a director of a subsidiary company) directly exercised 1 000 000 options at an exercise price of 65 cents per share and 500 000 options at an exercise price of 45 cents per share. The shares were issued in July 2009.

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

On 30 June 2009, the Company was informed that Numis Securities Limited exercised 4 798 900 options at an exercise price of 9 British pence per share. These options were granted pursuant to the placement agreement on Petmin's admission to AIM in December 2006. The shares were issued in July 2009.

(i) Operations

Revenue for the year ended 30 June 2009 increased by R122 million or 18% to R789 million compared with the R667 million in 2008. Gross profit was R210 million, an increase of R46 million or 28% compared with R164 million in 2008. This was as a result of improved sales prices achieved at Somkhele for the year under review and as a result of Springlake securing exceptional sales prices on export vessels in the first half of the year under review. There was a consistently strong performance from the silica mine, SamQuarz (Pty) Ltd ("SamQuarz") which generated a profit before tax of R48 million compared with R47 million in 2008. Administration expenses were R36 million, down from R46 million in 2008 due to a reduction in share option expenses to R0.4 million compared with R12.7 million in 2008, there being no further share options issued in the year under review.

Cash of R255 million (2008: R168 million) was generated by operations after outflows from changes in working capital of R59 million (2008: R84 million).

Capital expenditure of R291 million was incurred in the year to 30 June 2009 (2008: R229 million). R184 million (2008: R133 million) was spent on exploration drilling and mine development programmes to expand operations and R91 million (2008: R80 million) on plant and mining equipment. The main focus of the capital expenditure was the delineation of additional reserves and resources at Somkhele and SamQuarz, the construction and erection of

a rotary crusher at Somkhele to increase plant throughput, the development of pit room at Somkhele, and the construction of workshops and terraces for product stockpiles and terraces for a possible second wash plant at Somkhele.

The ratio of interest bearing debt to equity at 30 June 2009 was 9.97% (2008: 7.01%). An amount of R24 million (2008: R31 million) was drawn on the plant finance facility at Somkhele in the year ended 30 June 2009 to fund the expansion of the project and the construction of the rotary crushing plant.

The Group has negotiated additional debt facilities of approximately R150 million with its bankers which are currently not utilised. With significant cash resources, low gearing and available debt facilities Petmin has created a platform for growth.

Anthracite Division

Somkhele anthracite mine, Springlake Colliery (sold effective 29 June 2009) and Petmin Logistics

Management is pleased to report that the Anthracite Division produced 1,016,940 tonnes (2008: 1,219,601 tonnes) and sold 960,764 tonnes (2008: 1,188,512 tonnes) of anthracite in the year to 30 June 2009.

As previously reported in the Interim Results for the six months ended 31 December 2008, there was a significant decline in the international market for metallurgical coal in the latter part of calendar 2008 and the South African ferrochrome industry reduced production levels in the six months ended 30 June 2009. Somkhele was shielded from the reduced international demand by the sale of coal in terms of its long-term export agreement. Subsequent to 30 June 2009, there has been an increase in demand from the South African ferrochrome market and other metallurgical producers as additional smelters are brought back into production.

Mining at Somkhele is progressing well and sufficient "pre-stripping" of the overburden in the pits has been done to ensure that reduced levels of development expenditure can be maintained in the year ahead, without reducing the production of Anthracite. Commencement of extraction of Anthracite from Area 1 has been delayed, pending a visible sustainable increase in market demand.

The exploration drilling programme at Somkhele has been verified by Snowden Mining Industry Consultants in their report dated June 2009. The drilling programme resulted in an additional 23.97 million tonnes of resources being delineated as follows: 11.9 million tonnes measured resources, 3.37 million tonnes indicated resources and 0.2 million tonnes inferred resources in the Luhlanga area and an additional 8.5 million tonnes inferred resources in the Kwaqubuka and Emalehlene areas, all of which are contiguous with current operations.

At 30 June 2009, Somkhele had reserve of 31.61 million run of mine tonnes which, at current production levels, provides for a life of mine in excess of 30 years. This reserve figure excludes the additional 23.97 million tonnes of resources declined during the year.

The long-term export contract has been renegotiated for the period after 30 June 2009 to accommodate the reduced short-term demand in the international market for anthracite. The terms have been amended to reflect 200,000 tonnes per year over four years from the current 350,000 tonnes in 2010 and 400,000 tonnes in 2011 at an average price of \$119 per tonne.

The Group acquired the remaining 30% interest in Petmin Logistics from the minority shareholders. The Group now holds 100% of Petmin Logistics. Petmin Logistics has contracted with the South African Port Authorities to provide a dedicated export facility at Richards Bay for a minimum of 600,000 tonnes per year for four years.

The Company has concluded the sale of Springlake Holdings (Pty) Limited ("Springlake") and all outstanding conditions precedent were met on 29 June 2009. As a result of delays in meeting all the conditions precedent, during which period global market conditions dramatically declined, the final sale/purchase consideration was adjusted in line therewith and as a result the Company received proceeds of R85 million (included in current receivables at 30 June 2009), resulting in an IFRS accounting loss on sale of R79 million being recognised at 30 June 2009.

Silica Division *SamQuarz silica mine*

SamQuarz produced 1,333,613 tonnes (2008: 1,385,906 tonnes) and sold 1,511,850 tonnes (2008: 1,434,853 tonnes) of silica and chert in the year ended 30 June 2009.

The Silica Division's profit before tax was steady at R48 million (2008: R47 million).

Capital expenditure has been focused on increasing production capacity both in the open-pit and the plant to ensure that customers' demand levels can be reliably attained. The installation of an emergency generator was completed in the six months to 31 December 2008. The exploration programme culminated in the production of a SAMREC-compliant Reserve and Resource Statement that confirmed proven and probable reserves of 60.64 million tonnes of quartzite, an increase of 33% from 45.75 million tonnes and 11.48 million tonnes of chert, a rise of 88% from 6.11 million tonnes, resulting in a life-of-mine in excess of 40 years.

SamQuarz was granted a new order mining right conversion for its mining license on 30 April 2009.

(ii) Investment in the Veremo pig-iron project

During the year under review Petmin capitalised its R25 million loan to Veremo Holdings (Pty) Limited whereby its interest in Veremo Minerals (Pty) Ltd increased to an effective 34.9% (2008: 25%). The resultant fair value on acquisition of the additional interest in Veremo Minerals resulted in a share of profit of equity accounted investee of R78 million (2008: R303 million) being recognised in income.

Renewals of new order prospecting rights for all the Veremo prospecting areas were approved and executed on 7 May 2009.

During period under review the Veremo project feasibility study made solid progress. In view of this the board of Veremo commissioned a further infill drilling programme of 1 000 metres using triple-tube drilling, and appointed industry consultants to manage the programme.

The scope of the programme is to define the orebody clearly and delineate the weathered and fresh ore zones from a quantity and quality perspective which, once clearly understood, will determine the ultimate process to be selected. The outcome will be an updated CPR with measured, indicated and inferred resources which we anticipate will be released in mid-December 2009.

Petmin views legislative compliance as the basic standard and strives to ensure it adheres, as a minimum, to all legislation and legal aspects of its EMPR's in place or applied for and is constantly seeking sustainable solutions to ensure harmony between the communities within which we operate, the natural environment and our operations.

(iii) Prospects

Anthracite Division

Subsequent to the 30 June 2009 reporting period, indications are that the South African ferrochrome and other metallurgical producers are increasing production levels and returning mothballed smelters to production. Somkhele is well-placed to increase production levels to meet any increased demand. The level of planned capital expenditure at the operation has been reduced in the 2010 budget year as sufficient pre-stripping of overburden in the open pits has been done in the 2008 and 2009 financial years to support the required coal delivery for the year ahead.

Silica Division

We anticipate improved demand from the metallurgical sector, in particular the ferrochrome industry, in the second half of the year and stable off-take from our glass customers.

Pig Iron Division

Concurrently with the drill and sampling programme, extensive metallurgical testing will commence on the representative ore samples taken from both weathered and fresh zones. The conclusion of this test work will lead into the pilot plant testing programme in 2010. Thereafter it is anticipated the final flow sheets for the process will be determined.

(iv) General

Management is of the view that trading conditions will improve slowly in the year ahead and, while operations were appropriately scaled during the reporting period, operations are well-positioned to take advantage of any increase in demand.

We are well-positioned for acquisitive growth with low gearing and cash resources, as well as numerous opportunities presented by

virtue of the global financial crisis.

Our key investment criteria are:

- mining assets that are cash producing or projects that could be cash producing within 24 months;
- key commodities include anthracite, coking coal, steam coal, industrial minerals, iron ore, chrome, manganese and base metals;
- mining assets must have reserve and resource statements supported by SAMREC-or JORC-compliant Competent Persons' Reports.
- minimum project Internal rate of return of 20%; and
- minimum life of mine of 10 years.

More details on Petmin can be found on our website (www.petmin.co.za). We welcome shareholders and/or potential sellers of assets to contact us.

Withdrawal of cautionary announcement

Shareholders are advised that the negotiations referred to in the cautionary announcement published on 19 August 2009 have been terminated as Petmin's due diligence process indicated that the potential investment did not meet the investment criteria listed above.

Therefore, caution is no longer required to be exercised by shareholders when dealing in their securities.

By order of the Board

P J Nel
Chairman

J C du Preez
Chief Executive Officer

Pretoria

7 September 2009

Directors

P J Nel* (Chairman), L Mogotsi (Deputy Chairman), J C du Preez (Chief Executive Officer), B B Doig (Chief Operating Officer), I Cockerill*#, E de V Greyling*, A Martin*, J A Strijdom*, J Taylor*, B P Tanner (Financial Director) *Non-executive #British

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River Group

Nominated Adviser – AIM
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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.co.za