


grow petmin

THE PETMIN VALUE PROPOSITION

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JSE Mining Companies Showcase
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Our background

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- **1972:** Company incorporated
- **1986:** Listed as Petra Granite Ltd
- **1990:** Change in control and name to Petra Mining Ltd
- **1990 - 2002:** Various mining assets acquired
 - gold mining operations and 51% stake in JIC
- **2002:** Operating subsidiaries sold
 - US\$67 million proceeds repatriated to South Africa
 - capital distribution of R700 million to shareholders in 2003

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Our background, cont'd

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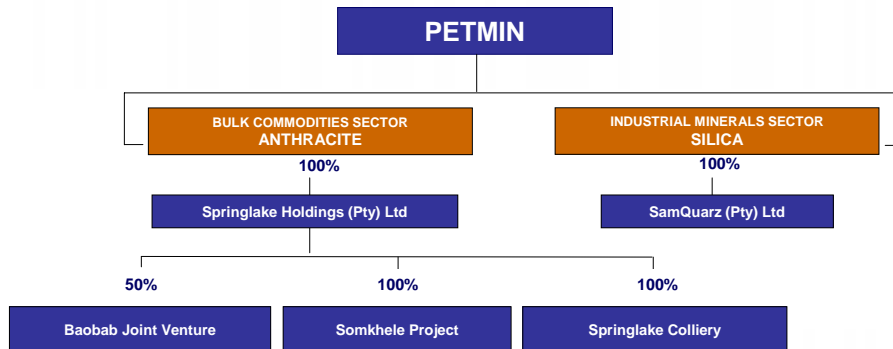
- **2004:** Change in control - converted from cash shell to operating company
 - acquired SamQuarz
- **2005:** Acquired Springlake Holdings
 - created anchor BEE consortium
 - Lebo Mogotsi appointed Executive Deputy Chairperson
- **2006:** Change of name to Petmin Limited (formerly Petra Mining Limited)
 - change of roles of the executive team
 - Jan du Preez (Chief Executive Officer)
 - Bradley Doig (Chief Operating Officer)

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Our structure

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Our strategy

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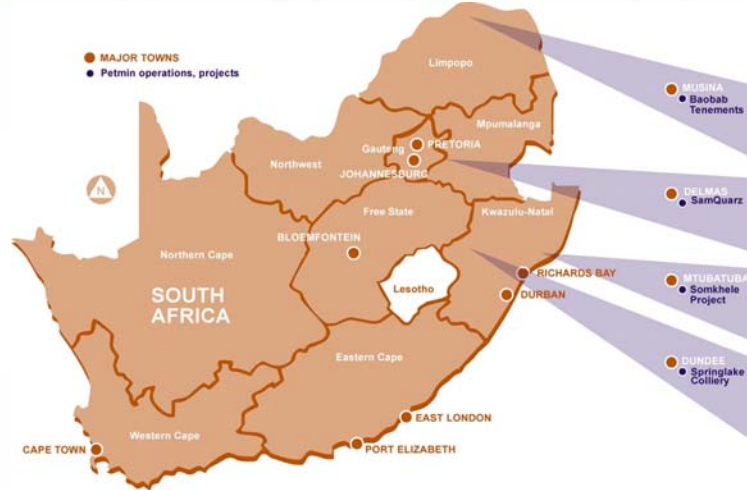
- Take advantage of opportunities presented by new South African mining legislation:
 - identify and develop good exploration and development projects and turn these to account
 - acquire good cash generating assets
- Become a leading junior mining company in South Africa with a combination of:
 - operating assets with cash flows
 - SamQuarz and Springlake Colliery
 - advanced project under way
 - Somkhele
 - development projects for the future
 - Baobab JV
- Recognise the need for an international platform and access to international capital markets

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Location map

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SamQuarz

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- Opencast mine – operating since 1955
- 1 200 000 tpa
- Life of mine: 40+ years
- State-of-the-art, German-designed processing plant
- Nosa 5-Star rating in 2005
- Blue-chip, long-term client base
 - glass manufacturers – PFG, Consol, SAB
 - metallurgical sector – Xstrata Chrome, Samancor, Assmang, Siltech
- Products include metallurgical grade silica sand and chert, glass grade silica sand
- Excellent management team



SamQuarz mine and plant

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Springlake Holdings

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- Acquired for R108 million in November 2005; comprises:
 - **Springlake Colliery**, Klipriver Coalfield, Dundee, Kwa Zulu Natal
 - **Somkhele Project**, near Mtubatuba and Richards Bay, KwaZulu Natal
 - **Baobab JV**, Mopani/Soutpansberg Coalfields, near Musina, Limpopo Province
- 235 000 tpa allocation at Richards Bay Coal Terminal (RBCT)
 - good prospects to increase allocation annually
- Potential for Springlake Holdings to grow to 50% of inland market within three years



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Springlake Colliery

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- Solid cash generative operating asset
- 29-year operating history
- 1.1 million ROM tpa from underground and opencast operations
 - 600 000 tons underground
 - 500 000 tons opencast
- 2005 CPR report indicates:
 - 10-year life of mine (LOM), underground
 - eight-year LOM, opencast
- Excellent management team



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Springlake ore reserve and mineral resources

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Reserves (as at 1 March 2005)					
Mineral Reserve	Classification	Mining Method	ROM Tonnes (000)	Practical yield (%)	Sales tonnes (000)
Anthracite	Proved	Underground Opencast	7,671	67.0	5,140
			3,564	67.0	2,38
	Total Proved		11,235	67.0	7,528
Anthracite	Probable	Underground Opencast	2,685	67.0	1,799
			877	67.0	587
	Total Probable		3,562	67.0	2,386
	Total Proved And Probable		14,797	67.0	9,914
Resources (as at 1 March 2005)					
Mineral Resource	Classification	Gross in situ tonnes (000)	Geologic loss (%)	CV MJ/kg	Mineable tonnes (000)
Anthracite	Measured	20,876	10	30.0	18,788
	Indicated	8,225	20	30.1	6,580
	Inferred	407	50	30.5	204
	Total	29,508	13	30.0	25,572
Bituminous	Measured	2,758	10	30.5	2,482
	Indicated	4,845	20	31.5	3,876
	Inferred	3,434	50	31.5	1,717
	Total	11,037	27	31.3	8,075

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Springlake market

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- Product characterised by:
 - high sulphur (>1%); moderate phosphorus (>.02%)
 - 50 % duff from underground, 35 % from opencast
 - rest is sized coal: peas, small and large nuts
- Suitable for:
 - FeMn process, Sinter process, and PCI process

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Springlake market

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- On its own:
 - 60% export – mainly domestic and industrial markets in Europe – incl. Ireland, Middle East, metallurgical markets in South America and Asia
 - 40% domestic/inland market – mainly metallurgical and domestic heating
 - limited potential to penetrate certain steel, ferrochrome and titanium smelter markets
- With Somkhele:
 - product blending opportunity, allowing for consolidation on ferrous metals market and untouched ferrochrome and titanium smelter markets

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Somkhele project

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- Critical development asset
- High-quality anthracite deposit
 - one hour from Richards Bay
 - close to infrastructure
- Drilling yields expected additional proven reserves in Area 1 of 9.3 million ROM t
- R114 million mine development cost
- First saleable product, second ¼, 2007
- 480 000 ROM tpa during Phase 1, rising to 950 000 ROM tpa in 2010
- R85 million equity raising concluded
- R40 million debt funding in place
- Significant and positive socio-economic impact on impoverished region



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Social development commitments

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- Project has significant and positive socio-economic impact on extremely impoverished region in South Africa
 - creation of new jobs:
 - 150 direct jobs during construction phase
 - 150 permanent jobs (by end of phase 2 - 2009)
 - resettlement of community and building of:
 - 65 houses – phase 1
 - 300 new houses – phase 2
 - creation of community hall and training facility for upliftment programmes, local community infrastructure incl. roads, water, sewage and electricity
- Sole exclusive options to explore within Mpukonyoni Tribal Authority Area
- Solid support from Department of Minerals and Energy and political support in poverty node
- Successfully addressing social bottom line makes for attractive opportunity for long-term investors

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Somkhele ore reserves and mineral resources

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Reserves for Areas 1 and 2 (as at 12 December 2005)					
Mineral Reserve	Classification	Mining Method	ROM Tonnes (000)	Practical yield (%)	Sales tonnes (000)
Anthracite	Proved	Opencast	11,678	68.6	8,011
	Probable (Area 1)	Opencast	12,591	68.6	8,638
	Total Proved And Probable		21,920	68,6	15,037
Resources (as at 1 March 2005)					
Mineral Resource	Classification	Gross in situ tonnes (000)	Geologic loss (%)	CV MJ/kg	Mineable tonnes (000)
Anthracite	Measured	-	-	-	-
	Indicated	27,479	20	29.2	21,983
	Inferred	8,596	50	29.1	4,298
	Total	36,075	27	29.2	26,281
Anthracite	Measured	2,667	10	29.5	2,400
	Indicated	-	-	-	-
	Inferred	-	-	-	-
	Total	2,677	10	29.5	2,400
Anthracite	Measured	-	-	-	-
	Indicated	-	-	-	-
	Inferred	42,847	50	29.1	21,424
	Total	42,847	50	29.1	21,424

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Somkhele market

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- Product is:
 - low in volatile matter
 - rich in carbon (especially in planned low ash products)
 - low in contaminants
 - low sulphur (< 1 %)
 - low phosphorus (<0.015%)
- Uniquely positioned to penetrate niche metallurgical markets:
 - ferrochrome smelting
 - titanium smelting
- Blending opportunity with Springlake for existing export market



Somkhele coal seam

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Baobab Joint Venture

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- | | |
|---|--|
| <ul style="list-style-type: none">• 50/50 JV partnership company<ul style="list-style-type: none">• Motjoli Resources (BEE)• Greenfield soft coking and steam coal deposit near Musina, Limpopo province<ul style="list-style-type: none">• 14 farms measuring 14 151.7 ha in extent• New order mining rights granted for coal and other minerals<ul style="list-style-type: none">• valid until 2010 | <ul style="list-style-type: none">• Project can be driven rapidly up the value curve• Current metallurgical coal shortage in SA• Current electricity supply squeeze in SA<ul style="list-style-type: none">• State/Eskom strategy – 30 % non-Eskom power supply• State upgrading of railways and ports• Large resource<ul style="list-style-type: none">• over 500 million inferred tonnes• Adjacent to Rio Tinto project |
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2005 financial year-end highlights

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Net profit after tax (includes profit on acquisition of subsidiary of R22.8 million)	→	R28.3 million (2004: R233 000 loss)
EPS	→	16.74 cents (2004: 0.27 cents loss)
Headline EPS	→	3.24 cents (2004: 0.27 cents loss)
Share price growth	→	30 cents to 90 cents (in under 18 months – Nov 2005)
Market cap growth	→	R25 million to R300 million (after Springlake – Nov 2005)
NAV, NTAV per share growth	→	25.88 cents to 53.53 cents (107%)

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Consolidated interim results – December 2005

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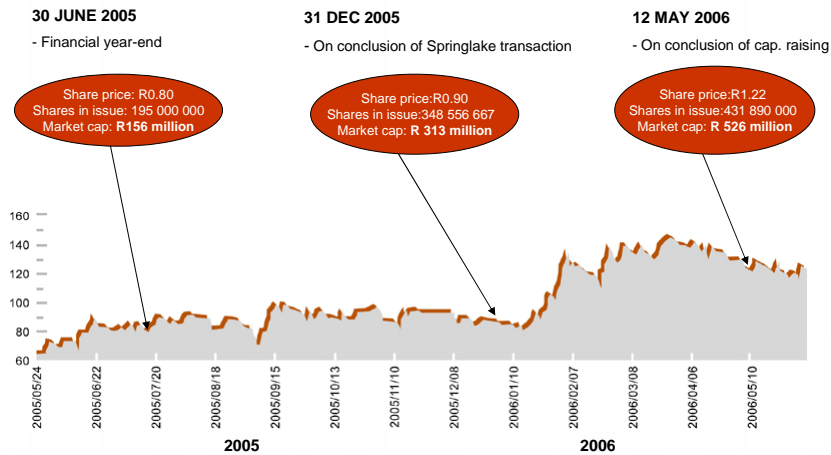
- 58% increase in profit to R38.9 million
- 109% increase in headline EPS (2004: 1.12 cents)
- 45% increase in NAV (2004: 52.46 NAV per share (in cents))
- 9.3 million proven ROM tonnes increase in Somkhele reserve from Area 1, and 2.349 million ROM reserves from Area 2 as previously reported
 - > 12 years of production at full production of 950 000 ROM tonnes/pa

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Share price and market capitalisation growth

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Petmin executive team

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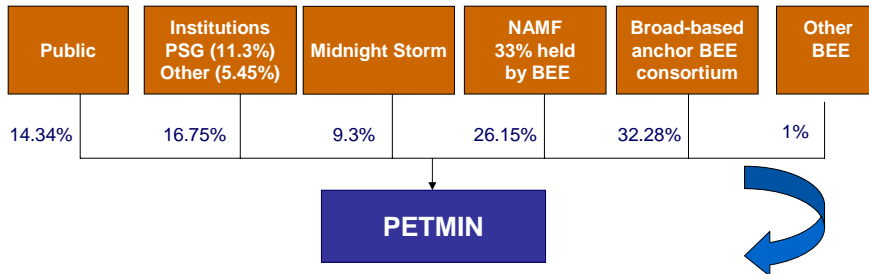
- **Jan du Preez (CEO)**
 - MCom (Mergers & Acquisitions), CA (SA)
 - entrepreneur in mining industry for last 15 years
 - Petmin management team member since 1990
- **Bradley Doig (Chief Operating Officer)**
 - BA, HDip Company Law
 - 10 years with BHP Billiton Group, ex Dresner Kleinwort Benson UK
 - Director of Decorum Capital Partners, fund manager of New Africa Mining Fund (NAMF)
- **Lebo Mogotsi (Deputy Chairperson)**
 - BCom
 - beneficiation management experience, AngloGold Ashanti
 - Non-executive Director, Merafe Resources Limited
 - Chairperson of Petmin and Merafe transformation committees
- **Dawie Warmenhoven (Executive Director)**
 - BJuris, LLB
 - admitted attorney, in mining industry for last 12 years
 - Petmin management team member since 1997
- **Bruce Tanner (Group Financial Manager)**
 - BCom (UCT), Honours BCompt (CTA) (Unisa), CA (SA).
 - nine years' mining finance, administration experience (five in coal, copper marketing)

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Our shareholders (as at June 2006)

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★ Effective equity interest of Petmin management is approximately 13%

Our BEE shareholders

Broad-based anchor consortium	32.28%
Other Public BEE	1.0%
BEE via PSG	3.79%
BEE via NAMF	8.63%
Total	45.70%

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Strategic relationship with NAMF

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- **New Africa Mining Fund**
 - R560 million private equity fund managed by BEE-controlled Decorum Capital Partners
 - established February 2003 (funding from IDC, IFC, ABSA, Gold Fields, Harmony, DBSA, BHP Billiton, Sanlam)
 - facilitates development of junior mining and BEE in the mining sector
 - has facilitated BEE ownership of approximately 68 million shares in Petmin in a sustainable funding structure linked to the performance of the business
 - NAMF funding and access to skills in Decorum Capital Partners have helped accelerate Petmin's development

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Our BEE shareholders

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- Broad-based Anchor BEE Consortium of shareholders comprises:
 - **Dark Capital**
 - HDSA investment company chaired by Alwyn Martin (a Petmin Non-executive Director)
 - **Lebone Resources**
 - women's empowerment company chaired by Lebo Mogotsi (Petmin Deputy Chairperson and Executive Director, member of subsidiary excos)
 - **Little Swift**
 - company held by seven HDSA entrepreneurs experienced in mining, finance, labour relations
 - **Zondwa Resources**
 - controlled by Mazwi Yako, HDSA with various mining sector investments

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Our BEE shareholders, cont'd

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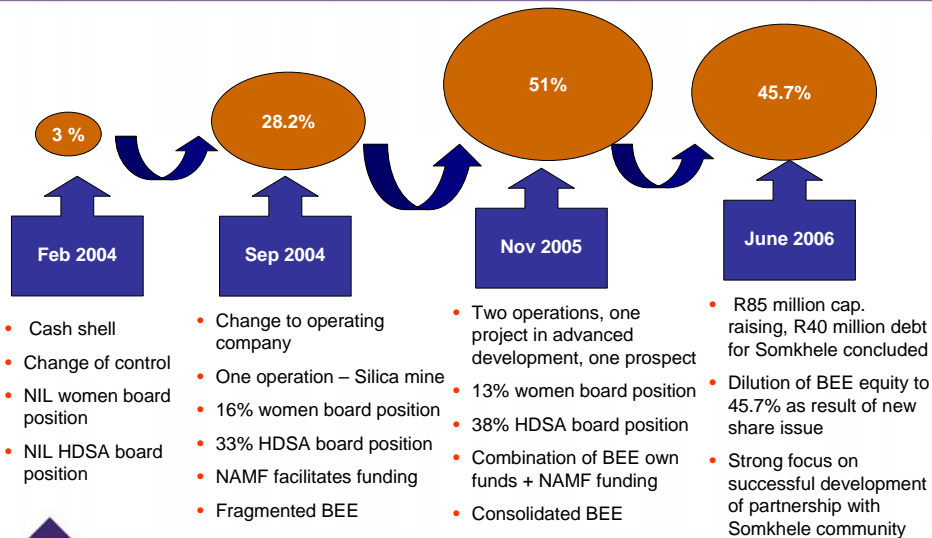
- **Popcru (Police and Prisons Civil Rights Union)**
 - 80 000+ members
- **Umsobomvu**
 - owned by Lungani Kunene, entrepreneur with various mining interests; sits on subsidiary board
- **Trusts**
 - to be established for the benefit of Petmin HDSA staff, local communities where Petmin operates

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Our BEE transition: equity ownership

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Why buy Petmin shares?

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- Our focus for 2006
 - **Local operations**
 - optimise performance of assets acquired
 - SamQuarz, Springlake to cement positions as pre-eminent suppliers
 - increase sales volumes; improve cash flow management, margins; maintain disciplined cost management
 - successfully commission Somkhele Anthracite Project
 - successfully complete mineral rights conversion
 - pursue new acquisitions
 - contribute to an enabling business environment for BEE companies
 - **International focus**
 - grow earnings platform
 - acquire international resource base

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Why buy Petmin shares?

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- **Excellent management**
 - close knit executive team together since inception of the new Petmin
 - share a common vision and focus based on disciplined people with disciplined thoughts, executing their roles in a disciplined manner
 - ability to optimise performance of assets acquired – key focus on cost and margin management
 - skilled project development skills
 - clear focus on marketing and logistics management
 - innovative incentive structures implemented at operational level based on earnings growth and the Charter
- **Positioning**
 - multi-commodity business predicated on acquiring solid cash producing assets with experienced operational management and near - term development assets **for the right price**
 - The Baobab JV provides the investor with longer term option on coal and energy in SA

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Why buy Petmin shares?

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- **International strategy** (under cautionary)
 - recognise the need for scale
 - recognise the need to acquire a hard currency earnings base
 - recognise the need to access international capital markets
- **Share price and NAV growth**
 - share price from 30 cents to R1.25 (in just over two years)
 - NAV from 30 cents to in excess of 80 cents (in same period)
- **Strong balance sheet with gearing less than 10 %**
- Our **strong BEE credentials** and role played by BEE partners in the decision-making processes of the company at all levels

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What are we offering?

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A **small-cap miner and developer**,
growing into a **mid-cap, multi-commodity player**
with **strong market and trading focus**,
enhanced by **strong BEE shareholder base**

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