

ACHIEVEMENTS

- Capital spent to expand operations increased by 140% from R47 million to R113 million
- Somkhele project successfully commissioned in June 2007
- New order mining right boosts production potential at Somkhele
- Somkhele project NPV up 310% from R358 million to R1.47 billion
- Revenue increased by 116% from R177 million to R382 million
- Profit after tax increased by 53% from R49 million to R74 million
- 55% increase in the weighted average number of shares in issue to fund the development of Somkhele
- Fully diluted headline earnings per share increased by 14% from 4.52 cents to 5.16 cents
- Fully diluted earnings per share increased by 6% from 14.85 cents to 15.77 cents
- Baobab investment sold for a net profit after tax of R25 million
- Successful secondary listing on AIM raised R49 million gross proceeds



CONDENSED CONSOLIDATED REVIEWED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

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" or "the Company")

GROUP	Reviewed Year ended 30 June 2007 R'000	Audited Year ended 30 June 2006 R'000
Revenue	382 341	176 676
Cost of sales	(326 500)	(145 663)
Gross profit	55 841	31 013
Other income	54 943	33 822
- Profit on sale of subsidiary	28 891	-
- Profit on acquisition of subsidiary	26 052	33 822
Administration expenses	(19 653)	(7 859)
Operating profit before financing costs	91 131	56 976
Net finance expense	(1 104)	(800)
- Financial income	3 352	1 923
- Financial expenses	(4 456)	(2 723)
Profit before tax	90 027	56 176
Income tax expense	(15 613)	(7 576)
Profit for the year	74 414	48 600
Basic earnings per ordinary share (cents)	16.14	16.38
Diluted earnings per ordinary share (cents)	15.77	14.85

GROUP	Reviewed Year ended 30 June 2007 R'000	Audited Year ended 30 June 2006 R'000
Net cash flow from operating activities	27 889	58 218
Cash flows from investing activities	(127 522)	(70 308)
acquisition of subsidiary net of cash acquired	-	(4 850)
Increase in investment in rehabilitation funds	(912)	(1 430)
Acquisition of property, plant and equipment	(127 522)	(70 308)
- to expand operations	(112 977)	(47 089)
- to maintain operations	(14 545)	(23 219)
Proceeds from sale of subsidiary	30 593	-
Proceeds from sale of property, plant and equipment	399	240
Net cash flow from investing activities	(97 442)	(76 348)
Cash flows from financing activities	34 053	95 842
Proceeds from specific and general share issues for cash during the year	34 053	95 842
Investment in preference shares in subsidiary	-	(13 000)
Repayment of borrowings	(10 813)	(5 414)
Increase in borrowings	36 529	1 753
Net cash flows from financing activities	59 769	79 181
Net (decrease)/increase in cash and cash equivalents	(9 784)	61 051
Cash and cash equivalents at beginning of year	70 134	9 083
Cash and cash equivalents at end of year	60 350	70 134

GROUP	Reviewed 30 June 2007 R'000	Audited 30 June 2006 R'000
ASSETS		
Non-current assets	469 518	365 772
Property, plant and equipment	453 122	349 775
Intangible assets	6 222	6 735
Investments	2	2
Restricted investments	10 172	9 260
Current assets	207 901	155 929
Inventories	63 045	41 228
Trade and other receivables	83 713	44 181
Taxation prepaid	793	386
Cash and cash equivalents	60 350	70 134
Total assets	677 419	521 701
EQUITY AND LIABILITIES		
Ordinary share capital and reserves	451 051	360 466
Non-current liabilities	118 627	82 780
Interest bearing loans and borrowings	36 436	14 052
Deferred taxation	61 612	54 495
Environmental rehabilitation provision	20 579	14 233
Current liabilities	107 741	78 455
Trade and other payables	87 115	67 522
Current portion of non-current liabilities	14 181	10 849
Taxation payable	6 445	84
Total equity and liabilities	677 419	521 701
Net asset value ("NAV") per share (cents)	93.99	81.94
Fully diluted NAV per share (cents)	85.25	70.16

Segment reporting

Segment information is presented in the condensed consolidated reviewed financial statements in respect of the Group's business segments, which are the 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 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.

Business segments

The group comprises the following main business segments:

- Silica mining and marketing ("Silica")
- Anthracite mining and marketing ("Anthracite")

Condensed Consolidated Reviewed Statement of Changes in Equity for the year ended 30 June 2007

GROUP	Share capital R'000	Share premium R'000	Share option reserve R'000	Contingent consideration reserve R'000	Retained earnings R'000	Total R'000
Balance at 1 July 2005	48,750	19,767	1,476	-	34,380	104,373
Shares issued during the year						
- To acquire Springlake	32,472	45,462	-	-	-	77,934
- To acquire SamQuarz preference shares	4,875	8,125	-	-	-	13,000
- Specific issue for cash - Springlake acquisition costs	1,042	1,458	-	-	-	2,500
- Specific issue for cash - Somkhele project	20,833	54,186	-	-	-	75,019
- General issue for cash	2,000	7,600	-	-	-	9,600
- Contingent share issue on acquisition of Springlake	-	-	-	27,552	-	27,552
- Share options granted	-	-	3,665	-	-	3,665
Costs capitalised to share premium	-	(1,777)	-	-	-	(1,777)
Profit/recognised income and expense for the year	-	-	-	-	48,600	48,600
Balance at 30 June 2006	109,972	134,821	5,141	27,552	82,980	360,466
Shares issued during the year						
- General issue for cash	10,000	39,097	-	-	-	49,097
- Share options granted	-	-	10,595	-	-	10,595
- Contingent share issue on acquisition of Springlake reversed	-	-	-	(26,052)	-	(26,052)
Costs capitalised to share premium	-	(17,923)	-	-	-	(17,923)
Dividends forfeited	-	-	-	-	454	454
Profit/recognised income and expense for the year	-	-	-	-	74,414	74,414
Balance at 30 June 2007	119,972	155,995	15,736	1,500	157,848	451,051

Business Segments

	Silica		Anthracite		Other (corporate office)		Eliminations		Consolidated	
	Reviewed Year ended 30 June 2007 R'000	Audited Year ended 30 June 2006 R'000	Reviewed Year ended 30 June 2007 R'000	Audited Year ended 30 June 2006 R'000	Reviewed Year ended 30 June 2007 R'000	Audited Year ended 30 June 2006 R'000	Reviewed Year ended 30 June 2007 R'000	Audited Year ended 30 June 2006 R'000	Reviewed Year ended 30 June 2007 R'000	Audited Year ended 30 June 2006 R'000
Segment revenue	127,712	90,603	254,629	86,073	-	-	-	-	382,341	176,676
Segment profit/(loss) before tax										
- segment result	35,379	26,152	6,667	(275)	(6,962)	(3,523)	-	-	35,084	22,354
- profit on sale of subsidiary	-	-	28,891	-	-	-	-	-	28,891	-
- profit on acquisition of subsidiary	-	-	-	-	26,052	33,822	-	-	26,052	33,822
Segment profit/(loss) before tax	35,379	26,152	35,558	(275)	19,090	30,299	-	-	90,027	56,176
Segment assets	187,080	153,102	472,737	328,232	311,268	303,714	(293,666)	(263,347)	677,419	521,701
Segment liabilities	93,829	121,589	336,831	225,911	6,690	8,345	(210,982)	(194,610)	226,368	161,235

Notes to the Condensed Consolidated Reviewed Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

Headline EPS increased 6% despite a 55% increase in the weighted average number of shares in issue to fund the development of Somkhele, which only commenced production in June 2007.

Diluted Headline EPS increased by 0.64 cents or 14%

Commentary

12. OPERATIONS

Revenue for the year ended 30 June 2007 increased by 116% as the revenue effect

13. POTENTIAL INCREASE IN BEE AND MANAGEMENT SHAREHOLDING

Petmin announced on 14 June 2007 that Dark Capital (Pty) Limited obtained an additional 40 million Petmin shares from New Africa Mining Fund ("NAMF"). Dark Capital together with Petmin management has secured an option from NAMF to

Notes to the Condensed Consolidated Reviewed Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

for the year ended 30 June 2007

Petmin is a company domiciled in South Africa. The condensed consolidated reviewed financial statements of the Company for the year ended 30 June 2007 comprise the Company and its subsidiaries (together referred to as the "Group").

The condensed consolidated reviewed financial statements were authorised for issue by the directors on 18 September 2007.

1.1 Statement of compliance

The condensed consolidated reviewed 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* and the South African Companies Act. The condensed consolidated reviewed 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 2006.

1.2 Basis of preparation

The condensed consolidated reviewed 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: Disclosure and Presentation* and IAS 39 – *Financial Instruments: Recognition and Measurement*.

The preparation of interim 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 of 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 accounting policies have been applied consistently by Group companies and have been applied consistently to all periods presented in these condensed consolidated reviewed financial statements.

2. REVIEW OF RESULTS

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

3. INCREASE IN AUTHORISED SHARE CAPITAL

In the year under review, the Company increased its authorised share capital from 500,000,000 ordinary shares of 25 cents each to 1,000,000,000 ordinary shares of 25 cents each.

4. GENERAL ISSUE OF SHARES FOR CASH – LISTING ON AIM

Petmin concluded its successful secondary listing on the London Stock Exchange's Alternative Investment Market ("AIM") on 20 December, 2006. Petmin issued 40 million new shares at 9 British pence per share in a general issue of shares for cash on the listing, raising approximately R49 million gross proceeds.

5. CONTINGENT CONSIDERATION RESERVE

The forecast profit of R45.6 million for the 28 month period ended 30 June 2007, warranted on the acquisition of Springlake, was not met. The contingent consideration has been re-estimated to R1.5 million, resulting in an amount of R26.1 million being recognised and disclosed as "profit on acquisition of subsidiary" in the income statement during the year under review.

6. EARNINGS PER ORDINARY SHARE ("EPS")

EPS is 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 2007			Audited Year ended 2006		
	Net income R'000	Number of shares in '000	Per share in cents	Net income R'000	Number of shares in '000	Per share in cents
Basic EPS	74 414	461 041	16.14	48 600	296 700	16.38
Share options and contingent consideration	-	10 817	(0.37)	-	30 500	(1.53)
Diluted EPS	74 414	471 858	15.77	48 600	327 200	14.85
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	74 414	461 041	16.14	48 600	296 700	16.38
<i>Adjustments:</i>						
- AIM listing expense	693	-	0.15	-	-	-
- profit on sale of subsidiary	(24 725)	-	(5.36)	-	-	-
- profit on acquisition of subsidiary	(26 052)	-	(5.65)	(33 822)	-	(11.40)
Headline EPS	24 330	461 041	5.28	14 778	296 700	4.98
Share options and contingent consideration	-	10 817	(0.12)	-	30 500	(0.46)
Diluted headline EPS	24 330	471 858	5.16	14 778	327 200	4.52

Headline EPS increased 6% despite a 55% increase in the weighted average number of shares in issue to fund the development of Somkhele, which only commenced production in June 2007.

Diluted Headline EPS increased by 0.64 cents or 14%.

7. NET ASSET VALUE ("NAV") PER SHARE

	Reviewed Year ended 2007	Audited Year ended 2006
Ordinary share capital and reserves (R'000)	451 051	360 466
Total number of shares in issue ('000)	479 890	439 890
NAV per share (cents)	93.99	81.94
Ordinary share capital and reserves (R'000)	451 051	360 466
Total number of shares in issue ('000)	479 890	439 890
Share options and contingent consideration	49 173	73 920
Fully diluted number of shares	529 063	513 810
Fully diluted NAV per share (cents)	85.25	70.16

NAV per share increased 12.05 cents or 15% compared to 30 June 2006.

Fully diluted NAV per share increased 15.09 cents or 22% compared to 30 June 2006.

8. RELATED PARTIES

NAMF Nominees (Proprietary) Limited, Dark Capital (Pty) Limited (Petmin's anchor Black Economic Empowerment shareholder) and PSG Limited are material shareholders in Petmin, and are therefore related parties 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 2006, the Petmin executive committee remuneration scheme and share option scheme affects the executive directors of the Company and constitutes a related party transaction. Transactions with and amounts due to the executive directors are included in the table of compensation to directors below.

	Reviewed Year ended 30 June 2007 R'000	Audited Year ended 30 June 2006 R'000
Directors' emoluments		
- Short term emoluments	9 565	6 941
• incentive fee – 1.5% of assets managed*	6 060	3 507
• incentive fee – 6% of profit*	-	2 900
• other	3 505	534
- Share based payments	6 187	2 090
• management option scheme issued 2007**	4 097	-
• management option scheme issued 2006**	2 090	2 090
	15 752	9 031
Amounts payable to directors included in Trade and other payables	5 299	5 698

*The executive management of the Company earns management fees based on:
(a) a percentage of the average net assets under management in the year; and
(b) should the sustainable earnings per share increase by more than 20% in the year, then the executive management will earn an additional incentive bonus of a minimum of 6% of profit limited to a maximum of 6.75% of profit.

**The executive management of the Company earns share options based on the growth in net asset value per share in the year.

8.2 Profit on acquisition of subsidiary – Springlake Holdings (Pty) Ltd ("Springlake")

The re-estimation of the contingent consideration related to the Springlake acquisition constitutes a related party transaction, as NAMF Nominees is a material shareholder in Petmin. Refer to amounts disclosed in note 5.

8.3 Other transactions with related parties

Other than as disclosed in notes 8.1 and 8.2 above, there were no significant transactions with related parties.

9. GEARING AND INCREASE IN BORROWINGS

Petmin's interest bearing debt to equity ratio increased to 11% (2006: 7%). During the year under review a loan of R36 million was advanced to fund capital expenditure at the Somkhele Anthracite Project by The Standard Bank of South Africa Limited. In terms of the asset based finance facility, interest is payable at the prime lending rate less 1% and the loan is repayable over 72 months.

10. EVENTS AFTER BALANCE SHEET DATE

Petmin advised its shareholders on 6 August 2007 that Mr. Ian Cockerill, Chief Executive Officer of Gold Fields Limited, has agreed to join the Board of Petmin as an independent non-executive director with effect from 1 October 2007.

Mr. Jabu Mabena resigned as a non-executive director with effect from 1 August 2007. The Board thanks Mr. Mabena for his valued contribution during Petmin's early development.

11. DIVIDENDS

Due to the expansion projects at both the Somkhele Colliery and SamQuarz and the associated cash requirements and Petmin's focus on acquisitive growth, the Board has resolved that no dividend will be declared (2006: no dividend was declared).

Commentary

12. OPERATIONS

Revenue for the year ended 30 June 2007 increased by 116% as the revenues reflect a full twelve months of Springlake's operations and the first month's sales from the Somkhele colliery whereas the comparatives included only seven months of Springlake's operations after its acquisition on 30 November 2005.

Cash of R75 million was generated by operations before out flows from changes in working capital amounting to R42 million. The investment in working capital increased largely due to the commencement of operations at the Somkhele Colliery. Capital expenditure of R128 million was incurred in the period under review, R98 million of which related to the development of the Somkhele project, with R15 million spent at SamQuarz and R14 million at Springlake.

Petmin's listing on AIM presents the Company with a platform for future growth by:

- improving the acceptability of the Company's shares as a global currency for the purpose of acquiring or developing new assets;
- gaining access to the international pool of capital in the London market with a view to widening the Company's institutional and retail investors shareholder base;
- increasing the Company's international profile and research coverage; and
- improving share liquidity in the longer term.

Silica

SamQuarz increased production to approximately 1.24 million tonnes, up 29% from 2006. Revenues increased by 41% to R128 million, reflecting the increased volumes sold to meet the improved demand from customers for SamQuarz product. Profitability was further enhanced by disciplined cost control by mine management. The results for the year ended 30 June 2007 include the recognition of additional profits after tax on the sale of certain chert stocks, that were previously ascribed a zero value, amounting to R3.4 million.

Anthracite

Petmin acquired Springlake Holdings (Proprietary) Limited ("Springlake Holdings") in November 2005. Springlake Holdings at the time consisted of the Springlake Colliery (an operating underground and open cast anthracite mine with approximately 12 years of reserves at a run of mine ("ROM") production of 1 million tonnes per annum), the Somkhele project and an interest in the Baobab Joint Venture.

In the year ended 30 June 2007, Petmin disposed of its interest in the Baobab Joint Venture for GBP2.5 million (approximately R 35 million) to GVM Metals Limited and successfully commissioned the Somkhele project.

- Springlake colliery

As previously reported, Springlake's performance was disappointing for the six months ended 31 December 2006. In the six months to 30 June 2007, management has successfully implemented a performance improvement programme at the Springlake Colliery.

Production of saleable tonnes has shown steady improvement from 242,072 tonnes produced in the six months ended 30 June 2006, to 313,363 tonnes in the six months to 31 December 2006 (30% up) and 369,960 tonnes for the six months ended 30 June 2007 (18% up).

A new order mining right was granted during the year for the Besterdale license area, which adds approximately 500,000 ROM tonnes to the opencast sections.

Springlake's management has been strengthened in order to implement the performance improvement programme by the appointment of Hardus Combrinck as Mine Manager and Ngwedi Mabilo as Engineering Manager. Hardus Combrinck has 26 years experience in the gold, platinum and coal industries and Ngwedi Mabilo has 13 years experience in the coal industry.

- Somkhele anthracite project

The Somkhele anthracite project was commissioned on 1 June 2007 and the Colliery's first export cargo of 32,000 tonnes was despatched in June 2007 from export facilities in nearby Richards Bay.

The plant is fully operational and has a nominal capacity of 120,000 ROM tonnes per month. The Group has drawn down R36 million of the R40 million banking facilities negotiated with The Standard Bank of South Africa Limited ("Standard Bank") to fund construction of the plant.

Petmin announced on 3 August 2007 that a new order mining right has been granted for Area 1 in June 2007 which will enable Somkhele to increase production substantially and to bring forward its originally forecast production ramp up. Somkhele's life of mine ("LOM") model has been updated by Snowden Mining Industry Consultants (Pty) Limited's ("Snowden"), with the LOM increasing from 11 to 15 years at an increased rate of production from 40,000 run of mine tonnes per month ("ROMtpm") to 80,000 ROMtpm from first quarter 2008, ramping up to 158,000 ROMtpm from 2011. Based on Snowden's assessment, the estimated value of the Somkhele Project has been increased from R358 million to R1.47 billion at a 15% discount rate, a 310% increase in value.

13. POTENTIAL INCREASE IN BEE AND MANAGEMENT SHAREHOLDING

Petmin announced on 14 June 2007 that Dark Capital (Pty) Limited obtained an additional 40 million Petmin shares from New Africa Mining Fund ("NAMF"). Dark Capital together with Petmin management has secured an option from NAMF to acquire an additional 121 million Petmin shares. If the transaction is successfully concluded, Dark Capital's effective interest in Petmin will increase to approximately 30% and the total black economic empowerment interest in Petmin will increase to approximately 48%. Management's effective interest (including share options) will increase to approximately 30%. If the transaction is successfully concluded, Petmin will make an announcement to this effect.

14. PROSPECTS

- SamQuarz

Capital expenditure amounting to approximately R28 million has been approved and will be incurred in the year ending 30 June 2008 to increase capacity, to maintain existing infrastructure, to further develop the open pit and to update the life of mine ("LOM") models. SamQuarz intends finalising an extended exploration programme that will enable third party experts to update SamQuarz's Competent Person's Report ("CPR") and life of mine models by June 2008. The Company believes that this active exploration may double the proven reserves, resulting in a life of mine in excess of 20 years at current production levels. This will considerably enhance the net present value of SamQuarz.

The SamQuarz maintenance strategy has been revised to take into account the shortage of skilled artisans and now also includes a daily "independent" audit of all maintenance related issues. Both the capital expenditure and revised maintenance strategy will assist SamQuarz to meet the increasing demand from its customers.

SamQuarz products are used to produce both flat glass and glass for bottles and there has been an increase in demand from its clients which include PFG, Consol and Nampak. SamQuarz products are also used as a flux in the production of, *inter alia*, ferro-chrome and ferromanganese and there has been an increase in demand from its clients which include Xstrata, Samancor and Arcelor Mittal.

- Springlake Colliery

With increased opencast production planned in the 2008 financial year and with the measures introduced to the underground operations, management expects an improved performance in the year to 30 June 2008. The coal market remains buoyant and Springlake has signed a dollar based offtake agreement for 350,000 tonnes of its duff material until March 2009. To secure the sustainability of the turnaround strategy, the Group will spend approximately R14 million of capital at Springlake Colliery in the year to June 2008.

- Somkhele anthracite project

Since commencing production, there has been a significant demand for the Somkhele product range and the company has secured a dollar based export agreement for 400,000 tonnes of unsized coal until December 2008. In the period from 1 July 2007 to the date of this report, Somkhele has exported an additional 84,760 tonnes of anthracite. Negotiations are underway with a number of customers for medium to long term offtake agreements. The production of high quality anthracite at Somkhele will provide opportunities to target niche South African metallurgical markets in ferrochrome and titanium smelting. Taking into account the current market conditions, ROM production in the year to June 2008 is expected to be 835,000 tonnes, increasing to 970,000 tonnes for the year to June 2009.

Capital expenditure of R42 million is budgeted to be spent at Somkhele in the forthcoming year in order to double up on production prior to June 2008 and to accelerate its exploration programme on Areas 4 and 5 to further increase the reserve base of the Colliery.

- New business

Acquisitive growth remains a focus of Petmin and management is continuously reviewing potential new business opportunities focused on industrial minerals, base metals, carbon products and materials for steel mills.

Petmin believes in acquiring cash producing or near-cash producing assets. Our approach to acquisitions is entrepreneurial and flexible and we are in a position to offer various business models to potential 'partners'. Our acquisition model ensures that vendors obtain liquid assets in the form of our shares and gain access to our ability to raise cash, our knowledge base and international distribution channels.

15. FURTHER CAUTIONARY ANNOUNCEMENT

Further to the cautionary announcement dated 3 August 2007 shareholders are advised that negotiations are still in progress which, if successfully concluded, may have a material effect on the price of Petmin's securities. Accordingly, shareholders are advised to continue exercising caution when dealing in the Company's securities until a full announcement is made.

By order of the Board

PJ Nel

Chairman

Pretoria

18 September 2007

JC du Preez

Chief Executive Officer

Secretary and Sponsor – JSE

River Sponsors (Pty) Limited

Nominated Adviser and Broker – AIM

Numis Securities Limited

Transfer Secretaries

JSE: Computershare Investor Services 2004 (Proprietary) Limited

AIM: Computershare Investor Services PLC

Auditors

KPMG Inc.

www.petmin.co.za

