

Chrometco Limited

CHROMETCO LIMITED'S CORE BUSINESS IS TO IDENTIFY, ASSESS, ACQUIRE AND DEVELOP LOW CAPITAL, SHORT-TERM PAYBACK, NICHE MINERAL AND COMMODITY OPPORTUNITIES IN EXPLORATION MINING, BENEFICIATION AND TRADING WITHIN SOUTHERN AFRICA WITH A FOCUS ON CHROME, COPPER, COBALT, TIN AND GOLD.

Chrometco Limited is a minerals and commodities exploration company listed on the JSE Limited with prospects in North West Province in South Africa and Likasi Province in the Democratic Republic of the Congo (DRC).

The company's board comprises 5 directors. John Raubenheimer is its chairman Paul Baloyi and Trevor Scott are non-executive directors (Trevor Scott is an independent directors). Completing the board are executive directors Stuart Simons (chief executive officer) and John Francey (chief financial officer).

The registered secretary is the River Group, Computer Investor Services 2004 (Pty) Ltd is the transfer secretary and RSM Betty & Dickson (Johannesburg) is the independent auditor for Chrometco.

World commodity markets have been exceptionally strong over the last year and this trend is likely to continue. Demand is ahead of supply, boding well for continued high prices into 2008, placing Chrometco in a position to take advantage of strengths within the commodity market.

Chrometco is planning to sell its Rooderand chrome ore reserve to DCM Chrome, however, the sale will only be concluded once new order mining rights have been secured. This is expected to happen by January 2008 and income generated for the deal will fund explorations in the DRC.

In addition, cassiterite ore reserves have been identified at three locations in the DRC and initial early stage exploration is being carried out on these sites.

Capital, in the amount of R22,5 million, has been raised from a new shares issue to fund day-to-day business operations and the acquisition of mineral rights. This capital injection will also accelerate Chrometco's activities in the DRC.

LOOKING BACK:

Defining moments in the history of the company

The company has five subsidiaries Korpo Trust (Pty) Limited, Rooderand Chrome (Pty) Ltd, Ingonyama Holdings (Pty) Limited and

two dormant companies, Tswalo Resources (Pty) Limited and Tswalo Minerals (Pty) Limited, which will be deregistered this financial year.

Korpo Trust is involved in developing general mining and quarrying activities, and is the current holder of the mineral rights on Rooderand 46 JQ. The mining licence on Portion 2 of this land is owned by Pilanesburg Mining Company (Pty) Limited, a wholly owned subsidiary of Canadian company, Chromex Development Limited.

In 2005 Chrometco entered into a joint venture with Pilanesburg Mining in order to legally gain access to the old order mining licence to mine the minerals held by Korpo Trust. The joint venture agreement gives Chrometco 100% control of the mining licence for its exclusive use until the licence is renewed, at which time it will be renewed into the name of the relevant Chrometco subsidiary.

Rooderand Chrome is involved in the exploration and development of mining activities of chrome resources and possible beneficiation.

Ingonyama Holdings will be ceasing operations during the current financial year and transferring its activities into commercial opportunities related to base and metal recovery, beneficiation and marketing.

THE WAY FORWARD:

Opportunities & challenges

Chrometco is poised to take advantage of the strong commodities market. With capital raised from recent share issues and the possible sale of the Rooderand

CURRENT FINANCIAL STATUS

Chrometco incurred a loss on ordinary activities after taxation of R4,15 million (a decrease of 58,17% from the loss of R9,92 million of the previous year). Headline loss per share decreased by 23% from 3,62 cents per share to 2,79 cents per share.

The issued share capital of Chrometco increased from 152 million to 190 592 205, and the market capitalisation of the company increased from R95,76 million (or 0,63 cents a share) to R152,47-million (0,80 cents a share).

With the new share issue the company is well positioned, and will concentrate on its low capital cassiterite project which will generate cash flow in the short term.

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reserves, the company is set to expand and to fund further development and exploration activities with a strong focus on the DRC.

Negotiations are underway with the DRC's Ministry of Mines and Gecamines to purchase copper and cobalt ore deposits and to enter joint ventures in developing the same, while Chrometco has already entered into a joint venture agreement with Centre.

Much time and effort has been expended to establish the feasibility of a copper and cobalt refinery in the industrial area of Brits in South Afri-

ca. However, a recent directive from the DCR's Ministry of Mines banning all exports of raw ore from the country has resulted in Chrometco abandoning plans for this refinery, as the long-term risk of obtaining raw ore from the DRC has become an issue. However, a new feasibility study is underway to explore the possibility of establishing the refinery in the DRC.

Early stage exploration at three sites in the DRC indicates good reserves of cassiterite, and Chrometco is also investigating other base metal possibilities in Southern Africa.

