





ncorporated in the Republic of South Africa (Registration number 1992/001973/06 Share code: SNU ISIN: ZAE000107223 ("Sentula" or "the Company" or "the Group"

AUDITED SUMMARISED CONSOLIDATED FINANCIAL RESULTS FOR THE 15 MONTHS ENDED 30 JUNE 2016 AND NOTICE OF THE ANNUAL GENERAL MEETING

SUMMARY CONSOLIDATED INCOME STATEMENT

for the 15 months ended 30 June 2016		
R'000	Audited June 2016 15 months	Audited March 2015 Restated
Revenue	1 535 689	1 374 753
Loss from operations	(179 619)	(153 880)
Net profit/(loss) on disposal of assets	9 662	(52 099)
Megacube arbitration award	(129 051)	-
Impairment of plant and equipment	(138 846)	(14 795)
Impairment of other receivable	(3 568)	(045)
Impairment of assets held-for-sale	-	(815)
Operating loss	(441 422)	(221 589)
Finance charges	(45 467)	(52 918)
Fair value adjustment on interest rate cap	-	(159)
Loss before taxation Taxation	(486 889) 17 512	(274 666) (16 244)
Loss for the period from continuing operations	(469 377)	(290 910)
Discontinued operations Loss for the period from discontinued operations (attributable to the owners of the parent) Loss on disposal of discontinued operations	-	(275) (3 727)
Total loss for the period	(469 377)	(294 912)
Loss attributable to:	///= /00	(000 445)
– Owners of the parent	(447 429)	(293 445)
continuing operationsdiscontinued operations	(447 429) -	(289 443) (4 002)
- Non-controlling interest	(21 948)	(1 467)
continuing operationsdiscontinued operations	(21 948)	(1 467)
Weighted basic and diluted loss per share (cents)	(61,27)	(49,18)
 continuing operations (cents) discontinued operations (cents) 	(61,27) -	(48,51) (0,67)
Shares in issue at the end of the period ('000) Shares in issue at the end of the period excluding	1 167 564	586 559
Weighted average shares in issue at the end of the period Weighted average shares in issue at the end of the period	1 162 010	581 005
excluding treasury shares ('000) (2015 restated for the rights issue)	730 200	596 708

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

R'000	Audited June 2016 15 months	Audited March 2015 Restated
Loss for the period Other comprehensive (loss)/income Items that may be subsequently reclassified to profit or loss Foreign currency translation differences for foreign operations	(469 377) (21 843)	(294 912) 2 339
Other comprehensive (loss)/income for the period, net of income tax	(21 843)	2 339
Total comprehensive loss for the period	(491 220)	(292 573)
Loss attributable to: - Owners of the parent	(469 272)	(291 106)
- continuing operations	(469 272)	(287 104)
- discontinued operations	-	(4 002)
- Non-controlling interest	(21 948)	(1 467)
- continuing operations	(21 948)	(1 467)
 discontinued operations 	-	_

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

R'000	Audited June 2016	Audited March 2015
ASSETS		
Total non-current assets	654 052	801 617
Property, plant and equipment Restricted cash Intangible assets	586 014 2 850	749 942 - 672
Goodwill Deferred income tax asset	37 427 27 761	37 427 13 576
Total current assets	283 737	403 328
Inventories	33 402	70 492
Trade and other receivables	213 792	312 947
Cash and cash equivalents	32 822	19 245
Current tax receivable	3 721	644
Assets of disposal group classified as held-for-sale	105 174	219 490
TOTAL ASSETS	1 042 963	1 424 435
EQUITY AND LIABILITIES		
Total equity attributable to equity holders of the parent	365 409	732 012
Share capital	2 122 973	2 020 304
Treasury shares	(25 898)	(25 898)
Reserves	86 294	110 689
Accumulated loss	(1 817 960)	(1 373 083)
Non-controlling interest	(21 948)	-
TOTAL EQUITY	343 461	732 012
LIABILITIES Total non-current liabilities	147 284	114 856
Loans and borrowings	_	2 354
Rehabilitation provision	69 889	.
Finance lease obligations Deferred income tax liabilities	14 301 63 094	45 701 66 801
Total current liabilities	525 048	509 534
Trade and other payables	230 179	208 474
Megacube arbitration award	92 331	_
Deferred revenue	25 331	391
Loans and borrowings Finance lease obligations	33 500 9 840	132 752 26 642
Bank overdraft	86 841	81 214
Current income tax liabilities	47 026	60 061
Liabilities of disposal group classified as held-for-sale	27 170	68 033
Total liabilities	699 502	692 423
TOTAL EQUITY AND LIABILITIES	1 042 963	1 424 435
Net asset value per share (excluding treasury shares) (cents) (2015 restated for the rights issue) Tangible net asset value per share (excluding goodwill) – excluding	31	123
treasury shares (cents) (2015 restated for the rights issue)	28	116

SUMMARY CONSOLIDATED CASH FLOW STATEMENT

for the 13 months ended 30 June 2016		
	Audited June 2016	Audited
R'000	15 months	March 2015
Cash flows from operating activities	53 475	47 138
Cash generated from operating activities	100 729	119 808
Income taxes paid	(9 719)	(20 622)
Interest paid	(37 535)	(52 048)
Cash flows from investing activities	6 485	(3 534)
Interest received	1 699	769
Purchase of property, plant and equipment	(56 888)	(103 959)
Proceeds from disposal of property, plant and equipment	61 733	42 021
Capitalised exploration expenditure	_	(1 187)
Additions to assets held-for-sale	-	(830)
Proceeds from disposal of assets held-for-sale	2 791	27 279
Proceeds from disposal of subsidiary	-	23 680
Movement in restricted cash	(2 850)	8 693
Cash flows from financing activities	(47 220)	(139 033)
Increase in borrowings	-	3 289
Decrease in borrowings	(101 606)	(199 827)
Finance lease advances	1 371	74 187
Finance lease payments	(49 654)	(16 682)
Proceeds from the rights issue	104 581	_
Payment of transaction costs related to rights issue	(1 912)	-
Net increase/(decrease) in cash and cash equivalents	12 740	(95 429)
Cash and cash equivalents at the beginning of the period	(60 569)	33 744
Exchange (losses)/gain on cash and cash equivalents	(1 291)	1 116
Cash and cash equivalents at the end of the period	(49 120)	(60 569)
Cash and cash equivalents per statement of financial position	(54 019)	(61 969)
Cash and cash equivalents classified as held-for-sale	4 899	-
Cash and cash equivalents classified as discontinued operations	-	1 400
Cash and cash equivalents at the end of the period	(49 120)	(60 569)

Directors: RB Patmore* (Chairman), JC Badenhorst (Chief Executive Officer), JC Lemmer (Financial Director), DR Zihlangu[‡], SP Naudé*, ME Gama*, T de Bruyn[‡] *Independent non-executive #Non-executive

Company Secretary: GC Cross Transfer secretaries: Computershare Investor Services Proprietary Limited

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Sponsor: Questco Proprietary Limited

Auditor: PricewaterhouseCoopers Inc. Registered address: Ground Floor, Building 14, Woodlands Office Park, Woodmead, 2080

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INTRODUCTION

The 2016 financial period continued to be a very challenging one for Sentula. Since 2010, Sentula has been battling to keep head above water as the debt load, fraud, declining commodity prices, declining margins, rising labour costs, legal disputes and mining regulatory uncertainty continued to weigh on its performance. For Sentula it all culminated in the tipping point being reached during the past financial period. The new starting point was to install an executive team that was capable of focusing the business, identifying the issues and opportunities, and then to move forward despite the negative past.

Sentula is on track to complete an aggressive restructuring exercise, which included closing, merging and recapitalising affected businesses in its portfolio. Sentula's key qualities which are long-term contracts with blue-chip customers, a diversified revenue base, well established track records, good safety records and top quality and loyal staff with the technical expertise to deliver results, have kept Sentula alive against all odds.

These qualities, combined with a fresh approach from the new executive management, assisted in repositioning each business as a standalone and sustainable unit. There are more hurdles to cross but we are confident that Sentula is on track to turn the corner. The environment remains very challenging but the emphasis will be on focusing on those things that we can control rather than those that we cannot. In future the focus will be on businesses that have good investment characteristics and yield attractive returns on capital.

FINANCIAL OVERVIEW

The loss incurred during the financial period was mainly as a result of the following non-

- The Megacube Mining Proprietary Limited ("Megacube")/Keaton Mining Proprietary Limited ("Keaton") arbitration award of R129 million
- Impairment of property, plant and equipment amounting to R139 million in the opencast mining operations;
- Operating losses incurred by Benicon amounting to R157 million, including wind-down costs; and
- Nkomati production ramp up costs amounting to R25 million.

During the second half of the financial period, the operational management of Benicon was taken over by a new executive team. The rapidly escalating losses in Benicon Opencast Mining Proprietary Limited ("Benicon") dictated that drastic action be taken, which culminated in the winding down of Benicon as well as the proposed merger between Sentula Coal Proprietary Limited ("Sentula Coal") and Close-Up Mining Proprietary Limited ("Close-Up"). Shareholders are referred to the SENS announcement on 27 June 2016 in which the transaction was announced.

The Megacube/Keaton arbitration dispute has been provided for during the period, negatively impacting the Group's equity by R109 million. The arbitration award will not impact the rest of the Group's operations as there is no known recourse between Megacube and any other group company.

OPERATIONAL REVIEW Mining services

Although Sentula currently provides a suite of diversified mining services to mainly bluechip customers, it will in future focus on investment in good companies with good management, delivering attractive returns on capital to shareholders. The five businesses, constituting the current Sentula Group, operate in one of the four contracted miningrelated service provision areas, broadly defined as opencast mining, overburden drilling and blasting, mobile crane hire and exploration drilling. In addition, Sentula is the majority shareholder in Nkomati Anthracite, which is an active anthracite mine.

Opencast mining services

Benicon, Sentula's largest bulk earthmoving business, suffered substantial losses during the fifteen month period as a result of old and expensive to maintain equipment as well as an inefficient and expensive operating structure. As a result, Benicon is in the process of winding down and the best elements are in the process of being merged with Close-Up. As part of the proposed transaction, Sentula will acquire a 40% equity stake in ${\it Close-Up, which continues to provide contract mining services to Anglo American Coal.}$ Classic Challenge Trading Proprietary Limited ("CCT"), which provides contract mining services to Samancor, suffered losses due to a historically mispriced contract. Subsequent to the period end the contract price has been adjusted, which should enable CCT to operate profitably in future.

Overburden drilling and blasting

JEF Drill and Blast Proprietary Limited ("JEF") provides drilling and blasting services to Group companies as well as external clients. JEF's performance during the 15 months was negatively affected by the loss of key blasting contracts. Subsequent to the periodend JEF was able to obtain new drilling contracts, which should enable it to return to historical levels of profitability. The Group will continue to invest in JEF to grow the business on a sustainable basis.

Mobile crane hire

Ritchie Crane Hire Proprietary Limited ("Ritchie") suffered a slowdown in revenue growth during the early part of the financial period, mainly as a result of key customers postponing work due to tough market conditions. Since then, confidence appears to have returned, evident in a consistent and gradual increase in Ritchie's crane utilisation ratio. Ritchie's impeccable safety record combined with excellent customer service has enabled it to keep on winning new contracts against very tough competition. The Group will continue to invest in Ritchie to grow the business on a sustainable basis.

The ongoing reduction in exploration expenditure in the market necessitated further restructuring of Geosearch operations in South Africa, Mozambique and Botswana. The South African operation's key contract is with Anglo Platinum at their Mogolakwena mine while Botswana was recently awarded a drilling contract at Debswana's Orapa mine. Mozambique continues to be affected by challenging weather conditions and a very slow recovery in coal mining activities. Operations in all three jurisdictions have been rightsized to be able to operate profitably in the current challenging environment. The businesses are well-positioned to take advantage of new opportunities as the exploration drilling market recovers.

Nkomati Anthracite

The Nkomati Anthracite Mine, which was previously classified as a "held-for-sale" asset, has been brought back into operation and is well on track to achieve record production and profitability. During the past fifteen months the emphasis was on ensuring that the open pit mine achieves steady state production and that we complete the planning for the reopening of the underground mine. Open pit steady state production was achieved subsequent to the end of the financial period and underground make-safe operations are scheduled to start during 2017. Longstanding shareholder disputes have been resolved, paving the way for raising the necessary capital to resume underground mining operations.

The support of our shareholders during the past financial period facilitated the restructuring of operations and reduction in debt. Our strategic objectives are:

- settlement of outstanding senior Group debt;
- reduction in the Group's exposure to opencast mining services;
- · investment in performing businesses;
- unlocking value in Nkomati Anthracite Mine; and • returning to profitability.

During the period under review, the bulk of the hard work has been done and we are satisfied that the future of Sentula will look very different than its past. We do not pay too much attention to macro-economic factors or predictions about the commodity cycle but rather prefer to focus on the things that we can control. We focus on each business's individual requirements, drivers and dynamics to determine what is required in each to remain competitive and be profitable. Our sole aim is to deliver attractive returns on capital to our shareholders over time and by doing so outperform the market.

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given in terms of section 62(1) of the Companies Act 71 of 2008, as amended ("Companies Act"), that an annual general meeting ("annual general meeting") of the shareholders of the Company will be held at Ground Floor, Building 14, The Woodlands Office Park, Woodlands Drive, Woodnead, at 10:00 on Wednesday, 16 November 2016, to consider and, if deemed fit, to approve the resolutions set out in the notice of the annual general meeting, which is contained in the annual report

The Board of Sentula has determined that, in terms of section 62(3)(a), as read with section 59 of the Companies Act, the record date for the purposes of determining which shareholders of the Company are entitled to participate in and vote at the annual general meeting is Friday, 11 November 2016. Accordingly the last day to trade Sentula shares in order to be recorded in the register be entitled to vote will be Tuesday,

On behalf of the Board

Ralph Patmore Non-executive Chairman

Jacques Badenhorst Chief Executive Office

30 September 2016

Woodmead

NOTES TO THE AUDITED FINANCIAL STATEMENTS

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

R'000	Share capital	Share-based payment reserve	Treasury shares	currency translation reserve	Accumulated loss	Total	Non- controlling interest	ordinary shareholders' funds
Restated balance as at 31 March 2014	2 020 304	36 684	(25 898)	74 166	(1 080 639)	1 024 617	1 467	1 026 084
Loss for the year	-	-	-	-	(293 445)	(293 445)	(1 467)	(294 912)
Other comprehensive income	-	-	-	2 339	-	2 339	-	2 339
Transactions with owners, recorded directly in equity								
Disposal of subsidiary	-	(2 500)	-	-	1 001	(1 499)	-	(1 499)
Balance as at 31 March 2015	2 020 304	34 184	(25 898)	76 505	(1 373 083)	732 012	-	732 012
Loss for the 15 months	-	-	-	-	(447 429)	(447 429)	(21 948)	(469 377)
Other comprehensive loss	-	-	-	(21 843)	-	(21 843)	-	(21 843)
Transactions with owners, recorded directly in equity								
Shares issued for cash	104 581	-	-	-	-	104 581	-	104 581
Rights issue transaction costs	(1 912)	-	-	-	-	(1 912)	-	(1 912)
Share options forfeited	-	(2 552)	-	-	2 552	-	-	-
Total contributions by and distributions to owners	102 669	(2 552)	_	(21 843)	(444 877)	(366 603)	(21 948)	(388 551)
Balance as at 30 June 2016	2 122 973	31 632	(25 898)	54 662	(1 817 960)	365 409	(21 948)	343 461

INFORMATION ABOUT REPORTABLE SEGMENTS

The group is organised in five operating segments, namely opencast mining services, exploration drilling, overburden drilling and blasting, mobile crane hire and coal mining. Benicon, CCT, Sentula Coal, and Benicon Sales Proprietary Limited ("Benicon Sales") are included in the opencast mining services. Sentula Coal and Benicon Sales are now included in opencast mining services due to a change in the structure of the organisation, previously Sentula Coal was included in the coal mining segment and Benicon Sales was included in corporate and other services. Benicon Coal Proprietary Limited ("Benicon Coal") and Nkomati Anthracite Proprietary Limited ("Nkomati") are included in the coal mining operations, Benicon Coal and Nkomati Anthracite have been restated in the prior year as they are no longer classified as held-for-sale. Even though Megacube is no longer operational, it has been disclosed separately due to its materiality. Segment performance is measured based on the segment profit before interest and income tax. Inter-segment nue is priced on an arm's length basis.

Audited 15 months ended 30 June 2016	Opencast 	5 1	Overburden	_	Coal		Corporate	
R'000	mining services	Exploration drilling	drilling and blasting	Crane hire	mining	Megacube	and other services	Total
Total segment revenue	983 738	223 269	385 414	89 852	169 017	-	550	1 851 840
Inter-segment revenue	118 964	8 118	154 649	3 511	30 359	-	550	316 151
External revenue	864 774	215 151	230 765	86 341	138 658	-	-	1 535 689
Total segment results pre-impairment	(167 271)	(14 046)	28 061	28 281	(24 930)	(3 806)	(25 908)	(179 619)
Impairment of plant and motor vehicles	(138 846)	-	-	-	-	-	-	(138 846)
Megacube arbitration award	-	-	-	-	-	(129 051)	-	(129 051)
Impairment of other receivable	-	-	-	-	-	-	(3 568)	(3 568)
Net gain on disposal of assets	7 834	1 648	192	(3)	(15)	-	6	9 662
Segment results	(298 283)	(12 398)	28 253	28 278	(24 945)	(132 857)	(29 470)	(441 422)
Segment assets	234 941	120 450	194 325	155 864	194 354	5 761	611	906 306
Assets classified as held-for-sale	105 174	-	-	-	-	-	-	105 174
Current and deferred tax assets	-	13 515	1 371	581	14 644	-	1 372	31 483
Total assets	340 115	133 965	195 696	156 445	208 998	5 761	1 983	1 042 963
Segment liabilities	148 244	16 713	59 649	11 152	90 209	98 422	137 823	562 212
Liabilities classified as held-for-sale	27 170	-	-	-	-	-	-	27 170
Current and deferred tax liabilities	37 615	36 368	15 405	-	-	16 802	3 930	110 120
Total liabilities	213 029	53 081	75 054	11 152	90 209	115 224	141 753	699 502
Audited restated 12 months ended 31 March 2015								
Total segment revenue	815 212	269 170	358 549	100 620	6 111	-	950	1 550 612
Inter-segment revenue	69 956	2 659	101 092	1 202	-	-	950	175 859
External revenue	745 256	266 511	257 457	99 418	6 111	-	_	1 374 753
Continuing operations								
Total segment results pre-impairment	(134 508)	(58 927)	41 782	47 433	(14 648)	2 076	(37 088)	(153 880)
Net loss on disposal of assets	(50 225)	1 192	1 600	(321)	-	-	(4 345)	(52 099)
Impairment of property, plant and equipment	(11 803)	(2 992)	-	-	-	-	-	(14 795)
Impairment of assets transferred to held-for-sale	-	(815)	-	-	-	-	-	(815)
Total segment results from continuing operations	(196 536)	(61 542)	43 382	47 112	(14 648)	2 076	(41 433)	(221 589)
Segment assets	579 881	173 379	208 922	165 010	69	42 207	21 257	1 190 725
Assets classified as held-for-sale	2 553	2 790	-	-	213 947	200	-	219 490
Current and deferred tax assets	-	11 746	-	233	-	-	2 241	14 220
Total assets	582 434	187 915	208 922	165 243	214 016	42 407	23 498	1 424 435
Segment liabilities	137 466	47 177	55 240	15 521	1 034	1 484	239 606	497 528
Liabilities classified as held-for-sale	-	-	-	-	68 033	-	-	68 033
Current and deferred tax liabilities	40 857	24 510	16 311	-	-	41 424	3 760	126 862
Total liabilities	178 323	71 687	71 551	15 521	69 067	42 908	243 366	692 423

RECONCILIATION OF HEADLINE LOSS

	Audited June 2016 15 months	016 Audited March 2015 – Restate		
R'000	Group	Continuing operations	Discontinued operations	Group
Loss for the period attributable to equity holders of the parent	(447 429)	(289 443)	(4 002)	(293 445)
Adjusted for:				
Profit on disposal of plant and equipment	(10 438)	(2 762)	-	(2 762)
Loss on disposal of subsidiary	-	-	3 727	3 727
Loss on disposal of plant and equipment	776	54 861	-	54 861
Scrapping of assets	511	1 357	-	1 357
Impairment of property, plant and equipment	138 846	14 795	-	14 795
Impairment of assets held-for-sale	-	815	-	815
Tax effect of above adjustments	53	(19 338)	-	(19 338)
Headline loss attributed to ordinary shareholders	(317 681)	(239 715)	(275)	(239 990)
Weighted headline loss per share (cents) (2015 restated for rights issue)	(43,51)	(40,17)	(0,05)	(40,22)

Basis of preparation

The summarised consolidated financial statements were prepared in accordance with the JSE Listings Requirements for provisional reports and the requirements of the Companies Act applicable to summary financial statements. The JSE Listings Requirements require provisional reports to be prepared in accordance with the framework concepts, the measurement and recognition requirements to International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and must also, as a minimum contain the information required by IAS 34, Interim Financial Reporting.

The accounting standards and amendments to issued accounting standards and interpretations, which are relevant to the Group, but not yet effective on 30 June 2016 have not been early adopted. It is expected that, where applicable, these standards and amendments will be adopted on each respective effective date, except where specifically identified. The audited summarised consolidated financial results for the 15 months ended 30 June 2016 have been prepared under the supervision of the Financial Director, JC Lemmer CA(SA).

2 Change in year-end

As announced by the Company on SENS on 22 March 2016, Sentula has, with effect from 30 June 2016, amended its financial year-end from 31 March to 30 June.

Accounting policies

The significant accounting policies, judgements, estimates and methods of computation are in terms of IFRS and are consistent in all material respects with those applied in the annual financial statements for the year ended 31 March 2015 and are presented in South African rand, which is the functional and presentational currency. There have been no material changes to the items measured at fair value as disclosed in the financial statements subsequent to 31 March 2015. The directors consider that the carrying amounts of financial assets and liabilities recorded at amortised cost approximate their fair values.

4 Assets and liabilities classified as held-for-sale

Sentula Coal transaction

During the current period, Sentula Coal was classified as held-for-sale as a result of a merger agreement entered into between Sentula, Sentula Coal and Close-Up, as announced on SENS on The result of the transaction is that Sentula will hold 40% of the shares in Close-Up, which will in

ddition to its existing operations, hold 50,5% of the shares in Sentula Coal, with Sentula Coal owning ertain plant and equipment previously owned by Benicon. Sentula Coal does not meet the criteria to be classified as a discontinued operation since it does

not represent a separate major line of business, does not represent a major geograph operation and is reported as part of the opencast mining and earthmoving segment. Benicon Coal Proprietary Limited ("Benicon Coal") and its subsidiary, Nkomati Anthracite Proprietary Limited ("Nkomati"), can no longer be classified as held-for-sale as the requirements

of IFRS 5 are no longer met.

The prior year numbers on the income statement, statement of comprehensive income, and basic and headline loss per share have been restated to include Benicon Coal and Nkomati in continuing operations. In terms of IFRS 5, the statement of financial position for June 2016 includes these operations on a line-by-line basis. It is not a requirement that the prior periods be restated in the statement of financial position and these operations are therefore classified as held-for-sale at 31 March 2015.

R'000	June 2016	Disposals	(from)/to held-for-sale	March 2015
Assets held-for-sale				
Property, plant and equipment	59 003	(2 791)	(127 952)	189 746
Deferred tax asset	-	-	(14 729)	14 729
Inventories	-	-	(10 384)	10 384
Trade and other receivables	41 272	-	38 041	3 231
Cash and cash equivalents	4 899	-	3 499	1 400
	105 174	(2 791)	(111 525)	219 490
Liabilities held-for-sale				
Rehabilitation provision	-	-	(66 899)	66 899
Trade and other payables	27 170	-	26 036	1 134
·	27 170	-	(40 863)	68 033

5 Rights issue

During the first quarter of 2016, Sentula embarked on a partially underwritten renounceable rights offer in terms of which 100 rights offer shares were issued for every 100 shares held at a subscription price of 18 cents per rights offer share. The Company raised R104/SB million. Following the issue of the rights offer shares, the number of Sentula shares in issue is 1 167 564 491.

6 Contingent assets

During the year, judgement was granted in favour of the Golden Autumn Trust against Argent Industrial Limited ("Argent") for payment of the sum of R8,8 million with interest on this sum a tempore more, as well as costs of the suit. Argent was granted leave to appeal this matter on 8 May 2015. Any funds recovered through the Golden Autumn Trust, net of costs, are paid over to Megacube Mining. Argent's claim against Sentula and Megacube was dismissed with costs.

7 Contingent liabilities

Keaton sought, in one of its claims in the arbitration, compensation for the value of ROM allegedly not extracted amounting to R39,5 million based on 386 592 tons. As an alternative this claim Keaton claimed an amount of R48,6 million in respect of the cost to remove overburden above the coal allegedly not extracted. The higher amount of R48,6 million respicted fire.

However, the arbitrator awarded Keaton tonnages substantially in excess of what it sought, namely for 657 583 tons ROM coal allegedly not extracted.

The additional 270 991 tons of ROM coal awarded under this claim, estimated value of R45 million, is challenged in the mentioned high court application. As a result, no further provision has been made above the compensation originally sought by Keaton.

8 Events after the reporting period

The directors are not aware of any subsequent events that occurred between the reporting period up to the date of this report, not otherwise dealt within this report. On 30 September 2016, Sentula issued a circular to shareholders where shareholders were advised that Sentula, Sentula Coal a 50,5% held subsidiary of Sentula, and Close-Up Mining have entered into a merger agreement in terms of which Sentula will dispose of its entire 50,5% shareholding in Sentula Coal to Close-Up at a value of R50 as well as Sentula's claims against Sentula Coal in the amount of R50 million to Close-Up. In consideration thereof, Close-Up will allot and issue 40% of Close-Up shares to Sentula.

In addition, Benicon will dispose of certain selected plant and equipment to Sentula valued at open market value for R50 million which plant and equipment shall thereafter be disposed of by Sentula, to Sentula Coal for the same price.

Subsequent to period-end, Sentula Coal employed a substantial number of staff previously employed by Benicon. From 1 July 2016, Sentula Coal will be responsible for all Anglo Coal contracts historically executed by Benicon. As a result, Benicon was left with idle plant and equipment, certain debtors and some inventory. Benicon's idle plant and equipment are being disposed of in an orderly fashion to raise the necessary cash to settle liabilities.

Going concern

The financial statements have been prepared on the going-concern basis. The basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Although the current liabilities of the group exceed its current assets, due to the nature of these liabilities the directors have every reason to believe that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The Company restructured its debt in March 2016 and based on Sentula subsidiaries' cash flow forecasts for the 2017 financial year, is expected to meet all its obligations during this period.

10 Audit opinion

These summary consolidated financial statements for the 15 months ended 30 June 2016 have been audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the financial statements from which these summary consolidated financial statements were derived.

A copy of the auditor's report on the summary consolidated financial statements and of the auditor's report on the financial statements are available for inspection at the Company's registered office, together with the financial statements identified in the respective auditor's reports.