UNICORN CAPITAL
PARTNERS LIMITED

Previously known as Sentula Mining Limited

Incorporated in the Republic of South Africa
(Registration number 1992/001973/06)
Share code: UCP ISIN: ZAE000244745
("Unicorn" or "the company" or "the group")

ABRIDGED AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 AND NOTICE OF THE ANNUAL GENERAL MEETING

LETTER FROM THE CHIEF EXECUTIVE OFFICER

Unicorn has been listed on the Main Board of the JSE Limited since 1993. During the past eighteen months Unicorn has completed an aggressive restructuring exercise, which included closing, merging and recapitalising affected businesses in its portfolio. Unicorn's current portfolio of companies includes the provision of overburden drilling and blasting, mobile crane hire and exploration drilling services to the mining sector as well as an operational anthracite mine. Unicorn is currently in the process of disposing of the last remaining elements of its contract mining activities after having closed-down the main operating companies during the 2016 calendar year. Unicorn is on course to convert from a diversified mining and mining services group to an investment holding company. Our future investment focus will not be sector specific but will rather focus on businesses that have good investment characteristics and yield attractive returns on capital.

Challenges faced

The journey of restructuring Sentula Mining to become Unicorn has been an extremely challenging exercise. The restructuring that started in October 2015 was aimed at dealing with the tremendous challenges faced by the company. Sentula was teetering on the edge of a very high cliff while facing the swirling winds of a hurricane. Moving away from the edge while simultaneously trying to keep our balance turned out to be a much bigger challenge than ever anticipated. In aviation terms, it was a "near miss"! Saving Sentula required dealing with some very severe challenges, all requiring attention simultaneously. Averting the banks from foreclosing on the outstanding term debt, preventing the contract mining losses from destroying the good businesses, sustaining cash flows in the good operational entities, trying to maintain operational performance without being able to invest adequately in any of the businesses, continuing with various litigation against parties that historically defrauded the company as well as reducing excessive overheads, are just some of the challenges that come to mind.

Mistakes made

Once the accelerating losses from the contract mining operations were stopped after June 2016, management had the opportunity to focus on the repositioning of the exploration drilling businesses in South Africa, Botswana and Mozambique as well as catching up on arrear maintenance in the drilling and blasting business. Parallel to that, the planning for the expansion of Nkomati Anthracite mine was finalised and the required financing put in place. The restructuring exercise boils down to building the aeroplane while flying, considering that any major mistake always had the potential to cause the group to crash and burn. Luckily we were able to limit our mistakes to issues like expecting most people to act ethically in most instances, closing the contract mining operations in June rather than March 2016, trying to have rational discussions with the banks about restructuring the debt and thinking that we could negotiate our way out of rehabilitation backlog liabilities. Luckily, none of these mistakes were collectively or individually big enough to cause us to crash but did result at various points in a significant loss of altitude.

Lessons learned

In the process, we have also learned some valuable lessons. Lesson number one, above all, not to panic! When things are looking really desperate it helps to remain calm, consider all the possible outcomes and work systematically through your options, one-by-one. Number two, when you have made a decision, implement it at the speed of light. There are no guarantees that the decisions you make are right, but the faster you implement them the sooner you will know whether they work or not. Number three, people are more likely to disappoint than surprise. It therefore makes sense to structure your plans in such a way that it is not too dependent on key individuals acting ethically or delivering a complete solution. If you can get these three right, you may have a better chance at success than failure.

Contract mining

The whole exercise has also enabled us to get our heads around the good and bad characteristics of the different business models of the mining services companies we are invested in. The contract mining model followed in South Africa is simply not sustainable. On the one side you have the major mining houses with big balance sheets, and on the other side you have your big equipment suppliers with big balance sheets. In the middle you have the poor contract miner with the small balance sheet, but who is required to carry all the risks. The business of this poor contract miner is capital intensive, labour intensive and currency sensitive. In addition, his business has very little if any pricing power; scope creep is a daily reality and he has to live with a mismatch between revenue certainty and financing liability duration. Although contracts are usually signed for three years on average, all contracts have a clause that allows the mining house to cancel the contract for convenience with very little consequence.

Contract mining's low return on assets combined with the size of the required investment in yellow metal, means that the only way to target a decent return is through substantial leverage. This excessive leverage combined with revenue uncertainty is usually where things go wrong. So at the end, if you end up with a zero sum game through the cycle, consider yourself lucky since the model is designed to fail, and fail it will. As a result, Unicorn will never again invest or participate in contract mining activities, of any kind.

Exploration drilling

Exploration drilling is a late cycle performer and requires stable commodity prices and markets to deliver a fair return on capital. When prices and markets start to wobble, exploration drilling activities are the first to be curtailed. It can deliver a fair profit in the upswing but is likely to give it all back again in the downswing. Simple exploration contracts are fairly short dated, three to nine months, while grade control drilling contracts tend to be longer dated. Akin to contract mining, drilling rigs are expensive which means there is a mismatch between revenue certainty and the duration of financing liabilities. In addition, a safety incident can result in a profitable contract becoming a loss maker overnight.

Towards the end of 2016, Geosearch was awarded a fairly priced contract by a major blue chip customer. Everything went according to plan until a minor safety incident occurred during February 2017. After the incident was reported to the client by Geosearch, the client immediately instructed the suspension of all drilling activities, which were not to resume until two months later! The safety incident? A cut to the index finger of a rod handler. Revenue loss to Geosearch? R3 million. Needless to say, as a result of the incident we completed the contract at a loss.

So, the moral of the story is that if you can avoid minor incidents that have big implications and get your timing right, you can make some money from exploration drilling. That is the harsh reality of the exploration drilling industry, which means that current rates do not adequately compensate for the risk taken by drill operators. It is important though to understand how Geosearch is positioned relative to these challenges. The benefit Geosearch has is that its fleet of forty four drill rigs is in fair working condition and on hand to be deployed on new contracts. The plant and equipment in South Africa, Mozambique and Botswana have been written down to a combined value of a mere R30 million in previous financial years.

Everard Thompson and his teams in South Africa, Mozambique and Botswana have done an excellent job of cutting overheads to an absolute minimum while winning new contracts in all three countries during the past year. We currently have about thirty percent of our fleet deployed on contracts and, all things being equal, should generate a return on assets in excess of one hundred percent in the near future, and sustain relatively high returns thereafter. The opportunity for Geosearch therefore lies in winning more tenders and by doing so achieving and sustaining utilisation levels in excess of fifty percent in the coming years.

Drilling and blasting

In our drilling and blasting business, on the other hand, we have been able to sustain fairly high return on assets over an extended period, in good and bad times. During the last financial year, however, unplanned reduction in drilling metres on a key contract as well as delayed maintenance has unfortunately caught up with us, causing JEF Drill & Blast ("JEF") to deliver the worst performance since 2008. Drilling and blasting in reality, requires fairly little to be a sustainable business delivering attractive returns.

The first requirement is long-term contracts with blue chip customers. Long-term in drilling and blasting means about four years, on average, and blue chip customers mean that you will get paid on a continuous basis through good and bad times. Secondly, keeping drill rig maintenance up to date which ensures plant availability as well as ensuring direct drilling costs per metre is maintained within budget. Thirdly, deliver targeted drill metres and quality blasts to keep the customer happy and revenue flowing. If plant utilisation could then be kept at above the eighty percent level, the business is likely to deliver attractive return on assets.

During the second half of the financial year, we were able to catch-up with delayed maintenance by effectively investing a year's profit, acquire nineteen additional used and new drill rigs and were awarded a major new contract with a blue chip customer. With plant utilisation of the enlarged fleet sustained comfortably above the eighty percent level, we were able to see positive results within two months. JEF is currently achieving monthly drill metres roughly twenty percent above historical best levels and we are confident that we will be able to sustain this performance, which should deliver attractive returns over an extended period.

Heavy mobile crane lifting

Heavy mobile crane lifting is not too dissimilar. Ritchie Crane Hire ("Ritchie") has been the most consistent performer of all the operating companies within the Unicorn portfolio over an extended period. Ritchie has been able to deliver fairly high return on assets by getting the basics right and maintaining standards. Firstly, well trained crane operators with impeccable safety records are a prerequisite. The implications of a crane tipping over on a mining site are such that customers are willing to pay more for an impeccable safety record than go for cheaper options and run the risk of a safety incident. Secondly, as is the case with exploration drilling and drilling and blasting, a portfolio of blue chip customers means that you will always get paid as long as you deliver a quality job.

During the past twelve months Ritchie was able to win a number of new contracts and as a result had to acquire three new cranes. By ensuring that the fleet of cranes are well maintained Ritchie has been able to safeguard high availability, which when combined with high utilisation deliver very attractive returns. We are confident that Danie Jacobs and his team at Ritchie will continue to deliver the excellent performance that we have become accustomed to.

Anthracite mining

Just over two years ago, Nkomati Anthracite ("Nkomati") was under care and maintenance and in the process of being sold. Since then we have made many changes to ensure that we can extract the maximum output from the open pit mine and complete our planning to re-open the underground mine. The anthracite resource is huge, stretching over eleven thousand hectares. However, our current open pit and underground operations cover less than four hundred hectares.

We have spent the past eighteen months meticulously planning the mine expansion, getting our amended Environmental Impact Assessment (EIA) approved by the Department of Mineral Resources (DMR) as well as meeting all the conditions precedent related to the Industrial Development Corporation (IDC) debt finance. We are now in a position to complete the phase two expansion and if all goes according to plan will achieve steady state open pit and underground production sometime early 2018.

After the expansion project is completed Unicorn will hold 50.3%, Mpumalanga Economic Growth Agency (MEGA) 33.6% and the local community 16.1% of the shareholding of Nkomati. To date, Unicorn has provided roughly R230 million through a shareholder loan to develop the mine. Once the IDC loan is repaid the Unicorn shareholder loan will be repaid and only then will dividends be available to shareholders. We have a long-term offtake agreement with Glencore but are also busy investigating other markets. The potential value to unlock is substantial and is by far the single biggest opportunity in Unicorn's portfolio.

Financial leverage

As is quite evident from the discussion of the key financial characteristics of the operating companies, a relatively high return on assets could be sustained across the board for the next couple of years. This means that the introduction of some financial leverage could significantly enhance the return on assets to deliver above average returns on equity. However, considering the risks related to mining and mining services companies, mean that we have no intention of ever losing a night's sleep again because of excessive levels of debt. For JEF and Ritchie we have set a maximum debt cap of 25-30% of assets, including working capital finance. Given Geosearch's relatively low asset value, a fairly small amount of debt will mean a relatively high debt to assets percentage. As a result we will only make use of working capital finance until such time that we are satisfied that the business is generating profits on a sustainable basis. Nkomati's balance sheet will appear excessively leveraged given the IDC and shareholder loans but is relatively low risk compared to bank debt.

Performance management

From an investment perspective, each of the CEO's of the operating companies is entrusted with a portfolio of assets to manage. Their single most important task is to do whatever is required and ethical to maximise the return on these assets, which we measure as earnings before interest and tax (EBIT) over average assets deployed. From a group perspective, we then have the final word on financial leverage, capital structure, capital allocation and long-term strategy. It is a structure which we believe gives management enough autonomy to take full ownership while at the same time ensures that nobody gets carried away when times are good. This is the model we will apply to all future investments as well. It is a much more hands-on investment model when compared to your traditional private equity and investment holding company models. We see value in being close to our investments, which enables us to participate in critical decisions that can either potentially create or prevent the destruction of significant future value for shareholders.

Matters of litigation

Unicorn continues to be involved in various litigation matters. For reasons unknown to the current management team, very little effort was made in the past to resolve cases where individuals and companies defrauded Unicorn, despite all the ground work being completed and documentation being available. For us therefore, the decision was simple: buy optionality by spending some money to restart the legal processes which if successfully concluded could result in significant upside for shareholders. Apart from the financial upside, we also strongly believe that we should allow the law to take its course and see these cases through to their logical conclusions. We are cautiously optimistic that we will achieve some success in this regard during the next financial year.

Strategic review

The ongoing support of our key shareholders during the past financial year continued to facilitate the restructuring of operations and reduction in debt. The strategic objectives that were set in July 2016 had very specific envisaged outcomes. In this regard, we are satisfied that adequate progress was made during the period under review as listed below:

- the settlement of outstanding senior group debt;
- reduction in the group's exposure to opencast mining services;
- investment in performing businesses Ritchie and JEF;
- unlocking value in Nkomati through the recapitalisation and restarting of underground mining operations; and
- returning to profitability by June 2017.

The senior debt was settled by 31 March 2017; Benicon and CCT were closed down; Benicon Sales was disposed of; and the last elements of contract mining that remain are currently being wound down; we have invested in JEF and Ritchie as planned and Nkomati underground mining operations are scheduled to restart in early 2018.

We are therefore satisfied that we have been able to consistently deliver on our strategic objectives over the past two years. However, we have not been able to deliver the most important objective, which is returning to profitability. As a result, it will be our number one priority and objective for the next financial year. Our strategic objectives for financial year 2018 are:

- returning to profitability;
- complete the ring-fencing of the operating entities;
- sustain cash-flow momentum in Geosearch, JEF and Ritchie; and
- complete the Nkomati underground expansion within time and budget.

Various other critical successes were achieved during the past year as a result of the hard work and dedication of a long list of loyal and committed staff. These successes were critical contributors to ensuring the survival and turnaround of Sentula to become Unicorn. The closing down of CCT and Benicon and the disposal of the redundant plant and equipment to settle the remaining term debt; reducing a potential R30 million rehabilitation backlog with a major customer to a negligible value incurring only limited costs; the disposal of the Benicon property in a complex but very important transaction; the settlement of the Nkomati royalty liability and securing the IDC loan to give us the best chance at completing the project within time and budget, are just some worth highlighting.

Outlook

Our focus will continue to be on each business' individual requirements, drivers and dynamics to determine what is required in each to remain competitive and be profitable. Our sole aim remains to deliver attractive returns on capital to our shareholders over time and by doing so outperform the market.

Jacques Badenhorst
Chief Executive Officer
29 September 2017

SUMMARY AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Overview of financial results

- Basic loss per share improved to 10,34 cents (Fifteen months ended June 2016: loss of 61,27 cents)
- Headline loss per share improved to 6,95 cents (Fifteen months ended June 2016: loss of 43,51 cents)
- Basic loss per share from continuing operations improved to 2,66 cents (Fifteen months ended June 2016: loss of 19,84 cents)
- Net asset value per share: 20,65 cents (2016: 31,45 cents)

The 2017 financial results reflect the execution of the group's strategy to invest in performing businesses, unlock value in Nkomati, reduce exposure to contract mining and settle the outstanding senior group debt.

The unwinding and closure of the group's Opencast and Earthmoving businesses allowed the group to repay debt amounting to R60 million and reduced the net overdraft cash balance to R31 million (2016: R49 million). This was achieved through the realisation of working capital and the disposal of equipment. The group incurred a loss of R89 million (2016: R302 million) from discontinued operations during the year as a result of reducing exposure to contract mining.

The operating loss incurred during the year from continued operations amounted to R23 million (2016: R143 million). The loss was as a result of significant investment made in the Nkomati anthracite mine. This will allow for the expansion of the plant and the recommencement of the underground mining operations. An operating loss of R44 million (2016: R25 million) was incurred during the year from Anthracite mining.

In line with the group's strategy to invest in performing businesses, equipment, mainly consisting of new and used drilling and blasting rigs as well as new mobile cranes, totalling R121 million (2016: R57 million) was acquired during the year. Funding for equipment was secured through asset financing of R79 million. This was the first significant acquisition of productive assets in these businesses since 2014.

Preparation of the summary audited consolidated financial statements

The summary consolidated financial statements for the year ended 30 June 2017 have been prepared under the supervision of the Financial Director, JC Lemmer CA(SA). The integrated annual report for 2017 is available on our website: www.unicorncapital.co.za.

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2017

R'000	Audited June 2017	Audited June 2016
Assets		
Non-current assets	**592 825**	654 052
Property, plant and equipment	**338 520**	425 991
Mining assets	**178 028**	160 023
Goodwill	**37 427**	37 427
Restricted cash	**6 461**	2 850
Other financial assets	**6 121**	-
Deferred income tax assets	**26 268**	27 761
Current assets	**257 904**	283 737
Inventories	**18 960**	33 402
Trade and other receivables	**202 809**	213 792
Cash and cash equivalents	**34 271**	32 822
Current income tax assets	**1 864**	3 721
Assets of disposal group classified as held-for-sale	**4 937**	105 174
TOTAL ASSETS	**855 666**	1 042 963
Equity		
Total equity attributable to owners of the parent	**239 938**	365 409
Share capital	**2 122 973**	2 122 973
Treasury shares	**(25 898)**	(25 898)
Reserves	**81 020**	86 294
Accumulated loss	**(1 938 157)**	(1 817 960)
Non-controlling interest	**(39 934)**	(21 948)
TOTAL EQUITY	**200 004**	343 461
Liabilities		
Non-current liabilities	**200 273**	147 284
Loans and borrowings	**22 484**	-
Finance lease obligations	**49 934**	14 301
Rehabilitation provision	**72 240**	69 889
Deferred income tax liabilities	**55 615**	63 094
Current liabilities	**455 389**	525 048
Trade and other payables	**206 390**	230 179
Megacube arbitration award	**92 331**	92 331
Loans and borrowings	**-**	33 500
Finance lease obligations	**26 227**	9 840
Deferred revenue	**12 000**	25 331
Bank overdraft	**65 305**	86 841
Current income tax liabilities	**53 136**	47 026
Liabilities of disposal group classified as held for sale	**-**	27 170
TOTAL LIABILITIES	**655 662**	699 502
TOTAL EQUITY AND LIABILITIES	**855 666**	1 042 963

SUMMARY CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2017

R'000	Audited June 2017	Audited June 2016 - Restated* 15 months
Revenue	**1 069 269**	982 373
Cost of sales	**(976 962)**	(873 128)
Gross profit	**92 307**	109 245
Other income	**2 930**	7 473
Administrative expenses	**(110 862)**	(128 477)
Loss from operations	**(15 625)**	(11 759)
Net profit on disposal of assets	**4 224**	1 828
Megacube arbitration award	**-**	(129 051)
Impairment of property, plant and equipment	**(11 535)**	-
Impairment of other receivable	**-**	(3 568)
Operating loss	**(22 936)**	(142 550)
Finance charges	**(18 533)**	(35 652)
Fair value adjustment	**(1 110)**	-
Loss before income tax	**(42 579)**	(178 202)
Income tax expense	**(6 335)**	11 326
Loss for the period	**(48 914)**	(166 876)
Discontinued operations		
Loss for the year from discontinued operations (attributable to the owners of the parent)	**(77 620)**	(302 501)
Loss on disposal of discontinued operations	**(11 649)**	-
Net loss for the period	**(138 183)**	(469 377)
Attributable to:		
- Owners of the parent	**(120 197)**	(447 429)
- continuing operations	**(30 928)**	(144 928)
- discontinued operations	**(89 269)**	(302 501)
- Non controlling interest	**(17 986)**	(21 948)
- continuing operations	**(17 986)**	(21 948)
- discontinued operations	**-**	-
	(138 183)	(469 377)
Weighted basic and diluted loss per share (cents)		
- Continuing operations	**(2,66)**	(19,84)
- Discontinued operations	**(7,68)**	(41,43)
Basic and diluted loss per share	**(10,34)**	(61,27)
Shares in issue at the end of the year ('000)	1 167 564	1 167 564
Shares in issue at the end of the year excluding treasury shares ('000)	1 162 010	1 162 010
Weighted average number of shares at the end of the year excluding treasury shares ('000)	1 162 010	730 200

**Restated due to Benicon Opencast, CCT and Benicon Sales being classified as discontinued operations.*

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2017

R'000	Audited June 2017	Audited June 2016 - Restated* 15 months
Loss for the period	**(138 183)**	(469 377)
Other comprehensive loss		
Items that may be subsequently reclassified to profit or loss		
Foreign currency translation differences for foreign operations	**(5 274)**	(21 843)
Other comprehensive loss for the period, net of income tax	**(5 274)**	(21 843)
Total comprehensive loss for the period	**(143 457)**	(491 220)
Attributable to:		
- Owners of the parent	**(125 471)**	(469 272)
- continuing operations	**(36 202)**	(166 771)
- discontinued operations	**(89 269)**	(302 501)
- Non controlling interest	**(17 986)**	(21 948)
- continuing operations	**(17 986)**	(21 948)
- discontinued operations	**-**	-
	(143 457)	(491 220)

**Restated due to Benicon Opencast, CCT and Benicon Sales being classified as discontinued operations.*

SUMMARY CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2017

	Audited June 2017	Audited June 2016 15 months
Cash flows from operating activities	**(50 487)**	53 475
Cash (utilised in)/generated from operating activities	**(27 190)**	100 729
Income taxes paid	**(5 629)**	(9 719)
Interest paid	**(17 668)**	(37 535)
Cash flow from investing activities	**28 379**	6 485
Interest received	**1 375**	1 699
Purchase of property, plant and equipment	**(98 616)**	(51 780)
Purchase of mining assets	**(22 810)**	(5 108)
Proceeds from disposal of property, plant and equipment	**54 579**	61 733
Proceeds from disposal of assets held-for-sale	**97 462**	2 791
Increase in restricted cash	**(3 611)**	(2 850)
Cash flows from financing activities	**41 004**	(47 220)
Proceeds from borrowings	**22 484**	-
Repayment of borrowings	**(33 500)**	(101 606)
Finance lease advances	**79 144**	1 371
Finance lease payments	**(27 124)**	(49 654)
Proceeds from the rights issue	**-**	104 581
Payment of transaction costs related to the rights issue	**-**	(1 912)
Net increase in cash and cash equivalents	**18 896**	12 740
Cash and cash equivalents at the beginning of the year	**(49 120)**	(60 569)
Exchange losses on cash and cash equivalents	**(810)**	(1 291)
Cash and cash equivalents at the end of the year	**(31 034)**	(49 120)
Cash and cash equivalents classified as assets held-for sale	**-**	4 899
Cash and cash equivalents per statement of financial position	**(31 034)**	(54 019)
	(31 034)	(49 120)

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2017

	Share capital	Share-based payment reserve	Treasury shares	Foreign currency translation reserve	Accumulated loss	Total	Non-controlling interest	Total Equity
Balance at 31 March 2015	**2 020 304**	**34 184**	**(25 898)**	**76 505**	**(1 373 083)**	**732 012**	**-**	**732 012**
Loss for the fifteen 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								
Contributions by and distributions to owners								
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 transactions with owners	102 669	(2 552)	-	(21 843)	(444 877)	(366 603)	(21 948)	(388 551)
Balance at 30 June 2016	**2 122 973**	**31 632**	**(25 898)**	**54 662**	**(1 817 960)**	**365 409**	**(21 948)**	**343 461**
Loss for the year	-	-	-	-	**(120 197)**	**(120 197)**	**(17 986)**	**(138 183)**
Other comprehensive loss	-	-	-	**(5 274)**	-	**(5 274)**	-	**(5 274)**
Balance at 30 June 2017	**2 122 973**	**31 632**	**(25 898)**	**49 388**	**(1 938 157)**	**239 938**	**(39 934)**	**200 004**

RECONCILIATION OF HEADLINE LOSS

R'000	Audited June 2017 Continuing	Audited June 2017 Discontinued	Audited June 2017 Group	Audited June 2016 - Restated* 15 months Continuing	Audited June 2016 - Restated* 15 months Discontinued	Audited June 2016 - Restated* 15 months Group
Net loss for the year attributable to equity holders of the parent:	**(30 928)**	**(89 269)**	**(120 197)**	(144 928)	(302 501)	(447 429)
Adjusted for:						
Net profit on disposal of plant and equipment	**(3 230)**	**(1 834)**	**(5 064)**	(1 831)	(7 320)	(9 151)
Loss on disposal of subsidiary	**-**	**11 649**	**11 649**	-	-	-
Profit on disposal of assets held-for-sale	**-**	**(9 264)**	**(9 264)**	-	-	-
Impairment of plant and equipment	**11 535**	**27 106**	**38 641**	-	138 846	138 846
Impairment of assets held-for-sale	**-**	**3 258**	**3 258**	-	-	-
Tax effect of above adjustments	**217**	**-**	**217**	-	53	53
Headline loss attributable to ordinary shareholders	**(22 406)**	**(58 354)**	**(80 760)**	(146 759)	(170 922)	(317 681)
Weighted headline loss per share (cents)	**(1,93)**	**(5,02)**	**(6,95)**	(20,10)	(23,41)	(43,51)

**Restated due to Benicon Opencast, CCT and Benicon Sales being classified as discontinued operations.*

INFORMATION ABOUT REPORTABLE SEGMENTS

The group is organised into five operating segments, namely Exploration drilling, Overburden drilling and blasting, Mobile crane hire, Anthracite mining and Opencast mining and earthmoving services, as described below. The strategic business units offer different services within the mining industry and are managed separately due to different equipment, technology and skills requirements.

Benicon and CCT have been disclosed as discontinued operations due to the wind-down of these operations. Benicon Sales was disposed of on 1 January 2017 and their results for the six months ended 31 December 2016 are included as discontinued operations in this segment. Sentula Coal is included in opencast mining services continued operations. Segment performance is measured based on the segment profit before interest and income tax. Inter-segment revenue is priced on an arm's length basis.

Audited June 2017 (R'000)	Opencast mining and earthmoving	Exploration drilling	Overburden drilling and blasting	Mobile crane hire	Anthracite mining	Megacube	Corporate and other services	Total
Total segment revenue	634 304	144 677	286 532	91 131	157 259	-	61 159	1 375 062
Inter-segment revenue	(153 461)	(4 566)	(34 786)	(256)	-	-	(61 159)	(254 228)
External revenue	480 843	140 111	251 746	90 875	157 259	-	-	1 120 834
- Continuing operations	429 278	140 111	251 746	90 875	157 259	-	-	1 069 269
- Discontinued operations	51 565	-	-	-	-	-	-	51 565
Total segment results pre-impairment	(39 318)	(545)	4 465	30 430	(44 221)	(4 575)	(18 388)	(72 152)
Impairment of property, plant, equipment and motor vehicles	(38 641)	-	-	-	-	-	-	(38 641)
Impairment of assets held-for-sale	(3 258)	-	-	-	-	-	-	(3 258)
Net profit on sale of assets	2 617	98	1 748	(113)	303	1 405	1	6 059
Net profit on sale of assets held-for-sale	9 264	-	-	-	-	-	-	9 264
Results from operating activities	(69 336)	(447)	6 213	30 317	(43 918)	(3 170)	(18 387)	(98 728)
- Continuing operations	6 456	(447)	6 213	30 317	(43 918)	(3 170)	(18 387)	(22 936)
- Discontinued operations	(75 792)	-	-	-	-	-	-	(75 792)
Segment assets	85 913	77 851	230 686	189 090	226 679	373	12 005	822 597
Assets classified as held-for-sale	4 937	-	-	-	-	-	-	4 937
Current and deferred tax assets	-	11 746	1 864	-	14 522	-	-	28 132
Total assets	90 850	89 597	232 550	189 090	241 201	373	12 005	855 666
Segment liabilities	93 195	12 270	81 879	40 708	138 800	95 107	84 952	546 911
Current and deferred tax liabilities	37 162	8 129	14 003	27 979	-	17 688	3 790	108 751
Total liabilities	130 357	20 399	95 882	68 687	138 800	112 795	88 742	655 662

Audited June 2016 - Restated* 15 months	Opencast mining and earthmoving	Exploration drilling	Overburden drilling and blasting	Mobile crane hire	Anthracite mining	Megacube	Corporate and other services	Total
Total segment revenue	983 738	223 269	385 414	89 852	169 017	-	99 427	1 950 717
Inter-segment revenue	(28 797)	(4 190)	(200)	(104)	(30 359)	-	(99 427)	(163 077)
External revenue	954 941	219 079	385 214	89 748	138 658	-	-	1 787 640
- Continuing operations	149 674	219 079	385 214	89 748	138 658	-	-	982 373
- Discontinued operations	805 267	-	-	-	-	-	-	805 267
Total segment results pre-impairment	(167 271)	(14 046)	28 061	28 281	(24 930)	(3 806)	(25 908)	(179 619)
Megacube arbitration award	-	-	-	-	-	(129 051)	-	(129 051)
Impairment of plant, equipment and motor vehicles	(138 846)	-	-	-	-	-	-	(138 846)
Impairment of other receivable	-	-	-	-	-	-	(3 568)	(3 568)
Net profit on sale of assets held-for-sale	7 834	-	-	-	-	-	-	7 834
Net profit on sale of assets	-	1 648	192	(3)	(15)	-	6	1 828
Results from operating activities	(298 283)	(12 398)	28 253	28 278	(24 945)	(132 857)	(29 470)	(441 422)
- Continuing operations	589	(12 398)	28 253	28 278	(24 945)	(132 857)	(29 470)	(142 550)
- Discontinued operations	(298 872)	-	-	-	-	-	-	(298 872)
Segment assets	234 941	120 450	194 325	155 864	194 354	5 761	612	906 307
Assets classified as held-for-sale	105 174	-	-	-	-	-	-	105 174
Current and deferred tax assets	-	13 515	1 371	581	14 644	-	1 371	31 482
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

**Restated due to Benicon Opencast, CCT and Benicon Sales being classified as discontinued operations.*

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, and the requirements of the Companies Act applicable to summary financial statements. The Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the consolidated financial statements from which the summary consolidated financial statements were derived are in terms of International Financial Reporting Standards and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

The accounting standards and amendments to issued accounting standards and interpretations, which are relevant to the group, but not yet effective on 30 June 2017 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.

2. 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 financial statements for the fifteen months ended 30 June 2016 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 30 June 2016. The directors consider that the carrying amounts of financial assets and liabilities recorded at amortised cost approximate their fair values.

3. Assets and liabilities classified as held-for-sale

R'000	Audited June 2017	Audited June 2016
Assets held-for-sale		
Property, plant and equipment	**4 937**	59 003
Trade and other receivables	-	41 272
Cash and cash equivalents	-	4 899
	4 937	105 174
Liabilities held-for-sale		
Trade and other payables	-	27 170

Sentula Coal transaction

During the previous financial 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 27 June 2016. The transaction has been cancelled due to various conditions precedent not being met. Sentula Coal can therefore no longer be classified as held-for-sale as the requirements of IFRS 5 are not met.

Benicon Sales transaction

During the financial year, the Board took a decision to dispose of Benicon Sales. As all the requirements of IFRS 5 have been met, Benicon Sales has been classified as held-for-sale and a discontinued operation. Benicon Sales was disposed of on 1 January 2017 and its results have been included under discontinued operations for the 6 months ended 31 December 2016.

Benicon Opencast Property disposal

As announced on SENS on 13 February 2017, Sentula Mining Services Proprietary Limited disposed of its property situated in Witbank (portion 568 of the Farm Naauwpoort No.335) to Inala Mining Services Proprietary Limited. An impairment loss of R10,1 million was recognised on the property before being transferred to assets held-for-sale. The transaction become effective on 10 February 2017.

CCT assets

During the year, the operations at CCT were discontinued and the majority of the plant and equipment was disposed of and the proceeds thereof was used to settle the senior debt.

4. Discontinued operations and re-statement of prior year results

Benicon Opencast and CCT are in the process of being wound down and they have been presented as discontinued operations. Benicon Sales was disposed of on 1 January 2017 and its results for the 6 months ended 31 December 2016 have been disclosed as a discontinued operation in the opencast mining segment.

The comparative figures in the Income Statement, Statement of Comprehensive Income, basic and headline loss per share have been restated. Financial performance relating to these discontinued operations for the period is set out below:

R'000	Audited June 2017	Audited June 2016 - Restated* 15 months
Revenue	**51 565**	805 267
Cost of sales	**(102 412)**	(925 551)
Gross loss	**(50 847)**	(120 284)
Other income	**1 160**	7 238
Administration expenses	**(6 840)**	(54 814)
Loss from operations	**(56 527)**	(167 860)
Profit on disposal of assets	**1 835**	-
Profit on disposal of assets held-for-sale	**9 264**	7 834
Impairment of property, plant and equipment	**(27 106)**	(138 846)
Impairment of assets held-for-sale	**(3 258)**	-
Operating loss	**(75 792)**	(298 872)
Net finance expense	**(5 238)**	(9 815)
Loss before taxation	**(81 030)**	(308 687)
Taxation	**3 410**	6 186
Loss for the period from discontinued operations	**(77 620)**	(302 501)

**Restated due to Benicon Opencast, CCT and Benicon Sales being classified as discontinued operations.*

5. Disposal of a subsidiary

During the financial year ended 30 June 2017, the group disposed of 100% of the share capital of Benicon Sales Proprietary Limited.

Benicon Sales was included in the opencast mining segment.

R'000	Audited June 2017	Audited June 2016 - Restated* 15 months
Details of the net assets disposed of are as follows:		
- cash received	-	-
- deferred purchase consideration	3 226	-
Net disposal consideration	3 226	-
Carrying value of net assets disposed	(14 908)	-
Less cash disposed	33	-
Loss on disposal of subsidiary	(11 649)	-

R'000	Fair value	Disposee's carrying amount
Property, plant and equipment	22	22
Inventories	14 507	14 507
Trade and other receivables	2 390	2 390
Trade payables	(2 011)	(2 011)
Net assets	14 908	14 908
Loss on disposal	11 649	
Deferred purchase consideration	3 226	
Cash and cash equivalents in subsidiary disposed of	33	
Cash inflow on disposal	-	

**Restated due to Benicon Opencast, CCT and Benicon Sales being classified as discontinued operations.*

6. Contingent assets

Megacube

During the 2014 financial year judgment was granted in favour of the Golden Autumn Trust against Argent Industrial ("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. The appeal will be heard on 1 December 2017. Any funds recovered through the Golden Autumn Trust, net of costs, are paid over to Megacube Mining Proprietary Limited.

Argent's claim against Unicorn and Megacube was dismissed with costs.

Nkomati

Nkomati is claiming R25 million from the previous opencast mining contractor due to non-performance in terms of the contract. A dispute has been lodged for arbitration.

To the best of the Board's knowledge and belief there are no other contingent assets not set out or referred to in this report which may materially affect the financial position of the group.

7. Contingent liabilities

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

However, the arbitrator awarded Keaton tonnage 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, with an 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.

To the best of the Board's knowledge and belief there are no other contingent liabilities not set out or referred to in this report which may materially affect the financial position of the group.

8. Events after the reporting period

The directors are not aware of any other subsequent events that occurred between the reporting period up to the date of this report, not otherwise dealt within this report.

9. 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. The group's current liabilities exceeds current assets by R197 million (2016: R241 million). Net current liabilities relating to discontinued opencast mining operations and Megacube amounts to R156 million. There is no recourse to Unicorn or any of the other operating subsidiaries for these amounts outstanding. 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. Based on Unicorn subsidiaries' cash flow forecasts for the 2018 financial year, the group is expected to meet all its obligations during this period.

10. Audit opinion

This summarised report is extracted from audited information, but is not itself audited. The annual financial statements were audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The audited annual financial statements and the auditor's report thereon are available for inspection at the company's registered office.

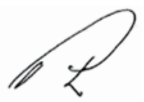
The directors take full responsibility for the preparation of the abridged report and confirm that the financial information has been correctly extracted from the underlying audited annual financial statements.

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 of shareholders of the company will be held at Ground Floor, Building 14, The Woodlands Office Park, Woodlands Drive, Woodmead, at 10:00 on Thursday, 23 November 2017, 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 Integrated annual report.

The Board of Unicorn 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, 17 November 2017. Accordingly the last day to trade Unicorn shares in order to be recorded in the register be entitled to vote will be Tuesday, 14 November 2017.

On behalf of the Board



Ralph Patmore
Non-executive Chairman
Woodmead
29 September 2017

Jacques Badenhorst
Chief Executive Officer

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

This report contains forward-looking statements which are not historical facts. Forward-looking statements involve inherent risks, uncertainties and assumptions, including, without limitation, risks related to the timing or ultimate completion of any proposed transactions; and the possibility that benefits may not materialise or such assumptions prove incorrect. Actual results could differ materially from those expressed or implied by such forward-looking statements and assumptions. The forward-looking statements in this report are made as of the date of this report and Unicorn expressly disclaims any obligations to update or correct the statements due to events occurring after issuing this report. The forward-looking statements have not been reported on or reviewed by the company's auditor.

Company Secretary: Arbor Capital Corporate Services Proprietary Limited

Transfer secretaries: Computershare Investor Services Proprietary Limited
2nd Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196.
PO Box 61051, Marshalltown. Tel (011) 370-5000

Sponsor: Questco Corporate Advisory Proprietary Limited
Auditor: PricewaterhouseCoopers Inc.

Registered address: Ground Floor, Building 14, Woodlands Office Park, Woodmead, 2080
PO Box 76, Woodmead, 2080 • Tel (011) 656-1303
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Abbreviations: ("Argent") Argent Industrial Limited; ("Benicon") Benicon Opencast Mining Proprietary Limited; ("Close-Up") Close-Up Mining Proprietary Limited; ("CCT") Classic Challenge Trading Proprietary Limited; ('Geosearch") Companies in the group that performs exploration drilling services; ("IDC") Industrial Development Corporation of South Africa Limited; ("JEF") JEF Drill and Blast Proprietary Limited; ("Megacube") Megacube Proprietary Limited; ("Nkomati") Nkomati Anthracite Proprietary Limited; ("Ritchie") Ritchie Crane Hire Proprietary Limited; ("Sentula Coal") Sentula Coal Proprietary Limited; ("Unicorn") Unicorn Capital Partners Limited (previously Sentula Mining Limited ; ("the group") Unicorn Capital Partners Limited, its subsidiaries associates and affiliates; ('ROM") run of mine; ("Benicon Sales") Benicon Sales Proprietary Limited.