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")

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

OVERVIEW OF RESULTS

- Basic earnings per share improved to 1,08 cents (December 2016: loss per share of 7,40 cents)
- Headline loss per share improved to 0,11 cents (December 2016: headline loss per share of 4,01 cents)
- Basic earnings per share from continuing operations improved to 0,73 cents (December 2016: loss per share of 0,80 cents)
- Net asset value per share increased to 22 cents (June 2017: 21 cents)
- The net Group overdraft position reduced to R9 million (June 2017: R31 million)

INTRODUCTION

Unicorn Capital Partners Limited has been listed on the Main Board of the JSE Limited since 1993. 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 on course to convert from a diversified mining and mining services group to an investment holding company. Unicorn's investment focus will not be sector specific but will rather focus on businesses that have good investment characteristics and yield attractive returns on capital.

The interim results for the six months ended 31 December 2017 represent the culmination of the efforts that led to the improvement of what was once a company that had been incurring consecutive losses to an enterprise that can once again lift its head and focus on what is important: delivering sustainable returns to its shareholders. Although still very modest, Unicorn was able to deliver an attributable profit of R12,5 million to its shareholders for the interim period ended 31 December 2017, yielding positive results for the first time since September 2012. Our efforts during the past two years finally started paying off during the six month period, evident in every one of our mining services companies achieving a profit. Annualised return from operations on assets exceeded 15% in all instances. In addition, the remaining contract mining machinery and equipment was disposed of during the period, completing the Group's exit from direct contract mining activities. The only remaining piece to complete the short term puzzle, is the Nkomati Anthracite mine. Our consolidated profits suffered as a result of our decision to accelerate the development of the mine to ensure that we can realize some of the potential of this quality anthracite resource. We remain on target to achieve steady state mining operations in April 2018. The interim financial results reflect the execution of the Group's strategic objectives of returning to profitability, sustaining cash flow momentum in JEF, Ritchie and Geosearch and completing the Nkomati expansion within time and budget.

Drilling and blasting

The acquisition by JEF of nineteen drill rigs during the previous financial year delivered the results envisaged. The rigs were fully deployed, assisting JEF in delivering its best six months performance since September 2014. Drill rig availability averaged 83% while drill rig utilisation averaged 87%. JEF recorded an operating profit of R23 million (December 2016: R4 million), which equates to an annualised EBIT-return-on-assets of 19% compared to 3% as at June 2017. External debt to total assets reduced to 16% compared to 19% as at 30 June 2017. The lower debt levels and strong performance warrants further investment in JEF during the second half of the financial year should the operating environment remain robust.

Heavy mobile crane lifting

The four additional mobile cranes acquired by Ritchie during the previous financial year were fully deployed from the date of acquisition. Crane availability averaged 85% and crane utilisation 76%. The average hourly rate charged per crane, however, increased by less than inflation when compared to the previous interim period. Ritchie recorded an operating profit of R18 million (December 2016: R13 million), which equates to an annualised EBIT-return-on-assets of 19% compared to 17%

as at June 2017. External debt to total assets reduced to 14% compared to 17% as at 30 June 2017, which provides capacity for further expansion. Ritchie's operating environment remains healthy and investment in additional mobile cranes will most likely be made during the second half of the 2018 calendar year.

Exploration drilling

The operating environment for Geosearch, with exploration drilling operations in South Africa, Botswana and Mozambique continued to improve, albeit at a slow pace. During the six months ended 31 December 2017, we were able to commence a large project in Botswana, were awarded a promising new contract in South Africa and were able to deploy additional drill rigs at Vale's coal mine in Tete, Mozambique. Total drill rigs deployed as a percentage of our total fleet increased from 30% as at 30 June 2017 to 37% by 31 December 2017, which was slightly below our target. Geosearch recorded an operating profit of R8 million (December 2016: R3 million), which equates to an annualised EBIT-return-on-assets of 18%, compared to a 0% as at June 2017. The exploration drilling operations remain ungeared.

Anthracite mining

During the six months ended 31 December 2017, we invested R67 million in Nkomati. Of the R67 million, R31 million was invested in the make-safe and recommissioning of the underground mine and R36 million invested in the construction of the new wash plant. The R67 million investment was financed through the long term IDC loan secured during the 2017 financial year. Work on the underground mine and plant not yet commissioned at 31 December 2017, was capitalised as work in progress. During March 2018, we commissioned our new 90,000 run of mine tons wash plant, and reopened the underground mine. The new wash plant complex, with total capacity of 130,000 run of mine tons per month, will be fully operational by early April 2018. Our underground mine aims to achieve steady state production by the end of April 2018. There have been no lost time injuries during the period at Nkomati. Nkomati's operating loss of R44 million (December 2016: R2 million) can be directly attributed to the successful expansion of the open pit mine. The loss is a direct result of the increase in the size of the open pit, which should enable more sustainable and predictable open pit production in future.

The mine supplies a product which is ideal for the ferrochrome market. All the projected steady state production can be sold locally as we are one of only a handful of mines in the country with the quality preferred for the ferrochrome market. Exploration to establish the extent of the resource is ongoing on the available 6000 ha minable area. At this stage the total resource amounts to 8.7 million Mineable Tons In Situ.

Contract mining

Sentula Coal, the Group's last remaining operating entity involved in opencast mining and earthmoving, has two remaining Anglo American Coal South Africa contracts: The main contract, Umlalazi, will expire on 31 March 2018 while the New Vaal contract was recently extended to December 2020. Both contracts are executed through the use of subcontractors. Sentula Coal takes no operational risk and only provides management and administrative services. The company's last remaining machinery and equipment was disposed of during October 2017 for a profit of R16 million, delivering R28 million in positive cash flow. For the six month period ended 31 December 2017, the opencast mining and earthmoving segment reported an operating profit of R25 million (December 2016: loss of R85 million).

Overdraft facility

Following the disposal of the opencast mining machinery and equipment, the Group's gross overdraft facility was reduced to R46 million (June 2017: R65 million). Net cash on hand amounted to a negative R9 million (June 2017: negative R31 million).

As at 31 December 2017 the Group's centralised overdraft facility is secured through various cross-sureties across all Group companies. In order to execute the Group's strategy of ring-fencing operating entities and to facilitate Unicorns transition to an investment holding company, during March 2018 the centralised overdraft facility has been re-distributed from Unicorn level to the individual operating companies.

Resource statement

The most recent South African Mineral Resource Committee compliant Resource and Reserve Statements of Nkomati is available on the Unicorn website (www.unicorncapital.co.za). The respective Reserve and Resource statements contain details of all the competent persons, their professional memberships, qualifications and experience. There has been no significant change to the resources as disclosed in the previous Reserve and Resource Statement.

Matters of litigation

Unicorn continues to be involved in various litigation matters. We remain cautiously optimistic that we will achieve some success during the current financial year.

On behalf of the Board

Ralph Patmore
Independent non-executive Chairman
Woodmead
28 March 2018

Jacques Badenhorst
Chief Executive Officer

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the six months ended 31 December 2017

R'000	Unaudited six months - 31 December 2017	Unaudited six months - 31 December 2016	Audited year ended 30 June 2017
Revenue	**587 076**	615 432	1 069 269
Cost of sales	**(536 662)**	(556 665)	(976 962)
Gross profit	**50 414**	58 767	92 307
Other income	**2 032**	1 659	2 930
Administrative expenses	**(53 252)**	(46 221)	(110 862)
(Loss)/profit from operations	**(806)**	14 205	(15 625)
Net profit on disposal of assets	**12 757**	285	4 224
Impairment of property, plant and equipment	**-**	(11 535)	(11 535)
Operating profit/(loss)	**11 951**	2 955	(22 936)
Finance expense	**(10 585)**	(8 538)	(19 893)
Finance income	**600**	396	1 360
Fair value adjustment	**-**	(1 026)	(1 110)
Profit/(loss) before income tax	**1 966**	(6 213)	(42 579)
Income tax expense	**(13 347)**	(4 076)	(6 335)
Loss for the period from continuing operations	**(11 381)**	(10 289)	(48 914)
Discontinued operations			
Profit/(loss) for the period from discontinued operations (attributable to the owners of the parent)	**4 045**	(76 739)	(77 620)
Loss on disposal of discontinued operations	**-**	-	(11 649)
Profit/(loss) for the period from discontinued operations	**4 045**	(76 739)	(89 269)
Loss for the period	**(7 336)**	(87 028)	(138 183)
Attributable to:			
- Owners of the parent	**12 521**	(85 982)	(120 197)
- continuing operations	**8 476**	(9 243)	(30 928)
- discontinued operations	**4 045**	(76 739)	(89 269)
- Non controlling interest	**(19 857)**	(1 046)	(17 986)
- continuing operations	**(19 857)**	(1 046)	(17 986)
- discontinued operations	**-**	-	-
	(7 336)	(87 028)	(138 183)
Weighted basic and diluted earnings/(loss) per share (cents)			
- Continuing operations	**0,73**	**(0,80)**	**(2,66)**
- Discontinued operations	**0,35**	**(6,60)**	**(7,68)**
Basic and diluted earnings/(loss) per share	**1,08**	**(7,40)**	**(10,34)**
Shares in issue at end of the period excluding treasury shares ('000)	**1 162 010**	1 162 010	1 162 010
Weighted average shares in issue at the end of the period excluding treasury shares ('000)	**1 162 010**	1 162 010	1 162 010

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2017

R'000	Unaudited six months - 31 December 2017	Unaudited six months - 31 December 2016	Audited year ended 30 June 2017
Loss for the period	**(7 336)**	(87 028)	(138 183)
Other comprehensive loss			
Items that may be subsequently reclassified to profit or loss			
Foreign currency translation differences for foreign operations	**(2 088)**	(10 704)	(5 274)
Other comprehensive loss for the period, net of income tax	**(2 088)**	(10 704)	(5 274)
Total comprehensive loss for the period	**(9 424)**	(97 732)	(143 457)
Attributable to:			
- Owners of the parent	**10 433**	(96 686)	(125 471)
- continuing operations	**6 388**	(19 947)	(36 202)
- discontinued operations	**4 045**	(76 739)	(89 269)
- Non controlling interest	**(19 857)**	(1 046)	(17 986)
- continuing operations	**(19 857)**	(1 046)	(17 986)
- discontinued operations	**-**	-	-
	(9 424)	(97 732)	(143 457)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2017

R'000	Unaudited at 31 December 2017	Unaudited at 31 December 2016	Audited at 30 June 2017
Assets			
Non-current assets	**641 899**	488 185	592 825
Property, plant and equipment	**310 915**	261 596	338 520
Mining assets	**165 345**	156 841	155 303
Work in progress	**89 275**	-	22 725
Goodwill	**37 427**	37 427	37 427
Restricted cash	**7 230**	4 560	6 461
Other financial assets	**5 439**	-	6 121
Deferred income tax assets	**26 268**	27 761	26 268
Current assets	**255 725**	299 485	257 904
Inventories	**19 029**	25 575	18 960
Trade and other receivables	**200 207**	242 312	202 809
Cash and cash equivalents	**36 489**	29 799	34 271
Current income tax assets	**-**	1 799	1 864
Assets of disposal group classified as held-for-sale	**-**	109 408	4 937
TOTAL ASSETS	**897 624**	897 078	855 666
Equity			
Total equity attributable to owners of the parent	**250 371**	268 723	239 938
Share capital	**2 097 075**	2 097 075	2 097 075
Reserves	**78 932**	75 590	81 020
Accumulated loss	**(1 925 636)**	(1 903 942)	(1 938 157)
Non-controlling interest	**(59 791)**	(22 994)	(39 934)
TOTAL EQUITY	**190 580**	245 729	200 004
Liabilities			
Non-current liabilities	**271 563**	144 547	200 273
Loans and borrowings	**93 643**	-	22 484
Finance lease obligations	**38 129**	10 902	49 934
Rehabilitation provision	**81 917**	71 172	72 240
Deferred income tax liabilities	**57 874**	62 473	55 615
Current liabilities	**435 481**	504 791	455 389
Trade and other payables	**196 642**	257 318	206 390
Megacube arbitration award	**92 331**	92 331	92 331
Loans and borrowings	**10 350**	18 827	-
Finance lease obligations	**26 071**	16 421	26 227
Deferred revenue	**-**	5 331	12 000
Bank overdraft	**45 526**	68 678	65 305
Current income tax liabilities	**64 561**	45 885	53 136
Liabilities of disposal group classified as held-for-sale	**-**	2 011	-
TOTAL LIABILITIES	**707 044**	651 349	655 662
TOTAL EQUITY AND LIABILITIES	**897 624**	897 078	855 666
Net asset value per share (excluding treasury shares) - cents	**22**	23	21
Tangible net asset value per share (excluding goodwill), (excluding treasury shares) - cents	**18**	20	17

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 31 December 2017

R'000	Unaudited six months - 31 December 2017	Unaudited six months - 31 December 2016	Audited year ended 30 June 2017
Cash flows from operating activities			
Cash generated from/(utilised in) operating activities	18 294	9 367	(10 779)
Working capital changes	(18 919)	(19 622)	(16 411)
Income taxes received/(paid)	622	(1 442)	(5 629)
Interest paid	(7 316)	(8 131)	(17 668)
Net cash (outflow) from operating activities	(7 319)	(19 828)	(50 487)
Cash flow from investing activities			
Interest received	582	396	1 375
Purchase of property, plant and equipment	(7 807)	(12 237)	(98 616)
Mine development work in progress	(62 988)	-	(22 810)
Proceeds from disposal of property, plant and equipment	29 678	53 365	54 579
Proceeds from disposal of assets held-for-sale	5 633	2 731	97 462
Movement in other financial assets	(125)	-	-
Increase in restricted cash	(769)	(1 710)	(3 611)
Net cash (outflow)/inflow from investing activities	(35 796)	42 545	28 379
Cash flows from financing activities			
Proceeds from borrowings	77 288	-	22 484
Repayment of borrowings	-	(14 679)	(33 500)
Finance lease advances	1 630	10 231	79 144
Finance lease payments	(13 591)	(7 049)	(27 124)
Net cash inflow/(outflow) from financing activities	65 327	(11 497)	41 004
Net increase in cash and cash equivalents	22 212	11 220	18 896
Cash and cash equivalents at the beginning of the period	(31 034)	(49 120)	(49 120)
Exchange losses on cash and cash equivalents	(215)	(946)	(810)
Cash and cash equivalents at the end of the period	(9 037)	(38 846)	(31 034)
Cash and cash equivalents classified as assets held-for sale	-	33	-
Cash and cash equivalents per statement of financial position	(9 037)	(38 879)	(31 034)
Cash and cash equivalents at the end of the period	(9 037)	(38 846)	(31 034)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2017

R'000	Share capital	Share-based payment reserve	Treasury shares	Foreign currency translation reserve	Accumulated loss	Total	Non-controlling interest	Total Equity
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 period	-	-	-	-	(85 982)	(85 982)	(1 046)	(87 028)
Other comprehensive loss	-	-	-	(10 704)	-	(10 704)	-	(10 704)
Balance at 31 December 2016	**2 122 973**	**31 632**	**(25 898)**	**43 958**	**(1 903 942)**	**268 723**	**(22 994)**	**245 729**
Loss for the period	-	-	-	-	(34 215)	(34 215)	(16 940)	(51 155)
Other comprehensive income	-	-	-	5 430	-	5 430	-	5 430
Balance at 30 June 2017	**2 122 973**	**31 632**	**(25 898)**	**49 388**	**(1 938 157)**	**239 938**	**(39 934)**	**200 004**
Profit/(loss) for the period	**-**	**-**	**-**	**-**	**12 521**	**12 521**	**(19 857)**	**(7 336)**
Other comprehensive loss	**-**	**-**	**-**	**(2 088)**	**-**	**(2 088)**	**-**	**(2 088)**
Balance at 31 December 2017	**2 122 973**	**31 632**	**(25 898)**	**47 300**	**(1 925 636)**	**250 371**	**(59 791)**	**190 580**

INFORMATION ABOUT REPORTABLE SEGMENTS

The Group is organised into five operating segments, namely overburden drilling and blasting ("JEF"), mobile crane hire ("Ritchie"), exploration drilling ("Geosearch"), anthracite mining ("Nkomati") 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 in the opencast and earthmoving segment due to the wind-down of these operations. Benicon Sales was disposed of on 1 January 2017 and its results for the six months ended 31 December 2016 were included as discontinued operations in this segment. Sentula Coal is included in opencast mining and earthmoving services continued operations.

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 revenue is priced on an arm's length basis.

R'000	Opencast mining and earthmoving	Exploration drilling	Overburden drilling and blasting	Mobile crane hire	Anthracite mining	Megacube	Corporate and other services	Total
Unaudited six months ended 31 December 2017								
Total segment revenue	**261 587**	**70 209**	**176 368**	**54 419**	**27 314**	**-**	**23 481**	**613 378**
Inter-segment revenue	**-**	**(1 225)**	**-**	**(1 384)**	**-**	**-**	**(23 481)**	**(26 090)**
External revenue	**261 587**	**68 984**	**176 368**	**53 035**	**27 314**	**-**	**-**	**587 288**
- Continuing operations	**261 375**	**68 984**	**176 368**	**53 035**	**27 314**	**-**	**-**	**587 076**
- Discontinued operations	**212**	**-**	**-**	**-**	**-**	**-**	**-**	**212**
Total segment results	**7 463**	**8 288**	**22 347**	**18 218**	**(44 316)**	**(1 577)**	**(11 229)**	**(806)**
Net profit on sale of assets	**12 441**	**(25)**	**341**	**-**	**-**	**-**	**-**	**12 757**
Results from operating activities - Continuing operations	**19 904**	**8 263**	**22 688**	**18 218**	**(44 316)**	**(1 577)**	**(11 229)**	**11 951**
Total segment results	**732**	**-**	**-**	**-**	**-**	**-**	**-**	**732**
Net profit on sale of assets	**3 996**	**-**	**-**	**-**	**-**	**-**	**-**	**3 996**
Net profit on sale of assets held-for-sale	**696**	**-**	**-**	**-**	**-**	**-**	**-**	**696**
Results from operating activities - Discontinuing operations	**5 424**	**-**	**-**	**-**	**-**	**-**	**-**	**5 424**

R'000	Opencast mining and earthmoving	Exploration drilling	Overburden drilling and blasting	Mobile crane hire	Anthracite mining	Megacube	Corporate and other services	Total
Unaudited six months ended 31 December 2017								
Segment assets	**57 735**	**81 393**	**233 127**	**188 446**	**298 308**	**2 244**	**10 103**	**871 356**
Current and deferred tax assets	**-**	**11 746**	**-**	**-**	**14 522**	**-**	**-**	**26 268**
Total assets	**57 735**	**93 139**	**233 127**	**188 446**	**312 830**	**2 244**	**10 103**	**897 624**
Segment liabilities	**62 398**	**9 620**	**71 132**	**33 857**	**242 016**	**95 078**	**70 508**	**584 609**
Current and deferred tax liabilities	**41 152**	**7 135**	**19 752**	**32 709**	**-**	**17 928**	**3 759**	**122 435**
Total liabilities	**103 550**	**16 755**	**90 884**	**66 566**	**242 016**	**113 006**	**74 267**	**707 044**

R'000	Opencast mining and earthmoving	Exploration drilling	Overburden drilling and blasting	Mobile crane hire	Anthracite mining	Megacube	Corporate and other services	Total
Unaudited six months ended 31 December 2016								
Total segment revenue	356 095	82 924	147 406	41 114	95 632	-	24 174	747 345
Inter-segment revenue	(1 775)	(1 606)	(19 986)	(127)	-	-	(24 174)	(47 668)
External revenue	354 320	81 318	127 420	40 987	95 632	-	-	699 677
- Continuing operations	270 075	81 318	127 420	40 987	95 632	-	-	615 432
- Discontinued operations	84 245	-	-	-	-	-	-	84 245
Total segment results	4 506	3 162	3 994	13 215	(1 508)	1 218	(10 382)	14 205
Impairment of property, plant and equipment	(11 535)	-	-	-	-	-	-	(11 535)
Net profit on sale of assets	-	115	105	65	-	-	-	285
Results from operating activities - Continuing operations	(7 029)	3 277	4 099	13 280	(1 508)	1 218	(10 382)	2 955
Total segment results	(50 084)	-	-	-	-	-	-	(50 084)
Impairment of property, plant and equipment	(27 106)	-	-	-	-	-	-	(27 106)
Impairment of assets held-for-sale	(3 258)	-	-	-	-	-	-	(3 258)
Net profit on sale of assets	2 193	-	-	-	-	-	-	2 193
Results from operating activities - Discontinuing operations	(78 255)	-	-	-	-	-	-	(78 255)

R'000	Opencast mining and earthmoving	Exploration drilling	Overburden drilling and blasting	Mobile crane hire	Anthracite mining	Megacube	Corporate and other services	Total
Unaudited six months ended 31 December 2016								
Segment assets	**120 441**	**85 186**	**188 450**	**156 755**	**194 833**	**7 268**	**5 177**	**758 110**
Assets classified as held-for-sale	**98 454**	**-**	**-**	**-**	**-**	**-**	**10 954**	**109 408**
Current and deferred tax assets	**-**	**11 746**	**1 799**	**-**	**14 644**	**-**	**1 371**	**29 560**
Total assets	**218 895**	**96 932**	**190 249**	**156 755**	**209 477**	**7 268**	**17 502**	**897 078**
Segment liabilities	**204 407**	**15 461**	**22 658**	**13 023**	**82 074**	**95 661**	**107 696**	**540 980**
Liabilities classified as held-for-sale	**-**	**-**	**-**	**-**	**-**	**-**	**2 011**	**2 011**
Current and deferred tax liabilities	**35 218**	**9 848**	**15 735**	**26 887**	**-**	**16 802**	**3 868**	**108 358**
Total liabilities	**239 625**	**25 309**	**38 393**	**39 910**	**82 074**	**112 463**	**113 575**	**651 349**

R'000	Opencast mining and earthmoving	Exploration drilling	Overburden drilling and blasting	Mobile crane hire	Anthracite mining	Megacube	Corporate and other services	Total
Audited year ended 30 June 2017								
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)**

R'000	Opencast mining and earthmoving	Exploration drilling	Overburden drilling and blasting	Mobile crane hire	Anthracite mining	Megacube	Corporate and other services	Total
Audited year ended 30 June 2017								
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**

RECONCILIATION OF HEADLINE LOSS

R'000	Unaudited six months - 31 December 2017			Unaudited six months - 31 December 2016			Audited year ended - 30 June 2017		
	Continuing	**Discontinued**	**Group**	**Continuing**	**Discontinued**	**Group**	**Continuing**	**Discontinued**	**Group**
Profit/(loss) for the period attributable to equity holders of the parent:	**8 476**	**4 045**	**12 521**	(9 243)	(76 739)	(85 982)	(30 928)	(89 269)	(120 197)
Adjusted for:									
Net profit on disposal of plant and equipment	**(12 757)**	**(3 996)**	**(16 753)**	(285)	4 656	4 371	(3 230)	(1 834)	(5 064)
Profit on disposal of assets held-for-sale	**-**	**(696)**	**(696)**	-	(6 849)	(6 849)	-	(9 264)	(9 264)
Scrapping of assets	**60**	**-**	**60**	-	-	-	-	-	-
Impairment of plant and equipment	**-**	**-**	**-**	11 535	27 106	38 641	11 535	27 106	38 641
Impairment of assets held-for-sale	**-**	**-**	**-**	-	3 258	3 258	-	3 258	3 258
Loss on disposal of subsidiary	**-**	**-**	**-**	-	-	-	-	11 649	11 649
Tax effect on the above adjustments	**3 579**	**-**	**3 579**	-	-	-	217	-	217
Non-controlling interest portion allocation	**-**	**-**	**-**	-	-	-	-	-	-
Headline (loss)/profit attributable to ordinary shareholders	**(642)**	**(647)**	**(1 289)**	2 007	(48 568)	(46 561)	(22 406)	(58 354)	(80 760)
Weighted headline and diluted (loss)/earnings per share (cents)	**(0,05)**	**(0,06)**	**(0,11)**	0,17	(4,18)	(4,01)	(1,93)	(5,02)	(6,95)

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation

The unaudited condensed consolidated interim financial statements for the six months ended 31 December 2017 were prepared under the supervision of Mr. JC Lemmer (CA) SA in accordance with International Financial Reporting Standards ("IFRS") IAS 34 – Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and the requirements of the Companies Act of South Africa and the Listings Requirements of the JSE Limited.

The unaudited condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's financial statements for the year ended 30 June 2017, which were prepared in accordance with International Financial Reporting Standards as issued by the Internal Accounting Standards Board.

The accounting standards and amendments to issued accounting standards and interpretations, which are relevant to the Group, but not yet effective on 31 December 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.

These results have not been audited or reviewed by the Group's auditors.

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 year ended 30 June 2017 and are presented in South African rand, which is the functional and presentational currency of the Group.

There have been no material changes to the items measured at fair value as disclosed in the financial statements subsequent to 30 June 2017. The directors consider that the carrying amounts of financial assets and liabilities recorded at amortised cost approximate their fair values.

3. Discontinued operations

Benicon Opencast and CCT were wound down in the previous financial year and the companies have been presented as discontinued operations. Benicon Sales was disposed of on 1 January 2017 and its results for the six months ended 31 December 2016 have been disclosed as a discontinued operation in the opencast mining segment.

Financial performance relating to these discontinued operations for the period is set out below:

R'000	Unaudited six months - 31 December 2017	Unaudited six months - 31 December 2016	Audited year ended 30 June 2017
Revenue	**212**	84 245	51 565
Cost of sales	**258**	(125 808)	(102 412)
Gross profit/(loss)	**470**	(41 563)	(50 847)
Other income	**84**	411	1 160
Administration expenses	**178**	(8 932)	(6 840)
Profit/(loss) from operations	**732**	(50 084)	(56 527)
Profit on disposal of assets	**3 996**	-	1 835
Profit on disposal of assets held-for-sale	**696**	2 193	9 264
Impairment of property, plant and equipment	**-**	(27 106)	(27 106)
Impairment of assets held-for-sale	**-**	(3 258)	(3 258)
Operating profit/(loss)	**5 424**	(78 255)	(75 792)
Net finance expense	**(1 377)**	(1 894)	(5 238)
Profit/(loss) before taxation	**4 047**	(80 149)	(81 030)
Taxation	**-**	3 410	3 410
Profit/(loss) for the period from discontinued operations	**4 047**	(76 739)	(77 620)

4. Contingent assets

Megacube

During the previous year judgment was granted in favour of the Golden Autumn Trust against Argent Industrial 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 hearing date has been set for 30 July 2018. Any funds recovered through the Golden Autumn Trust, net of costs, will be paid over to Megacube.

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 commencing during March 2018.

Scharrighuisen

Megacube and the Trustees of the insolvent estate of Mr C Scharrighuisen, a former director, have instituted legal proceedings against Mr Scharrighuisen and related parties in the Netherlands, the British Virgin Islands and Curacao in ongoing attempts to locate and secure Mr Scharrighuisen's assets. Megacube currently has two judgements against Mr Scharrighuisen's in excess of R 383 million, both of which remain unsatisfied. The quantum of funds that can be recovered through the legal proceedings have not been determined.

To the best of our 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.

5. Contingent liabilities

Keaton sought, in one of its claims in the arbitration, compensation for the value of run of mine 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 run of mine coal allegedly not extracted. The additional 270 991 tons of run of mine coal awarded under this claim, equates to an estimated value of R45 million and was not provided for. The duplicated award is under dispute and as a result, no further provision has been made above the compensation originally sought by Keaton.

Apart from the matter set out above, 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 subsequent events that occurred between the reporting period and 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 exceed current assets by R180 million (June 2017: R197 million). Net current liabilities relating to discontinued opencast mining operations and Megacube amounts to R158 million (June 2017: R 159 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.

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.

Company Secretary: Arbor Capital Proprietary Limited

Transfer secretaries: Computershare Investor Services Proprietary Limited
2nd Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196.
PO Box 61051, Marshalltown 2107. 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
www.unicorncapital.co.za

Abbreviations: ("Argent") Argent Industrial Limited; ("Benicon") Benicon Opencast Mining Proprietary Limited; ("CCT") Classic Challenge Trading Proprietary Limited; ("Geosearch") Companies in the Group that performs exploration drilling services; ("IDC") Industrial Development Corporation; ("JEF") JEF Drill and Blast Proprietary Limited; ("Keaton"): Keaton Mining Proprietary Limited ("Megacube") Megacube Proprietary Limited; ("Nkomati") Nkomati Anthracite Proprietary Limited; ("Ritchie") Ritchie Crane Hire Proprietary Limited; ("Sentula Coal") Sentula Coal Proprietary Limited; ("the Group") Unicorn Capital Partners Limited, its subsidiaries associates and affiliates; ("Benicon Sales") Benicon Sales Proprietary Limited.