

**ABRIDGED AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2018 AND
NOTICE OF THE ANNUAL GENERAL MEETING**

LETTER FROM THE CHIEF EXECUTIVE OFFICER

Introduction

The challenges during the 2017 financial year were all about aggressive restructuring, closing, merging and recapitalising affected businesses and addressing the huge historical debt burden. The 2018 financial year was different; it was about keeping cash flow momentum in the restructured businesses, getting rid of the last remnants of contract mining, aggressively pursuing new contracts in heavy mobile crane lifting, drilling and blasting and exploration drilling, developing and expanding our anthracite mine and completing the conversion to an investment holding company under a new name.

The end result was very encouraging: The four operating companies generated a combined R122 million in earnings before interest and tax ("EBIT"), including proceeds on the disposal of assets and other activities of R22 million. Expanding and developing our sixty percent held anthracite mine contributed R47 million share of losses for Unicorn shareholders and covering corporate, legal and other services required a further R32 million.

External finance charges related to overdrafts, asset finance as well as the Industrial Development Corporation ("IDC") loan for Nkomati Anthracite and tax cost R25 million, leaving Unicorn shareholders with an attributable net profit of R17 million. The first annual profit since 2011. We are cautiously optimistic that our current portfolio of companies are well positioned and has the potential to sustain their current growth trajectories.

Trials and tribulations of a junior miner

The South African junior mining industry is in deep trouble. It has tremendous potential for job and wealth creation given that South Africa still has the world's richest reserves of precious minerals and base metals. Three years ago Nkomati Anthracite employed four security guards while the mine was in care and maintenance. Today, it provides permanent employment to 495 people, ninety percent of which have been recruited from the local communities and it has the potential to more than double this number again in the next three years. In addition, it has assisted with the establishment of various local small businesses providing services to the mine. The mine's economic multiplier effect in a very poor area of South Africa is noteworthy.

Unfortunately, over-regulation, social taxes in the form of the social and labour plan, corrupt officials at the Regional Office of the Department of Mineral Resources, Mpumalanga (to the extent that the office was recently closed) community disruption of mining operations due to growing frustration with limited job opportunities and the lack of risk capital appetite, means that the odds are heavily stacked against investors. All these factors have collectively contributed to a significant increase in the cost of mining in South Africa in recent years, which has had a detrimental effect on investor appetite.

Once all these costs are added up, the significant challenge of providing acceptable returns to capital providers become evident. A substantial portion of the value that is normally available to reward risk takers is being expropriated and capital providers are left with insufficient returns on a heavily diluted capital base. This also explains why South Africa has failed dismally in establishing a vibrant junior mining sector, why foreign direct investment in the mining sector is declining rapidly and why the broader mining industry is dying. As a country, we are killing the proverbial "goose that lays the golden eggs". As a junior miner, the only chance you have of overcoming these challenges is if you sit on top of a very big and minable deposit, which is what we believe we have at Nkomati Anthracite.

Our biggest challenge

Transforming Nkomati Anthracite from a valuable deposit to a fully functional and producing mine, was by far our biggest challenge during the year. Switching opencast contractors, widening the opencast mining pit, making safe and reopening the underground mine, building and commissioning a brand-new wash plant, community action, regulated mining stoppages, as well as bad weather kept us very busy. In short, we've seen it all but we've weathered the storm.

Nkomati Anthracite produces high grade anthracite

To understand the potential of Nkomati Anthracite, we have to start with the quality of our deposit. It consists of high grade anthracite, which is in high demand from South Africa's ferrous metals producers. The producers are dependent upon high grade anthracite with low impurities, such as low volatile matter (<9%), low sulphur (<1.0%) and low phosphorus (<0.03%), but are struggling to source sufficient quantities domestically due to deteriorating quality from aging mines and lack of new production.

The only viable alternative to local supply is to import coking coal and coke as their source of carbon, which comes at a huge premium to anthracite. The opportunity therefore to capitalise on strong demand for high grade anthracite over the longer term, is significant. Nkomati's anthracite has the lowest sulphur impurities (<0.5%) of all anthracite producers in South Africa, while its phosphorus levels are on par (<0.03%) with the best producing mines.

The combination of very low sulphur and phosphorous content of Nkomati Anthracite's deposit makes it sought after and positions the mine as a key supplier to the local market. Inland anthracite demand is estimated at around 2.2 million tonnes per annum, of which Nkomati Anthracite targets a 25% share. Achieving steady state production comfortably puts us in reach of this target.

22.0 million tonnes minable in-situ anthracite resource

Our mining right covers an area of eleven thousand hectares while our open pit, underground and wash plant footprint cover an area of less than four hundred hectares. In our 2017 resources statement, we reported an 8.7 million minable tonnes in-situ resource with an 8 year life-of-mine. With the aim of improving our knowledge of the resource, as well as extending the life-of-mine, we commenced with an exploration drilling programme during February 2018, the first phase of which was recently completed. The results were very encouraging, increasing the size of our resource to 22.0 million tonnes minable in-situ resource and life-of-mine to twenty two years. This represents one hundred percent of the reserve. The second phase of the exploration drilling programme will commence shortly and we are confident that it will add further to our total in-situ minable resource.

By the numbers

For 2018 financial year, Nkomati Anthracite delivered 164,980 run-of-mine (ROM) tonnes, which was considerably short of our target. We lost two months production switching opencast contractors, three months widening the opencast pit, two months due to Section 54 mining closures and one month due to commissioning of the wash plant. This resulted in a net after tax loss of R87 million. Although behind schedule, we achieved cash flow breakeven subsequent to year-end and remain on track to achieve steady state production and profitability in the coming months.

The open pit is currently meeting production targets of 40,000 ROM tonnes per month while the new wash plant will shortly deliver full processing capacity of 3,000 tonnes per day as soon as the underground ramp-up to 40,000 ROM tonnes per month is complete. At steady state Nkomati Anthracite should deliver 900,000 ROM tonnes per annum producing 550,000 tonnes saleable high-grade anthracite. At Nkomati Anthracite, we like to believe that we are currently on top of all those things that we can control, and are planning properly for those we can't, to ensure that the mine achieves full potential and steady state production in the coming months. Once the communities' 16.1% shareholding allocation has been registered, Unicorn will hold a 50.3% share in the mine. Our current investment in the mine is a R314 million shareholders loan.

Contract mining

In last year's Letter to shareholders, I explained in detail why the decision was made in 2016 to exit contract mining altogether. If the number of contract miners that have been placed in business rescue since then is any indication of the dire state of the industry, our exit came not a day too early. We sold our last pieces of yellow equipment in October 2017 and exited our last major contract at the end of March 2018.

We are thrilled to have ended the financial year with R47 million EBIT, R13 million which came from contract administration (Sentula Coal), R17 million from asset disposals and R17 million from the write-back of provisions. For what it's worth, this profit compares with R1.1 billion cumulative contract mining losses incurred between 2009 and 2017. The contract mining business model remains broken and as a result we prefer to be on the side of those awarding contracts, rather than receiving contracts, as is the case at Nkomati Anthracite.

Exploration drilling

As previously commented, exploration drilling is a late cycle performer and the past 12 months were clear evidence of that. This time last year I reported that we had about 30% of our fleet of forty three drill rigs deployed and were "aiming to achieve and sustain utilisation levels in excess of fifty percent in the coming years". What we witnessed during the past financial year, was a gradual increase in the

number as well as the length of contract tenders being issued. By the third quarter things really started heating up and by financial year-end, our entire drill rig fleet was fully contracted for at least the next 12 months in Botswana, South Africa and Mozambique. Our South African, Botswana and Mozambique operations are stand-alone, ring-fenced entities.

Although we are very proud of the R11 million EBIT that Geosearch delivered for the year, the first annual profit since 2012, it does not nearly reflect the true potential of the portfolio on a fully contracted basis. After having fixed, refurbished and expanded our plant and equipment during the past financial year, our drill rig fleet and related infrastructure is now in good working order. The current book value of Geosearch's plant and equipment is a mere R35 million, which means that we should generate a return on assets in excess of one hundred percent in the next financial year and sustain relatively high returns thereafter. Geosearch's total external debt amounts to a mere R2 million, which means that return-on-assets roughly equals return-on-equity.

Given that the exploration drilling industry in general and Geosearch in particular, is only now starting to recover from years of under investment and contracting margins means that a company valuation based on historical earnings is unlikely to be of much value. We value the Geosearch group of companies at R95 million, based on the market value of equipment and related infrastructure.

Overburden drilling and blasting

For JEF it was a year of two halves: in the first half everything went right and we exceeded budget, but in the second half one curve ball after the other affected performance. Loss of a high margin contract, a client entering business rescue proceedings, Section 54 mining stoppages affecting eight client sites over a two-month period, nineteen percent reduction in blasting revenue and on top of it all bad weather, contributed to a very difficult second half.

After being awarded four new contracts during the year, JEF was firmly on track to average in excess of 300,000 metres per month, which would have been an all-time record. In the end, JEF only averaged 280,000 metres per month, which was still 8% above budget. JEF was able to significantly improve on the previous year's performance by delivering R24 million EBIT. However, the weaker second half performance concerned us and guided us to take a much closer look at JEF.

What we found was quite simple: Two loss-making contracts and a bloated head office structure. We immediately took action and expect the benefits of the restructuring to contribute to the bottom line before calendar year-end. JEF has total assets of R230 million and external debt, including an overdraft, amounting to R65 million. We will value JEF based on its earnings potential once we are satisfied that the business is on a long-term sustainable growth trajectory. Our planned capital expenditure for 2019 is limited to the refurbishment of six drill rigs. Our current valuation for JEF is R123 million.

Heavy mobile crane lifting

Ritchie continues to be the most consistent performer of all the operating companies within the Unicorn portfolio. Ritchie had an excellent year, comfortably sustaining crane availability and utilisation levels above eighty five percent while increasing the average rate per hour by more than twenty five percent. Ritchie continues getting the basics right, maintaining customer service standards and preserving its impeccable safety record.

This has enabled Ritchie to continue to take business away from its major competitors in the areas where it operates: Middelburg, Emalahleni and Steelpoort. Ritchie opened the Steelpoort branch two years ago with only two cranes and zero contracts. Today, the Steelpoort branch has seven cranes and long-term contracts with three blue chip mining customers.

During the past twelve months Ritchie was able to deliver R41 million EBIT. Ritchie has total assets of R193 million and external debt, including an overdraft, amounting to R36 million. The consistent historical performance and high return on assets that Ritchie has been able to sustain over time means it is a business in which we will continue to invest. Our capital expenditure for 2019 includes the acquisition of two new cranes. Our current valuation for Ritchie is R140 million.

Head office expenses

Head office expenses excluding auditing costs, board expenses and fees, listing and legal costs and bonus provisions were reduced from more than R34 million in March 2014 to roughly R11 million per annum at present. We are confident that we can sustain it at these levels.

Financial leverage

Currently we have no debt at holding company level. The historical syndicated term-loan facility was settled in early 2017. The historical group overdraft facility was reduced from R95 million in early 2017 to R45 million in March 2018, after which it was allocated to the four individual operating companies. The allocation was based on each company's risk profile, cash flow and debtor's book.

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, which resulted in only a small portion of the overdraft being allocated. As Geosearch's earnings start to accelerate and its balance sheet grows, its capacity to take on additional debt will also improve. Nkomati Anthracite's balance sheet will appear excessively leveraged given the IDC and shareholder loans but is relatively low risk compared to bank debt.

We measure our operating companies' ability to take on debt based on what we consider to be each long-term sustainable return on assets. By combining asset yield with some financial leverage, one could significantly enhance the return on equity. However, considering the risks related to mining and mining services companies, we will always aim to err on the side of caution.

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 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. We have had some success during the past financial year.

The High Court of South Africa Kwazulu-Natal Division, Pietermaritzburg dismissed Argent Industrial's appeal against a 2015 judgement in favour of The Trustees of the Insolvent Estate of the Golden Autumn Trust (Jason Holland's family trust used to misappropriate funds from Megacube) and Megacube with costs (Case No: AR473/2015). During the 2014 financial year, judgement was granted in favour of the Golden Autumn Trust against Argent Industrial for payment of the sum of R 8.8 million with interest on this sum a tempore more, as well as costs of the suit.

In addition, judgement was handed down in favour of the trustees of the insolvent estate of Casper Scharrighuisen in respect of offshore structures containing some assets and claims against third parties. The Trustees intend to realise these assets and pursue these claims. Detailed disclosure is contained in note 34 and 35 of the annual report.

Strategic review

Our strategic objectives for the 2018 financial year that were set in July 2017 are listed below:

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

We are satisfied that adequate progress was made during the year, but are not yet satisfied with the end results. Although we have delivered a small profit for shareholders, the losses at Nkomati Anthracite overshadows the performance of the operating companies. The ring-fencing of the operating companies was successfully concluded in March of this year. Cash flow momentum was sustained across the board except for JEF. The Nkomati Anthracite expansion has fallen behind schedule, as discussed earlier, but break-even was achieved subsequent to year-end.

Our strategic objectives for financial year 2019 are:

- put JEF on a sustainable growth trajectory;
- accelerate growth in Geosearch; and
- achieve Nkomati Anthracite steady state performance.

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.

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).

Nkomati's full (100%) resource, in which Unicorn holds a (60%) effective interest, compliant with the South African Code for Reporting of Mineral Resources and Mineral Reserves, 2016, is summarised as follows:

	Classification presented in Mineable Tonnes In Situ in Millions			
	Inferred	Indicated	Measured	Total
Total for Nkomati June 2018	10.693	2.976	8.316	21.985
Total for Nkomati June 2017	2.819	0.947	4.962	8.728
Increase	7.874	2.029	3.354	13.257

The competent person for Nkomati, Ms Karin van Deventer, MSc Geochemistry; Pr. Sci. Nat. (400705/15); GSSA (965295); who is a consulting geologist at Sugar Bush Consultancy and works in association with GM Geotechnical Middelburg Consultants Services cc, has reviewed and approved the information contained in this announcement as it pertains to the coal resources and reserves.

Ms Van Deventer has extensive experience in the field of coal geology including managing exploration projects, operational opencast and underground mine geological services and the associated geological data management and modelling of coal resources and reserves reporting in several Southern African Coal Fields (Highveld, Witbank, Waterberg, Free State and Kwa Zulu Natal Coal Fields).

COMMENTARY ON FINANCIAL RESULTS

OVERVIEW

The 2018 financial results reflect the execution of Unicorn's strategy to complete the ring-fencing of operating subsidiaries; sustain cashflow momentum in JEF, Ritchie and Geosearch; complete the Nkomati Anthracite Expansion Project and returning to profitability.

In order to ring-fence operating subsidiaries, Unicorn settled the Standard Bank overdraft facility and terminated cross sureties between operating subsidiaries. This was successfully achieved through securing new overdraft facilities at operating subsidiary level. Even though Unicorn still guarantees these facilities, there is no cross sureties any longer between operating subsidiaries nor a requirement for Unicorn to withdraw surplus cash from operating companies to settle Unicorn debt. This allows for each individual company to operate on a standalone basis.

JEF, Ritchie and Geosearch generated a combined profit before tax of R66 million (2017: R32 million) and earnings before interest, depreciation and tax of R101 million (2017: R72 million). This performance demonstrates the improved cash flow momentum from the previous year. All remaining opencast mining contracts were successfully concluded and exited during the year. By successfully exiting these contracts, the group was able to settle a number of liabilities and disposed of all remaining opencast mining assets. This generated a further profit before tax of R44 million (2017: R75 million loss).

Building and expanding a mine requires significant investment. During the year Nkomati Anthracite expanded the size of the open pit extensively in order to ensure sustainable and predictable future production. In addition, a new mining contractor was appointed resulting in a three-month period during which no anthracite was mined. As a result, Nkomati Anthracite incurred a loss of R87 million (2017: R45 million) during the year, sixty percent of which is attributable to our shareholders. Because of the loss, Unicorn provided Nkomati Anthracite with additional funding during the year amounting to R50 million (2017: R27 million). In addition, R125 million (2017: R22 million) of IDC funding was used to finance the Nkomati Anthracite expansion project. These funds were invested in the construction of a new wash plant as well as underground mining infrastructure. The expansion project was completed subsequent to year end.

A R21 million profit was generated from discontinued operations. This profit consisted of the disposal of remaining opencast mining assets as well as the reversal of contract penalties previously provided for. The affected companies are now dormant.

Following the significant investment in Unicorn's performing businesses, during the previous financial year, the need for further investment during the year was limited. Equipment, consisting of new and used drilling and blasting rigs as well as two new mobile cranes, amounting to R38 million (2017: R121 million) was acquired. Funding consisted of R30 million (2017: R79 million) asset finance.

The above resulted in a basic earnings per share of 1,45 cents compared to the loss of 10,34 cents per share for the prior year. The net asset value per share increased to 22.11 cents (June 2017: 20,65 cents)

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

PREPARATION OF THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The summary consolidated financial statements for the year ended 30 June 2018 have been prepared under the supervision of the Financial Director, JC Lemmer CA (SA). The integrated annual report for 2018, including the audited annual financial statements, is available on our website: www.unicorncapital.co.za

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.

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2018

R'000	Audited June 2018	Audited June 2017
Assets		
Non-current assets	730 303	592 825
Property, plant and equipment	318 111	338 520
Mining assets	338 495	178 028
Goodwill	37 427	37 427
Restricted cash	8 110	6 461
Other financial assets	4 115	6 121
Deferred income tax assets	24 045	26 268
Current assets	204 738	257 904
Inventories	30 971	18 960
Trade and other receivables	154 784	202 809
Cash and cash equivalents	18 983	34 271
Current income tax assets	-	1 864
Assets of disposal group classified as held-for-sale	-	4 937
TOTAL ASSETS	935 041	855 666
Equity		
Total equity attributable to owners of the parent	256 864	239 938
Share capital	2 122 973	2 122 973
Treasury shares	(25 898)	(25 898)
Reserves	49 920	81 020
Accumulated loss	(1 890 131)	(1 938 157)
Non-controlling interest	(74 695)	(39 934)
TOTAL EQUITY	182 169	200 004
Liabilities		
Non-current liabilities	304 814	200 273
Loans and borrowings	130 684	22 484
Finance lease obligations	37 368	49 934
Rehabilitation provision	94 580	72 240
Deferred income tax liabilities	42 182	55 615
Current liabilities	448 058	455 389
Trade and other payables	179 056	206 390
Megacube arbitration award	92 331	92 331
Loans and borrowings	41 380	-
Finance lease obligations	30 569	26 227
Deferred revenue	-	12 000
Bank overdraft	42 416	65 305
Current income tax liabilities	62 306	53 136
TOTAL LIABILITIES	752 872	655 662
TOTAL EQUITY AND LIABILITIES	935 041	855 666

SUMMARY CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2018

R'000	Audited June 2018	Audited June 2017
Revenue	1 061 214	1 069 269
Loss from operations	(16 830)	(15 625)
Net profit on disposal of assets	985	4 224
Insurance recovery	6 129	-
Impairment of property, plant and equipment	-	(11 535)
Impairment of other receivable	(2 256)	-
Operating loss	(11 972)	(22 936)
Finance charges	(25 521)	(18 533)
Fair value adjustment	-	(1 110)
Loss before income tax	(37 493)	(42 579)
Income tax expense	(1 163)	(6 335)
Loss for the year	(38 656)	(48 914)
Discontinued operations		
Profit/(loss) for the year from discontinued operations (attributable to the owners of the parent)	20 721	(77 620)
Loss on disposal of discontinued operations	-	(11 649)
Net loss for the period	(17 935)	(138 183)
Attributable to:		
- Owners of the parent	16 826	(120 197)
- continuing operations	(3 895)	(30 928)
- discontinued operations	20 721	(89 269)
- Non controlling interest	(34 761)	(17 986)
- continuing operations	(34 761)	(17 986)
- discontinued operations	-	-
	(17 935)	(138 183)
Weighted basic and diluted earnings/(loss) per share (cents)		
- Continuing operations	(0,34)	(2,66)
- Discontinued operations	1,79	(7,68)
Basic and diluted earnings/(loss) per share	1,45	(10,34)
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	1 162 010

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2018

R'000	Audited June 2018	Audited June 2017
Loss for the year	(17 935)	(138 183)
Other comprehensive loss		
Items that may be subsequently reclassified to profit or loss		
Foreign currency translation differences for foreign operations	532	(5 274)
Other comprehensive loss for the year, net of income tax	532	(5 274)
Total comprehensive loss for the year	(17 403)	(143 457)
Attributable to:		
- Owners of the parent	17 358	(125 471)
- continuing operations	(3 363)	(36 202)
- discontinued operations	20 721	(89 269)
- Non controlling interest	(34 761)	(17 986)
- continuing operations	(34 761)	(17 986)
- discontinued operations	-	-
	(17 403)	(143 457)

SUMMARY CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2018

	Audited June 2018	Audited June 2017
Cash flows from operating activities	36 634	(50 487)
Cash (utilised in)/generated from operating activities	61 730	(27 190)
Income taxes paid	(4 849)	(5 629)
Interest paid	(20 247)	(17 668)
Cash flow from investing activities	(157 930)	28 379
Interest received	1 929	1 375
Purchase of property, plant and equipment	(38 848)	(98 616)
Mine development work in progress	(155 607)	(22 810)
Proceeds from disposal of property, plant and equipment	24 916	54 579
Proceeds from disposal of assets held-for-sale	5 632	97 462
Proceeds from insurance recovery	6 129	-
Increase in restricted cash	(1 649)	(3 611)
Movement in investments	(432)	-
Cash flows from financing activities	128 913	41 004
Proceeds from borrowings	144 646	22 484
Repayment of borrowings	(7 508)	(33 500)
Finance lease advances	30 428	79 144
Finance lease payments	(38 653)	(27 124)
Net increase in cash and cash equivalents	7 617	18 896
Cash and cash equivalents at the beginning of the year	(31 034)	(49 120)
Exchange losses on cash and cash equivalents	(16)	(810)
Cash and cash equivalents at the end of the year	(23 433)	(31 034)

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2018

	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 year	-	-	-	-	(120 197)	(120 197)	(17 986)	(138 183)
Other comprehensive loss	-	-	-	(5 274)	-	(5 274)	-	(5 274)
Total comprehensive loss for the year	-	-	-	(5 274)	(120 197)	(125 471)	(17 986)	(143 457)
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 year	-	-	-	-	16 826	16 826	(34 761)	(17 935)
Other comprehensive loss	-	-	-	532	-	532	-	532
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-
Lapsing of BEE option on Unicorn Mining Services Proprietary Limited	-	(31 632)	-	-	31 200	(432)	-	(432)
Total transactions with owners	-	(31 632)	-	-	31 200	(432)	-	(432)
Balance at 30 June 2018	2 122 973	-	(25 898)	49 920	(1 890 131)	256 864	(74 695)	182 169

RECONCILIATION OF HEADLINE LOSS

R'000	Audited June 2018			Audited June 2017		
	Continuing	Discontinued	Group	Continuing	Discontinued	Group
Net (loss)/profit for the year attributable to equity holders of the parent:	(3 895)	20 721	16 826	(30 928)	(89 269)	(120 197)
Adjusted for:						
IAS16 - Net profit on disposal of plant and equipment	(985)	(14 530)	(15 515)	(3 230)	(1 834)	(5 064)
IAS16 - Compensation from third parties for items of plant and equipment that were destroyed	(6 129)	-	(6 129)	-	-	-
IAS16 - Scrapping of assets	798	-	798	-	-	-
IFRS10 - Loss on disposal of subsidiary	-	-	-	-	11 649	11 649
IFRS5 - Profit on disposal of assets held-for-sale	-	(695)	(695)	-	(9 264)	(9 264)
IAS16 - Impairment of plant and equipment	-	-	-	11 535	27 106	38 641
IFRS5 - Impairment of assets held-for-sale	-	-	-	-	3 258	3 258
Tax effect of above adjustments	1 755	-	1 755	217	-	217
Headline (loss)/earnings attributable to ordinary shareholders	(8 456)	5 496	(2 960)	(22 406)	(58 354)	(80 760)
Weighted headline loss per share (cents)	(0,73)	0,48	(0,25)	(1,93)	(5,02)	(6,95)

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 these operations being closed. Benicon Sales was disposed of on 1 January 2017 and their results for the six months ended 31 December 2016 were included as discontinued operations in this segment for the year ended 30 June 2017. 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 2018 (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	380 287	148 319	333 782	114 691	91 761	-	64 116	1 132 956
Inter-segment revenue	-	(4 540)	(199)	(2 887)	-	-	(64 116)	(71 742)
External revenue	380 287	143 779	333 583	111 804	91 761	-	-	1 061 214
- Continuing operations	380 287	143 779	333 583	111 804	91 761	-	-	1 061 214
- Discontinued operations	-	-	-	-	-	-	-	-
Total segment results pre-impairment	29 639	10 693	18 425	41 172	(78 467)	(7 900)	(22 188)	(8 626)
Net profit on sale of assets	16 409	46	(926)	(14)	-	-	-	15 515
Net profit on sale of assets held-for-sale	695	-	-	-	-	-	-	695
Insurance recovery	-	-	6 129	-	-	-	-	6 129
Impairment of other receivable	-	-	-	-	-	-	(2 256)	(2 256)
Results from operating activities	46 743	10 739	23 628	41 158	(78 467)	(7 900)	(24 444)	11 457
- Continuing operations	23 314	10 739	23 628	41 158	(78 467)	(7 900)	(24 444)	(11 972)
- Discontinued operations	23 429	-	-	-	-	-	-	23 429
Segment assets	8 056	91 330	229 678	192 603	380 058	654	8 617	910 996
Current and deferred tax assets	-	9 523	-	-	14 522	-	-	24 045
Total assets	8 056	100 853	229 678	192 603	394 580	654	8 617	935 041
Segment liabilities	10 258	20 530	108 178	44 981	331 527	97 584	35 325	648 383
Current and deferred tax liabilities	39 863	8 444	15 445	30 658	-	6 573	3 506	104 489
Total liabilities	50 121	28 974	123 623	75 639	331 527	104 157	38 831	752 872

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 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 held-for-sale	9 264	-	-	-	-	-	-	9 264
Net profit on sale of assets	2 617	98	1 748	(113)	303	1 405	1	6 059
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

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation

The summary consolidated financial statements are prepared in accordance with the JSE Listings Requirements for abridged reports and the requirements of the Companies Act applicable to summary financial statements. The JSE Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International 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 IAS34, *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 2018 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 year ended 30 June 2017 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 2018. The directors consider that the carrying amounts of financial assets and liabilities recorded at amortised cost approximate their fair values.

3. Share Capital

	June 2018	June 2017
Authorised share capital ('000)	2 000 000	2 000 000
Issued share capital ('000)	1 167 564	1 167 564
Share Capital (R'000)		
Balance at the end of the year	2 122 973	2 122 973
Treasury shares (R'000)		
Balance at the end of the year	(25 898)	(25 898)
Reconciliation of authorised shares not issued (millions)		
Number of unauthorised unissued ordinary shares at the end of the year	832	832

All shares issued by the company are fully paid.

4. Discontinued operations

Unicorn has completed the process of closing down Benicon and CCT and as they represent a separate line of business they have been disclosed as discontinued operations. Benicon Sales, disclosed as discontinued in the previous financial year was disposed of on 1 January 2017. Its results for the six months ended 31 December 2016 were included as discontinued operations in the previous year.

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

R'000	June 2018	June 2017
Revenue	-	51 565
Cost of sales	8 590	(102 412)
Gross profit/(loss)	8 590	(50 847)
Other income	412	1 160
Administration expenses	(798)	(6 840)
Profit/(loss) from operations	8 204	(56 527)
Profit on disposal of assets	14 530	1 835
Profit on disposal of assets held-for-sale	695	9 264
Impairment of property, plant and equipment	-	(27 106)
Impairment of assets held-for-sale	-	(3 258)
Operating profit/(loss)	23 429	(75 792)
Net finance expense	(2 708)	(5 238)
Profit/(loss) before taxation	20 721	(81 030)
Taxation	-	3 410
Profit/(loss) for the year from discontinued operations	20 721	(77 620)

5. Contingent assets

Megacube

During the 2014 financial 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 was initially due to be heard on 1 December 2017 but was postponed to 30 July 2018. Argument was heard on 30 July 2018 and the appeal was dismissed with costs on 27 August 2018. Argent has until 27 September 2018 to launch any further appeal. 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. That claim is also subject to Argent's above mentioned appeal.

Scharrighuisen

Megacube and the Trustees of the insolvent estate of Mr Casper Scharrighuisen ("Scharrighuisen"), a former director, have instituted legal proceedings against Scharrighuisen and related entities in the Netherlands, the British Virgin Islands and Curacao in ongoing attempts to locate and secure Scharrighuisen's assets. Megacube currently has two judgments against Scharrighuisen, in excess of R383 million both of which remain unsatisfied.

On 12 December 2017, the Joint Court of Justice of Aruba, Curacao, Saint Martin and of Bonaire, Sint Eustatius and Saba ("Curacao Appeal Court") handed down judgment in favour of the Trustees of the insolvent estate of Scharrighuisen ("Trustees") in respect of litigation instituted by the Trustees against entities responsible for the management and administration of an offshore structure created by

Scharrighuisen. The Curacao Appeal Court judgment is subject to a further appeal to the Supreme Court of the Netherlands.

The litigation was instituted by the Trustees pursuant to their discovery of the offshore structure, in respect of which Scharrighuisen was the ultimate beneficial owner. The effect of the Curacao Appeal Court judgment was that the Trustees were permitted to exercise control over Scharrighuisen's offshore structure. The Trustees have since taken steps to take control of the structure's holding entity and a subsidiary company, including its assets and the subsidiary's claims against third parties. The Trustees have obtained independent valuations of the identified assets, situated in the Netherlands, which are estimated to be valued at approximately EUR one million. The Trustees are currently investigating the extent of the subsidiary's claims. The Trustees intend to realise these assets and pursue these claims for the benefit of Scharrighuisen's creditor, Megacube Mining Proprietary Limited, a wholly-owned subsidiary of the company.

An insolvency enquiry into Scharrighuisen's insolvent estate in terms of section 152 of the Insolvency Act, 24 of 1936 remains ongoing. Any recoveries that the Trustees may make are contingent on a number of uncertain factors. Shareholders are advised further that the identification of significant further assets and claims is required in order to extinguish Megacube's significant claims against Scharrighuisen.

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.

6. Contingent liabilities

Megacube has estimated a possible loss in favour of Keaton's counterclaims of R92 million and provided for the possible liability in the June 2016 results. In the latest quantification of Keaton's claims, Keaton is claiming R116.6 million plus estimated interest of R29 million. A total of R53 million in excess of the provision raised.

The difference between the provision raised and Keaton's claim is mainly due to our assessment that the claim does not consider Keaton's saving of R41 million as a result of not having to settle the amount owing to Megacube. Furthermore, there is an overlap between the claims that first need to be resolved.

There is no recourse to Unicorn or any of the other operating subsidiaries for the amount being claimed.

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

7. 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 R243 million (2017: R197 million). Net current liabilities relating to discontinued opencast mining operations and Megacube amounts to R145 million. There is no recourse to Unicorn or any of the other operating subsidiaries for these amounts outstanding. Liabilities in these companies are ring-fenced. Neither Unicorn nor any other operating subsidiary, will be required to fund these liabilities and settle them. In addition to the above, Nkomati Anthracite's current liabilities exceed its current assets by R92 million. Of this, R42 million is not due and payable within six months. Nkomati Anthracite's creditor terms are mainly on 60 days. Revenue invoicing is done on a weekly basis and paid within seven days. Based on the cashflow forecast for Nkomati Anthracite, the company will be able to settle its liabilities when they become due and payable. Other operating subsidiaries are cashflow positive and Unicorn will have access to these funds to assist in funding a shortfall in Nkomati Anthracite.

Although the current liabilities of the group exceed its current assets 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 2019 financial year, the group is expected to meet all its obligations during this period.

8. Events after the reporting period

The directors are not aware of any subsequent events that occurred between the year-end up to the date of this report, not otherwise dealt within this report.

9. Audit opinion

This summarised report is extracted from audited information, but is not itself audited. The consolidated annual financial statements for the year ended 30 June 2018 have been audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The consolidated audited annual financial statements and the audit report thereon are available for inspection at the company's registered office.

10. Major shareholders directly owing 5% or more of shares in issue

JB Private Equity Investors Partnership	436 436 296	37,38%
Calibre Investment Holdings Proprietary Limited	65 423 062	5,60%
	<u>501 859 358</u>	<u>42,98%</u>

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 ("AGM") 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, 22 November 2018, 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 notice of the AGM has been sent to shareholders who were recorded as such in the company's securities register on Friday, 21 September 2018, being the notice date used to determine which shareholders are entitled to receive the notice of the AGM.

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 AGM is Friday, 16 November 2018. The last day to trade in Unicorn shares in order to vote at the AGM will be Tuesday, 13 November 2018.

On behalf of the Board



Ralph Patmore
Non-executive Chairman
Woodmead
28 September 2018



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.

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
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 of South Africa Limited; ("JEF") JEF Drill and Blast Proprietary Limited; ("Megacube") Megacube Proprietary Limited; ("Nkomati Anthracite") 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.