UNICORN CAPITAL PARTNERS 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")

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

OVERVIEW OF RESULTS

- Basic earnings per share improved to 16,87 cents (December 2017: 1,08 cents)
- Headline loss per share amounted to 1,50 cents (December 2017: 0,11 cents)
- Basic earnings per share from continuing operations improved to 3,53 cents (Restated* December 2017: 3,30 cents)
- Net asset value per share increased to 39 cents (June 2018: 22 cents)
- The reversal of impairments amounting to R355 million on the successful completion of the Nkomati expansion programme.

*-The comparative has been re-presented as Benicon Coal and Nkomati have been classified as discontinued operations as disclosed in note 3.

INTRODUCTION

Unicorn 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.

The interim results for the six-month period ended 31 December 2018 are the first set of results where investments are managed on a fully ring-fenced operating subsidiary basis. Unicorn has successfully converted from a diversified mining and mining services group to an investment holding company. The consolidated financial results are therefore of less value to investors, in our opinion. Emphasis should be placed on the performance of the individual operating companies within the Unicorn portfolio.

Geosearch Group (Geosearch) had an excellent six-month period, although we believe this is only the beginning of improved performance. Ritchie Crane Hire (Ritchie) went from strength to strength, delivering its best six-month performance ever. JEF Drill & Blast (JEF) completed its first round of restructuring, which primarily included retrenchments, with the second phase to follow. Nkomati Anthracite Proprietary Limited (Nkomati or the mine) continues to accelerate towards steady state performance. There has been a significant increase in the size of the anthracite resource as a result of ongoing exploration work.

Overall, we believe that these interim results should provide investors with added clarity and comfort about the value and prospects of the individual businesses within the Unicorn investment portfolio.

Exploration drilling

The work undertaken since 2016 to position and prepare Geosearch's three subsidiaries in South Africa, Botswana and Mozambique for the anticipated exploration upswing finally started paying off. Geosearch delivered R27 million earnings before interest and tax (EBIT) for the six-month period (December 2017: R8 million), which is starting to reflect the potential of the drill rig fleet on a fully contracted basis. The annualised EBIT return-on-total-assets amounted to 88%. The fleet of thirty-five drill rigs has been fully contracted in all three countries since June 2018. The lack of spare capacity has started to present us with various challenges. Our contract with Vale in Tete, Mozambique is performing very well and the outlook is promising. We have three good contracts in South Africa, which provide a steady stream of income. Botswana has seen a significant increase in the number of new contracts being put out to tender.

Given our long-established track record and good name in Botswana, several contracts were awarded to Geosearch during 2018. As a result of time spent on site establishment and preparation of equipment and related infrastructure, Botswana only made a marginal contribution to profits during the period but is expected to be a significant contributor in the second half. Geosearch's total staff complement increased from 293 people as at 30 June 2018 to 486 as at 31 December 2018. The largest increase was in Botswana, growing from 25 to 221 people during this period.

Given the current state of the market and Geosearch's lack of spare capacity, the acquisition of Thebe Turnstone Drilling Proprietary Limited was announced on the Stock Exchange News Service of the JSE (SENS) on 15 March 2019. The acquisition provides Geosearch with much needed additional capacity, consisting of seventeen drill rigs, eight horizontal-underground drill rigs as well as various other pieces of equipment and infrastructure. We are optimistic about Geosearch's future and confident that momentum will be maintained.

Anthracite mining

On 2 October 2018 we announced on SENS that Unicorn's board made the decision to investigate various options of realising value in relation to its investments in Nkomati, a process which is ongoing. The decision was based on the conclusion reached by the board that Unicorn had fulfilled its role as investor to prove the commercial viability of the mine. This included proving the size of the resource, the quality of the anthracite mined, the life-of-mine as well as the long-term demand from the Ferro metals industry for the mine's product.

In 2016, when the decision was made to begin with the re-development of the mine to prove its commercial viability, the total size of the resource as per our resource statement was 4.5 million minable tonnes in-situ (MTIS). Today, following an eighteen-month exploration programme (which is ongoing), the size of the Nkomati resource has been increased to 29.5 million MTIS (June 2018: 22 million MTIS), a 550% increase from 2016. At a current targeted rate of extraction of 900,000 tonnes run-of-mine (ROM) per annum, the predicted life-of-mine is comfortably more than 15 years based on the current resource. An independent Competent Persons' Report (CPR) on the coal asset of Nkomati will be published during April 2019.

This makes Nkomati the largest long-life anthracite resource in South Africa. In addition, having regard to the fact that Nkomati's anthracite contains the lowest level of sulphur (<0.5%) of any mine in South Africa as well as extremely low levels of phosphorus (<0.009%), makes it the lowest impurity high grade anthracite producer in the country. And as far as demand for the product is concerned, it is important to understand that Nkomati sells fixed carbon and not energy. The fixed carbon is used in the production of Ferro-chrome and South Africa has the largest Ferro-chrome industry in the world. This simply means that demand is guaranteed, for a very long time.

Open pit production was severely impacted by the business rescue proceedings of the appointed contract miner from August to October 2018, effectively resulting in three months loss of production. This has had a severe impact on profitability and cash flows. Financial restructuring enabled the contractor to resume normal operations in November and monthly production targets have been achieved since.

The underground mine has presented us with several challenges since the make-safe operations were completed in September. We have, however, worked hard to overcome these challenges since October when Nkomati formally took over the underground mining responsibilities and operations from the make-safe contractor. We are aiming to reach our steady-state underground production target in coming months. In addition, a new opencast mini-pit containing 611,000 tonnes ROM anthracite will soon be brought into production to complement the existing open pit mine. Being able to mine anthracite from three different operations will contribute to stabilising monthly production volumes and more predictable cash flow. The new wash plant is operating well and has recently achieved full processing capacity of 3,000 tonnes per day.

Heavy mobile crane lifting

Ritchie has had an excellent six-month period, generating R67 million (December 2017: R55 million) in turnover and delivering R24 million in EBIT (December 2017: R18 million). The turnover generated is the highest ever over any six-month period. Operating margins expanded, reflected in an annualised EBIT return-on-total-assets of 27% (December 2017: 19%). Crane availability averaged 86% and crane utilisation 85%. The average hourly rate charged increased by 17% when compared with the previous period (December 2017: 5%). Ritchie is operating on maximum capacity and as a result we have made the decision to invest in four new mobile cranes, which should contribute to the second half's performance. External debt to total assets increased to 18% (December 2017: 14%).

Drilling and blasting

JEF successfully exited two loss-making contracts during September and October and retrenched ninety-one contract related staff members and twenty-two head office personnel. The salaries and wages bill was reduced by R2.1 million per month and will contribute to the bottom-line during the second half. The retrenchment cost of R3.5 million was fully absorbed during the interim period. Further restructuring, with a specific focus on procurement, engineering and maintenance, has started and will be completed before financial year-end. JEF has a very good track record, strong brand and a portfolio of blue chip customers. It currently has twelve contracted sites that are all profitable and performing well. JEF delivered an EBIT of R1.5 million (December 2017: R23 million) for the six-month period. External debt to total assets increased to 24% (December 2017: 16%) mainly due to the allocation of an overdraft from Group to subsidiary level. We are disappointed in the interim results but are confident that following the successful completion of the restructuring programme in coming months, we can put JEF on a long-term sustainable growth path.

Resource statement

During the period an extensive drilling program continued at Nkomati and a total of thirty additional holes were drilled during the period. The additional drilling and the discovery of historical drilling results previously not available warranted the updating of the geological model and the previous Coal Resource estimate dated 30 June 2018.

The current Nkomati Coal Resource estimate, dated 31 December 2018, has been prepared and signed off by Mrs Karin van Deventer from Sugar Bush Consultancy Proprietary Limited (Sugar Bush) as Competent Person (CP). Mrs van Deventer has the necessary qualifications, professional registrations and relevant experience to qualify as a CP and to prepare this Coal Resource estimate. Mrs van Deventer is registered with the South African Council for Natural Scientific Professionals (SACNASP) as a Professional Natural Scientist (Reg. No. 4000705/15). Sugar Bush is independent of Nkomati.

The 31 December 2018 Coal Resource estimate was prepared in accordance with the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (The SAMREC Code, 2016 Edition). The Coal Resource estimate has also taken into account the South African National Standard (SANS), The Systematic Evaluation of Coal Deposits, Coal Exploration Results, Inventory Coal, Coal Resources and Coal Reserves (SANS10320:2004). The Coal Resource is quoted inclusive of Coal Reserves and includes only those coal seams above the minimum thickness cut-off of 0.5m for opencast and 1.2m for underground. The Coal Resource is reported on an air dried basis. The table reflects 100% of the resource of which 60% of the resource is attributable to the Group, with tonnage estimates rounded down to 1,000t.

Table 1

MINING AREA	RESOURCE CATEGORY	MINING METHOD (UG/OC)	SEAM	30 JUNE 2018 MTIS (Mt)	31 DECEMBER 2018 MTIS (t)	VARIANCE MTIS (t)	VARIANCE (%)
Mangweni	Measured	UG	2L	2.98	6.23	3.25	109%
	Indicated	UG	2L	-	0.34	0.34	
	Inferred	UG	2L	3.59	13.23	9.64	269%
	Measured	OC	2L	-	0.60	0.60	
	TOTAL / AVE MANGWENI			**6.58**	**20.40**	**13.83**	**210%**
Madadeni	Measured	OC	1 2L 2U	3.31	2.62	(0.69)	(21%)
	Measured	UG	2L	2.01	2.30	0.29	14%
	Indicated	UG	2L	2.48	1.36	(1.11)	(45%)
	Inferred	OC	1 2L 2U	4.60	0.21	(4.39)	(95%)
	Inferred	UG	2L	2.50	1.85	(0.65)	(26%)
	Indicated	UG	2L	0.50	0.74	0.24	(48%)
	TOTAL / AVE MADADENI			**15.40**	**9.09**	**(6.31)**	(41%)
	TOTAL / AVE NKOMATI			**21.98**	**29.50**	**7.52**	34%

Key variances between the 30 June 2018 and 31 December 2018 Coal Resource Estimates are attributable to:-

- Mangweni: Increase from 6.6Mt to 20.4Mt:
  - depletions due to underground mining to 31 December 2018 totalling 26.8kt ROM;
  - changing of Coal Resource classifications due to inclusion of 43 additional drill holes into geological model; and
  - additional Coal Resources due to inclusion of these additional drill holes into geological model.
- Madadeni: Decrease from 15.4Mt to 9.1Mt:
  - depletions due to opencast mining to 31 December 2018 totalling 328kt ROM;
  - reduction on Coal Resource tonnes due to the reclassification of previously declared opencast mining areas to underground mining areas, whereby only the 2L seam is now planned to be mined;

In addition to the current drilling programme, historical drill results not previously available, were included into the geological model. A further 107 drill holes were captured (of which 50% had reliable coal quality results), adding to the confidence of the geological model.

The respective June 2018 and December 2018 Coal Resource classifications are summarised below:

Table 2

CLASSIFICATION	30 JUNE 2018 MTIS (Mt)	31 DECEMBER 2018 MTIS (Mt)	VARIANCE MTIS (Mt)
Measured	8.31	11.76	3.45
Indicated	2.98	2.44	(0.53)
Inferred	10.69	15.30	4.61
TOTAL MINE	**21.98**	**29.50**	**7.52**

This progression is a result of the 2018 drilling programme designed and implemented to deliver short-term planning data and in a drive to convert reconnaissance targets to Inferred Coal Resources. Our planned 2019 drilling aims to continue this progressive Coal Resource upgrade to facilitate more accurate mine planning and increase mine life.

Coal Reserve estimate

Life-of-mine planning for the declaration of the 31 December 2018 CPR was conducted by an independent planning consultant Mr Malete Thibile (BTech Mining) from BHTS Mining cc (BHTS), and the Coal Reserve estimate compiled by Mr Graham Stacey (BSc Eng (Mining), MSAIMM) of Tenement Mining Proprietary Limited. Geological grid files exported from the Minex structural and quality model were imported into XPac^{TM} mine planning and scheduling software. Both opencast and underground volume/tonnage/quality schedules were developed on the following basis:

- Mangweni underground: bord & pillar mining the 2L seam in a 3.5m advance top cut and an approximately 1.2m bottom cut in retreat;
- Mangweni opencast: classic truck & shovel rollover strip opencast targeting the 2L seam in a mini-pit to be operated by opencast contractor Liviero;
- Madadeni opencast: continuation of the current opencast in North and South pits on the 2U, 2L and 1 Seams by Liviero; and
- Madadeni underground: internal Pre-feasibility Study describing access portals planned from the base of the North pit highwall into the 2L seam.

Table 3 below reflects 100% of the Coal Reserve estimate of which 60% is attributable to the Group.

Table 3 - Coal Reserve Summary (31 December 2018)

			ROM COAL RESERVE TONNES (AS RECEIVED)					SALABLE COAL TONNES (AIR DRIED)		
MINING AREA	MINING METHOD	SEAM	PROBABLE (t)	PROVED (t)	TOTAL (t)	ROM STRIP RATIO (BCM/t)	AVE PRAC. YIELD (%)	PROBABLE (t)	PROVED (t)	TOTAL (t)
Mangweni	OC	2L	0	577,580	577,580	5.47	56.0	0	323,300	323,300
	UG	2L	107,720	2,077,810	2,185,530	N/A	65.0	70,040	1,351,130	1,421,170
TOTAL MANGWENI COAL RESERVE			**107,720**	**2,655,390**	**2,763,110**			**70,040**	**1,674,430**	**1,744,470**
Madadeni	OC	2U	0	249,310	780,230	5.39	67.4	0	168,020	525,830
		2L	0	388,380				0	261,750	
		1	0	142,540				0	96,060	
	UG	2L	384,340	1,295,060	1,679,400	N/A	58.4	224,430	756,257	980,687
TOTAL MADADENI COAL RESERVE			**384,340**	**2,075,290**	**2,459,630**			**224,430**	**1,282,087**	**1,506,517**
TOTAL NKOMATI COAL RESERVE			**492,060**	**4,730,680**	**5,222,740**	**5.42**	**62.3**	**294,470**	**2,956,517**	**3,250,987**

Rounding down of tonnages to 10t

A summary of the Coal Reserve modifying factors is presented below.

Table 4

DESCRIPTION	MANGWENI UNDERGROUND	MANGWENI OPENCAST	MADADENI OPENCAST	MADADENI UNDERGROUND
Geological losses				
Inferred Coal Resources	50%	N/A	N/A	25-40%
Indicated Coal Resources	40%	N/A	N/A	25%
Measured Coal Resources	15-20%	15%	15%	15-25%
Mining losses	5%	5%	5%	5%
Contamination	3%	6%	6%	3%
Minimum mineable strip length (E-W)		300m narrowing to 170m in cuts 4 & 5	90-250m	
Minimum mining strip width		40m	60m	
Bench width on hards		20m	20m	
Highwall ultimate slope angle (below horizontal)		70 degrees	70 degrees	
Minimum coal seam thickness after losses		0.5m	0.5m	
Cut-off ROM strip ratio (bcm/t)		11.0	11.0	
Average ROM strip ratio		5.47	5.39	
Maximum mining depth		65m	80m	
Komati River buffer (from 100yr floodline)		N/A	100m	
Pillar design	Square pillar, Salamon & Munro formula			Square pillar, Salamon & Munro formula
Roadway width	6m			6m
Number of roadways per panel	7 to 9			7 to 9
Minimum safety factor for main developments	2			2
Minimum safety factor for secondary developments	1.8			1.8
Minimum safety factor for production panels	1.6			1.6
Extraction of pillars	Not considered			Not considered
Maximum depth of seam	110m			115m
Process yield modification (% of theoretical yield predicted in the geological model)	86%	83%	83%	86%

In determining our Coal Reserve an average long-term anthracite price of R1,595/t was applied.

As a Coal Reserve was not declared at 30 June 2018, the most recent comparable estimate was declared by Mr David Mosuwe of SRK Consulting and reported in a Venmyn Deloitte CPR dated April 2014. A comparison between the June 2014 and December 2018 Coal Reserve estimates is presented below.

Table 5

	APRIL 2014				31 DECEMBER 2018			
MINING BLOCK / PIT	MINING METHOD (UG/OC)	ROM RESERVE (Mt) (AD)	PRAC. YIELD (%)	PRIMARY SALABLE RESERVE (Mt)	ROM RESERVE (Mt) (AD)	PRAC. YIELD (%)	SALABLE RESERVE (Mt)	ROM RESERVE VARIANCE (%)
Madadeni	OC	3.16	67.0	2.11	0.78	67.4	0.53	(75%)
	UG	0.55	67.0	0.37	1.68	58.4	0.98	205%
Mangweni	UG	0.99	67.0	0.66	2.18	65.0	1.42	120%
	OC	-	-	-	0.58	56.0	0.32	-
TOTAL / AVE PROBABLE RESERVE		**4.69**		**3.14**	**5.22**		**3.25**	**11%**

As noted previously, the availability of new drilling data, both historic and recent, has enabled a material revision of the Coal Resource estimation. The key variances in the Run of mine Coal Reserve estimate are therefore:-

- Madadeni opencast: 75% reduction from 3.16Mt to 0.78Mt as a result of mining depletion;

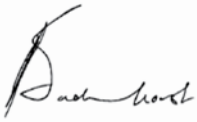
- Madadeni underground: increase from 0.55Mt to 1.68Mt as a result of the increase in Measured and Indicated Coal Resources in advance of the opencast limit and mine planning and scheduling within these resource blocks;
- Mangweni underground: increase from 0.99Mt to 2.18Mt as a result of the increase in Measured and Indicated Coal Resources in advance of the opencast limit and mine planning and scheduling within these resource blocks;
- Mangweni opencast: new declaration of a 0.58Mt reserve in a resource block immediately to the north of the historically mined North void for which new drilling was available and where opencast mine planning and scheduling was conducted.

For full details of the respective 31 December 2018 Coal Resource and Coal Reserve estimates please refer to the annual Mineral Resource and Mineral Reserve Statements, as published on our website www.unicorncapital.co.za.

Matters of litigation

Unicorn continues to be involved in various litigation matters. We have, however, enjoyed some success during the period under review. Argent Industrial Group settled a long standing matter with Megacube Mining Proprietary Limited for an amount of R14.5 million which was received during December 2018.

On behalf of the Board



Ralph Patmore
Independent non-executive Chairman
Woodmead
28 March 2019

Jacques Badenhorst
Chief Executive Officer

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the six months ended 31 December 2018

R'000	Note	Unaudited six months 31 December 2018	Restated* Unaudited six months 31 December 2017	Restated* Audited year ended 30 June 2018
Revenue		**379 537**	559 762	969 453
Cost of sales		**(288 661)**	(473 262)	(819 335)
Gross profit		**90 876**	86 500	150 118
Other income		**11 641**	1 999	2 406
Administrative expenses		**(50 929)**	(44 989)	(89 822)
Profit from operations		**51 588**	43 510	62 702
Net profit on disposal of assets		**240**	12 757	985
Insurance recovery		**-**	-	6 129
Impairment of other receivable		**(750)**	-	(2 256)
Operating profit		**51 078**	56 267	67 560
Finance expense		**(9 125)**	(5 123)	(18 399)
Finance income		**113**	597	1 588
Profit before income tax		**42 066**	51 741	50 749
Income tax expense		**(1 038)**	(13 347)	(1 163)
Profit for the period from continuing operations		**41 028**	38 394	49 586
Discontinued operations				
Profit/(loss) for the period from discontinued operations	**5**	**258 377**	(45 730)	(67 521)
Profit /(loss) for the period		**299 405**	(7 336)	(17 935)
Attributable to:				
- Owners of the parent		**196 036**	12 521	16 826
- continuing operations		**41 028**	38 394	49 586
- discontinued operations		**155 008**	(25 873)	(32 760)
- Non controlling interest		**103 369**	(19 857)	(34 761)
- continuing operations		**-**	-	-
- discontinued operations		**103 369**	(19 857)	(34 761)
		299 405	(7 336)	(17 935)
Weighted basic and diluted earnings/(loss) per share (cents)				
- Continuing operations		**3,53**	3,30	**4,27**
- Discontinued operations		**13,34**	(2,23)	**(2,82)**
Basic and diluted earnings per share		**16,87**	1,08	**1,45**
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

*-The comparatives have been re-presented as Benicon Coal and Nkomati have been classified as discontinued operations as disclosed in note 3.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2018

R'000	Unaudited six months 31 December 2018	Restated* Unaudited six months 31 December 2017	Restated* Audited year ended 30 June 2018
Profit/(loss) for the period	**299 405**	(7 336)	(17 935)
Other comprehensive loss			
Items that may be subsequently reclassified to profit or loss			
Foreign currency translation differences for foreign operations	**(656)**	(2 088)	532
Other comprehensive loss for the period, net of income tax	**(656)**	(2 088)	532
Total comprehensive profit/(loss) for the period	**298 749**	(9 424)	(17 403)
Attributable to:			
- Owners of the parent	**195 380**	10 433	17 358
- continuing operations	**40 372**	36 306	50 118
- discontinued operations	**155 008**	(25 873)	(32 760)
- Non controlling interest	**103 369**	(19 857)	(34 761)
- continuing operations	**-**	-	-
- discontinued operations	**103 369**	(19 857)	(34 761)
	298 749	(9 424)	(17 403)

*-The comparatives have been re-presented as Benicon Coal and Nkomati have been classified as discontinued operations as disclosed in note 3.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2018

R'000	Note	Unaudited at 31 December 2018	Unaudited at 31 December 2017	Audited at 30 June 2018
Assets				
Non-current assets		**352 185**	641 899	730 303
Property, plant and equipment		**301 505**	310 915	318 111
Mining assets		**-**	165 345	338 495
Work in progress		**-**	89 275	-
Goodwill		**37 427**	37 427	37 427
Restricted cash		**-**	7 230	8 110
Other financial assets		**3 731**	5 439	4 115
Deferred income tax assets		**9 522**	26 268	24 045
Current assets		**218 527**	255 725	204 738
Inventories		**29 506**	19 029	30 971
Trade and other receivables		**163 694**	200 207	154 784
Cash and cash equivalents		**25 327**	36 489	18 983
Assets of disposal group classified as held-for-sale	**6**	**766 252**	-	-
TOTAL ASSETS		**1 336 964**	897 624	935 041
Equity				
Total equity attributable to owners of the parent		**452 244**	250 371	256 864
Share capital		**2 122 973**	2 122 973	2 122 973
Treasury shares		**(25 898)**	(25 898)	(25 898)
Reserves		**49 264**	78 932	49 920
Accumulated loss		**(1 694 095)**	(1 925 636)	(1 890 131)
Non-controlling interest		**28 674**	(59 791)	(74 695)
TOTAL EQUITY		**480 918**	190 580	182 169
Liabilities				
Non-current liabilities		**72 202**	271 563	304 814
Loans and borrowings		**-**	93 643	130 684
Finance lease obligations		**30 020**	38 129	37 368
Rehabilitation provision		**-**	81 917	94 580
Deferred income tax liabilities		**42 182**	57 874	42 182
Current liabilities		**358 143**	435 481	448 058
Trade and other payables		**119 609**	196 642	179 056
Megacube arbitration award		**92 331**	92 331	92 331
Loans and borrowings		**-**	10 350	41 380
Related party loans	**7**	**22 094**	-	-
Finance lease obligations		**30 478**	26 071	30 569
Bank overdraft		**30 577**	45 526	42 416
Current income tax liabilities		**63 054**	64 561	62 306
Liabilities of disposal group classified as held-for-sale	**6**	**425 701**	-	-
TOTAL LIABILITIES		**856 046**	707 044	752 872
TOTAL EQUITY AND LIABILITIES		**1 336 964**	897 624	935 041
Net asset value per share (excluding treasury shares) - cents		**39**	22	22
Tangible net asset value per share (excluding goodwill and mineral right), (excluding treasury shares) - cents		**18**	18	19

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 31 December 2018

R'000	Unaudited six months 31 December 2018	Unaudited six months 31 December 2017	Audited year ended 30 June 2018
Cash flows from operating activities			
Cash generated from operating activities before working capital	20 144	18 294	47 600
Working capital changes	19 398	(18 919)	14 130
Income taxes (paid)/received	(1 820)	622	(4 849)
Interest paid	(7 134)	(7 316)	(20 247)
Net cash inflow/(outflow) from operating activities	30 588	(7 319)	36 634
Cash flows from investing activities			
Interest received	117	582	1 929
Purchase of property, plant and equipment	(16 305)	(7 807)	(38 848)
Mine development work in progress	(26 081)	(62 988)	(155 607)
Proceeds from disposal of property, plant and equipment	793	29 678	24 916
Proceeds from insurance recovery	-	-	6 129
Proceeds from disposal of assets held-for-sale	-	5 633	5 632
Movement in other financial assets	1 004	(125)	-
Movement in investment	-	-	(432)
Increase in restricted cash	-	(769)	(1 649)
Net cash outflow from investing activities	(40 472)	(35 796)	(157 930)
Cash flows from financing activities			
Proceeds from borrowings	42 281	77 288	144 646
Repayment of borrowings	(17 000)	-	(7 508)
Finance lease advances	7 429	1 630	30 428
Finance lease payments	(14 866)	(13 591)	(38 653)
Net cash inflow from financing activities	17 844	65 327	128 913
Net increase in cash and cash equivalents	7 960	22 212	7 617
Cash and cash equivalents at the beginning of the period	(23 433)	(31 034)	(31 034)
Exchange losses on cash and cash equivalents	396	(215)	(16)
Cash and cash equivalents at the end of the period	(15 077)	(9 037)	(23 433)
Cash and cash equivalents classified as assets held-for sale	(9 827)	-	-
Cash and cash equivalents per statement of financial position	(5 250)	(9 037)	(23 433)
Cash and cash equivalents at the end of the period	(15 077)	(9 037)	(23 433)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2018

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 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)
Total comprehensive profit/(loss) for the period	-	-	-	(2 088)	12 521	10 433	(19 857)	(9 424)
Balance at 31 December 2017	**2 122 973**	**31 632**	**(25 898)**	**47 300**	**(1 925 636)**	**250 371**	**(59 791)**	**190 580**
Profit/(loss) for the period	-	-	-	-	4 305	4 305	(14 904)	(10 599)
Other comprehensive income	-	-	-	2 620	-	2 620	-	2 620
Total comprehensive profit/(loss) for the period	-	-	-	2 620	4 305	6 925	(14 904)	(7 979)
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**
Profit for the period	**-**	**-**	**-**	**-**	**196 036**	**196 036**	**103 369**	**299 405**
Other comprehensive loss	**-**	**-**	**-**	**(656)**	**-**	**(656)**	**-**	**(656)**
Balance at 31 December 2018	**2 122 973**	**-**	**(25 898)**	**49 264**	**(1 694 095)**	**452 244**	**28 674**	**480 918**

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.

Nkomati and Benicon Coal have been disclosed as discontinued operations in the anthracite mining segment as they are in the process of being disposed of as referred to in note 5.

Benicon and CCT have been disclosed as discontinued operations in the opencast and earthmoving segment due to the wind-down of these operations. 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 2018								
Total segment revenue	**7 670**	**161 425**	**150 071**	**66 836**	**100 928**	**-**	**39 759**	**526 689**
Inter-segment revenue	**-**	**(5 081)**	**-**	**(1 384)**	**-**	**-**	**(39 759)**	**(46 224)**
External revenue	**7 670**	**156 344**	**150 071**	**65 452**	**100 928**	**-**	**-**	**480 465**
- Continuing operations	**7 670**	**156 344**	**150 071**	**65 452**	**-**	**-**	**-**	**379 537**
- Discontinued operations	**-**	**-**	**-**	**-**	**100 928**	**-**	**-**	**100 928**
Total segment results	**2 075**	**27 182**	**1 238**	**24 754**	**-**	**(5 200)**	**(9 461)**	**40 588**
Recovery of unaccounted funds	**-**	**-**	**-**	**-**	**-**	**11 000**	**-**	**11 000**
Impairment of other receivable	**-**	**-**	**-**	**-**	**-**	**-**	**(750)**	**(750)**
Net profit on sale of assets	**-**	**5**	**235**	**-**	**-**	**-**	**-**	**240**
Results from operating activities - Continuing operations	**2 075**	**27 187**	**1 473**	**24 754**	**-**	**5 800**	**(10 211)**	**51 078**
Total segment results	**1 355**	**-**	**-**	**-**	**(72 263)**	**-**	**-**	**(70 908)**
Reversal of impairment of mineral right	**-**	**-**	**-**	**-**	**345 374**	**-**	**-**	**345 374**
Reversal of impairment of plant	**-**	**-**	**-**	**-**	**10 000**	**-**	**-**	**10 000**
Results from operating activities - Discontinuing operations	**1 355**	**-**	**-**	**-**	**283 111**	**-**	**-**	**284 466**

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 2018								
Segment assets	**3 811**	**125 876**	**232 811**	**190 428**	**-**	**164**	**8 100**	**561 190**
Assets classified as held-for-sale	**-**	**-**	**-**	**-**	**766 252**	**-**	**-**	**766 252**
Current and deferred tax assets	**-**	**9 522**	**-**	**-**	**-**	**-**	**-**	**9 522**
Total assets	**3 811**	**135 398**	**232 811**	**190 428**	**766 252**	**164**	**8 100**	**1 336 964**
Segment liabilities	**7 952**	**38 646**	**92 235**	**38 256**	**-**	**98 753**	**49 268**	**325 110**
Liabilities classified as held-for-sale	**-**	**-**	**-**	**-**	**425 701**	**-**	**-**	**425 701**
Current and deferred tax liabilities	**41 178**	**9 130**	**12 332**	**32 399**	**-**	**6 690**	**3 506**	**105 235**
Total liabilities	**49 130**	**47 776**	**104 567**	**70 655**	**425 701**	**105 443**	**52 774**	**856 046**

R'000	Opencast mining and earthmoving	Exploration drilling	Overburden drilling and blasting	Mobile crane hire	Anthracite mining	Megacube	Corporate and other services	Total
Restated* 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	-	-	-	559 762
- Discontinued operations	212	-	-	-	27 314	-	-	27 526
Total segment results	7 463	8 288	22 347	18 218	-	(1 577)	(11 229)	43 510
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	-	(1 577)	(11 229)	56 267
Total segment results	732	-	-	-	(44 316)	-	-	(43 584)
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	-	-	-	(44 316)	-	-	(38 892)

*-The comparatives have been re-presented as Benicon Coal and Nkomati have been classified as discontinued operations as disclosed in note 3.

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
Restated* audited year ended 30 June 2018								
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	-	-	-	969 453
- Discontinued operations	-	-	-	-	91 761	-	-	91 761
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	-	(7 900)	(23 379)	67 560
- Discontinued operations	23 429	-	-	-	(78 467)	-	(1 065)	(56 103)

*-The comparatives have been re-presented as Benicon Coal and Nkomati have been classified as discontinued operations as disclosed in note 3.

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 2018								
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

RECONCILIATION OF HEADLINE LOSS

R'000	Unaudited six months 31 December 2018 Continuing	Discontinued	Group	Restated* Unaudited six months 31 December 2017 Continuing	Discontinued	Group	Restated* Audited year ended 30 June 2018 Continuing	Discontinued	Group
Profit/(loss) for the period attributable to equity holders of the parent:	**41 028**	**155 008**	**196 036**	38 394	(25 873)	12 521	49 586	(32 760)	16 826
Adjusted for:									
Net profit on disposal of plant and equipment	**(240)**	**-**	**(240)**	(12 757)	(3 996)	(16 753)	(985)	(14 530)	(15 515)
Reversal of impairment of mineral right	**-**	**(345 374)**	**(345 374)**	-	-	-	-	-	-
Reversal of impairment of plant	**-**	**(10 000)**	**(10 000)**	-	-	-	-	-	-
Compensation from third parties for items of plant and equipment that were destroyed	**-**	**-**	**-**	-	-	-	(6 129)	-	(6 129)
Profit on disposal of assets held-for-sale	**-**	**-**	**-**	-	(696)	(696)	-	(695)	(695)
Scrapping of assets	**-**	**-**	**-**	60	-	60	798	-	798
Tax effect on the above adjustments	**-**	**-**	**-**	3 579	-	3 579	1 755	-	1 755
Non-controlling interest portion allocation	**-**	**142 149**	**142 149**	-	-	-	-	-	-
Headline (loss)/profit attributable to ordinary shareholders	**40 788**	**(58 217)**	**(17 429)**	29 276	(30 565)	(1 289)	45 025	(47 985)	(2 960)
Weighted headline and diluted (loss)/earnings per share (cents)	**3,51**	**(5,01)**	**(1,50)**	2,52	(2,63)	(0,11)	3,87	(4,13)	(0,25)

*-The comparatives have been re-presented as Benicon Coal and Nkomati have been classified as discontinued operations as disclosed in note 3.

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation

The unaudited condensed consolidated interim financial statements for the six months ended 31 December 2018 have been 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 2018, which were prepared in accordance with IFRS as issued by the International Accounting Standards Board.

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 2018, except for the principal accounting policies mentioned below and are presented in South African rand, which is the functional and presentational currency of the Group.

The following accounting standards and amendments applicable to the Group become effective for reporting periods commencing after 1 January 2018 and have resulted in changes to our accounting policies as disclosed in note 4:

- IFRS 9: *Financial instruments* (IFRS 9); and
- IFRS 15: *Revenue from Contracts with Customers* (IFRS 15)

The other new standards, interpretations and amendments that became applicable to the Group during the current reporting period did not have a significant impact on the Group.

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

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. Re-presentation of comparative information

The condensed Group statement of profit and loss; the Group statement of comprehensive income and the segment results for the six-month period ended 31 December 2017 and financial year ended 30 June 2018 have been re-presented as a result of Nkomati and Benicon Coal being classified as held-for-sale and identified as a discontinued operation as disclosed in notes 5 and 6, respectively. The re-presentation of the comparative results have not been audited or reviewed.

4. Changes in accounting policies

This note explains the adoption of IFRS 9 and IFRS 15 on the interim financial statements and also discloses the new accounting policies that have been applied since 1 July 2018, where they are different to those applied in prior periods.

4.1 Adoption of IFRS 9

The Group has adopted IFRS 9: *Financial instruments* with effect from 1 July 2018. The requirements of IFRS 9 represent a significant change from IAS 39: *Financial Instruments: Recognition and Measurement*.
IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit and loss (FVTPL). The standard eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale.

- *Fair value of financial assets and liabilities*
  Current assets and liabilities carrying value is determined to approximate fair value due to their short-term nature at the end of each reporting period. The non-current borrowings are held at amortised cost based on the underlying interest rate at prime plus a margin and have been determined to be level 1 in the fair value hierarchy.

- *Expected credit losses*
  IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model. The new model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI. This results in credit losses being recognised earlier than previously recognised under IAS 39. An assessment was performed to determine the expected credit loss of financial assets. The Group's principal financial assets mainly relate to trade receivables with its customers. The majority of the Group's sales relate to services rendered on a monthly basis or the sale of anthracite, the majority of which are short cycled receivables that are settled between 7 and 90 days. The Group's customers are mainly with large international or privately-owned mining houses or other recognised entities. Historically, the Group has not suffered significant credit losses due to the non-payment of trade receivables. In instances where customers have been unable to settle their outstanding receivable, appropriate provisions have been made in respect of the outstanding receivables immediately upon identifications of a potential credit issue.

The Group has also adopted consequential amendments to IAS 1: *Presentation of Financial Statements* which requires an impairment of financial assets to be presented in a separate line in the statement of profit or loss and OCI. Previously the impairment of trade receivables was included in administrative expenses.

Based on the above and management's assessment, the impact of IFRS 9 implementation on the expected credit loss is considered to be immaterial in the Group.

4.2 Adoption of IFRS 15: Revenue from Contracts with Customers

IFRS 15: *Revenue from Contracts with Customers* replaces IAS 11: *Construction Contracts*, IAS 18: *Revenue recognition* and related interpretations. The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 also includes a cohesive set of disclosure requirements that will provide the users of financial statements with comprehensive information about the nature, amount timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. Management has assessed the impact of IFRS 15 on the various contracts. The Group generates revenue from the sale of anthracite and rendering of services billed on a monthly basis. Previously in terms of IAS 18, revenue from the sale of anthracite is recognised when risk and rewards are transferred and revenue from sale of services is recognised on a percentage completion basis on a monthly basis. Under IFRS 15, revenue is recognised at the point when control over goods and services are transferred to customers. Revenue on services provided over a period of time will be recognised according to the Group's progress on

transferring promised goods or services to customers. Services performed, as approved by the customer, are billed on a monthly basis for actual services performed during the month.
The adoption of IFRS 15 has not resulted in significant changes to the Group's revenue recognition.

5. Discontinued operations

On 31 December 2018 Unicorn classified its Benicon Coal and Nkomati investment as a non-current asset held-for-sale (refer note 6). Benicon Coal holds a 60% shareholding in Nkomati. It was decided that the related performance and cash flow information be presented as a discontinued operation as the investment in Benicon Coal and Nkomati represents a separate line of business namely the anthracite mining segment. The prior year figures have been re-presented.

Unicorn completed the process of closing down its contract mining operations namely, Benicon Opencast and CCT in the previous financial year and the companies have been presented as discontinued operations.

Financial performance and cash flow information relating to these discontinued operations for the period is set out below:

R'000	Unaudited six months 31 December 2018	Restated* Unaudited six months 31 December 2017	Restated* Audited year ended 30 June 2018
Revenue	**100 928**	27 526	91 761
Cost of sales	**(156 535)**	(63 142)	(143 082)
Gross loss	**(55 607)**	(35 616)	(51 321)
Other income	**1 602**	117	527
Reversal of impairment of mineral right	**345 374**	-	-
Amortisation of mineral right	**(2 210)**	-	-
Reversal of impairment of plant	**10 000**	-	-
Administration expenses	**(14 693)**	(8 085)	(20 535)
Profit/(loss) from operations	**284 466**	(43 584)	(71 328)
Profit on disposal of assets	**-**	3 996	14 530
Profit on disposal of assets held-for-sale	**-**	696	695
Operating profit/(loss)	**284 466**	(38 892)	(56 103)
Net finance expense	**(26 089)**	(6 836)	(11 418)
Profit/(loss) before taxation	**258 377**	(45 728)	(67 521)
Taxation	**-**	-	-
Profit/(loss) for the period from discontinued operations	**258 377**	(45 728)	(67 521)
Loss attributable to:			
- Equity holders of the company	**155 008**	(25 873)	(32 760)
- Non-controlling interest	**103 369**	(19 857)	(34 761)
Cash flow attributable to operating activities	**(15 854)**	(10 936)	(19 799)
Cash flow attributable to investing activities	**(28 644)**	(56 217)	(145 930)
Cash flow attributable to financing activities	**25 281**	81 509	137 138
Cash flow attributable to discontinued operations	**(19 217)**	14 357	(28 591)

*-The comparatives have been re-presented as Benicon Coal and Nkomati have been classified as discontinued operations as disclosed in note 3.

Reversal of Impairment of Nkomati Mineral rights and plant

During the financial year ended 31 March 2008, as part of the purchase price allocation at acquisition of Benicon Coal, the holding company of Nkomati, a mineral right amounting to R364 million was accounted for. During the financial year ended 31 March 2014, Nkomati Anthracite and Benicon Coal were classified as held-for-sale. Based on an offer received from a potential buyer a fair value assessment was performed during 2014 which resulted in the depreciated mineral right with a carrying value of R355 million being fully impaired. In addition plant with a carrying value of R24 million was partially impaired by R10 million. The 2014 transaction did not materialise. During the subsequent financial periods', losses were incurred at Nkomati and the impairment was not reversed.

Following a significant increase in reported resources and reserves, an increase in the sales prices of Nkomati anthracite product, the completion of the Nkomati mine expansion program, and an independent valuation of the mine, adequate support exists to allow for the reversal of the previous impairments. As a result, the 2014 impairments of the mineral right and plant were fully reversed in the current period after adjusting for the effects of amortisation over the useful life of the assets based on the Mineral Resource. Following this reversal, the net carrying value of Nkomati's assets and liabilities amounts to R341 million.

The fair value less costs to sell Nkomati and Benicon Coal, were calculated using a discounted cash flow taking into account all known future events that would affect the expected cash flows. Budgeted future cash flow projections based on an average sales price of R1 595 per ton of product with average salable tons of 538 973 per annum were discounted at a real pre-tax rate of 9.5% and tested against a nominal pre-tax rate of 15%. An increase in the discount rate of an additional 10% or a decrease of 30% in the expected cash flow generation or any other reasonable possible change in key assumptions on which the recoverable amount is based, would not cause the carrying amount of the operations to exceed the recoverable amount due to the headroom between the net asset value of Nkomati and the discounted cash flows. A Competent Person Report on Nkomati which will provide additional supporting information to the above will be issued during April 2019.

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

As announced on SENS on 2 October 2018, Unicorn appointed Nedbank Limited, acting through its Corporate and Investment Banking division, to identify possible acquirors of Unicorn's investment in Nkomati. As a result of the initiation of the disposal of Unicorn's investment in Nkomati it was concluded that the Nkomati investment should be classified as non-current asset held-for sale as all the requirements in terms of IFRS 5: *Non-current assets held-for-sale and discontinued operations* (IFRS 5) have been met.

The major classes of assets and liabilities classified as assets and liabilities held-for-sale are as follows:

(R'000)	Unaudited six months 31 December 2018
Assets	**766 252**
Property, plant and equipment	129 702
Mining assets	242 604
Mineral rights	343 163
Restricted investment	8 110
Deferred income tax assets	14 522
Inventories	7 937
Trade and other receivables	20 178
Cash and cash equivalents	36
Liabilities	**425 701**
Loans and borrowings	209 281
Rehabilitation provision	102 817
Trade and other payables	103 740
Bank overdraft	9 863
Net assets held-for-sale	**340 551**

7. Related party loan

During the period, Unicorn secured bridging funding from Calibre Treasury Management Services Proprietary Limited.

Calibre Treasury Management Services Proprietary Limited is an associated company of Mr T de Bruyn and a related party to significant shareholders of Unicorn.

The following loan was advanced during the period:

(R'000)	Unaudited six months 31 December 2018	Unaudited six months 31 December 2017	Audited year ended 30 June 2018
Calibre Treasury Management Services Proprietary Limited	22 094	-	-

The loan is unsecured, bears interest at a rate of 24% per annum and is repayable on demand.

Interest accrued on related party loan balance during the period:

(R'000)	Unaudited six months 31 December 2018	Unaudited six months 31 December 2017	Audited year ended 30 June 2018
Calibre Treasury Management Services Proprietary Limited	2 094	-	-

8. Contingent assets

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.

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.

9. Contingent liabilities

Megacube has estimated a possible loss in favour of Keaton's counterclaim 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 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.

10. 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.

11. Going concern

The interim 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 R140 million excluding assets and liabilities held-for-sale (June 2018: R243 million). Net current liabilities relating to discontinued historical opencast contract mining operations and Megacube amounts to R153 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 or settle them.

In addition to the aforementioned, Nkomati's current liabilities exceed its current assets by R157 million (June 2018: R92 million) of this, R47 million is not due and payable within six months. Nkomati's creditor terms are more than 30 days. Revenue invoicing is done on a weekly basis and paid within seven days. Based on the cashflow forecast, taking into account the increased sales prices and production, Nkomati 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 any shortfall in Nkomati if required. Subsequent to year end, Unicorn secured a R50 million loan from ABSA Bank which was utilised to reduce the working capital deficit of Nkomati.

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.

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.

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Abbreviations: ("Benicon") Benicon Opencast Mining Proprietary Limited; ("CCT") Classic Challenge Trading Proprietary Limited; ("Geosearch") Companies in the Group that perform exploration drilling services; ("JEF") JEF Drill and Blast Proprietary Limited; ("Keaton"): Keaton Mining Proprietary Limited ("Megacube") Megacube Proprietary Limited; ("Nkomati") Nkomati Anthracite Proprietary Limited; ("Benicon Coal") Benicon Coal 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; Run of Mine ("ROM"); Earnings before interest and tax ("EBIT").

Sponsor: Questco Corporate Advisory Proprietary Limited