↑35%

Headline EPS increased to 11.5 cents

(2012: 8,5 cents)

↓19%

Revenue decreased to R951 million

(2012: R1 175 million)

Sentula MINING

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

REVIEWED CONDENSED CONSOLIDATED INTERIM RESULTS FOR THE SIX MONTHS PERIOD ENDED 30 SEPTEMBER 2013

COMMENTARY

"The stabilisation of the earnings from Sentula's earthmoving entities has remained an area of key focus during the period under review. The initiatives embarked upon in these entities, along with the rightsizing of its exploration business, will position the Company to benefit from the next commodity cycle upswing. The restructuring of the Group debt and the progress made towards the disposal of the Group's coal assets has improved Sentula's sustainability in the medium term." – Robin Berry, CEO – Sentula Mining Limited.

FINANCIAL REVIEW*

- Revenue decreased by 19% to R951 million (2012: R1 175 million)
- Headline earnings per share increased to 11.5 cents (2012: 8.5 cents)
- Net asset value per share : 226 cents (March 2013: 265 cents)
- Tangible net asset value per share: 220 cents (March 2013: 252 cents)
- Debt to equity gearing ratio decreased to 26% (March 2013: 32%)

*The movements have been based on prior period restated results

The Group's earnings for the six-month period were adversely impacted by the following:

- An impairment of R273 million (net of tax) on mineral rights held-for-sale;
- A provision of slow-moving inventory (BE1260 dragline) in Benicon Sales of R40 million, on a pre-tax basis;
- The on-going depressed exploration drilling cycle; and
- The below expectation performances from the Group's open-cast operations;

Results were positively impacted by the following:

- Excellent operational performance from Ritchie Crane Hire; and
- A recovery of R30m from the funds misappropriated in the 2008 financial year.

OPERATIONAL REVIEW

Sustainability

Safety track record

The Group-led safety initiatives and activity specific protocols have continued to reduce the risk of injury and exposure to the staff employed across its varied operations. For the period under review, Sentula recorded three lost time injuries, resulting in a Classified Injury Frequency Rate of 0,74 per million man hours worked. This is a marginal improvement on the comparative prior period (0,75 per million man hours worked). Sentula continues to work closely with its clients as it strives towards the goal of zero harm.

Transformation

Sentula remains an independently re-verified "level 5" contributor, in terms of the DTI codes measuring Broad-Based Black Economic Empowerment ("B-BBEE"), as at November 2013. The Group continues to drive all the components of the B-BBEE scorecard.

Environment

Sentula Group companies have, during the period under review, continued to meet the objectives, with respect to the International Standards Organisation accreditation, of their safety, environmental and training systems.

Mining services

The provision of mining services remains the core of Sentula's business, with the four operating divisions and the five underlying continuing businesses. The Group continues to focus on the participation in quality contracts that add to the sustainability of the mining services business and as such has not renewed marginal contracts during the period.

Continuing opencast mining services

Opencast mining

The period under review has been characterised by stable demand, but ongoing exacting trading conditions, as margins remained under pressure across the opencast mining contracting sector.

Following a tough second half to the previous financial year, Benicon managed to stabilise its operations, during the period under review, through consolidation, the closure of three pits and focussing on its medium and longer term prospects. Despite a slow start, CCT recovered during the latter part of the period, with the ramp-up of the Samancor Spitskop open pit operation.

In line with the strategy to consolidate the operations of CCT into Benicon, the total operations of the Spitskop pit have now been incorporated into Benicon. The remaining operations of CCT will be incorporated into Benicon during the remainder of the current financial year.

Overburden drilling and blasting

JEF Drill and Blast experienced a drop in its revenue and profit base during the period, following the sudden loss of the Tharissa contract but remains positioned to deliver sustainable earnings, at current margins, as it continues to diversify its commodity and geographic exposure.

Exploration drilling

The downturn in the platinum group metals sector had a significantly negative impact on Geosearch's South African operations and necessitated the downscaling and restructuring of these operations, during 2012. Negative sentiment and project delays, with respect to coal investments in Mozambique also resulted in a further reduction in earnings and a scaling back of the Aguaterra operations, during the period under review. More recently, Geosearch has also seen a reduction in the visibility of gold exploration activity, across its East, Central and West African operations. This has necessitated a further restructuring of its international operations, which currently contribute some 90% of Geosearch's earnings.

Crane hire

Ritchie Crane Hire sustained its performance during the period and maintained its level of profitability, on a comparative basis. The results from this entity continue to be supported by its mix of cranes, strong competitive position in the Emalahleni/Middelburg geographical area, and diversity of clientele in coal mining, steel and power generation industries. The Group continues to invest in capacity to grow this business.

Coal mining investments

In line with the strategy to crystalise the value associated with its diversified portfolio of coal assets, the Group has continued to drive the process of assessing opportunities to achieve this, through the outright disposal of its interests in these assets. Notwithstanding the commitment to assess an opportunity that may arise on any of the Group assets, Sentula continues to focus its efforts on the disposal of the three key interests in the Schoongezicht prospecting license and the Nkomati operations and Bankfontein mining right. To this end, a deal on the Schoongezicht property has been concluded and a section 11 transfer has been received with the Department of Mineral Resources. Processes to deal with the remaining two assets are well advanced.

PROGRESS ON LEGAL MATTERS

As announced on SENS on 5 April 2013, a settlement agreement was concluded, with Casper Scharrighuisen's, spouse, Clasina Scharrighuisen, the Marinvia Trust and the CIMS Trust, following which an amount of R40,0 million was received in April 2013 by the liquidators of Scharrighuisen's estate, in full and final settlement of all claims against these entities. Of the R40,0 million, R24,4 million was paid to Megacube in April 2013 and a further R10,0 million was received in mid-September 2013.

The settlement agreement does not affect the civil judgments of R383,0 million against Casper Scharrighuisen which judgments remain unsatisfied. With the granting of the final sequestration order against Scharrighuisen, and the conclusion of the settlement agreement, the Company's legal and forensic fees should reduce materially in the future.

The criminal actions against Scharrighuisen and Jason Holland, as a consequence of the misappropriation of funds from Megacube during the 2008 financial year, are in the hands of the National Prosecuting Authority and the Company will assist in these matters, to the extent required.

STRATEGIC REVIEW

The Group's strategic intent remains one of providing a platform for growth by being recognised as a focused mining services provider, with the ability to contract across the African continent. Despite on-going volatility across the full spectrum of minerals sectors and the limited visibility of exploration work, in the short term, the Group's firm intention remains one of focusing on the value drivers in its diversified service business offerings.

To this end, a three pronged strategy has been developed to:

- consolidate the operations of its opencast mining businesses, Benicon and CCT and to extract operational efficiencies therefrom;
- invest in opportunities and capacity to grow the solid drilling and blasting and mobile crane hire businesses, and
- maintain, through prudent restructuring, the Group's exploration hubs, in order to take advantage of expected growth in the mineral exploration sector, following a recovery.

The strategy is further enhanced through the finalisation of the disposal of the Group's stakes in various propriety coal investments, for which plans for the key assets have already been implemented.

Sentula's exposure to the coal and energy sector, coupled with its diversified service offering, client base, mineral exposure and geographical spread should continue to provide a solid base for the development of the business into the future.

DIVIDENDS

The Board of directors has decided not to declare an interim dividend for the period under review.

DIRECTORATE

There were no changes to the Board during the period under review.

On behalf of the Board

Jonathan Best
Non-executive Chairman

Robin Berry
Chief Executive Officer

Woodmead
12 November 2013

Comparative periods have been restated due to a change in an accounting standard and discontinuing operations as disclosed in note 3 below.

Condensed consolidated statement of financial position

at 30 September 2013

R'000	Reviewed September 2013	Restated Reviewed September 2012	Restated Audited March 2013
ASSETS			
Total non-current assets	**1 168 497**	1 824 019	1 300 281
Property, plant and equipment	**1 097 664**	1 415 521	1 188 556
Intangible assets	**2 692**	7 404	3 366
Investment in equity-accounted joint venture	—	367	—
Goodwill	**37 426**	372 691	72 563
Deferred tax	**30 715**	28 036	35 796
Total current assets	**652 321**	947 328	838 068
Inventories	**130 489**	321 201	175 643
Trade and other receivables	**425 211**	496 135	534 679
Cash and cash equivalents	**95 683**	123 543	109 704
Current tax receivable	**938**	6 449	18 042
Assets classified as held-for-sale	**280 930**	980 301	650 534
TOTAL ASSETS	**2 101 748**	3 751 648	2 788 883
Equity and liabilities			
Total equity attributable to equity holders of the Company	**1 315 852**	2 397 695	1 537 238
Share capital and premium	**1 994 406**	1 994 406	1 994 406
Reserves	**135 369**	53 772	108 127
Retained (losses)/earnings	**(813 923)**	349 517	(565 295)
Non-controlling interest	**(85 746)**	46 883	32 742
Total equity	**1 230 106**	2 444 578	1 569 980
Liabilities			
Total non-current liabilities	**259 929**	622 451	109 733
Loans and borrowings	**149 649**	429 405	—
Finance lease obligations	**2 518**	—	3 371
Deferred tax	**107 762**	193 046	106 362
Total current liabilities	**526 704**	501 894	925 721
Trade and other payables	**216 973**	260 744	281 222
Loans and borrowings	**262 923**	235 643	543 744
Finance lease obligations	**2 325**	—	2 129
Bank overdraft	—	—	58 062
Taxation payable	**44 483**	5 507	40 564
Total liabilities held-for-sale	**85 009**	182 725	183 450
Total liabilities	**871 642**	1 307 070	1 218 904
TOTAL EQUITY AND LIABILITIES	**2 101 748**	3 751 648	2 788 884
Net asset value per share (excluding treasury shares)	**226 cents**	413 cents	265 cents
Tangible net asset value per share (excluding goodwill – excluding treasury shares)	**220 cents**	347 cents	252 cents

Condensed consolidated income statement

for the six months ended 30 September 2013

R'000	Reviewed September 2013	Restated Reviewed September 2012	Restated Audited March 2013
Revenue	**950 665**	1 174 803	2 084 118
Results from operations	**34 181**	100 945	(198 435)
Recovery of unaccounted funds	**30 000**	—	—
Results from operating acitivities pre-impairments and inventory write-off	**64 181**	100 945	(198 435)
Provision for slow moving/obsolete inventory	**(40 527)**	—	(133 783)
Impairment of plant and equipment	—	—	(186 902)
Impairment of assets held-for-sale	**(5 774)**	—	(15 149)
Impairment of goodwill	**(35 138)**	—	(300 127)
Impairment of intangible assets	—	—	(9 162)
Results from operating activities	**(17 258)**	100 945	(843 558)
Net finance charges	**(25 379)**	(31 690)	(57 972)
Fair value adjustment on interest rate cap	**38**	(2 011)	(2 486)
(Loss)/profit before taxation	**(42 599)**	67 244	(904 016)
Taxation	**(38 403)**	(31 256)	31 187
(Loss)/profit for the period from continuing operations	**(81 002)**	35 988	(872 829)
Discontinued operations			
Loss for the year from discontinued operations (attributable to the owners of the parent)	**(286 114)**	(6 673)	(14 846)
Total comprehensive (loss)/income for the period	**(367 116)**	29 315	(887 675)
(Loss)/profit attributable to:	**(367 116)**	29 315	(887 675)
Equity holders of the Company	**(248 628)**	42 306	(862 686)
Non-controlling interest	**(118 488)**	(12 991)	(24 989)
Basic and diluted (loss)/earnings per share (cents)	**(42,8)**	7,3	(148,5)
Shares in issue at end of the period excluding treasury shares ('000)	**581 005**	581 005	581 005

Condensed consolidated statement of comprehensive income

for the six months ended 30 September 2013

R'000	Reviewed September 2013	Restated Reviewed September 2012	Restated Audited March 2013
(Loss)/profit for the period	**(367 116)**	29 315	(887 675)
Other comprehensive income			
Foreign currency translation differences for foreign operations	**27 242**	25 075	67 190
Other comprehensive income for the period, net of income tax	**27 242**	25 075	67 190
Total comprehensive (loss)/income for the period	**(339 874)**	54 390	(820 485)
Attributable to:			
Equity holders of the Company	**(221 386)**	67 381	(795 496)
Non-controlling interest	**(118 488)**	(12 991)	(24 989)

Information about reportable segments

The Group is organised in four major operating segments, namely opencast mining services, exploration drilling, crane hire and coal mining. Megacube is disclosed under the "Opencast mining services" as a discontinuing business operation as it is in the process of being wound down. Benicon, CCT and JEF are included in the continuing opencast mining services. Benicon Coal, Nkomati and Benicon Mining are included in the Discontinuing coal mining operations as they are currently held-for-sale. Equipment trading spares and engineering is included in "Other". Segment performance is measured based on the segment profit before interest and income tax. Inter-segment revenue is priced on an arms length basis.

R'000	Continuing opencast mining services	Megacube	Opencast mining services	Exploration drilling	Crane hire	Coal mining	Other	Total
Reviewed six months ended 30 September 2013								
Continuing operations								
Total segment revenue	730 894	15	730 909	227 038	40 492	—	26 903	1 025 342
Inter-segment revenue	60 668	—	60 668	1 533	72	—	12 404	74 677
External revenue from continuing operations	670 226	15	670 241	225 505	40 420	—	14 499	950 665
External revenue from discontinuing operations	—	—	—	—	—	656	—	656
External revenue	670 226	15	670 241	225 505	40 420	656	14 499	951 321
Continuing operations								
Total segment results pre-impairment	52 751	6 302	59 053	(613)	19 436	(240)	(43 455)	34 181
Impairment of goodwill	—	—	—	—	—	—	(35 138)	(35 138)
Impairment of assets held-for-sale	(5 774)	—	(5 774)	—	—	—	—	(5 774)
Provision for slow-moving/obsolete inventory	—	—	—	—	—	—	(40 527)	(40 527)
Recovery of unaccounted funds	—	30 000	30 000	—	—	—	—	30 000
Total segment results from continuing operations	46 977	36 302	83 279	(613)	19 436	(240)	(119 120)	(17 258)
Total segment results from discontinuing operations	—	—	—	—	—	(389 256)	—	(389 256)
Segment results	46 977	36 302	83 279	(613)	19 436	(389 496)	(119 120)	(406 514)
Reviewed restated six months ended 30 September 2012								
Total segment revenue	711 996	67 388	779 384	442 835	33 785	—	25 721	1 281 725
Inter-segment revenue	90 165	1 578	91 743	—	267	—	14 912	106 922
External revenue from continuing operations	621 831	65 810	687 641	442 835	33 518	—	10 809	1 174 803
External revenue from discontinuing operations	—	—	—	—	—	449	—	449
External revenue	621 831	65 810	687 641	442 835	33 518	449	10 809	1 175 252
Total segment results from continuing operations	49 825	37 168	86 993	48 761	17 681	1 620	(54 110)	100 945
Total segment results from discontinuing operations	—	—	—	—	—	(4 958)	(980)	(5 938)
Segment results	49 825	37 168	86 993	48 761	17 681	(3 338)	(55 090)	95 007

Condensed consolidated statement of changes in equity

for the six months ended 30 September 2013

R'000	Share capital	Share premium	Employee share incentive reserve	Treasury shares	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interest	Total ordinary shareholders' funds
Balance as at 31 March 2012	5 866	2 014 438	36 574	(25 898)	(25 408)	365 388	2 370 960	59 815	2 430 775
Profit/(loss) for the period	—	—	—	—	—	42 306	42 306	(12 991)	29 315
Other comprehensive income	—	—	—	—	25 075		25 075		25 075
Transactions with owners, recorded directly in equity									
Share-based payment empowerment transaction	—	—	12 531	—	—	—	12 531	—	12 531
Option premium on empowerment transaction	—	—	5 000	—	—	—	5 000	—	5 000
Effect of change in accounting policy of joint venture	—	—	—	—	—	(58 177)	(58 177)	59	(58 118)
Restated balance as at 30 September 2012	5 866	2 014 438	54 105	(25 898)	(333)	349 517	2 397 695	46 883	2 444 578
Loss for the period	—	—	—	—	—	(904 992)	(904 992)	(11 998)	(916 990)
Other comprehensive income	—	—	—	—	42 115	—	42 115	—	42 115
Transactions with owners, recorded directly in equity									
Dividends paid to non-controlling interest	—	—	—	—	—	—	—	(2 221)	(2 221)
Share-based payments	—	—	406	—	—	—	406	—	406
Share-based payment empowerment transaction	—	—	5 101	—	—	—	5 101	—	5 101
Option premium on empowerment transaction	—	—	11 500	—	—	—	11 500	—	11 500
Effect of change in accounting policy of joint venture	—	—	—	—	—	(14 587)	(14 587)	78	(14 509)
Share options forfeited	—	—	(4 767)	—	—	4 767	—	—	—
Restated balance as at 31 March 2013	5 866	2 014 438	66 345	(25 898)	41 782	(565 295)	1 537 238	32 742	1 569 980
Loss for the period	—	—	—	—	—	(248 628)	(248 628)	(118 488)	(367 116)
Other comprehensive income	—	—	—	—	27 242	—	27 242	—	27 242
Balance as at 30 September 2013	5 866	2 014 438	66 345	(25 898)	69 024	(813 923)	1 315 852	(85 746)	1 230 106

Condensed consolidated statement of cash flows

for the six months ended 30 September 2013

R'000	Reviewed September 2013	Restated Reviewed September 2012	Restated Audited March 2013
Cash flows from operating activities	**198 405**	65 846	106 418
Cash generated from operating activities	**238 707**	122 533	206 525
Income taxes paid	**(14 076)**	(25 340)	(41 968)
Interest paid	**(26 226)**	(31 347)	(58 139)
Cash flows from investing activities	**(28 406)**	(87 236)	(90 103)
Interest received	**847**	1 194	3 249
Purchase of property, plant and equipment	**(52 456)**	(127 482)	(214 716)
Proceeds from disposal of property, plant and equipment	**22 512**	39 107	18 374
Capitalised exploration expenditure	**(409)**	(55)	(309)
Additions to assets held-for-sale	—	—	(57 165)
Proceeds from disposal of assets held-for-sale	**1 100**	—	160 464
Cash flows from financing activities	**(132 295)**	(41 507)	(158 759)
Loans raised	—	67 974	74 213
Loans repaid	**(132 295)**	(111 938)	(234 242)
Changes in equity accounted investments	—	(2 543)	(13 009)
Option premium on empowerment transaction received	—	5 000	16 500
Dividends paid to non-controlling interest	—	—	(2 221)
Net increase/(decrease) in cash and cash equivalents	**37 704**	(62 897)	(142 444)
Cash and cash equivalents at beginning of the period	**51 929**	180 236	180 236
Exchange gain on cash and cash equivalents	**6 751**	6 366	14 137
Cash and cash equivalents at the end of the period	**96 384**	123 705	51 929
Included in cash and cash equivalents per the balance sheet	**95 683**	123 543	51 642
Included in the assets of the disposal group	**701**	162	287
	96 384	123 705	51 929

Reconciliation of headline earnings

R'000	Reviewed September 2013	Restated Reviewed September 2012	Restated Audited March 2013
Net (loss)/profit for the period attributable to equity holders of the Company	**(248 628)**	42 306	(862 686)
Adjust for:			
Profit on disposal of plant and equipment	**(257)**	(403)	(2 230)
Loss on disposal of plant and equipment	**654**	7 380	1 392
Loss on disposal of held-for-sale assets	—	—	221 028
Profit on disposal of held-for-sale assets	**(318)**	—	—
Impairment of mineral rights held-for-sale	**365 431**	—	—
Impairment of intangible assets	—	—	9 162
Impairment of property, plant and equipment	—	—	186 902
Impairment of assets held-for-sale	**15 774**	—	15 149
Impairment of goodwill	**35 138**	—	300 127
Tax effect of above adjustments	**(100 744)**	59	(13 265)
Headline earnings/(loss) attributed to ordinary shareholders	**67 050**	49 342	(144 421)
Headline earnings/(loss) per share (cents)	**11,5**	8,5	(24,9)

Directors: JG Best*(Chairman), RC Berry (Chief Executive Officer), GP Louw (Financial Director), PP Modisane, CJPG van Zyl*, DR Zihlangu*, KW Mzondeki*, RB Patmore* *Non-executive

Company Secretary: GC Cross

Transfer Secretaries: Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001. PO Box 61051 Marshalltown. 2107. Tel (011) 370-5000

Investor Relations Advisers: College Hill **Sponsor:** Merchantec Capital **Independent External Auditor:** PricewaterhouseCoopers Inc.

Registered address: Block 14 – Ground Floor, Woodlands Office Park, Woodmead, 2080. PO Box 76, Woodmead, 2080. Tel (011) 656-1303

Notes to the reviewed financial statements

1. Basis of preparation

The condensed consolidated interim financial results for the six months ended 30 September 2013 have been prepared under the supervision of Mr GP Louw (CA)SA in accordance with International Accounting Standards IAS 34, 'Interim Financial Reporting', the South African Companies Act 71 of 2008, as amended, and the Listings Requirements of the JSE Limited.

The condensed consolidated interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 March 2013, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

The accounting standards and amendments to issued accounting standards and interpretations, which are relevant to the Group, but not yet effective on 30 September 2013 have not been early adopted.

2. Accounting policies

The accounting policies adopted are consistent with those applied in the annual financial statements for the year ended 31 March 2013, except as described below in note 4, where joint ventures previously proportionately consolidated are now equity accounted.

Changes in accounting policy

IFRS 11 – Joint arrangements

IFRS 11 – Joint arrangements became effective on 1 January 2013. As the standard was not early adopted the transition rules apply. On transition, adjustments in accordance with the transition provisions of the standard are recorded at the beginning of the earliest period presented.

Before 30 September 2013, the Group's interest in its jointly controlled entities was accounted for using the proportional consolidation method.

The investment affected is Jonah Coal Botswana Limited.

The Group adopted IFRS 11 – Joint arrangements on 1 April 2013. This resulted in the Group changing its accounting policy for its interest in jointly controlled entities. Under IFRS 11, investments in joint arrangements are either classified as joint operations or joint ventures, depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement.

Under IFRS 11, the abovementioned jointly controlled entity has been assessed and classified to be a joint venture.

The financial effects of the change in accounting policies at 30 September 2012 and 31 March 2013 are disclosed in note 4.

3. Restatement of comparative periods

The adoption of IFRS 11 has resulted in the restatement of comparative periods. Prior periods have also been represented for discontinued operations.

4. Effect of adoption of IFRS 11

The Group has a joint venture agreement with Jonah Capital BVI, which led to the establishment of a joint venture company, incorporated in Mauritius and known as Jonah Coal Botswana Limited. Sentula owns 50% of the share capital of Jonah Coal Botswana. Its principal business activity is investing in coal exploration companies.

Impact on statement of comprehensive income (R'000) Increase/(decrease)	6 months ended 30 September 2012	12 months ended 31 March 2013
Operating expenses	—	11 924
Share of expenses of equity-accounted joint venture	—	367
Profit before tax	—	12 291
Taxation	—	—
Profit after tax	—	12 291
Impact on statement of financial position (R'000)		
Increase/(decrease)		
Assets:		
Property, plant and equipment	(198)	(151)
Intangible assets	(14 870)	(14 810)
Investment in equity-accounted joint venture	367	—
Goodwill	(43 244)	(48 083)
Trade receivables	(105)	(17)
Cash and cash equivalents	(2 543)	(718)
Total assets	(60 593)	(63 779)
Equity:		
Retained earnings	(58 177)	(60 434)
Non-controlling interest	59	98
	(58 118)	(60 336)
Liabilities:		
Trade payables	(2 475)	(3 443)
Total equity and liabilities	(60 593)	(63 779)
Impact on statement of cash flows (R'000)		
Increase/(decrease)		
Cash flows from investing activities	(2 543)	(13 009)

5. Discontinued operations

The Board has taken a decision to dispose of all the coal assets within the group.

As announced on SENS on 26 June 2013, Sentula is in negotiations regarding the proposed disposal of its 60% indirectly held interest in the Nkomati Anthracite mine.

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

R'000	**Reviewed September 2013**	Restated Reviewed September 2012	Restated Audited March 2013
Revenue	**656**	449	908
Cost of sales	**(8 614)**	(5 826)	(13 111)
Gross loss	**(7 958)**	(5 377)	(12 203)
Other income	**15**	15	30
Impairment of mineral rights	**(365 431)**	—	—
Impairment of assets held-for-sale	**(10 000)**	—	—
Administration expenses	**(5 882)**	(576)	(1 215)
Results from operating activities	**(389 256)**	(5 938)	(13 388)
Finance expense	**(17 565)**	(15 539)	(31 681)
Finance income	**266**	253	501
Loss before taxation	**(406 555)**	(21 224)	(44 568)
Taxation	**102 432**	—	26
Loss for the period from discontinued operations	**(304 123)**	(21 224)	(44 542)
Intergroup eliminations	**18 009**	14 551	29 696
	(286 114)	(6 673)	(14 846)
Loss attributable to:			
– Equity holders of the Company	**(185 635)**	(12 734)	(26 725)
– Non-controlling interest	**(118 488)**	(8 490)	(17 817)
Cash flow attributable to operating activities	**(26 907)**	(22 512)	(44 459)
Cash flow attributable to investing activities	**(824)**	33	219
Cash flow attributable to financing activities	**28 145**	22 233	44 119
Cash flows attributable to discontinued operations	**414**	(246)	(121)
Cash and cash equivalents at the beginning of the period	**287**	408	408
Cash and cash equivalents at the end of the period	**701**	162	287

6 Assets and liabilities classified as held-for-sale

Assets held-for-sale			
Property, plant and equipment	**188 271**	522 673	194 494
Mineral rights	**45 330**	410 761	410 761
Intangible assets	**7 249**	6 585	6 840
Restricted investment	**8 693**	8 693	8 693
Deferred tax asset	**14 729**	14 704	14 729
Inventories	**14 149**	14 149	14 149
Trade receivables	**163**	193	102
Other receivables	**1 435**	1 434	178
Value added taxation	**210**	862	216
Cash and cash equivalents	**701**	162	287
Current tax receivable	**—**	85	85
	280 930	980 301	650 534
Liabilities held-for-sale			
Rehabilitation provision	**66 899**	66 899	66 899
Trade and other payables	**5 418**	813	1 538
Deferred tax liability	**12 692**	115 013	115 013
	85 009	182 725	183 450

7. Contingent liabilites

Keaton

During the 2013 financial year, Megacube Mining Proprietary Limited ("MM") instituted legal proceedings against Keaton Mining Proprietary Limited ("Keaton") for the recovery of R41,5 million owing to MM for mining services rendered on its Vangatfontein operation.

Subsequent to the above action, Keaton instituted a counter claim of R119,9 million against MM in respect of an alleged breach of contract and substandard mining practices. In accordance with the mining services contract between the two parties, the matters will be independently arbitrated. A date for arbitration has yet to be finalised, but is to be expected to be set down for the second half of the 2014 financial year. The Company and its attorneys believe that there is a strong case in support of the initial claim, and that there is a good defence against the alleged counterclaim, but are unable to estimate the probable or possible loss. The amount owing by Keaton to MM is included in trade receivables at this and prior reporting dates.

CCT rehabilitation

Management has embarked upon an assessment of certain open cast site closure rehabilitation obligations. An independent open pit mining consultant has been appointed to finalise the individual pit closure designs, which will then serve as a basis for this determination. It is impossible to determine the magnitude of the potential liability at this stage.

8. Events after the reporting period

The directors are not aware of any other matters or circumstances arising after the reporting period up to the date of this report, not otherwise dealt within this report. Refer to note 9 for details of the debt restructure that occured subsequent to period end.

9. Going concern

The Group has met all its debt obligations during the past six months and, based on the Group's cash flow forecasts for the 12 months ending 30 September 2014, is expected to meet all its obligations in the ordinary course of business during this period. As disclosed in the March 2013 annual financial statements the Group funds its operations by means of a Standard Bank led consortium facility and a Wesbank vehicle asset finance facility. The availability of these facilities is subject to ongoing compliance with a number of financial covenants, including, inter alia, a debt service cover ratio ("DSCR") and a total debt to EBITDA ratio ("TDR").

The Group breached the DSCR and TDR covenants at June 2013 and September 2013 for which condonation was granted by the Standard Bank Consortium ("SBC"). The Board of directors has approved a proposal from SBC to restructure its senior debt as follows:

- Tranche A – a fully amortising tranche of R99 million over the period to 11 February 2015; and
- Tranche B – a bullet instalment of between R210 million and R254 million ("Tranche B"), depending on the extent of interim cash sweeps, by no later than 11 February 2015. The bullet instalment is expected to be redeemed from proceeds arising from the disposal of the Group's coal assets and other non-core assets.

All forward looking covenants are expected to be complied to once the restructured facility is implemented.

10. Review conclusion

The condensed consolidated statement of financial position at 30 September 2013 and related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the period have been reviewed by PricewaterhouseCoopers Inc. Their unmodified review report is available for inspection at the Company's registered office.

BASTION GRAPHICS