

30 September 2024

SHUKA MINERALS PLC
("Shuka" or the "Company")

Interim Results for the six months to 30 June 2024 and update on Financial Position

Shuka Minerals plc (AIM: SKA), an African focused mine operator and developer, announces the Company's unaudited interim results for the six months ended 30 June 2024.

Chairman's Report

I am pleased to present the Company's Interim Results for the six-month period from 1 January 2024 to 30 June 2024. This period has seen operational developments and some strategic advancements that underscore our potential future direction.

Corporate Developments

Settlement of Legacy Dispute with Upendo Group

A significant development in the first half of the year was the settlement of the long-standing dispute with Upendo Group regarding their 10% residual interest in the Rukwa coal mining license. This dispute, which had persisted for many years, was resolved in February 2024 with a definitive agreement, under which the Company has paid US\$110,000 to Upendo. The settlement draws a clear line under the matter, bringing all related legal proceedings to a close, and involves a waiver of any future claims by Upendo.

Board Changes

During the period Mr. Jason Brewer stepped down from the Board to avoid potential conflicts of interest. However, the Company is pleased to have retained Mr. Brewer as a strategic adviser under a consultancy agreement, ensuring that we continue to benefit from his expertise.

As the strategic direction of the Company progresses, it has been agreed that Noel Lyons, Paul Ryan and Allen Zimble will each leave the company with effect from 30 November 2024, or such earlier date as may be agreed. The Company is actively progressing the appointment of additional directors, at both executive and non-executive level and looks forward to providing further updates once customary due diligence has been concluded.

Operational Performance

Rukwa Coal Mine

Operationally, the Rukwa coal mine has faced challenges, particularly due to the rainy season, which caused a temporary halt in production. Nonetheless, with the return of local staff and preparation for the

new production cycle, we are optimistic that output will resume in the coming months. Demand for coal in regional markets remains strong, and we expect this trend to continue into the second half of the year.

Strategic Growth Initiatives

Potential Acquisition

As previously announced in March 2024, the Board is progressing the potential acquisition of a brownfield base metals project in East Africa (the “Project”). The due diligence process has now been completed, with independent technical and legal assessments indicating that the Project presents an attractive opportunity for the Company.

The Project has a historical non-JORC compliant resource base with an estimated in-situ value of approximately US\$1.98 billion, and economic analyses project pre-tax cash flows of US\$1.84 billion. Should the acquisition proceed, our development plan will include a phased exploration program to validate the resource further and establish a clear pathway for both open-pit and underground mining operations.

We have already paid US\$150,000 to the counterparty as part of this acquisition process, with the remaining consideration of US\$5.85 million to be settled through a combination of cash and equity on a staged-payment basis. While regulatory approvals and closing conditions are still pending, we remain confident in the strategic benefits of this acquisition.

While the Board remains excited by the potential acquisition, there can be no certainty that the requisite regulatory approvals and customary closing conditions will be satisfied (or waived) and that definitive documentation will be concluded, or as to the eventual detailed terms or timing of the transaction.

Further announcements regarding the potential acquisition will be made as and when appropriate.

Convertible Loan Note and Financial Position

To fund the potential acquisition and support our broader growth plans, we announced in May 2024 that we had secured a £2 million convertible loan note agreement with AUO Commercial Brokerage LLC (“AUO”). AUO subsequently advised the Company in August 2024 that its investment capital was tied up in ongoing transactions which were taking longer to conclude than they initially anticipated, and accordingly it did not have access at that time to the Company’s requested initial CLN drawdown funds.

While AUO has reiterated its commitment to supporting the Company's future endeavours and financial needs to support the ongoing business and obligations of the Company, the Company currently has limited cash at bank and continues to carefully manage its resources and creditors. Assuming it is able to continue to manage creditors, it expects current funds available will be sufficient to the end of November 2024.

Accordingly, in the absence of funds being provided by AUO on a timely basis, the Company is actively exploring alternative sources of financing in order to provide sufficient working capital for the Company, until such time as the requested funds are provided by AUO pursuant to the convertible loan note or otherwise.

This includes discussions with Gathoni Muchai Investments Limited (“GMI”), a major shareholder of the Company, which has provisionally offered an unsecured, interest free, non-convertible loan facility, of £500,000, subject to GMI having secured the necessary funding in the near term to provide such a facility; however there can be no guarantee these discussions will be formalised or that GMI will secure the requisite funding and accordingly there can be no guarantee that such a facility will be made available.

Whilst the Board remains confident in its ability to raise such additional funding on a timely basis, there can be no guarantee that such funding will be secured, or as to the terms of any such financing, which may impact the Company’s ability to continue to trade.

Further announcements will be made as appropriate.

Thank you for your continued support.

Quinton Van Der Burgh
Chairman, Shuka Minerals PLC.

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (“MAR”) and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended	Six months ended	Year ended
	30 June 24	30 June 23	31 Dec 23
	Unaudited	Unaudited	Audited
Note	£	£	£
Revenue	2,330	68,926	194,346
Cost of sales	(92,060)	(151,627)	(438,877)
	_____	_____	_____
Gross loss	(89,730)	(82,701)	(244,531)
Administrative expenses	(452,960)	(656,060)	(1,424,120)
	_____	_____	_____
Group operating loss	(542,690)	(738,761)	(1,668,651)
Finance income	2,082	-	3,256
Finance costs	(3,608)	(7,562)	(16,133)
	_____	_____	_____
Loss on operations before taxation	(544,216)	(746,323)	(1,681,528)
Taxation	-	-	(972)
	_____	_____	_____
Loss for the period after taxation	(544,216)	(746,323)	(1,682,500)
Other comprehensive income/(loss):	-	-	-
Gain/(loss) on translation of overseas subsidiary	45,451	(335,033)	(349,479)
	_____	_____	_____
Total comprehensive loss for the period	(498,765)	(1,081,356)	(2,031,979)
	=====	=====	=====
Attributable to:			

Equity holders of the Company		(498,218)	(1,080,722)	(2,030,327)
Non-controlling interest		(547)	(634)	(1,652)
		<u> </u>	<u> </u>	<u> </u>
		(498,765)	(1,081,356)	(2,031,979)
		<u> </u>	<u> </u>	<u> </u>
Loss per share				
- basic and diluted (pence)	2	(0.90)	(2.54)	(4.11)
		<u> </u>	<u> </u>	<u> </u>

The income for the period arises from the Group's continuing operations.

CONSOLIDATED statement of financial position

as at 30 June 2024

		As at 30 June 24 Unaudited	As at 30 June 23 Unaudited	As at 31 Dec 23 Audited
	Note	£	£	£
Non-current assets				
Property, plant and equipment	4	5,497,645	5,568,304	5,469,134
Intangible assets	5	335,807	333,907	333,041
		—————	—————	—————
		5,833,452	5,902,211	5,802,175
Current assets				
Inventories		75,633	111,516	75,011
Trade and other receivables		438,744	309,778	416,370
Cash and cash equivalents		92,530	440,655	633,093
		—————	—————	—————
		606,907	861,949	1,124,478
Current liabilities				
Trade and other payables		(540,720)	(745,718)	(515,376)
Borrowings		(34,651)	(27,817)	(34,366)
		—————	—————	—————
		(575,371)	(773,535)	(549,742)
		—————	—————	—————
Current assets less current liabilities		31,536	88,414	574,732
		—————	—————	—————
Total assets less current liabilities		5,864,988	5,990,625	6,376,907
Non - current liabilities				
Borrowings		(17,259)	(52,375)	(32,131)

Environmental rehabilitation liability	(32,354)	(28,984)	(32,086)
	<hr/>	<hr/>	<hr/>
Net assets	5,815,375	5,909,266	6,312,690
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Capital and reserves			
Called-up share capital	4,562,344	4,348,744	4,562,344
Share premium account	24,035,973	23,009,976	23,995,626
Share based payment reserve	324,495	210,037	364,842
Foreign currency translation reserve	968,965	937,960	923,514
Retained earnings	(24,053,330)	(22,574,502)	(23,509,661)
	<hr/>	<hr/>	<hr/>
Issued capital and reserves attributable to owners of the parent company	5,838,447	5,932,215	6,336,665
Non-controlling interest	(23,072)	(22,949)	(23,975)
	<hr/>	<hr/>	<hr/>
Total equity	5,815,375	5,909,266	6,312,690
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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At 30 June 2023

4,348,744	23,009,976	(22,574,502)	210,037	937,960	5,932,215	(22,949)	5,909,266
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	-----Equity Interests-----								
	Share Capital	Share Premium	Retained Earnings Account	Share Option Reserve	Foreign Currency Translation Reserve	Total	Non-controlling interest	Total	
	£	£	£	£	£	£	£	£	
At 1 January 2024	4,562,344	23,995,626	(23,509,661)	364,842	923,514	6,336,665	(23,975)	6,312,690	
Comprehensive Income for the year									
Foreign currency translation	-	-	-	-	45,451	45,451	1,428	46,879	
Loss for the year	-	-	(543,669)	-	-	(543,669)	(547)	(544,216)	
Total comprehensive income for the year	-	-	(543,669)	-	45,451	(498,218)	881	(497,337)	
Transactions with owners									
Lapsed share options	-	40,347	-	(40,347)	-	-	-	-	
Total transactions with owners	-	40,347	-	(40,347)	-	-	-	-	
Non- controlling interest share of goodwill	-	-	-	-	-	-	22	22	
At 30 June 2024	4,562,344	24,035,973	(24,053,330)	324,495	968,965	5,838,447	(23,072)	5,815,375	



	-----Equity Interests-----								
	Share Capital	Share Premium	Retained Earnings Account	Share Option Reserve	Foreign Currency Translation Reserve	Total	Non-controlling interest	Total	
	£	£	£	£	£	£	£	£	
At 1 January 2023	4,233,744	22,569,976	(21,896,430)	277,654	1,272,993	6,457,937	(19,697)	6,438,240	
Comprehensive Income for the year									
Foreign currency translation	-	-	-	-	(349,479)	(349,479)	(2,464)	(351,943)	
Loss for the year	-	-	(1,680,848)	-	-	(1,680,848)	(1,652)	(1,682,500)	
Total comprehensive income for the year	-	-	(1,680,848)	-	(349,479)	(2,030,327)	(4,116)	(2,034,443)	
Transactions with owners									
Issue of share capital	328,600	1,445,650	-	-	-	1,774,250	-	1,774,250	
Share issue costs	-	(20,000)	-	-	-	(20,000)	-	(20,000)	
Share options/warrants charge	-	-	-	154,805	-	154,805	-	154,805	
Lapse of share options/warrants	-	-	67,617	(67,617)	-	-	-	-	

Total transactions with owners	328,600	1,425,650	67,617	87,188	-	1,909,055	-	1,909,055
Non- controlling interest share of goodwill	-	-	-	-	-	-	(162)	(162)
At 31 December 2023	4,562,344	23,995,626	(23,509,661)	364,842	923,514	6,336,665	(23,975)	6,312,690

CONSOLIDATED CASH FLOW STATEMENT

	Six months ended 30 June 24 Unaudited £	Six months ended 30 June 23 Unaudited £	Year ended 31 Dec 23 Audited £
Cash flows from operating activities			
Operating loss	(542,690)	(738,761)	(1,668,651)
Depreciation	16,910	30,542	114,422
Share based payments	-	-	154,805
Expected credit losses	-	-	(4,387)
Impairment of inventories	-	-	45,925
Movement in inventories	(20,005)	-	(8,798)
Movement in trade and other receivables	22,311	(16,825)	(94,500)
Movement in trade and other payables	(1,538)	358,750	104,216
Loss on foreign exchange	-	(1,977)	(2,135)
Expected credit losses	-	-	-
Net cash used in operating activities	(525,012)	(368,271)	(1,359,103)
Tax Paid	-	-	-
Cash flows from investing activities			
Finance income	2,082	-	3,256
Net cash used in investing activities	2,082	-	3,256
Cash flows from financing activities			
Repayment of lease liabilities	(15,134)	(11,536)	(25,265)
Lease interest	(3,608)	(4,483)	(9,687)

Other interest paid	-	(3,079)	(3,187)
Proceeds on issue of ordinary shares	-	614,850	1,814,100
Share issue costs	-	(20,000)	(20,000)
Net cash (used)/generated from financing activities	(18,742)	575,752	1,755,961
Net (decrease)/increase in cash and cash equivalents	(541,672)	207,481	400,114
Cash and cash equivalents at beginning of year	633,094	237,300	237,300
Exchange losses on cash and cash equivalents	1,108	(4,126)	(4,321)
Cash and cash equivalents at end of year	92,530	440,655	633,093

NOTES TO THE INTERIM REPORT

1. Financial information and basis of preparation

The interim financial statements of Shuka Minerals Plc are unaudited consolidated financial statements for the six months ended 30 June 2024 which have been prepared in accordance with UK adopted international accounting standards. They include unaudited comparatives for the six months ended 30 June 2023 together with audited comparatives for the year ended 31 December 2023.

The interim financial statements do not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The statutory accounts for the year ended 31 December 2023 have been reported on by the company's auditors and have been filed with the Registrar of Companies. The report of the auditors unqualified and contained an Emphasis of matter paragraph on Operationalisation of up to 16% Government of Tanzania non-dilutive free carried share interest and the recoverability of VAT in Tanzania. Aside from the Emphasis of matter paragraphs above, the auditor's report did not contain any statement under section 498 of the Companies Act 2006.

The interim consolidated financial statements for the six months ended 30 June 2024 have been prepared on the basis of accounting policies expected to be adopted for the year ended 31 December 2024. These are anticipated to be consistent with those set out in the Group's latest financial statements for the year ended 31 December 2023. These accounting policies are drawn up in accordance with adopted International Accounting Standards ("IAS") and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

2. Loss per share

The calculation of the basic and diluted loss per share is based on the following data:

	30 June 24	30 June 23	31 December 23
	£	£	£
Loss after taxation	(544,216)	(746,323)	(1,682,500)
Weighted average number of shares in the period	60,219,861	29,329,474	40,922,217
Basic and diluted loss per share (pence)	(0.90)	(2.54)	(4.11)

The loss attributable to equity shareholders and weighted average number of ordinary shares for the purposes of calculating diluted earnings per ordinary share are identical to those used for basic earnings per ordinary

share. This is because the exercise of share options and warrants would have the effect of reducing the loss per ordinary share and is therefore anti-dilutive.

3. Dividends

No dividends are proposed for the six months ended 30 June 2024 (six months ended 30 June 2023: £nil, year ended 31 December 2023: £nil).

4. Property, plant and equipment

	Coal Production assets	Plant & machinery	Fixtures & fittings	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
As at 1 January 2024	5,529,808	1,270,229	7,366	311,162	7,118,565
Foreign exchange adjustment	45,921	10,488	27	2,446	58,882
	_____	_____	_____	_____	_____
At 30 June 2024	5,575,729	1,280,717	7,393	313,608	7,177,447
	=====	=====	=====	=====	=====
Accumulated depreciation					
As at 1 January 2024	194,860	1,269,183	7,284	178,104	1,649,431
Depletion/Charge for the year	-	131	9	16,770	16,910
Foreign exchange adjustment	1,611	10,480	27	1,343	13,461
	_____	_____	_____	_____	_____
At 30 June 2024	196,471	1,279,794	7,320	196,217	1,679,802
	=====	=====	=====	=====	=====
Net book value					
As at 30 June 2024	5,379,258	923	73	117,391	5,497,645
	=====	=====	=====	=====	=====

	Coal Production assets	Plant & machinery	Fixtures & fittings	Motor vehicles	Total
	£	£	£	£	£

Cost or valuation

As at 1 January 2023	5,855,019	1,344,491	7,554	328,480	7,535,544
Foreign exchange adjustment	(310,858)	(70,984)	(180)	(16,553)	(398,575)
	_____	_____	_____	_____	_____
At 30 June 2023	5,544,161	1,273,507	7,374	311,927	7,136,969
	=====	=====	=====	=====	=====
Accumulated depreciation					
As at 1 January 2023	173,642	1,301,920	7,445	140,661	1,623,668
Depletion/Charge for the year	3,849	3,760	13	22,920	30,542
Foreign exchange adjustment	(9,227)	(68,846)	(180)	(7,292)	(85,545)
	_____	_____	_____	_____	_____
At 30 June 2023	168,264	1,236,834	7,278	156,289	1,568,665
	=====	=====	=====	=====	=====
Net book value					
As at 30 June 2023	5,375,897	36,673	96	155,638	5,568,304
	=====	=====	=====	=====	=====

4. Property, plant and equipment (continued)

	Coal Production assets	Plant & machinery	Fixtures & fittings	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
As at 1 January 2023	5,855,019	1,344,491	7,554	328,480	7,535,544
Foreign exchange adjustment	(325,211)	(74,262)	(188)	(17,318)	(416,979)
	_____	_____	_____	_____	_____
At 31 December 2023	5,529,808	1,270,229	7,366	311,162	7,118,565
	=====	=====	=====	=====	=====

Accumulated depreciation

As at 1 January 2023	173,642	1,301,920	7,445	140,661	1,623,668
Depletion/Charge for the year	30,871	39,171	27	44,353	114,422
Adjustments	-	-	-	-	-
Foreign exchange adjustment	(9,653)	(71,908)	(188)	(6,910)	(88,659)

At 31 December 2023

194,860	1,269,183	7,284	178,104	1,649,431
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Net book value

As at 31 December 2023	5,334,948	1,046	82	133,058	5,469,134
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5. Intangible assets

	Mining Licences	Total
	£	£
Cost or valuation		
As at 1 January 2024	1,574,911	1,574,911
Foreign exchange adjustment	13,081	13,081
At 30 June 2024	<hr/> 1,587,992	<hr/> 1,587,992

Accumulated amortisation and impairment

As at 1 January 2024	1,241,870	1,241,870
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Foreign exchange adjustment	10,315	10,315
At 30 June 2024	1,252,185	1,252,185
Net book value		
As at 30 June 2024	335,807	335,807

5. Intangible assets (continued)

	Mining Licences	Total
	£	£
Cost or valuation		
As at 1 January 2023	1,667,530	1,667,530
Foreign exchange adjustment	(88,530)	(88,530)
At 30 June 2023	1,579,000	1,579,000
Accumulated amortisation and impairment		
As at 1 January 2023	1,314,903	1,314,903
Foreign exchange adjustment	(69,810)	(69,810)
At 30 June 2023	1,245,093	1,245,093

Net book value**As at 30 June 2023**

333,907

333,907

Mining Licences**Total**

£

£

Cost or valuation

As at 1 January 2023

1,667,530

1,667,530

Foreign exchange adjustment

(92,619)

(92,619)

At 31 December 2023

1,574,911

1,574,911

Accumulated amortisation and impairment

As at 1 January 2023

1,314,903

1,314,903

Foreign exchange adjustment

(73,033)

(73,033)

At 31 December 2023

1,241,870

1,241,870

Net book value**As at 31 December 2023**

333,041

333,041

6. Share capital

	No	£	No	£	£
	Ordinary shares of 1p each	Ordinary shares of 0.02p/1p each	Deferred shares of 0.001p each	Deferred shares of 0.001p each	Total share capital
Issued and fully paid					
At 1 January 2024 and 30 June 2024	60,219,861	602,200	396,014,437,346	3,960,144	4,562,344

	No	£	No	£	£
	Ordinary shares of 1p each	Ordinary shares of 0.02p/1p each	Deferred shares of 0.001p each	Deferred shares of 0.001p each	Total share capital
Issued and fully paid					
At 1 January 2023	27,359,861	273,600	396,014,437,346	3,960,144	4,233,744
On 31 May 2023 the company issued 11,500,000 Ordinary 1p shares at 5p each	11,500,000	115,000	-	-	115,000
As at 30 June 2023	38,859,861	388,600	396,014,437,346	3,960,144	4,348,744

	No	£	No	£	£
	Ordinary shares of 1p each	Ordinary shares of 0.02p/1p each	Deferred shares of 0.001p each	Deferred shares of 0.001p each	Total share capital

Issued and fully paid

At 1 January 2023	27,359,861	273,600	396,014,437,346	3,960,144	4,233,744
On 31 May 2023 11,500,000 Ordinary 1p shares were issue for 5p	11,500,000	115,000	-	-	115,000
On 7 September 2023 17,860,000 Ordinary 1p shares were issued for 5p	17,860,000	178,600	-	-	178,600
On 7 September 2023 3,500,000 Ordinary shares of 1p each were issued for 8.75p	3,500,000	35,000	-	-	35,000
As at 31 December 2023	60,219,861	602,200	396,014,437,346	3,960,144	4,562,344

7. Distribution of interim report to shareholders

The interim report will be available for inspection by the public at the registered office of the Company during normal business hours on any weekday and from the Company's website <http://www.shukaminerals.com/>. Further copies are available on request.

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