

25 September 2023

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

Interim Results for the six months to 30 June 2023

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 2023.

CEO'S report

I am pleased to present the Company's Interim Results for the six-month period from 1 January 2023 to 30 June 2023. The period was a transformative one for the Company, particularly from a corporate perspective with a strategic investment of £1.47 million secured from two African focused mining investment groups, an intended significant restructuring of the Board of Directors, a change of name to Shuka Minerals plc (which was successfully approved by shareholders subsequent to the end of the period) and the application of the funds raised to not only fund its ongoing working capital requirements at its operating Rukwa Coal Mine, but also to fund due diligence costs associated with ongoing review work of potential new and strategically complimentary projects in Africa.

The most notable development during the six-month period, was the strategic investment that the Company was able to secure with Q Global Commodities Group, one of South Africa's leading independent commodity, mining, logistics and investment funds and with Gathoni Muchai Investments Limited, an East Africa based mining investment group. As part of this investment, the Company received an aggregate £1.47 million of new funding, with £575,000 received in June 2023, and the £893,000 balance received in September 2023 following shareholder approval at the Annual General Meeting held on 3 August 2023.

In conjunction with this strategic investment, the Company commenced a major restructuring and strengthening of its Board, and I was pleased to confirm the appointment of Mr Jason Brewer, a director of Gathoni Muchai Investments and the CEO of London-listed Marula Mining Plc, as Executive Director of the Company in June 2023. I am also looking forward to the proposed appointment of Mr Quinton van der Burgh later this year, who is the founder and CEO of Q Global Commodities and one of South Africa's leading mining entrepreneurs, and who will join the Company as Director and Non-Executive Chairman, subject to satisfactory completion of customary due diligence by the Company's Nominated Adviser. Mr Nicholas von Schirnding, resigned as a director of the Company, with effect from 31 October 2023. I would like to thank Nick for his work and commitment to the Company over the years and would like to welcome Jason and, in due course, Quinton to the Board, whom I believe will be transformative appointments for the Company as it looks to re-establish itself over the coming months as a leading African focused mining and development company.

During the period and while the Company completed its corporate restructuring and recapitalisation, the Company continued to manage day-to-day operations at its wholly owned Rukwa Coal Mine in Tanzania. Operations during the period were quite challenging as a result of the high moisture content in the run-of-mine ("ROM") coal stockpile, which impacted on the coal washing process and coal production over the period. As a result of the wash plant performance and ongoing maintenance work on plant and equipment during the period, only limited coal sales were made into the regional markets during the

period. The Company continues to review its ongoing investment in the Rukwa Coal Mine and targeted production rates. In parallel with its operational activities, the Company continued in its discussions with the Mining Commission in Tanzania, to ensure ongoing compliance with local regulations, and to address previously disclosed outstanding legacy matters concerning claims and litigation and the status of the mining licence.

The strategic investment received from Gathoni Muchai Investments and Q Global Commodities has ensured that the Company has been able to fund its ongoing working capital needs and corporate and mining development activities, and importantly fund costs associated with the evaluation of potential complementary advanced mining and mine development projects across Africa with the support and active involvement of these two new major shareholders.

I look forward to providing further updates as we progress our strategy and to operating under our new company name of Shuka Minerals plc which was approved by shareholders at the Annual General Meeting held on 3 August 2023, and officially announced on 1 September 2023. This is a name which certainly reflects our position as a mine operator in east Africa and as a truly African focused mining and development company that is committed to ensuring its activities demonstrate a commitment to environmental sustainability, community engagement, and responsible mining practices.

I would like to thank all our shareholders for their ongoing support and I look forward to working alongside my fellow directors and all key stakeholders over the rest of 2023.

Noel Lyons
Chief Executive Officer

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended 30 June 23 Unaudited	Six months ended 30 June 22 Unaudited	Year ended 31 Dec 22 Audited
	Note	£	£	£
Revenue		68,926	56,146	183,448
Cost of sales		(151,627)	(452,484)	(896,147)
Gross loss		(82,701)	(396,338)	(712,699)
Administrative expenses		(656,060)	(423,627)	(1,038,384)
Group operating loss		(738,761)	(819,965)	(1,751,083)
Finance income		-	-	68
Finance costs		(7,562)	(675)	(4,747)
Loss on operations before taxation		(746,323)	(820,640)	(1,755,762)
Taxation		-	-	(917)
Loss for the period after taxation		(746,323)	(820,640)	(1,756,679)
Other comprehensive income/(loss):		-	-	-
(Loss)/gain on translation of overseas subsidiary		(335,033)	624,211	691,850
Total comprehensive loss for the period		(1,081,356)	(196,429)	(1,064,829)
Attributable to:				
Equity holders of the Company		(1,080,722)	(195,155)	(1,062,161)
Non-controlling interest		(634)	(1,274)	(2,668)
		(1,081,356)	(196,429)	(1,064,829)
Loss per share				
- basic and diluted (pence)	2	(2.54)	(3.79)	(7.97)

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

CONSOLIDATED statement of financial position

as at 30 June 2023

		As at 30 June 23 Unaudited	As at 30 June 22 Unaudited	As at 31 Dec 22 Audited
	Note	£	£	£
Non-current assets				
Property, plant and equipment	4	5,568,304	5,906,709	5,911,876
Intangible assets	5	333,907	349,607	352,627
		<u>5,902,211</u>	<u>6,256,316</u>	<u>6,264,503</u>
Current assets				
Inventories		111,516	180,124	117,766
Trade and other receivables		309,778	353,457	347,984
Cash and cash equivalents		440,655	477,438	237,300
		<u>861,949</u>	<u>1,011,019</u>	<u>703,050</u>
Current liabilities				
Trade and other payables		(745,718)	(308,174)	(402,200)
Borrowings		(27,817)	(5,206)	(29,376)
		<u>(773,535)</u>	<u>(313,380)</u>	<u>(431,576)</u>
Current assets less current liabilities		<u>88,414</u>	<u>697,639</u>	<u>271,474</u>
Total assets less current liabilities		<u>5,990,625</u>	<u>6,953,955</u>	<u>6,535,977</u>
Non - current liabilities				
Borrowings		(52,375)	-	(67,128)
Environmental rehabilitation liability		(28,984)	(27,339)	(30,609)
		<u>5,909,266</u>	<u>6,926,616</u>	<u>6,438,240</u>
Net assets				
Capital and reserves				
Called-up share capital		4,348,744	4,176,601	4,233,744
Share premium account		23,009,976	22,254,317	22,569,976
Share based payment reserve		210,037	346,774	277,654
Foreign currency translation reserve		937,960	1,205,354	1,272,993
Retained earnings		(22,574,502)	(21,038,103)	(21,896,430)
		<u>5,932,215</u>	<u>6,944,943</u>	<u>6,457,937</u>
Issued capital and reserves attributable to owners of the parent company				
Non-controlling interest		(22,949)	(18,327)	(19,697)
		<u>5,909,266</u>	<u>6,926,616</u>	<u>6,438,240</u>
Total equity				

CONSOLIDATED statement of changes in equity

-----Equity Interests-----

At 1 January 2022	4,176,601	22,254,317	(20,325,577)	453,614	581,143	7,140,098	(17,328)	7,122,770
Comprehensive Income for the year								
Foreign currency translation	-	-	-	-	624,211	624,211	-	624,211
Loss for the year	-	-	(819,366)	-	-	(819,366)	(1,274)	(820,640)
Total comprehensive income for the year	-	-	(819,366)	-	624,211	(195,155)	(1,274)	(196,429)
Transactions with owners								
Lapsed share options	-	-	106,840	(106,840)	-	-	-	-
Total transactions with owners	-	-	106,840	(106,840)	-	-	-	-
Non-controlling interest share of goodwill	-	-	-	-	-	-	275	275
At 30 June 2022	4,176,601	22,254,317	(21,038,103)	346,774	1,205,354	6,944,943	(18,327)	6,926,616

-----Equity Interests-----

	Share Capital	Share Premium	Retained Earnings Account	Share Option Reserve	Foreign Currency Translation Reserve	Total	Non-controlling interest	Total
	£	£	£	£	£	£	£	£
At 1 January 2022	4,176,601	22,254,317	(20,325,577)	453,614	581,143	7,140,098	(17,328)	7,122,770
Comprehensive Income for the year								
Foreign currency translation	-	-	-	-	691,850	691,850	-	691,850

Loss for the year	-	-	(1,754,011)	-	-	(1,754,011)	(2,668)	(1,756,679)
Total comprehensive income for the year	-	-	(1,754,011)	-	691,850	(1,062,161)	(2,668)	(1,064,829)
Transactions with owners								
Issue of share capital	57,143	342,857	-	-	-	400,000	-	400,000
Share issue costs	-	(20,000)	-	-	-	(20,000)	-	(20,000)
Share options/warrants charge	-	(7,198)	-	7,198	-	-	-	-
Lapse of share options/warrants	-	-	183,158	(183,158)	-	-	-	-
Total transactions with owners	57,143	315,659	183,158	(175,960)	-	380,000	-	380,000
Non-controlling interest share of goodwill	-	-	-	-	-	-	299	299
At 31 December 2022	4,233,744	22,569,976	(21,896,430)	277,654	1,272,993	6,457,937	(19,697)	6,438,240

CONSOLIDATED CASH FLOW STATEMENT

	Six months ended 30 June 23 Unaudited £	Six months ended 30 June 22 Unaudited £	Year ended 31 Dec 22 Audited £
Cash flows from operating activities			
Operating loss	(738,761)	(819,965)	(1,751,083)
Depreciation	30,542	144,039	324,790
Movement in inventories	-	(20,310)	40,903
Movement in trade and other receivables	(16,825)	185,761	(92,615)
Movement in trade and other payables	358,750	(112,135)	(26,820)
Loss on foreign exchange	(1,977)	(115,391)	(4,614)
Expected credit losses	-	-	242,780
Net cash used in operating activities	(368,271)	(738,001)	(1,266,659)

Tax Paid	-	---	(1,319)
Cash flows from investing activities			
Purchase of property, plant and equipment	-	-	(41,236)
Finance income	-	48	68
Net cash used in investing activities	-	48	(41,168)
Cash flows from financing activities			
Repayment of lease liabilities	(11,536)	(14,078)	(22,138)
Lease interest	(4,483)	(723)	(1,793)
Other interest paid	(3,079)	-	-
Proceeds on issue of ordinary shares	614,850	-	360,150
Share issue costs	(20,000)	-	(20,000)
Net cash generated from financing activities	575,752	(14,801)	316,219
Net increase/(decrease) in cash and cash equivalents	207,481	(752,754)	(992,927)
Cash and cash equivalents at beginning of year	237,300	1,229,801	1,229,801
Exchange losses on cash and cash equivalents	(4,126)	391	426
Cash and cash equivalents at end of year	440,655	477,438	237,300

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 2023 which have been prepared in accordance with UK adopted international accounting standards. They include unaudited comparatives for the six months ended 30 June 2022 together with audited comparatives for the year ended 31 December 2022.

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 2022 have been reported on by the company's auditors and have been filed with the Registrar of Companies. The report of the auditors contained a qualified opinion and 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 Qualification and 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 2023 have been prepared on the basis of accounting policies expected to be adopted for the year ended 31 December 2023. These are anticipated to be consistent with those set out in the Group's latest financial statements for the year ended 31 December 2022. 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 23	30 June 22	31 December 22
	£	£	£
Loss after taxation	(746,323)	(820,640)	(1,756,679)
Weighted average number of shares in the period	29,329,474	21,645,575	22,036,964
Basic and diluted loss per share (pence)	(2.54)	(3.79)	(7.97)

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 2022 (six months ended 30 June 2021: £nil, year ended 31 December 2021: £nil).

4. Property, plant and equipment

	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	<u>5,544,161</u>	<u>1,273,507</u>	<u>7,374</u>	<u>311,927</u>	<u>7,136,969</u>
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	<u>168,264</u>	<u>1,236,834</u>	<u>7,278</u>	<u>156,289</u>	<u>1,568,665</u>
Net book value					
As at 30 June 2023	<u>5,375,897</u>	<u>36,673</u>	<u>96</u>	<u>155,638</u>	<u>5,568,304</u>

	Coal Production assets	Plant & machinery	Fixtures & fittings	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation	5,230,294	1,201,831	7,191	193,620	6,632,936
As at 1 January 2022					
Foreign exchange adjustment	574,580	131,210	334	19,437	725,561
At 30 June 2022	5,804,874	1,333,041	7,525	213,057	7,358,497
Accumulated depreciation					
As at 1 January 2022	114,026	925,484	7,045	134,460	1,181,015
Depletion/Charge for the year	3,587	132,234	18	8,200	144,039
Foreign exchange adjustment	12,518	100,880	334	13,002	126,734
At 30 June 2022	130,131	1,158,598	7,397	155,662	1,451,788
Net book value					
As at 30 June 2022	5,674,743	174,443	128	57,395	5,906,709

4. Property, plant and equipment (continued)

	Coal Production assets	Plant & machinery	Fixtures & fittings	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation	5,230,294	1,201,831	7,191	193,620	6,632,936
As at 1 January 2022					
Additions	-	-	-	141,141	141,141
Adjustments	-	-	-	(27,414)	(27,414)
Foreign exchange adjustment	624,725	142,660	363	21,133	788,881
At 31 December 2022	5,855,019	1,344,491	7,554	328,480	7,535,544
Accumulated depreciation					
As at 1 January 2022	114,026	925,484	7,045	134,460	1,181,015
Depletion/Charge for the year	46,002	259,777	37	18,974	324,790

Adjustments		-	-	-	(27,414)	(27,414)
Foreign exchange adjustment		13,614	116,659	363	14,641	145,277
At 31 December 2022		<u>173,642</u>	<u>1,301,920</u>	<u>7,445</u>	<u>140,661</u>	<u>1,623,668</u>
Net book value						
As at 31 December 2022		<u>5,681,377</u>	<u>42,571</u>	<u>109</u>	<u>187,819</u>	<u>5,911,876</u>

5. Intangible assets

	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	<u>1,579,000</u>	<u>1,579,000</u>
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	<u>1,245,093</u>	<u>1,245,093</u>
Net book value		
As at 30 June 2023	<u>333,907</u>	<u>333,907</u>

5. Intangible assets (continued)

	Mining Licences £	Total £
Cost or valuation		
As at 1 January 2022	1,489,604	1,489,604
Foreign exchange adjustment	163,644	163,644
	<u>1,653,248</u>	<u>1,653,248</u>

At 30 June 2022	1,653,248	1,653,248
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Accumulated amortisation and impairment

As at 1 January 2022	1,174,602	1,174,602
Foreign exchange adjustment	129,039	129,039

At 30 June 2022	<u>1,303,641</u>	<u>1,303,641</u>
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Net book value

As at 30 June 2022	<u>349,607</u>	<u>349,607</u>
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	Mining Licences £	Total £
Cost or valuation		
As at 1 January 2022	1,489,604	1,489,604
Foreign exchange adjustment	177,926	177,926
At 31 December 2022	<u>1,667,530</u>	<u>1,667,530</u>

Accumulated amortisation and impairment

As at 1 January 2022	1,174,602	1,174,602
Foreign exchange adjustment	140,301	140,301

At 31 December 2022	<u>1,314,903</u>	<u>1,314,903</u>
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Net book value

As at 31 December 2022	<u>352,627</u>	<u>352,627</u>
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6. Share capital

	No Ordinary shares of 1p each	£ Ordinary shares of 0.02p/1p each	No Deferred shares of 0.001p each	£ Deferred shares of 0.001p each	£ Total share capital
Issued and fully paid					
At 1 January 2022	21,645,575	216,457	396,014,437,346	3,960,144	4,176,601
On 7 December 2022 the company issued 5,714,286 Ordinary 1p shares at 7p each	5,714,286	57,143	-	-	57,143

As at 31 December 2022	27,359,861	273,600	396,014,437,346	3,960,144	4,233,744
	No Ordinary shares of 1p each	£ Ordinary shares of 0.02p/1p each	No Deferred shares of 0.001p each	£ Deferred shares of 0.001p each	£ Total share capital
Issued and fully paid					
At 1 January 2022 and 30 June 2022	21,645,575	216,457	396,014,437,346	3,960,144	4,176,601
	No Ordinary shares of 1p each	£ Ordinary shares of 0.02p/1p each	No 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 31 December 2022	38,859,861	388,600	396,014,437,346	3,960,144	4,348,744

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.