

MINE RESTORATION INVESTMENTS LIMITED

(formerly Capricorn Investments Holdings Limited)

Incorporated in the Republic of South Africa

Registration number 1987/004821/06

Share Code: MRI

ISIN Code: ZAE000164562

("MRI" or "the Company")

UPDATE ON FUNDING OF ANTHRACITE BRIQUETTING PROJECT

("Briquetting Project")

Shareholders are referred to the update announcement, dated 23 January 2013, wherein they were advised, *inter alia*, that due to a number of factors, full production of the Briquetting Project was delayed until June 2013, which delay would impact on the costs of the completion of the Briquetting Project.

In terms of the existing funding agreement dated 14 June 2012 ("**Funding Agreement**"), Watermark Global Plc ("**Watermark**") and Trinity Asset Management Proprietary Limited ("**Trinity**"), MRI's two major shareholders, agreed to underwrite a shortfall to the maximum value of R4 000 000.00 in the working capital of MRI for the period ending 30 June 2013.

In accordance with the Funding Agreement, MRI and Watermark have entered into a loan agreement on 8 March 2013 ("**Loan Agreement**") in terms of which Watermark shall lend the amount of R1 037 496 together with interest thereon ("**Loan**") to MRI until 15 December 2013 ("**Maturity Date**"). In terms of the Loan Agreement Watermark has the right, at any time prior to the Maturity Date, to convert the Loan into new MRI ordinary shares ("**MRI shares**") at a conversion price equal to the weighted average traded price of MRI's shares measured over the 30 business days prior to the date on which Watermark elects to

effect the conversion ("**Election**") ("**Conversion**"). As the Election by Watermark may, in terms of the Listings Requirements of the JSE Limited ("**JSE**"), result in an issue of MRI shares to a related party, the Conversion will be subject to all regulatory approvals, including approval by the JSE and shareholders of MRI, to the extent that it may be required at the time of the Election.

Johannesburg

15 March 2013

Corporate Advisor: AfrAsia Corporate Finance Proprietary Limited

Designated Advisor: Sasfin Capital (a division of Sasfin Bank Limited)