Mine Restoration

INVESTMENTS

(Formerly Capricorn Investment Holdings Limited)
(Registration number 1987/004821/06)

Annual Report

for the year ended
29 February 2012

Index

The reports and statements set out below comprise the annual report encompassing the annual financial statements presented to the shareholders:

General information

Country of incorporation and domicile	South Africa
Directors	Quinton George Jaco Schoeman Michelle van den Berg Sandile Swana Charles Pettit Anthon Meyer Chris Roed Steve Tredoux James Herbst
Business address	Route 21 Corporate Park 45 Sovereign Drive Ground Floor, Unit C, Irene X30 0046
Postal address	PO Box 825 Irene 0062
Bankers	Standard Bank of South Africa Limited
Business address	Tyger Manor Branch 309 Durban Road Bellville Cape Town 7530
Auditor	Horwath Leveton Boner
Business address	3 Sandown Valley Crescent Sandown Johannesburg 2196
Postal address	PO Box 652550 Benmore 2010
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa
Compiler	The annual financial statements were compiled under the supervision of Michelle van den Berg, the financial director.
Company secretary and registered office	Arcay Client Support (Pty) Ltd (Registration number 1998/025284/07)
Business address	Arcay House II Number 3, Anerley Road Parktown Johannesburg 2193
Postal address	PO Box 62397 Marshalltown 2107
Transfer secretaries	Computer Investor Services (Pty) Ltd (Registration number 2004/003647/07)
Business address	70 Marshall Street Johannesburg 2001
Postal address	PO Box 61051 Marshalltown 2107
Corporate advisor	AfrAsia Corporate Finance (Pty) Ltd
Business address	AfrAsia House, Block F, The Terraces Steenberg Office Park Cape Town 7945
Designated advisor	Arcay Moela Sponsors (Pty) Ltd (Registration number 2006/033725/07)
Business address	Arcay House II Number 3, Anerley Road Parktown Johannesburg 2193
Postal address	PO Box 62397 Marshalltown 2107

Sustainability and corporate governance report

SUSTAINABILITY

Introduction

The directors of Mine Restoration Investments Limited ("MRI") are pleased to present the Company's first integrated sustainability and corporate governance report to stakeholders. This is the first step in what will be a continuous process to move closer to the goals of sustainable development and to demonstrate MRI's commitment to these goals. As can be expected this is a major task and for this reason MRI has decided to adopt a staggered approach. Over the next few years the board will continue to strive to broaden and deepen the contents of this report. This will be done in conjunction with the Company's stakeholders to ensure that meaningful, understandable and useful information is available on a timely basis, thereby achieving true transparency and facilitating the building of a trusted relationship with all stakeholders.

CORPORATE GOVERNANCE

Introduction

The Company endorses the principles contained in the King III report on corporate governance and confirms its commitment to the principles of fairness, accountability, responsibility and transparency as advocated therein. The board strives to ensure that the Company is being ethically managed according to prudently determined risk parameters and in compliance with generally accepted corporate practices and conduct.

The Board

MRI retains a unitary board structure. As at the date of this report the board consists of three non-executive directors and two executive directors and four independent non-executive directors. The board is assisted in fulfilling its duties by a Combined Audit and Risk Committee (CARC) and a Combined Remuneration and Nomination Committee. The non-executive directors are of sufficient calibre for their views to carry significant weight in the board's decisions. The directors of the Company are set out on pages 7 and 8.

The board, which is chaired by an independent non-executive chairman, is scheduled to sit at least four times a year, but meets more frequently if circumstances require it to do so. During the year under review only one board meeting was held of the classification of the Company as a cash shell and the lack of activity as an operating company and because of the need to focus on negotiating a suitable acquisition of assets that meet the criteria for listing on the Johannesburg Stock Exchange – this was important in order to lift the suspension of the trading of the Company's shares. Two board and two CARC meetings were held subsequent to year-end and up to the date of this report

The board of directors discloses the number of meetings held each year in the Annual Report of the Company, together with the attendance of the directors at such meetings. A formal record is kept of all conclusions reached by the board on matters referred to it for discussion. Where the board requires independent professional advice procedures have been put in place by the board for such advice to be sought at the Company's expense.

Directors are expected to maintain their independence when deciding on matters relating to strategy, performance, resources and standards of conduct. The board will regularly assess the independence of each director. After appointment, all directors are provided with information on the business and are expected to familiarise themselves with the Company's strategic plans and objectives, and other relevant laws and regulations. Up to the date of this report, the focus of the directors was on acquiring new assets in order to meet the JSE Limited's Listings Requirements for the continued listing of the shares of the Company. Updating and training will be performed on an on-going basis to ensure that directors remain abreast of changes in regulations and the commercial environment.

The board is responsible for relations with stakeholders, as well as being accountable to them for the performance of the Company, and reporting thereon in a timely and transparent manner.

The board includes both executive and non-executive directors in order to maintain a balance of power and ensure independent unbiased decisions. The board of directors of MRI currently consists of nine directors: seven of the directors are non-executive directors, of which four are independent. The role of one non-executive director changed to that of independent non-executive director after the end of the financial year. Since the financial year end the board of directors was restructured as part of the acquisition of WUC and reverse-listing in order to fully comply with King III.

Management supplies the board with the relevant information needed to fulfil its duties. Directors make further enquiries where necessary, and thus have unrestricted access to all Company information, records, documents and property. Not only does the board look at the quantitative performance of the Company, but also at issues such as customer satisfaction, market share, environmental performance and other relevant issues. The Chairman or Chief Executive Officer ensures that all directors are adequately briefed prior to a board meeting.

Sustainability and corporate governance report

Directors have the authority to delegate certain of their duties, either externally or internally, in order to perform their duties.

At a general meeting of the directors, the directors have the power to appoint a director, either to fill a vacancy, or as an additional director, provided that the total number of directors shall not at any time exceed the maximum number fixed by the memorandum of incorporation.

Independence of the Board

The role of Chairman and Chief Executive Officer are separate. The board is chaired by a non-executive director, Quinton George and the position of Chief Executive Officer is held by Jaco Schoeman. The lead non-executive director is Anthon Meyer. The non-executive directors are not appointed under service contracts and their remuneration (see note 13) is not linked to the Company's financial performance.

The predominance of non-executive directors on the board helps maintain a balance of power and ensure independent decision-making. The non-executive directors offer independent judgment and there are no extraneous factors that could materially affect their judgment. If there is an actual or potential conflict of interest, the director (executive or non-executive) concerned, after declaring his/her interest in terms of the Companies Act, is excluded from the related decision-making process.

Appointment and re-election of the Board

Jaco Schoeman is the Chief Executive Officer of the Company. As a result of implementing the acquisition of Western Utilities Corporation (Proprietary) Limited ("WUC") and the resulting reverse-listing thereof a change in control took place as detailed in the directors report, resulting in most of the previous directors, namely KD Jarvis, BA McQueen and EM Greenblatt, resigning from the board with effect from 6 March 2012. Accordingly, none of these directors will stand for re-election at the Annual General Meeting. Mr. Charles Pettit, Steve Tredoux and James Herbst remained on the board after the acquisition of WUC. The Company appointed a Combined Remuneration and Nomination Committee during the year under review. The committee did not meet during the year.

Appointments to the board are currently based on the needs of the Company as assessed from time to time. Consideration is given when nominating prospective directors to their qualifications. Appointments are made at board level and confirmed by shareholders in a shareholders meeting.

Role and function of the Board

The memorandum of incorporation of the Company is the charter which governs the directors' roles and responsibilities. The board retains full and effective control over the Company, provides strategic direction and delegates certain powers to management. The day-to-day management of the Company is vested in the executive directors

The board of directors determines the Company's purpose and values, ensures that it complies with codes of sound business practice and has unrestricted right of access to all Company information, records, documents and property and independent legal advice when required.

The directors recognise that they are responsible for the Company's system of financial and internal controls. The executive directors are responsible for identifying, analysing, reporting and managing risk, which forms part of their everyday functions. To date, no formal evaluation of the board has taken place. However, this will continue to be considered in due course.

Board Committees

The Company has two committees: a Combined Audit and Risk Committee and a Combined Remuneration and Nomination Committee. These committees report to the board of directors.

The Combined Audit and Risk Committee (CARC)

The composition of the CARC consists of three independent non-executive members, namely Anthon Meyer, Sandile Swana and Chris Roed, which composition complies with the Companies Act, 2008 (No 71 of 2008). The committee was restructured after the acquisition of WUC in order to comply with the King III Report. The King III Report recommends that the chairman of the board should not be the chairman of the audit committee - the Company complies with this requirement. The CARC intends to meet at least three times a year and a partner of the external auditor will be invited to attend meetings. During the year under review and to the date of this report, two CARC meetings were held. The majority of the members of the CARC are financially literate. The board of directors of MRI has unrestricted access to the CARC.

The mandate of the CARC provides for, inter alia, the reviewing of financial information, the effectiveness of the internal controls, considering the expertise and competency of the financial director, the reviewing of the risks relating to the business and industry, accounting policies, the code of ethics, compliance procedures, auditor independence, audit fees and reporting thereon to the board. The CARC has approved its responsibilities in terms of this charter.

The expertise and competency of the financial director and the appropriateness of the expertise, resources and adequacy of resources of the finance function will be reviewed annually.

The Combined Remuneration and Nomination Committee

The Combined Remuneration and Nomination Committee include three non-executive directors: Anthon Meyer, Chris Roed and Sandile Swana.

The committee is responsible for considering the nomination of new directors and the remuneration of the executive directors and making recommendations to the board in this regard. In determining the remuneration of directors, the committee takes heed of issues such as market norms, staff retention, the performance of directors, balanced scorecard issues, share incentive scheme considerations and incentives and has access to outside consultation if necessary. The Chief Executive Officer is also consulted. The committee intends on meeting at least once a year. During the year under review, given the classification of the Company as a cash shell and the lack of operating activity, no meeting was held.

MRI has not entered into any service contracts with its executive directors nor have the executive directors been remunerated as the Company was a cash shell during the financial year. All non-executive directors are subject to retirement by rotation and re-election by MRI shareholders at least once every three years in accordance with the memorandum of incorporation. As mentioned above, only the re-appointment of three of the existing directors, who will continue to serve on the board post the reverse-listing, has been presented to shareholders for approval.

The Company has no share incentive scheme in place.

Board and Committee Meetings and Attendance thereat

The board intends to meet on a regular basis at least every three months. The directors are properly briefed in respect of special business prior to board meetings and information is timeously provided to them to enable them to give full consideration to all the issues being considered. The directors do make further enquiries where necessary. Where it is considered necessary, special sub-committees are formed to address areas of focus.

During and subsequent to the financial year-end, four board meetings were held. No meeting of the Combined Remuneration and Nomination Committee was held. Minutes are kept of all board and committee meetings.

The attendances of the directors as at 29 February 2012 for the year under review, taking into account their dates of appointment, were as follows:

Director/committee

Member	% of board meetings attended	Number of meetings attended (2)
BA McQueen*^	100%	2/2
KD Jarvis*^	100%	2/2
S Tredoux	100%	2/2
E Greenblatt*	100%	2/2
JC Herbst	100%	2/2
C Pettit~	100%	1/2

** Non-Executive, ^ Independent, ~ Appointed 19 July 2012*

During the year under review, no meeting of the CARC was held.

Subsequent to year end, two board meetings and two meetings of the CARC were held and the attendance at these meetings were as follows:

Director / committee

Member	% of board meetings attended	Number of meetings attended (2)	% of audit & risk committee meetings attended	Number of meetings attended (2)
S Tredoux*^	50%	1/2	NA	NA
JC Herbst*	100%	2/2	NA	NA
C Pettit*	100%	2/2	NA	NA
Q George*~	100%	2/2	NA	NA
S Swana*^~	100%	2/2	100%	2/2
C Roed*^~	100%	2/2	100%	2/2
A Meyer*^~	100%	2/2	100%	2/2
M van den Berg~	100%	2/2	NA	NA
J Schoeman~	100%	2/2	NA	NA

** Non-Executive, ^ Independent, ~ Appointed with effect from 30 April 2012*

No meeting of the Combined Remuneration and Nomination Committee was held during the year under review.

All directors, committee members and the chairmen are encouraged to attend the annual general meeting of the Company

Fees paid to Non-executive Directors

Fees payable to non-executive directors are determined by the executive directors in consultation with the Chairman and approved by the board of directors. Once-off fees were approved to be paid to the existing non-executive directors for services rendered to 29 February 2012 at the general meeting of the Company on 30 April 2012, as follows:

Director	Once Off Directors' Fees
KD Jarvis	R30 000-00
BA McQueen	R30 000-00
SP Tredoux	R30 000-00

The following fees are proposed for the forthcoming financial year, commencing 1 March 2012:

	Chairman	Other members and members of committees
Monthly retainer	R10 000-00	R10 000-00

Details of fees paid to non-executive directors for the year ended 29 February 2012 are detailed in the annual financial statements.

Interest of Directors and Officers

The register of interests of directors in contracts is available to members of the public on request. A record of the interests (direct and indirect) of the directors in the Company's securities, as at 29 February 2012, and the record of directors' dealings, during the year under review, is set out in the directors' report.

Company Secretary

All directors have access to the advice and services of Arcay Client Support (Pty) Ltd, which fulfils the role of Company Secretary – this office has been filled by them since 30 November 2010. The board is of the opinion that the member of the management team at Arcay Client Support (Pty) Ltd have the requisite attributes, experience and qualifications to effectively fulfil the commitments of the Company Secretary. The appointment or dismissal of the Company Secretary is decided by the board as a whole and not one individual director.

Sustainability and corporate governance report

External Audit and the Audit

The auditor of the Company is Horwath Leveton Boner ("HLB"). HLB performs an independent and objective audit of the Company's financial statements. The financial statements are prepared in terms of International Financial Reporting Standards ("IFRS"). Interim reports for the six-month period ended 31 August 2011 were reviewed by the HLB. The CARC reviews the audit fees for the audit. The auditor has unrestricted access to the CARC and is invited to all meetings of the CARC. The re-appointment of the auditor or the appointment of a new auditor is considered by the CARC.

The CARC's primary objective is to ensure that the auditor is considered independent. It is also required to provide the board with additional assurance regarding the efficacy and reliability of the financial information used by the directors, to assist them in discharging their duties. The committee is required to provide comfort to the board that adequate and appropriate financial and operating controls are in place, that significant business, financial and other risks have been identified, and are being suitably managed, and that satisfactory standards of governance, reporting and compliance are in operation. The committee has set principles for recommending the use of the external auditor for non-audit services.

No non-audit services were performed by the auditor during the year under review. The CARC is satisfied as to the independence of the auditor.

Accounting and Internal Controls

The board is responsible for the Company's systems of internal financial and operational control, as well as for maintaining an appropriate relationship with the Company's auditor. The board is responsible for presenting a balanced and understandable assessment of the Company's financial position with respect to all financial and price sensitive reports on the Company.

The board has established controls and procedures to ensure the accuracy and integrity of the accounting records and monitors the Company's businesses and its performance. The controls are designed to provide reasonable assurance that assets are safeguarded from loss or unauthorised use and that the financial records may be relied upon for maintaining accountability for assets and liabilities and preparing the financial statements.

Audit Opinion

The Company received an unqualified audit opinion.

The statement of directors' responsibility is set out on page 15.

Internal Audit

Due to the company being a cash shell, the executive directors did not conduct an annual review of the Company's internal controls. As a result no findings were presented to the CARC. Such a review would normally cover financial, operational and compliance controls, as well as a review of the risk management policies and procedures of the Company and will be implemented in the forthcoming year.

After review of the Company's internal control processes and consideration of the nature of the Company and lack of activity the board did not identify the need to establish a formal internal audit process. This requirement will be continuously monitored.

Ethical Leadership

MRI subscribes to the highest ethical standards and behaviour in the conduct of its business and related activities, and requires total honesty and integrity from its directors and employees. MRI expects its shareholders, suppliers and partners to subscribe to the same high ethical standards.

Communications with Stakeholders

The Company is committed to on-going and effective communication with stakeholders. It subscribes to a policy of open and timeous communication in line with JSE Limited guidelines, sound corporate governance and is considering an investor relations programme going forward.

Employment, Development and Employment Equity

The Company will endeavour to promote a culture that will provide employees with opportunities to advance to optimal levels of career development once operations in the Company are implemented.

The Company upholds and supports the objectives of the Employment Equity Act and intends implementing initiatives that provide opportunities for all levels of staff as they become established and will seek to position itself as an employer of choice, whilst at the same time enhancing its participation in making South Africa more internationally competitive.

The Company's employment policies are designed to provide equal opportunities, without discrimination, to all employees.

Sustainability and corporate governance report

Sustainability Reporting

The Company is committed to high moral, ethical and legal standards and expects all representatives of the Company to act in accordance with the highest standards of personal and professional integrity in all aspects of their activities and to comply with all applicable laws, regulations and the Company's policies.

The board believes that the Company has implemented ethical standards during the year under review.

After year end, the Company acquired WUC, which company's main focus is rehabilitation of mines, treating coal fines and later, acid mine drainage.

The Company intends establishing a sustainable development strategy which will be a work in progress and will be more detailed in the next annual report.

The following principles have however been identified to start the process of establishing this strategy:

- To consider environmental impacts
- Forming strong, sustainable and fair relationships with stakeholders
- Upliftment of communities in which it operates

Principles contained in the King III Report with which the Company has not applied and the reasons for non-compliance

Ethical Leadership and Corporate Citizenship	**Apply**	**Partially apply**	**Under review/ do not apply**
Effective leadership based on an ethical foundation	√		
Responsible corporate citizen	√		
Effective management of company's ethics	√		
Assurance statement on ethics in integrated annual report			√1
Boards and Directors			
The board is the focal point for, and custodian of, corporate governance	√		
Strategy, risk, performance and sustainability are inseparable	√		
Directors act in the best interest of the Company	√		
The chairman of the board is an independent non-executive director	√8		
Framework for the delegation of authority has been established	√		
The board comprises a balance of power, with a majority of non-executive directors, the majority of whom are independent	√		
Directors are appointed through a formal process	√		
Formal induction and ongoing training of directors is conducted		√2	
The board is assisted by a competent, suitably qualified and experienced Company Secretary	√		
Regular performance evaluation of the board, its committees and the individual directors		√3	
Appointment of well-structured committees and oversight of key functions	√		
An agreed governance framework between the group and its subsidiary boards is in place			√4
Directors and executives are fairly and responsibly remunerated	√		
Remuneration of directors and senior executives is disclosed	√		
The Company's remuneration policy is approved by its shareholders	√		
Audit Committee			

Sustainability and corporate governance report

Ethical Leadership and Corporate Citizenship	Apply	Partially apply	Under review/ do not apply
Effective and independent	√		
Suitably skilled and experienced independent non-executive directors	√5		
Chaired by an independent non-executive director	√		
Oversees integrated reporting		√9	
A combined assurance model is applied to improve efficiency in assurance activities	√10		
Satisfies itself on the expertise, resources and experience of the Company's finance functions	√		
Oversees internal audit	√		
Integral to the risk management process	√		
Oversees the external audit process	√		
Reports to the board and shareholders on how it has discharged its duties	√		
Compliance with Laws, codes, rules and standards			
The board ensures that the Company complies with relevant laws	√		
The board and directors have a working understanding of the relevance and implications of non-compliance	√		
Compliance risk forms an integral part of the Company's risk management process	√		
The board has delegated to management the implementation of an effective compliance framework and processes			√1
Governing Stakeholder Relationships			
Appreciation of stakeholders' relationships	√		
There is an appropriate balance between its various stakeholder groupings	√		
Equitable treatment of stakeholders	√		
Transparent and effective communication to stakeholders	√		
Disputes are resolved effectively and timeously	√		
The Governance of Information Technology			
The board is responsible for information technology (IT) governance	√		
IT is aligned with the performance and sustainability objectives of the Company			√6
Management is responsible for the implementation of an IT governance framework			√6
Mine Restoration Investments Limited			
(Formerly Capricorn Investment Holdings Limited)			
(Registration number 1987/004821/06)			
Annual Financial Statements for the year ended 29 February 2012			
Sustainability and corporate governance report (continued)			
The Governance of Information Technology			
The board is responsible for information technology (IT) governance	√		
IT is aligned with the performance and sustainability objectives of the Company			√6
Management is responsible for the implementation of an IT governance framework			√6
The board monitors and evaluates significant IT investments and expenditure			√6
IT is an integral part of the Company's risk management			√6
IT assets are managed effectively			√6

Sustainability and corporate governance report

Ethical Leadership and Corporate Citizenship	Apply	Partially apply	Under review/ do not apply
The risk management committee and audit committee assist the board in carrying out its IT responsibilities			√6
The Governance of Risk			
The board is responsible for the governance of risk and setting levels of risk tolerance	√		
CARC assists the board in carrying out its risk responsibilities	√	√7	
The board delegates the process of risk management to management	√		
The board ensures that risk assessments and monitoring is performed on a continual basis	√		
Frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks			√1
Management implements appropriate risk responses			√1
The board receives assurance on the effectiveness of the risk management process			√1
Sufficient risk disclosure to stakeholders	√		
Integrated Reporting and Disclosure			
Ensures the integrity of the Company's integrated annual report	√		
Sustainability reporting and disclosure is integrated with the Company's financial reporting		√11	
Sustainability reporting and disclosure is independently assured			√1

√1 This will be considered by the board as the Company grows.

√2 Whilst directors are provided with information on the business on appointment, formal ongoing training for non-executive directors has not been introduced. This will be considered by the board as the Company grows.

√3 The board will be considering the introduction of board, committee and individual evaluation during the forthcoming year.

√4 The Company has no subsidiaries at year ended 29 February 2012.

√5 Due to the size and nature of the Company and its lack of operations during the year under review, two independent non-executive and one non-executive director were members of the CARC. Once the acquisition of WUC was concluded, three independent non-executive directors formed the committee.

√6 Due to the size and nature of the Company, there is currently no focus on IT reporting and sustainability. This will be considered by the board as the Company grows.

√7 The Company does not have a separate risk committee due to the size and nature of the Company. Risks are being addressed and monitored at a CARC level.

√8 The Chairman of the board is a non-executive director and by virtue of his directorship on a major shareholder is not deemed independent. However, the Company appointed a lead independent director, namely Anthon Meyer in order to ensure compliance with the JSE Listing Requirements and King III.

√9 The Company has started considering the requirements of integrated reporting and endeavours to improve on the required disclosure in future annual reports

√10 The activities of the year were minimal given that the Company was a cash shell.

√11 The Company is starting to disclose and integrate a sustainability report into the annual report and endeavours to improve on this in future annual reports.

Sustainability and corporate governance report

Closed and Prohibited Periods

A closed period is implemented by the Company's directors from the date of the end of the reporting period until the Company's results are published on SENS. Additional closed or prohibited periods are enforced as required in terms of any corporate activity or when directors are in possession of price sensitive information. All the directors are aware of the legislation regulating insider trading. A record of dealings by directors in the Company's securities is retained by the Company Secretary at the registered office of the Company.

Transfer Office

Computershare Investor Services (Pty) Ltd acts as transfer secretary to the Company.

Risks

Risk assessments will be prepared by management and reviewed at each meeting of the CARC. The main risk facing the Company during the year under review was the need to acquire new assets in order to ensure a sustainable business and meet the JSE Limited's Listings Requirements for continued listing on its Stock Exchange. This has subsequently been addressed with the conclusion of the reverse-listing.

Stakeholders

Due to lack of operations in the Company over the past financial year, no stakeholder engagement methods were identified, but the Company has subsequently established open relationships with its stakeholders on the WUC acquisition.

Directors' responsibilities and approval

The directors are required by the South African Companies Act No. 71 of 2008, as amended, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly represent the state of affairs of the Company as at end of the financial year and the results of its operations and cash flows for the period ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion of the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies and are supported by reasonable and prudent judgments and estimates.

The directors acknowledge that due to the business being a cash shell, no revenue was generated for the year ended 29 February 2012.

The directors have reviewed the Company's cash flow forecast and the Board advises that the preparation of the financial statements on a going concern basis is appropriate.

The financial statements set out on pages 26 to 41, which have been prepared on the going concern basis, were prepared by the Board on the date stated below and were signed on its behalf by:

Q George

JC Herbst

Johannesburg
2 August 2012

Combined audit and risk committee report

The report of the Combined Audit and Risk Committee ("the Committee") is presented as required by Section 61(8 a iii) of the Companies Act (No. 71 of 2008).

Functions and Responsibilities of the Combined Audit and Risk Committee

The role of the Committee is to assist the board by performing an objective and independent review of the functioning of the organisation's finance and accounting control mechanisms. It exercises its functions through close liaison and communication with company management and the external auditor.

The Committee is guided by its terms of reference as approved by the board, dealing with membership, structure, and levels of authority and has the following responsibilities:

- ensuring compliance with applicable legislation and the requirements of any regulatory authority;
- nominating for appointment a registered auditor who, in the opinion of the audit committee, is independent of the Company;
- considering whether the expertise and experience of the Financial Director is appropriate;
- considering matters relating to financial accounting, accounting policies, reporting and disclosure and ensure integrity of the Company's annual report;
- considering internal and external audit policy including determining fees and the terms of engagement;
- considering and evaluating, on an on-going basis, the need for an internal audit function and audit plans;
- reviewing and approving external audit plans, findings, problems, reports, fees and determining and approving any non- audit services that the auditor may provide to the Company;
- ensuring compliance with the Code of Corporate Practices and Conduct; and
- ensuring compliance with the Company's code of ethics.

The members of the Committee adopted an audit mandate which will be reviewed annually. The Committee has established a policy, as well as required procedures with regard to the use of the external auditors, for non-audit services. During the year under review no non-audit services were utilised.

The Committee also assesses and monitors all risk matters including compliance risk matters, which responsibilities have been assumed with the adoption by the Committee of a risk mandate.

The Committee is informed of regulatory and other monitoring and enforcement requirements designed to ensure that the Company's financial information complies with financial reporting and other regulatory requirements.

Members of the Combined Audit and Risk Committee

During the year, the Committee consisted of three non-executive directors, namely, K Jarvis (Chairman), B McQueen and E Greenblatt.

Subsequent to year end and pursuant to the acquisition of WUC and application to list MRI on AltX, the composition of the Committee was restructured. Mrs E Greenblatt resigned with effect from 5 April 2012 and Messrs K Jarvis and B McQueen resigned with effect from 30 April 2012.

The newly constituted Committee with effect from 30 April 2012 consists of:

S Swana (Chairman)
A Meyer
C Roed

In terms of King III, a minimum of three independent non-executive directors are recommended. In terms of the JSE Listing Requirements, the audit committee must be constituted in terms of King III. All three members of the Committee are independent non-executive directors. It should be noted that Mr S Swana is a non-executive director of Trinity Asset Management (Pty) Ltd.

The external auditors, the chief executive officer and the financial director are all invited to attend the meetings of the Committee. The members of the Committee have at all times acted in an independent manner.

Combined audit and risk committee report

Frequency of meetings

The Committee intends meeting a minimum of three times per year and provision will be made for additional meetings to be held when, and if, necessary. The Committee has met twice during 2012 financial year and twice after year end and up to the date of this report.

Independence of external audit

One of the responsibilities of the Combined Audit and Risk Committee is the assessment of the independence of the auditor. The Committee is satisfied that the auditor is independent of the Company. The auditor has also confirmed that its personnel are independent of the Company.

Expertise and experience of the financial director

As required by the JSE Limited's Listing Requirements 3.84(h), the Committee has satisfied itself that the newly appointed financial director, Mrs M van den Berg, has the appropriate expertise and experience. She has been assisted and will continue to be assisted by Mr A Meyer, an independent non-executive director, to ensure proper transition into the role of financial director. In addition, the CARC considered and confirmed the appropriateness of the expertise, resources and adequacy of resources of the finance function.

Financial statements

Management has reviewed the financial statements of the Company with the Committee, and the Committee has reviewed them without management or the external auditor being present. The quality of the accounting policies are discussed with the external auditor and a private discussion was held with the auditor. The Committee considers the financial statements of Mine Restoration Investments Limited to be a fair presentation of its financial position as at 29 February 2012 and of the results of the operations, changes in equity and cash flows for the period ended then, in accordance with International Financial Reporting Standards and the Companies Act and similarly recommended the annual financial statements to the board for approval.

S Swana
Chairman of the committee

2 August 2012

Directors' report

The directors present the annual financial statements of the Company for the year ended 29 February 2012.

NATURE OF BUSINESS

Prior to the reverse takeover involving the acquisition of Western Utilities Corporation (Proprietary) Limited ("WUC") which acquisition was finalised during June 2012, Mine Restoration Investments Limited (previously Capricorn Investment Holdings Limited) was a cash-shell since 20 December 2010 and its shares were suspended from trading on the lists of the JSE Limited since 21 June 2011 due to its failure to conclude agreements to acquire assets within the prescribed period. The Company had no subsidiaries during the period under review.

Subsequent to the financial year end, the company changed its name from Capricorn Investment Holdings Limited to Mine Restoration Investments (MRI) to reflect the new business and focus of the company post the acquisition of WUC ("the Group"). The acquisition of WUC has brought two new strategic focus areas to the company namely Acid Mine Drainage ("AMD") and Coal Fines Briquetting ("coal briquetting"). Both these projects are focussed at reducing the environmental impact of mining whilst at the same time produce a significant return on investment for our shareholders.

The Group has commenced with the construction of the coal briquetting plant in the first half of the year and the coal briquetting project is envisaged to be commissioned in January 2013 and should take three months to reach full production. This project is expected to provide a significant return on capital invested. Revenues generated from this project will be used to capitalise the company and to reinvest and grow this section of our business.

With regards to the AMD project, government is currently drafting the scope of the work for a tender to be submitted by interested parties, of which WUC will be one, to intercept, treat and distribute approximately 155 Mega Litres of AMD on a daily basis. WUC has already completed a Bankable Feasibility Study including engineering and environmental authorisation processes for the project. This project remains a strategic focus of the company going forward and we expect that the tender will be initiated soon.

FINANCIAL RESULTS

Due to the Company being a cash shell during the year under review, no revenue was generated for the year ended 29 February 2012. The Company did however report non-operational income in the form of R226 771 in finance income and R27 099 in profit on disposal of investments.

The headline loss per share was (3.29) cents per share compared to a headline earnings per share of 6.60 cents per share in the prior period. The Company had disposed of its subsidiaries in the prior year and accordingly, the operating results are not comparable

ISSUE AND REPURCHASE OF SHARES AND SUB-DIVISION OF SHARE CAPITAL

The Company did not issue shares or repurchase any of its own shares during the year under review.

At the end of the year, the Company had an authorised share capital comprising 1 000 000 000 ordinary share and an issued share capital of 59 886 020 ordinary shares. Each share had a par value of R 0.001 per share. The authorised and issued share capital of the Company as at 29 February 2012 is set out in note 4 of the annual financial statements.

Subsequent to the financial year end, on 30 April 2012, shareholders approved the special resolution to convert the issued share capital of the Company to no par value shares. This special resolution was registered with CIPC on 18 May 2012. At the General Meeting held on 30 April 2012, shareholders also approved the issue of the following shares, which were issued in June 2012:

- 210 526 316 ordinary shares at an issue price of 19 cents totaling R40 million;
- 182 300 030 ordinary shares at an issue price of 19 cents totaling R 34 637 005.70 as part settlement of the acquisition of WUC;
- 1 447 638 ordinary shares at an issue price of 19 cents totaling R 274 999.92 as a settlement due to the corporate advisor in lieu of fees; and
- 1 535 540 ordinary shares at an issue price of 19 cents totaling R 291 752.60 as settlement due to the sponsor in lieu of fees.

NAME CHANGE

Subsequent to year end and following the general shareholders meeting on 30 April 2012, shareholders approved the change of name of Capricorn Investment Holdings Limited to Mine Restoration Investments Limited. The special resolution adopting the name change was registered with CIPC on 1 June 2012 and affected on the JSE on 25 June 2012.

Directors' report

CHANGES INVOLVING DIRECTOR REPRESENTATION ON THE BOARD

During the period under review, Mr. C Pettit was appointed to the board of directors as a non-executive director. His appointment took effect on 19 July 2011.

Subsequent to year end, Mrs. E Greenblatt and Messrs B McQueen and K Jarvis resigned. Their resignations took effect on 5 April 2012 and 30 April 2012 respectively.

Mr. S Tredoux's role changed to that of an independent non-executive director with effect from 30 April 2012. Similarly, Mr. J Herbst's role changed from chief executive officer to non-executive director with effect from 30 April 2012.

In addition and as a result of the reverse takeover mentioned under subsequent events below, the following new appointments to the board were made with effect from 30 April 2012:

Quinton George – Non-Executive Chairman

Jaco Schoeman – Chief Executive Officer

Michelle van den Berg – Financial Director

Anthon Meyer – Lead Independent Non-Executive Director

Chris Roed – Independent Non-Executive Director

Sandile Swana – Independent Non-Executive Director

The name, business address and capacity of the new board consist of the following:

Quinton George	Block F, The Terraces, Steenberg Office Park, Cape Town	Non-Executive Chairman
Jaco Schoeman	Route 21 Corporate Park, 45 Sovereign Drive, Ground Floor, Unit C, Irene X30, 0046	Group Executive Officer
James Herbst	First Floor, East Wing, 146a Kelvin Drive, Woodmead	Non-Executive Director
Steve Tredoux	First Floor, East Wing, 146a Kelvin Drive, Woodmead	Independent Non-Executive Director
Michelle van den Berg	Route 21 Corporate Park, 45 Sovereign Drive, Ground Floor, Unit C, Irene X30, 0046	Financial Director
Charles Pettit	Block F, The Terraces, Steenberg Office Park, Cape Town	Non-Executive Director
Sandile Swana	Block 3, Visiomed Office Park, 269 Beyers Naude Drive, Northcliff	Independent Non-Executive Director
Anthon Meyer	21b Phinda street, Moreletta Park, Pretoria	Lead Independent Non-Executive Director
Chris Roed	Unit no 5, The Pavilion, Central Park, The Esplade, Century City, 7441	Independent Non-Executive Director

All the above mentioned directors are South African apart from Mr. C Pettit who is British.

Quinton George (Non-Executive Chairman)

Quinton is a registered financial advisor with the Securities Institute of London and the Financial Services Board in South Africa. He has successfully achieved certificates in Investment Advice and Investment General Exams of the Institute of Stockbrokers.

He began his career in the financial services industry when he joined a South African Corporate member of the Johannesburg Stock Exchange (JSE). Here he worked as a portfolio manager and developed a substantial private client base. Later, he joined DC Palmer Securities and initiated their online stock broking. He played a significant role in building the online business of the company.

On September 1, 2000, Quinton launched Trinity Holdings (Pty) Ltd, an investment management company registered with the Financial Services Board. Currently, Quinton is the CEO of Trinity Asset Management, notably one of South Africa's largest gold and resource fund managers.

Directors' report

Jaco Schoeman (Group Chief Executive Officer)
Jaco Schoeman is a scientist and holds a B. Tech Degree in Analytical Chemistry from Pretoria Technikon in South Africa. Jaco was previously the Technical Director of Mintails Ltd (ASX:MLI), a South African based, but Australia-listed gold mining company which reprocesses tailings. Prior to joining Mintails, he held senior positions including General Manager of Atomaer RSA, Product Specialist at Nalco-Chemserve and Senior Chemist as Amplats (now Anglo Platinum). His responsibilities at Mintails included initiating a commercial alternative to existing technologies for the treatment of AMD water.

Jaco previously had overall responsibility for the water treatment project, ensuring accountability of funds and reports to the Board against agreed milestones. Jaco has also accepted responsibility for the establishment and continuation of vital strategic relationships with the regulatory agencies and major mining enterprises of South Africa.

Michelle van den Berg (Financial Director)
Michelle completed high school in Middelburg and studied het National Diploma in Internal Auditing through Free State Technikon, where she became a Certified Professional Accountant after completing articles at Oelofse Auditors, Medpark Financial Services and Van Wyk Auditors.

Following her articles, Michelle became Financial Manager of Head to Toe before she left and started working at MNR Solutions (Pty) Ltd and Isisango Convention Centre (Pty) Ltd to fill the position of Financial Manager/Human Resources Representative and Accountant. In 2007, Michelle was employed as a financial accountant by Barnstone Corporate Services (Pty) Ltd where she was contracted out to WUC. However in 2008, WUC decided to include Michelle on their payroll while she continued to fulfill the role of financial accountant. Michelle will be assisted by Anthon Meyer initially in her role as Financial Director

The newly constituted audit committee confirmed that they are satisfied with the expertise and experience of Michelle as financial director of the Group going forward.

James Herbst (Non-executive Director)
James is a Chartered Accountant with experience in corporate finance, corporate law, investment banking, and investment management. After completing his articles with Coopers and Lybrand and the Chartered Financial Analyst programmer, James worked for Fleming Martin Private Asset Management where he managed full discretionary funds.

He left in 2001 to start a private equity business that later culminated in the listing of Level 4 IT Services with its subsequent acquisition of DataPro, now Vox Telecom. Having completed his service contract with DataPro, James went on to pursue a career in corporate finance with the launch of WRH Corporate Advisors. In July 2007 WRH acted as corporate advisors to TelePassport, which was reverse-listed into Huge Group. Since his appointment as CEO of Huge Group, James has been instrumental in integrating Huge Group's two principal telecommunications businesses, which have been combined to form Huge Telecom.

Stephen Tredoux (Independent Non-Executive Director)
Steve started his working career as an accountant but moved to general management where he worked in the property management industry and manufacturing. He joined the information technology sector where he was employed by National Data Systems as account director addressing all commercial and support issues for Nedbank.

He subsequently joined MTN in 1995, working there with the Service Providers, as well as investigating new routes to market, new product sets, and new ways of communicating with customers. When MTN acquired M-Tel, Steve was appointed in an executive sales and advertising capacity. He has considerable experience in sales distribution but is also a master at marketing and product development. Steve is a director on the listed Huge Group Limited board.

Charles Pettit (Non-Executive Director)
Charles has extensive corporate finance experience in the United Kingdom, South Africa and Mauritius which includes acquisitions, disposals, IPO's, fundraisings, BEE transactions and corporate restructurings. Since founding AfrAsia Corporate Finance in June 2009, Charles has led the origination and execution activities of the team and also led the sale of a minority interest in the business to AfrAsia Bank in May 2010.

Charles graduated from the University of Cape Town with a First Class Honors degree in Finance. He subsequently qualified as a CFA charter holder while working in corporate finance for Close Brothers in London.

Directors' report

Sandile Swana (Independent Non-Executive Director)
Sandile Swana (44) was born in Johannesburg, South Africa and matriculated at St John's College, Mthatha. He completed a B.Comm under the Anglo American Scholarship Programme at Wits University, with majors in Economics and Business Information Systems (Computer Programming). He received training in software development, and project management (PRINCE 2 Project Management Practitioner -UK). He has a BComm Hons (Unisa) in Logistics and an MBA (UP) focused on finance and his thesis was on ERP systems and their impact on corporate strategy. He also holds a BTh (UNISA) degree in Ethics.

He is a director of the following companies listed on the Johannesburg Stock Exchange: Convergenet Holdings; Mine Restoration Services and SA French. Since 2004 he is a director of Sable Data Works which amongst other things specialises in the development and implementation of asset management software for compliance with Government Immovable Asset Management Act (GIAMA) and the best of breed SABLE Geoscientific Software suite which serves many blue chip mining companiesin Africa.

In 2007 he became one of the original founding directors of Convergenet and has served in several capacities including Chairman of the audit committee; chairman of the board of directors and CEO with a focus in deploying ICT infrastructure in Africa. He started part-time lecturing at Wits Business School in 2007-2012 covering Risk Management and Public Private Partnerships. He has served as a member of the following audit committees: ICASA (chairman); Gariep Municipality (Chairman), Gold One Limited; Convergenet Holdings (Chairman) and Sallies Limited (Chairman). He has wide ranging management and leadership experience having worked for multi-nationals and private companies including: Anglo American as a trainee (1988–1992); New York Times; Caltex Oil; The Don Suite Hotels.

Mr Swana also independent non-executive director of Trinity Asset Management and JSE Listed Mcubed. He is married to Boni with two children one in high school and the other at University.

Anthon Meyer (Lead Independent Non-Executive Director)
Anthon is a Chartered Accountant. As an articled clerk and audit senior he was involved in audits of a number of businesses ranging from farmers, individuals, doctors, banks, government departments, warehouses, retail businesses, car dealers, second hand dealers, manufacturing concerns and pharmacies. As sole practitioner Anthon was involved in audits and financial management of pharmacies, printers, manufacturers, motor car dealers, general engineering works and individuals.

Anthon has experience consulting on an opencast coal exploration and with a mining company, Optimum Coal in Mpumalanga, and involved in the reclamation of gold slime sludge and sand in heavy manufacturing as well as the assembly of "knocked-down" and "semi-knocked-down" units with knowledge gained at Mogale Gold in Krugersdorp and Ergo Gold in Brakpan. This experience was also underpinned by a detailed costing exercise spearheaded by Anthon and supported by a team of experts. He also gained experience of the warehousing of spare parts, work-in-process, raw material and finished goods and more recently implemented an EVA system in a bottling plant and produced a detailed costing exercise.

During the recent past, Anthon was contracted as CFO to a large private company that services Government in respect of its IT requirements and gained valuable experience in respect of the PFMA requirements and completed the annual statutory audit under the governance of the PFMA and other related acts governing Government bodies.

Chris Roed (Independent Non-Executive Director)
Chris is a water/civil engineer with more than 20 years of experience and specialises in water and wastewater engineering, as well as conventional civil engineering.

Chris holds a BSc (Civ) Eng degree and a post graduate diploma on Engineering from the University of Cape Town, a post graduate diploma in Sanitary Engineering from the IHE in The Netherlands and has completed Advanced Wastewater Treatment studies at the University of Cape Town. Chris is also a registered professional engineer with the Engineering Council of South Africa.

Chris gained experience while working for the City of Cape Town Waterworks Department (7 years), Arcus Gibb Consulting Engineers water department (8 years), and Watermark Consulting Engineers (6 years) and now owns C-T-P Consulting Engineers on the West Coast of South Africa. Experience includes water and wastewater treatment and infrastructure design, process design, affiliated mechanical and electrical engineering, energy efficiency, and renewable energy. Chris has worked on multi-disciplinary projects throughout Southern Africa including Angola, Namibia, Botswana, Zambia, Sao Tome, Seychelles and China.

Roed started and owns a successful petroleum products supply company selling mainly bulk liquid petroleum gas (LPG) in Southern Africa.

Other than as mentioned above, no other changes to the board of directors took place during the period under review, and to the date of this report.

Directors' report

DIRECTORS' INTERESTS

The individual interests declared by the directors and officers in the Company's share capital as at 24 February 2012 as well as the comparative totals for the year ended 28 February 2011, (post the sub-division of shares on a 10:1 basis) held directly or indirectly were as follows:

Director	Beneficial		Total – 2012 (as at 24 February 2012)	% - 2012
	Direct	Indirect		
J Herbst*	3 745 115	-	3 745 115	6.25%
	3 745 115	-	3 745 115	6.25%

** Non-Executive*

Director	Beneficial		Total – 2011 (as at 25 February 2011)	% – 2011
	Direct	Indirect		
J Herbst*	20 082 760	–	20 082 760	33.54%
E Greenblatt*	34 076 920	–	34 076 920	56.90%
	54 159 680	–	54 159 680	90.44%

** Non–Executive, ~ Appointed 30 November 2010*

During the year under review, Mrs. E Greenblatt and Mr. J Herbst entered into a series of agreements with Trinity Asset Management (Pty) Limited ("TAM"), including a sale of share agreement and two respective put and call agreements. There agreements were signed on 20 June 2011. In terms of the sale of shares agreement, Mrs. E,

Greenblatt sold 13 168 126 ordinary shares in the Company to TAM, comprising 21.99% of the aggregate issued share capital of the Company, while Mr. J Herbst sold 7 785 992 ordinary share in the Company to TAM, option agreements signed between TAM on the one and each of Mrs. E Greenblatt and Mr. J Herbst on the other, first and second put and call options were granted by each of the parties to the other at a price of 13 cents per share.

Mrs. E Greenblatt and Mr. J Herbst exercised their first options for the sale of 13 863 298 and 8 514 602 shares respectively. The date of sale of the ordinary shares underlying these first put options was on 9 February 2012 and 15 February 2012 respectively. The exercise of the put options constituted a change in control of the Company and an 'affected transaction' in terms of the Takeover Regulation Panel ("TRP"), obliging TAM, the Offeror, to make a mandatory offer of 13 cents per share to minority shareholders to acquire their Capricorn shares on similar terms to the shares purchased by TAM from Mrs. E Greenblatt and Mr. J Herbst. The details of this change in control and mandatory offer were included in a circular to shareholders dated 2 April 2012.

In addition, Mrs. E Greenblatt exercised her second put option to sell a further 7 082 547 shares to TAM at 13 cents per share on 9 February 2012. Accordingly, Mrs. E Greenblatt no longer has any shares in the Company.

Mr. Q George is a director in TAM. At the date of this report and pursuant to the acquisition and reverse listing transaction as detailed in the circular dated 2 April 2012. Mr. George does not have any direct or indirect beneficial shareholding in TAM nor in the Company. Mr. S Swana is a non-executive director of TAM. He does not have any direct or indirect beneficial shareholding in TAM nor in the Company.

Mr. C Pettit is a director of AfrAsia Corporate Finance (Proprietary) Limited ("AfrAsia") who are the corporate advisors to the Company and specifically on the acquisition and reverse listing transaction. AfrAsia received a portion of payment in share for services rendered in terms of the reverse listing. AfrAsia were issued 1 447 368 new shares in the Company during June 2012 at an issue price of 19 cents per share. Mr. C Pettit is not a direct or indirect shareholder of AfrAsia and accordingly doe s not have any direct or indirect beneficial interest in the Company.

In accordance with the JSE Listing Requirements, 50% of the shares issued to AfrAsia are subject to a lock-up period of 2 years from 25 June 2012 (date of listing) due to AfrAsia being a related party to the Company by virtue of Mr. Pettit's directorship on the Company of AfrAsia.

Mr. J Schoeman is a non-executive director of Watermark, a shareholder of the Company. He holds 35 000 000 shares in Watermark and therefore holds 4 265 821 shares (0.94%) indirectly in MRI after year end. Similarly, Mrs. M van den Berg as financial director holds 500 000 shares in Watermark and therefore holds 54 690 shares (0.01%) indirectly in MRI after year end.

Other than as mentioned above, there has been no further change in directors' interests in the share capital of the Company subsequent to 29 February 2012 and up to date of this report.

DIRECTORS' EMOLUMENTS

The emoluments of executive and non-executive directors are determined by the Group's Combined Remuneration and Nomination Committee and the board, where appropriate. Further information relating to the earnings of directors is provided in note 13 of the Company's annual financial statements. The remuneration policy of the Company for the forthcoming year is set out in the notice to the annual general meeting notice, which includes the proposed remuneration for non-executive directors.

COMPANY SECRETARY

Arcay Client Support (Proprietary) Limited was appointed as Company Secretary on 29 November 2010 and up to date of this report.

AUDITOR

Horwath Leveton Boner has been reappointed as the Company's auditor for the year ended 29 February 2012. It will be proposed at the Annual General Meeting of shareholders that Horwath Leveton Boner continue in office in accordance with section 90(1) of the Companies Act, with Mr. Selwyn Bloch as the Designated Auditor. The Combined Audit and Risk Committee is satisfied with the independence of the auditor to the Company.

DIVIDEND

No dividends were recommended or declared in the current financial year.

LITIGATION

There are no proceedings which may be pending or threatened, which may have, or which have had a material effect on the financial position of the Company.

SPECIAL RESOLUTIONS

Subsequent to year end, at the general meeting of shareholders held on 30 April 2012, the following special resolutions were presented and approved:

1. Conversion of the share capital to no par value;
2. Approval of an issue of shares with more than 30% voting power;
3. General authority to enter into funding agreements, provide loans or other financial assistance;
4. Approval of non-executive directors' remuneration; and
5. Change in name of the Company to Mine Restoration Investments Limited.

CORPORATE GOVERNANCE

The directors subscribe to the values of corporate governance as embodied in the King III report on Corporate Governance. Details of the Company's compliance with the Code of Corporate Practices and Conduct as contained in the King III Report are contained in the Sustainability and Corporate Governance Report.

SUBSEQUENT EVENTS AFTER THE BALANCE SHEET DATE AND FUTURE PROSPECTS

As announced on 15 December 2011, a sale and purchase agreement was signed between the Company, Water Utilities Limited and Watermark Global PLC ("Watermark") regarding the acquisition of 100% of the shares in, and loan account claims against, "WUC", a wholly-owned subsidiary of Watermark, for a purchase consideration of GBP 4.50 million. GBP 1.81 million was payable in cash with the balance of GBP 2.69million settled through a fresh issue of ordinary shares in the Company at an issue price of 19 cents per ordinary share ("the Acquisition").

The cash portion of the Acquisition was settled out of the capital raised from the specific issue of 210 526 316 ordinary share at an issue price of 19 cents totalling R 40 million ("the Specific Issue"). The remaining approximate amount of R 16.5 million out of the R 40 million raised, after the settlement of the cash portion of the Acquisition, will be used to fund the development of the coal briquetting project and working capital for the Group.

Both the Acquisition and Specific Issue transactions were detailed in a circular dated 2 April 2012, which transactions were approved by shareholders at the general meeting held on 30 April 2012.

Directors' report

WUC now a wholly-owned subsidiary of the Company, is a water treatment technology and commercialisation entity which has developed a long term self-sustainable solution for AMD in South Africa. The development of the AMD project is expected to lead to a number of opportunities including the management of significant water treatment facilities, the development of waste water management strategies, as well as the project management of upgrade projects from mines participating in the AMD project and other industrial water users. This awaits approval from the Department of Water Affairs.

In addition, WUC has proprietary technology in respect of the coal briquetting which is currently at the development stage and expected to be in production by January 2013.

The lifting of the suspension and the listing of Mine Restoration Investments Limited on the Alternative Exchange of the JSE took place on Monday, 25 June 2012.

AUDITOR'S OPINION ON THE COMPANY'S RESULTS

The auditor has issued an unqualified audit opinion on the results for the year ended 29 February 2012 and the audit opinion is set out on page 25 of the Annual Financial Statements.

Declaration by company secretary

In terms of section 88 (2e) of the Companies Act, 71 of 2008 ("Act"), we certify that, to the best of our knowledge and belief, the Company has filed returns and notices as required by the Act with the Commission for the financial year ended 29 February 2012 and from 15 November 2010 to date, all such returns as are required of a public company in terms of the aforesaid Act have been filed, and all such returns are true, correct and up to date.

Arcay Client Support (Pty) Ltd
Arcay House II
Number 3, Anerley Road,
Parktown, Johannesburg , 2193

Independent auditor's report

To the Shareholders of Mine Restoration Investments Limited (formerly Capricorn Investment Holdings Limited)

We have audited the financial statements of Mine Restoration Investments Limited (formerly Capricorn Investment Holdings Limited), which comprise the statements of financial position at 29 February 2012, and the statements of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Annual Financial Statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa and for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of Mine Restoration Investments Limited at 29 February 2012, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 29 February 2012, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

S Bloch
Partner
Registered Auditor

Horwath Leveton Boner
Sandton

2 August 2012

Statement of financial position

	Notes	**2012 R'000**	2011 R'000
Assets			
Non-Current Assets			
Deferred tax	2	**–**	15
		–	15
Current Assets			
Cash and cash equivalents	3	**4 229**	5 751
		4 229	5 751
Total Assets		**4 229**	5 766
Equity and Liabilities			
Equity			
Equity holders			
Share capital	4	**60**	60
Share premium	4	**3 521**	3 521
Other reserves		**2**	2
Retained earnings		**111**	2 055
		3 694	5 638
Liabilities			
Current Liabilities			
Current tax payable		**15**	55
Trade and other payables	5	**520**	73
		535	128
Total Equity and Liabilities		**4 229**	5 766

Statement of comprehensive income

	Notes	2012 R'000	2011 R'000
Operating expenses		**(2 183)**	(1 097)
Operating profit (loss)		**(2 183)**	(1 097)
Investment revenue – interest (continuing operations)	6	**227**	45
Investment revenue – dividends (discontinued operations)	6	**–**	6 730
(Loss) /profit on disposal of subsidiaries		**27**	(1 081)
Profit (loss) before taxation		**(1 929)**	4 597
Taxation	7	**15**	(31)
Profit (loss) for the year		**(1 944)**	4 566
Other comprehensive income		**–**	–
Total comprehensive income (loss)		**(1 944)**	4 566
Profit (loss) attributable to :			
Equity holders		**(1 944)**	4 566
Total comprehensive income (loss) attributable to:			
Equity holders		**(1 944)**	4 566
Basic and diluted earnings / (loss) per share	8	**(3.25)**	5.33

Statement of changes in equity

	Share capital R'000	Share premium R'000	Total share capital R'000	Other reserves R'000	Retained earnings R'000	**Total equity R'000**
Company						
Balance at 01 March 2010	96	7 581	7 677	–	(2 511)	**5 166**
Total comprehensive loss for the year	–	–	–	–	4 566	**4 566**
Repurchase of shares and cancellation thereof	(36)	(4 060)	(4 096)	–	–	**(4 096)**
Capitalisation of shares held by employee trust	–	–	–	2	–	**2**
Total changes	(36)	(4 060)	(4 096)	2	4 566	472
Balance at 01 March 2011	60	3 521	3 581	2	2 055	**5 638**
Total comprehensive (loss) for the year	–	–	–	–	(1 944)	**(1 944)**
Total changes	–	–	–	–	(1 944)	**(1 944)**
Balance at 29 February 2012	60	3 521	3 581	2	111	**3 694**

Statement of cash flows

	Notes	2012 R'000	2011 R'000
Cash flows from operating activities			
Cash generated by (used in) operations	10	**(1 736)**	(2 454)
Interest income	6	**227**	–
Dividends received	6	**–**	6 730
Profit on disposal of investments		**27**	–
Taxation paid	11	**(40)**	–
Cash available from operating activities		**(1 522)**	4 321
Total cash movement for the year		**(1 522)**	4 321
Cash and cash equivalents at the beginning of the year		**5 751**	1 430
Cash and cash equivalents at end of the year	3	**4 229**	5 751

Accounting policies

1. Presentation of Annual Financial Statements

The financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act of South Africa. The annual financial statements have been prepared on the historical cost basis, except for certain financial equity instruments that have been measured at fair value and incorporate the principal accounting policies set out below.

The annual financial statements are prepared in South African Rand (ZAR), the functional currency of the company and all amounts are rounded to the nearest thousand, except when otherwise indicated.

The company has elected to present the 'income statement' and a 'statement of comprehensive income' in one statement: the 'statement of comprehensive income'.

1.1 Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The acquisition method involves the recognition of the acquirer's identifiable assets and liabilities, including contingent liabilities, regardless of whether they were recorded in the annual financial statements prior to acquisition. On initial recognition, the assets and liabilities of the acquired subsidiaries will be included in a consolidated statement of financial position at their fair values, which are also used as the bases for subsequent measurement in accordance with the Company's accounting policies.

Goodwill arising on the acquisition of a subsidiary, associate or joint venture represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is not amortised but is subject to an annual impairment test or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired.

If the cost of acquisition is less than the net assets of the subsidiary acquired, the difference is recognised directly in the statement of financial position. Goodwill on the acquisition of subsidiaries is included in "goodwill" in the statement of financial position. Goodwill on acquisitions of associates and joint ventures is included in "investments in associates", and "investments in joint ventures" respectively.

1.2 Significant judgments and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the annual financial statements and the reported amounts of revenues and expenses during the reporting period based on management's best knowledge of current events and actions. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the Annual financial statements are:

Taxation

Management's judgment is exercised when determining the probability of future taxable profits, which will determine whether deferred tax assets should be recognised or authorised. The authorisation of deferred tax assets will depend on whether it is possible to generate sufficient taxable income, taking into account any legal restrictions on the life and on the nature of the asset. When deciding whether to authorise taxation credits, management needs to determine the extent to which future taxable income is likely to be earned and be available for future set-off. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction.

To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to authorise the net deferred tax assets recorded at the reporting date could be impacted. In the event that the assessment of future. In the event that the assessment of future payments and future authorisation changes, the change is recognised in the statement of financial position as a prior year under or over provision.

Accounting policies

1.3 Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument.

Financial assets are authorisation when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is authorisation when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value and subsequently as described below.

Financial assets

Financial assets are classified into the following specified categories: 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

All financial assets are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a company of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within 'finance costs', 'finance income' or 'other financial items', except for impairment of trade receivables which is presented within 'other expenses'.

Loans and receivables

Trade receivables, loans, cash and cash equivalents and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For all other financial assets, including redeemable notes classified as AFS and finance lease receivables, objective evidence of impairment include significant financial difficulty of the issuer or counterparty, or default or delinquency in interest or principal payments, or it becoming probable that the borrower will enter bankruptcy or financial authorisation.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the company's past experience of collecting payments, an objective evidence of impairment for a portfolio of receivables could include the company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables. For financial assets carried at amortised cost, the amount of the impairment is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account.

Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed, does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The company authorisation a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to authorise the financial asset and also recognises authorization borrowing for the proceeds received.

Financial liabilities

Financial liabilities are classified as 'other financial liabilities'.

The company's other financial liabilities comprise borrowings and trade and other payables.

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition of financial liabilities

The company authorise financial liabilities when, and only when, the company's obligations are discharged, canceled or they expire.

1.4 Income tax

Income tax expense recognised in profit or loss comprises the sum of deferred taxation and current taxation not recognised in other comprehensive income or directly in equity.

Current taxation

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years

Current tax payable also includes any tax liability arising from the declaration of dividends. Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of financial position.

Accounting policies

Deferred taxation

Deferred tax is provided using the balance sheet liability method based on temporary differences. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is authorised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The amount of deferred tax provided is based on the expected manner of authorisation or settlement of the carrying amount of assets and liabilities.

Deferred tax for the period is to be recognised in profit or loss except to the extent that it relates to a transaction that is recognised directly in equity, or a business combination that is an acquisition. The effect on deferred tax of any changes in the tax rates is recognised in profit or loss, except to the extent that it relates to items previously charged or credited directly to equity. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off tax assets against tax liabilities and deferred income taxes relate to the same taxable entity and the same taxation authority.

A deferred tax asset relating to deductible temporary differences is recognised for all deductible differences to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. The carrying amount of deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be authorised.

Secondary tax on companies (STC)

Secondary tax on companies (STC) is recognised in the year dividends are declared, net of dividends received. A deferred tax asset is recognised on unutilized STC credits when it is probable that such unused STC credits will be utilised in the future.

1.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

1.6 Impairment of assets

Impairment of non-financial assets

The Company evaluates the carrying value of assets with finite useful lives when events and circumstances indicate that the carrying value may not be recoverable. Irrespective of whether there is indication of impairment, the Company tests goodwill acquired in business combinations for impairment annually. This impairment test is performed during the initial period and annually thereafter. Intangible assets not yet available for use are tested annually for impairment.

An impairment loss is recognised in profit or loss when the carrying amount of an asset exceeds its recoverable amount. An asset's recoverable amount is the higher of the fair value less cost to sell (the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable willing parties), or its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

An impairment loss recognised for an asset, other than goodwill, in prior years is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised and the recoverable amount exceeds the carrying amount. The reversal of the impairment is limited to the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior years. The reversal of such an impairment loss is recognised in profit or loss in the same line item as the original impairment charge.

1.7 Share capital and equity

Share capital represents the nominal value of shares that have been issued.

Share premium includes any premiums received on issue of share capital and premiums paid on repurchase of share capital. Any transaction cost associated with the issuing of shares is deducted from share premium, net of any related income tax benefit.

Retained earnings include all current and prior period retained profits.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

Accounting policies

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.8 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre- tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense

Where possible outflows of economic resources, as a result of present obligations are considered improbable or remote, no liability is recognised.

Possible outflow of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets.

Contingent assets and contingent liabilities are not recognised. They are disclosed in the notes.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

1.9 Segment reporting

As the company was a cash shell, and did not engage in any business activities, assets and liabilities and results were not uthoriza within segments as this would not be meaningful.

1.10 Investment income

Investment income includes finance and dividend income.

Finance income is recognised on an accrual basis using the effective interest method.

Dividend income is recognised at the time that the right to receive payment is established.

1.11 Borrowing costs

Finance costs that are directly attributable to the acquisition, construction or production of a qualifying asset, form part of the cost of that asset and may no longer be expensed.

All other borrowing costs are recognised as an expense in the period in which they are incurred

1.12 Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

Notes to the annual financial statements

		2012 R'000	2011 R'000
2.	**Deferred tax**		
	Deferred tax balances are as follows:		
	Deferred tax assets	–	15
		–	15
	Deferred tax balance		
	Accruals	–	15
		–	15
	Reconciliation of deferred tax asset (liability)		
	At beginning of the year	**15**	–
	Charge in income statement	**(15)**	15
	At end of year	–	15
3.	**Cash and cash equivalents**		
	Cash and cash equivalents consist of:		
	Bank balances	**4 229**	5 751
		4 229	5 751

The carrying value of cash and cash equivalents is considered a reasonable approximation of fair value.

		2012 R'000	2011 R'000
4.	**Share capital**		
	Authorised		
	1 000 000 000 Ordinary shares of R 0.001 each	**1 000**	1 000
	Issued		
	59 886 020 Ordinary shares of R 0.001 each	**60**	62
	Reconciliation of number of shares issued:		
	Number of shares at beginning of year	**60**	9
	Repurchase of shares and cancellation thereof	–	(36)
	Number of shares at end of year	**60**	60

940 113 980 unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting

In a special resolution passed on 15 November 2010, the Company increased its authorised share capital from 20 000 000 ordinary shares of R 0.01 (one cent) each to 100 000 000 ordinary shares of R 0.01 (one cent) each, by the creation of 80 000 000 ordinary shares of R 0.01 (one cent) each.

In a special resolution passed on 15 November 2010, the Company sub-divided its authorised share capital from 100 000 000 ordinary par value shares of R 0.01 (one cent) each to 1 000 000 000 ordinary par value shares of R 0.001 (one tenth of one cent) each.

		2012 R'000	2011 R'000
5.	**Trade and other payables**		
	Loan from J.C. Herbst	–	88
	Other payables	**520**	65
		520	73

All amounts are short term and the carrying value of trade and other payables are considered a reasonable approximation of fair value.

Notes to the annual financial statements

		2012 R'000	2011 R'000
6.	**Investment revenue**		
	Dividend revenue		
	Subsidiaries	**–**	6 730
	Interest revenue		
	Bank	**227**	45
		227	6 775
7.	**Taxation**		
	Major components of the tax expense		
	Current year	**–**	31
	Defered	**15**	–
		15	31
	Reconciliation of the tax expense		
	Reconciliation between applicable tax rate and average effective tax rate.		
	Applicable tax rate	**28.00**	28.00
	Non-taxable/disallowed items	**(27.22)**	(27.33)
		0.78	0.67
	Tax loss which may be utilised against future taxable income R 265 976		
8.	**Earnings per share**		
	Profit / (loss) attributable to ordinary equity holders	**(1 944)**	4 566
	Profit / (loss) on disposal of subsidiaries	**(27)**	1 081
	Headline earnings / (loss)	**(1 971)**	5 647
	Weighted average number of ordinary shares (basic and headline)	**59 886**	85 611
	Basic loss / earnings per share (cents) from continuing operations	**(3.25)**	5.33
	Headline earnings /(loss) per share (cents) from continuing operations	**(3.29)**	6.60
	There are no dilutive instruments.		
9.	**Auditor's remuneration**		
	Audit fees	**94**	50
10.	**Cash generated by (used in) operations**		
	Profit before tax	**(1 929)**	4 597
	Adjustments for:		
	(Loss) / profit on disposal of subsidiaries	**(27)**	1 081
	Dividends received	**–**	(6 730)
	Interest received	**(227)**	(45)
	Impairment loss	**–**	–
	Loans from group companies repaid Changes in working capital:	**–**	(1 263)
	Trade and other payables	**447**	(94)
		(1 736)	(2 454)
11.	**Taxation paid**		
	Balance at beginning of the year	**55**	(24)
	Current tax for the year recognised in profit or loss	**–**	(31)
	Balance at end of year	**15**	–
		(40)	–

Notes to the annual financial statements

	2012 R'000	2011 R'000
12. Related parties		
Relationship		
Director JC Herbst		
Related party balances		
J.C. Herbst (interest free loan repaid)	–	(8)

13. Directors' emoluments

No remuneration was paid to the directors for the financial years ended 29 February 2012 and 28 February 2011.

Fees of R 90 000 for non-executive directors were proposed and approved after the financial year end for services rendered in the current year. These payments will form part of the emoluments for the year ended 28 February 2013

14. Risk management

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and financial liabilities by category are authorised in the accounting policies for financial instruments. The main types of risk are credit risk and interest risk.

14.1 Interest rate risk

The Company is exposed to interest rate risk on funds with the company's bankers. Total funds deposited at the financial year end amounted to – R 4 229 (2011: R 5.7 million).

Should there have been a 1% decrease in interest rates this would have reduced profits before tax by R 41 000.

14.2 Credit risk

Cash and cash equivalents

Deposits and cash balances are maintained at reputable financial institutions.

	2012 R'000	2011 R'000
14.3 Liquidity risk		
The company manages liquidity by constantly monitoring its future commitment		
Categories of financial instruments – loans and receivables		
Cash and cash equivalents		
	4 229	5 751
Categories of financial assets – at amortised cost		
Trade and other payables	**520**	73

The carrying value of financial assets and liabilities recognised at amortised cost in the financial statements, approximate their fair values.

14.4 Financial liability payment timeline

The Company's contractual maturities are authorised below:

At 28 February 2012	Within 12 months
Trade and other payables	520
At 29 February 2011	Within 12 months
Trade and other payables	73

15. Business segments

There are no operating segments as the company is a cash shell.

16. New Standards and Interpretations

16.1 The company has adopted all new and revised accounting statements that became effective during the financial year. No change in accounting policy was required as a results of these standards.

16.2 Standards and interpretations issued but not yet effective

At the date of authorisation of the annual financial statements of Capricorn Investment Holdings Limited for the year ended 29 February 2012, the following Standards and Interpretations were in issue but not yet effective:

Notes to the annual financial statements

	Standard/Interpretation	Effective date
IFRS 7, Financial Instruments: Disclosure	Amendments require additional disclosure on transfer transactions of financial assets, including the possible effects of any residual risks that the transferring entity retains. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period	Annual periods beginning on or after 1 July 2011
	Amendments require entities to disclose gross amounts subject to rights of set-off, amounts set off in accordance with the accounting standards followed, and the related net credit exposure. This information will help investors understand the extent to which an entity has set off in its balance sheet and the effects of rights of set-off on the entity's rights and obligations	Annual periods beginning on or after 1 January 2013
IFRS 9, Financial Instruments	New standard that forms the first part of a three-part project to replace IAS 39 Financial Instruments: Recognition and Measurement	Annual periods beginning on or after 1 January 2015
IFRS 10, Consolidated Financial Statements	New standard that replaces the consolidation requirements in SIC-12 Consolidation—Special Purpose Entities and IAS 27 Consolidated and Separate Financial Statements. Standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company and provides additional guidance to assist in the determination of control where this is difficult to assess	Annual periods beginning on or after 1 January 2013
IFRS 11, Joint Ventures	New standard that deals with the accounting for joint arrangements and focuses on the rights and obligations of the arrangement, rather than its legal form. Standard requires a single method for accounting for interests in jointly controlled entities	Annual periods beginning on or after 1 January 2013
IFRS 12, Disclosure of Interests in Other Entities	New and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles	Annual periods beginning on or after 1 January 2013
IFRS 13, Fair Value Measurement	New guidance on fair value measurement and disclosure requirements	Annual periods beginning on or after 1 January 2013
IAS 1, Presentation of Financial Statements	New requirements to group together items within OCI that may be reclassified to the profit or loss section of the income statement in order to facilitate the assessment of their impact on the overall performance of an entity. - Annual Improvements 2009-2011 Cycle: - Amendments clarifying the requirements for comparative information including minimum and additional comparative information required	Annual periods beginning on or after 1 July 2012
1 January 2013 IAS 12, Income Taxes	Rebuttable presumption introduced that an investment property will be recovered in its entirety through sale.	Annual periods beginning on or after 1 January 2012
IAS 16, Property, Plant and Equipment	Annual Improvements 2009–2011 Cycle: Amendments to the recognition and classification of servicing equipment	Annual periods beginning on or after 1 January 2013
IAS 19, Employee Benefits	Amendments to the accounting for current and future obligations resulting from the provision of defined benefit plans	Annual periods beginning on or after 1 January 2013
IAS 27, Consolidated and Separate Financial Statements	Consequential amendments resulting from the issue of IFRS 10,11 and 12	Annual periods beginning on or after 1 January 2013
IAS 28, Investments in Associates	Consequential amendments resulting from the issue of IFRS 10,11 and 12	Annual periods beginning on or after 1 January 2013

	Standard/Interpretation	Effective date
IAS 32, Financial Instruments: Presentation	Amendments require entities to disclose gross amounts subject to rights of set-off, amounts set off in accordance with the accounting standards followed, and the related net credit exposure. This information will help investors understand the extent to which an entity has set off in its balance sheet and the effects of rights of set-off on the entity's rights and obligations	Annual periods beginning on or after 1 January 2013
	Annual Improvements 2009-2011 Cycle: Amendments to clarify the tax effect of distribution to holders of equity instruments	Annual periods beginning on or after 1 January 2013
IAS 34, Interim Financial Reporting	Annual Improvements 2009-2011 Cycle: -Amendments to improve the disclosure for interim financial reporting and segment information for total assets and liabilities	Annual periods beginning on or after 1 January 2013
IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine		Annual periods beginning on or after 1 January 2013

All Standards and Interpretations will be adopted at their effective date (except for those Standards and Interpretations that are not applicable to the entity).

The amended standards are not expected to have an impact on the company.

Analysis of shareholders

1. Shareholders holding more than 5 % of the share capital

	No. of shares	% Holding
PSL Client Safe Custody Asset Account	38 964 565	65.07
Mr. Arthur Hughes	5 000 000	8.35
James Herbst	3 745 115	6.25
	47 709 680	79.67

2. Shareholder spread

	No. of shareholders	No. of shares	% Holding
Public	147	17 176 340	28.68
Non-Public	–	–	–
Strategic Holders (more than 10%)	1	38 964 565	65.07
Directors of Mine Restoration Investments	1	3 745 115	6.25
	149	59 886 020	100.00

3. Categories of shareholders

	No. of shareholders	No. of shares	% Holding
Individuals	133	17 844 095	29.80
Nominees and trusts	5	2 600 010	4.34
Close corporations	4	317 800	0.53
Companies, financial institutions and other institutions	7	39 124 115	65.33
	149	59 886 020	100.00

4. Size of shareholding

Heading	No. of shareholders	No. of shares	% Holding
0 – 1 000	20	18 210	0.03
1 001 – 5 000	20	74 117	0.12
5 001 – 100 000	85	2 514 593	4.20
100 001 – 1 000 000	19	6 069 420	10.14
1 000 001 and over	5	51 209 680	85.51
	149	59 886 020	100.00

Notice of annual general meeting of the shareholders of the company

Mine Restoration Investments Limited

(Formerly Capricorn Investment Holdings Limited)
(Incorporated in the Republic of South Africa)
(Registration number 1987/004821/06)
Share code: MRI ISIN code: ZAE000149951
("MRI" or "the Company")

Directors: Q George (Chairman)*#, JC Herbst*, J Schoeman (CEO), S Swana*#, M van den Berg (Financial Director), C Roed*#, CE Pettit*A Meyer*#, SP Tredoux*#

** – Non–executive, # – Independent*

Notice is hereby given that the annual general meeting of shareholders of the Company will be held in the boardroom of Western Utilities Corporation (Pty) Ltd, Route 21 Corporate Park, 45 Sovereign Drive, Ground Floor, Unit C, Irene X30, at 10h00 on Tuesday, 25 September 2012, to consider and, if deemed fit, to pass, with or without modification, the following ordinary and special resolutions:

Electronic Participation in the Annual General Meeting

Please note that the Company intends to make provisions for shareholders of the Company, or their proxies, to participate in the annual general meeting by way of electronic communication. Should you wish to participate in the annual general meeting by way of electronic communication, you will need to contact the Company at +27 (012) 345 4037 by Thursday, 13 September 2012, so that the Company can provide for a teleconference dial-in facility. Please ensure that if you are participating in the meeting via teleconference that the voting proxies be sent through to the transfer secretaries, namely Computershare Investor Services (Pty) Ltd, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown, 2107) by no later than 10h00 on Thursday, 13 September 2012. No changes to voting instructions after this time and date can be accepted unless the Chairman of the meeting is satisfied as to the identification of the electronic participant.

The board of directors of the Company has determined that the record date for the purpose of determining which shareholders of the Company are entitled to receive notice of this annual general meeting is Monday, 20 August 2012 and the record date for purposes of determining which shareholders of the Company are entitled to participate in and vote at the annual general meeting is Friday, 7 September 2012. The last date to trade to qualify for the record date for purposes of participating in and voting at the annual general meeting is Friday, 31 August 2012. Accordingly, only shareholders who are registered in the register of members of the Company on Friday, 7 September 2012 will be entitled to participate in and vote at the annual general meeting.

Section 63(1) of the Companies Act requires that a person wishing to participate in the annual general meeting (including any representative or proxy) must provide satisfactory identification (such as identity documents, driver's licences or passports) before they may attend or participate at such annual general meeting.

Ordinary resolution number 1 – Adoption of the Annual Financial Statements

"RESOLVED THAT the annual financial statements of the Company for the period ended 29 February 2012, together with the directors' and auditors' reports thereon and the audit committee report, be received, considered and adopted."

Explanatory Note:

The annual financial statements are required to be adopted in terms of the Companies Act. The minimum number of votes that is required to pass ordinary resolution 1 is a percentage equal to 50% (fifty percent) of the voting rights that are present in person, or by proxy, at the meeting plus 1 (one) vote.

Ordinary resolution number 2 – Retirement and re-election of a director – JC Herbst

"RESOLVED THAT the retirement and re-election of Mr JC Herbst, who retires in accordance with the provisions of the Company's Memorandum of Incorporation and who offers himself for re-election, be and is hereby approved."

Mr JC Herbst's curriculum vitae are set out at the end of this notice of annual general meeting.

Ordinary resolution number 3 – Retirement and re-election of a director – SP Tredoux

"RESOLVED THAT the retirement and re-election of Mr. SP Tredoux, who retires in accordance with the provisions of the Company's Memorandum of Incorporation and who offers himself for re-election, be and is hereby approved."

Mr SP Tredoux's curriculum vitae are set out at the end of this notice of annual general meeting.

Notice of annual general meeting of the shareholders of the company

Explanatory note for ordinary resolutions 2 and 3:
In accordance with the Memorandum of Incorporation of the Company, one-third of the directors are required to retire at each meeting and may offer themselves for re-election. In terms of the Memorandum of Incorporation of the Company, the CEO, during the period of his service contract, is not taken into account when determining which directors are to retire by rotation.

In terms of Section 61 (8 c ii) of the Companies Act, shareholders are required to approve the appointment of the members of the audit committee. The audit committee members were approved in a general meeting held on 30 April 2012.

Ordinary resolution number 4 – Appointment and remuneration of the auditor – Horwath Leveton Boner
"RESOLVED THAT the reappointment of Horwath Leveton Boner as auditor of the Company, with Mr Selwyn Bloch as the designated auditor at partner status, be and is hereby approved."

Explanatory note:
Horwath Leveton Boner has indicated its willingness to continue as the Company's auditor until the next annual general meeting. The members of the Company's Combined Audit and Risk Committee have satisfied themselves as to the independence of Horwath Leveton Boner. The Company's Combined Audit and Risk Committee has the power in terms of the Companies Act, 2008 (No. 71 of 2008) to approve the remuneration of the external auditor. The remuneration and non-audit fees paid to the auditor during the year ended 29 February 2012 are contained on page 39.

The minimum number of votes that is required to pass ordinary resolutions 2 to 4 is a percentage equal to 50% (fifty percent) of the voting rights that are present in person, or by proxy, at the meeting plus 1 (one) vote.

Ordinary resolution number 5 – Approval of Remuneration Policy
"RESOLVED THAT the shareholders endorse, by way of a non-binding advisory vote, the Company's remuneration policy (excluding the remuneration of the non-executive directors and the members of board committees for their services as directors and members of committees), as set out below, be and is hereby approved."

The Remuneration Policy will be reviewed annually. The following is a summary of the Remuneration Policy of the Company:

1. **Objective**
   Under the overriding guidance of the Combined Remuneration and Nomination Committee, ensure the integrity, transparency and legitimacy of remuneration within the Company including the development and implementation of related policies, programmes, practices and decisions.

2. **Key Policy**
   a. Non-discriminatory practice – remuneration policy directives and practices will be free of unfair distinction.
   b. Internal equity – transparent, equitable and consistent application.
   c. External parity – competitive remuneration based on remuneration trends.
   d. Performance based – direct link between remuneration and performance.
   e. Motivation – integral component of employee motivation.

3. **Consideration**
   a. Company viability – budgetary constraints as determined by the board.
   b. Company performance – target achievement and wealth generation.
   c. Retention of key skills.
   d. Sustainability.
   e. Career development.

4. **Application**
   a. Cost to company – flexible total package structure.
   b. Balance – basic salary versus performance reward.
   c. Shares – implementation of appropriate share incentive scheme/s for management.
5. Directors remuneration
   a. Executive directors – determined by the Combined Remuneration and Nomination Committee, approved thereafter by the board.
   b. Non-executive directors – determined by the executive directors, but pre-approved by shareholders.

Explanatory Note:
Chapter 2 of King III dealing with boards and directors requires companies to table their remuneration policy to shareholders for a non-binding advisory vote at the annual general meeting. This vote enables shareholders to express their views on the remuneration policies adopted and on their implementation.

This ordinary resolution is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing arrangements. However, the board will take the outcome of the vote into consideration when considering the Company's remuneration policy. Nevertheless, for record purposes, The minimum number of votes that is required to pass ordinary resolution 5 is a percentage equal to 50% (fifty percent) of the voting rights that are present in person, or by proxy, at the meeting plus 1 (one) vote.

In terms of Section 66 (9) of the Companies Act, shareholders are required to approve the remuneration in relation to services of directors. The fees for non-executive directors were approved in a general meeting of shareholders held on 30 April 2012 by way of special resolution.

Ordinary resolution number 6 – General authority to allot and issue shares for cash
"RESOLVED THAT, subject to the approval of 75% of the members present in person and by proxy and entitled to vote at the meeting, the directors of the Company be and hereby are authorised, by way of general authority, to allot and issue all or any of the authorised, but unissued shares, in the capital of the Company as they in their discretion deem fit, subject to the following limitations:

- the shares which are the subject of an issue for cash must be of a class already in issue, or where this is not the case, must be limited to such equity securities or rights that are convertible into a class already in issue; and
- this authority shall not endure beyond the next annual general meeting of the Company nor shall it endure beyond 15 months from the date of this meeting; and
- there will be no restrictions in regard to the persons to whom shares may be issued, provided that such shares are to be issued to public shareholders (as defined by the JSE Limited ("JSE") in its Listings Requirements) and not to related parties; and
- upon any issue of shares which, together with prior issues during any financial year, will constitute 5% or more of the number of shares of the class in issue, the Company shall by way of an announcement on Securities Exchange News Service ("SENS") give full details thereof, including the effect on the net asset value of the Company and earnings per share; and
- the aggregate issue of a class of shares already in issue in any financial year may not exceed 50% of the number of that class of shares (including securities which are compulsorily convertible into shares of that class); and
- the maximum discount at which shares may be issued is 10% of the weighted average traded price of the Company's shares over the 30 business days prior to the date that the price of the issue is determined or agreed by the directors of the applicant."

Explanatory Note:
In terms of the Company's memorandum of incorporation, read with the JSE Listings Requirements, the shareholders may authorise the directors to allot and issue the authorised but unissued shares for cash, as the directors in their discretion think fit.

The minimum number of votes that is required to pass ordinary resolution 6 is a percentage equal to 75% (fifty percent) of the voting rights that are present in person, or by proxy, at the meeting plus 1 (one) vote. In accordance with the Alternative Exchange requirements, the Designated Advisor and controlling shareholder are precluded from voting on this ordinary resolution number 6.

Special resolution number 1: General authority to acquire (repurchase) shares
"RESOLVED THAT, subject to the approval of 75% of the members present in person and by proxy and entitled to vote at the meeting, the Company and/or any subsidiary of the Company is hereby authorised, by way of a general authority, from time to time to acquire ordinary

and/or preference shares in the share capital of the Company from any person in accordance with the requirements of the Company's Memorandum of Incorporation, the Companies Act and the JSE Listings Requirements, provided that:

- any such acquisition of ordinary and/or preference shares shall be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement with the counterparty; and
- this general authority shall be valid until the earlier of the Company's next annual general meeting or the variation or revocation of such general authority by special resolution at any subsequent general meeting of the Company, provided that it shall not extend beyond 15 months from the date of passing of this special resolution number 1; and
- an announcement is published as soon as the Company, or any of its subsidiary companies, has acquired ordinary and/or preference shares constituting, on a cumulative basis, 3% of the number of ordinary and/or preference shares in issue and for each 3% in aggregate of the initial number acquired thereafter, in compliance with paragraph 11.27 of the JSE Listings Requirements; and
- acquisitions of shares in aggregate in any one financial year may not exceed 5% of the Company's issued ordinary and/or issued preference share capital, as the case may be, as at the date of passing of this special resolution number 1; and
- ordinary and/or preference shares may not be acquired at a price greater than 10% above the weighted average of the market value at which such ordinary and/or preference shares are traded on the JSE as determined over the five business days immediately preceding the date of acquisition of such ordinary and/or preference shares; and
- the Company has been given authority by its Memorandum of Incorporation; and
- the board of directors authorises the acquisition and that the Company passed the solvency and liquidity test, as set out in Section 4 of the Companies Act, and that since the solvency and liquidity test was performed there have been no material changes to the financial position of the Company; and
- in having regard to the terms of section 48 (2)(b) of the Companies Act, the board of a subsidiary Company may acquire shares of its holding company on the further provisos that (i) not more than 10%, in aggregate, of the number of issued shares of any class of shares of the Company may be held by, or for the benefit of, all of the subsidiary companies of the Company taken together; and (ii) no voting rights attached to those shares may be exercised while the shares are held by a subsidiary company of the Company whose shares it holds; and
- in terms of section 48 (8)(b) of the Companies Act, the repurchase of any shares is subject to the requirements of sections 114 and 115 if, considered alone, or together with other transactions in an integrated series of transactions, it involves the acquisition by the Company of more than 5% of the issued shares of any particular class of the Company's shares; and
- at any point in time, the Company and/or its subsidiaries may only appoint one agent to affect any such acquisition; and
- the Company and/or its subsidiaries undertake that they will not enter the market to acquire the Company's shares until the Company's sponsor has provided written confirmation to the JSE regarding the adequacy of the Company's working capital, in accordance with Schedule 25 of the JSE Listings Requirements; and
- the Company and/or its subsidiaries do not acquire any shares during a prohibited period, as defined in the JSE Listings Requirements, unless a repurchase programme is in place where dates and quantities of shares to be traded during the prohibited period are fixed and full details of the programme have been disclosed in an announcement over the Securities Exchange News Service (SENS) prior to the commencement of the prohibited period.

Explanatory Note:
The reason for and effect of this special resolution is to grant the Company and its subsidiaries a general authority to facilitate the acquisition by the Company and/or its subsidiaries of the Company's own shares, which general authority shall be valid until the earlier of the next annual general meeting of the Company or the variation or revocation of such general authority by special

In terms of the Company's memorandum of incorporation, read with the JSE Listings Requirements, the shareholders may authorise the directors to allot and issue the authorised but unissued shares for cash, as the directors in their discretion think fit.

Any decision by the directors, after considering the effect of an acquisition of up to 5% of the Company's issued ordinary and/or participating preference shares as the case may be, to use the general authority to acquire shares of the Company will be taken after having regard to the prevailing market conditions and other factors and provided, after such acquisition, the directors are of the opinion that:

Notice of annual general meeting of the shareholders of the company

- the Company and its subsidiaries will be able to pay their debts in the ordinary course of business; and
- the assets of the Company and its subsidiary companies exceed the liabilities of the Company and its subsidiary companies as recognised and measured in accordance with the accounting policies used in the latest audited annual group financial statements; and
- the share capital and reserves of the Company and its subsidiaries will be adequate for the purposes of the business of the Company and its subsidiaries; and
- the working capital of the Company and its subsidiary companies is adequate for the purposes of the business of the Company and its subsidiary companies for the period of 12 months after the date of the notice of the annual general meeting. The Company will ensure that its Sponsor or Designated Advisor, as the case may be, will provide the necessary letter on the adequacy of the working capital in terms of the JSE Listings Requirements prior to the commencement of any purchase of the Company's shares on the open market.

The JSE Listings Requirements require, in terms of section 11.26, the following disclosures, which appear in this annual report:

- Directors and management – refer to page 21 of this annual report.
- Major shareholders – refer to page 44 of this annual report.
- Directors' interests in securities – refer to pages 21 and 22 of this annual report.
- Share capital of the Company – refer to page 37 of this annual report.

Litigation statement

In terms of paragraph 11.26 of the JSE Listings Requirements, the directors whose names appear on 2 pages of this annual report, of which the notice of annual general meeting forms part, are not aware of any legal or arbitration proceedings that are pending or threatened that may have or had in the recent past, being at least the previous 12 months, a material effect on the Company's financial position.

Directors' responsibility statement

The directors, whose names appear on page 2 of this annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statements false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this special resolution contains all information required by law and the JSE Listings Requirements.

Material changes

Other than the facts and developments reported in this annual report, there have been no material changes in the financial or trading position of the Company since the date of signature of the audit report and up to the date of the notice of annual general meeting. The directors have no specific intention, at present, for the Company to acquire any of its shares but consider that such a general authority should be put in place should an opportunity present itself to do so during the year, which is in the best interests of the Company and its shareholders.

The directors are of the opinion that it would be in the best interests of the Company to extend such general authority and thereby allow the Company or any of its subsidiaries to be in a position to acquire the shares issued by the Company through the order book of the JSE, should the market conditions, tax dispensation and price justify such an action.

The minimum number of votes that is required to pass special resolution 1 is a percentage equal to 75% (fifty percent) of the voting rights that are present in person, or by proxy, at the meeting plus 1 (one) vote.

Special resolution number 2 – General authority to enter into funding agreements, provide loans or other financial assistance

"RESOLVED THAT, to the extent required by the Companies Act, the board of directors of the Company may, subject to compliance with the requirements of the Company's Memorandum of Incorporation, the Companies Act and the JSE Listing Requirements, each as presently constituted and as amended from time to time, authorise the Company to provide direct or indirect financial assistance by way of loans, guarantees, the provision of security or otherwise to: 1) any of its present or future subsidiary companies and/or any other company or corporation that is or becomes related or inter-related to the Company for any purpose or in connection with any matter, including but not limited to the subscription of any option, or any securities, issued or to be issued by the Company or a related or inter-related company, or for the purchase of any securities of the Company or a related or inter-related company as contemplated in terms of section 44 of the Companies Act; 2) any of its present or future directors or prescribed officers, and such authority is to endure for a period of 2 (two) years from the date on which this special resolution is passed."

Notice of annual general meeting of the shareholders of the company

Explanatory Note:

The reason for special resolution number 2 is to obtain approval from the shareholders to enable the Company to provide financial assistance to group companies, when the need arises, in accordance with the provisions of Sections 44 and 45 of the Companies Act. The effect of special resolution number 2 is that the Company will have the necessary authority, as and when required.

The minimum number of votes that is required to pass special resolution 2 is a percentage equal to 75% (fifty percent) of the voting rights that are present in person, or by proxy, at the meeting plus 1 (one) vote.

Voting and Proxies

Certificated shareholders and dematerialised shareholders with "own name" registration

If you are unable to attend the annual general meeting of MRI shareholders, to be held in the boardroom of Western Utilities Corporation (Pty) Ltd, Route 21 Corporate Park, 45 Sovereign Drive, Ground Floor, Unit C, Irene X30, 0046, 10h00 on Tuesday, 25 September 2012, and wish to be represented thereat, you should complete and return the attached form of proxy in accordance with the instructions contained therein and lodge it with, or post it to, the transfer secretaries, Computershare Investor Services (Pty) Ltd, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown, 2107) so as to be received by them by no later than 10h00 on Thursday, 13 September 2012.

Dematerialised shareholders, other than those with "own name" registration

If you hold dematerialised shares in MRI through a CSDP or broker and do not have an "own name" registration, you must timeously advise your CSDP or broker of your intention to attend and vote at the annual general meeting or be represented by proxy thereat in order for your CSDP or broker to provide you with the necessary authorisation to do so, or should you not wish to attend the annual general meeting in person you must timeously provide your CSDP or broker with your voting instruction in order for the CSDP or broker to vote in accordance with your instruction at the annual general meeting.

Each shareholder, whether present in person or represented by proxy, is entitled to attend and vote at the annual general meeting. On a show of hands every shareholder who is present in person or by proxy shall have one vote, and on a poll every shareholder present in person or by proxy shall have one vote for each share held by him/her.

A form of proxy (white) which sets out the relevant instructions for use is attached for those members who wish to be represented at the annual general meeting of members. Duly completed forms of proxy must be lodged with the transfer secretaries of the Company to be received by not later than 10h00 on Thursday, 13 September 2012

By order of the Board

Arcay Client Support (Pty) Ltd
(Registration Number 1998/025284/07)
Company Secretary
Date: 2 August 2012

Notice of annual general meeting of the shareholders of the company

ABRIDGED CURRICULUM:

James Charles Herbst

James is a CA with sound experience in corporate finance, corporate law, investment banking, and investment management. After completing his articles with Coopers & Lybrand and the Chartered Financial Analyst programmer, James worked for Fleming Martin Private Asset Management where he managed full discretionary funds. He left in 2001 to start a private equity business that later culminated in the listing of Level 4 IT Services with its subsequent acquisition of DataPro: now Vox Telecom. Having completed his service contract with DataPro, James went on to pursue corporate finance and deal-making with the launch of WRH Corporate Advisors. In July 2006 they acted as corporate advisors to Definity Telecom in the sale of Definity to Vox Telecom, and in July 2007 acted as corporate advisors to TelePassport, which was reverse-listed into Huge Group. James was appointed as financial director of Huge Group on the listing of the company on 8 August 2007 and was appointed as its CEO in November 2008.

Stephen ("Steve") Peter Tredoux

Steve started his working career as an accountant but moved to general management where he worked in the property management industry and manufacturing. He joined the information technology sector where he was employed by National Data Systems as account director addressing all commercial and support issues for Nedbank. He subsequently joined MTN in 1995, working there with the Service Providers, as well as investigating new routes to market, new product sets, and new ways of communicating with customers. When MTN acquired M-Tel, Steve was appointed in an executive sales and advertising capacity. He has considerable experience in sales distribution but is also a master at marketing and product development. Steve currently chairs the Board of Huge Group Limited and pursues other entrepreneurial activities.

Form of proxy

Mine Restoration Investments Limited

(Formerly Capricorn Investment Holdings Limited)
(Incorporated in the Republic of South Africa)
(Registration number 1987/004821/06)
Share code: MRI ISIN code: ZAE000149951
("MRI" or "the Company")

FORM OF PROXY (for use by certificated and "own name" dematerialised shareholders only)

For use by certificated and "own name" registered dematerialised shareholders of the Company ("shareholders") at the annual general meeting of MRI to be held at 10h00 on Tuesday, 25 September 2012 at Western Utilities Corporation (Pty) Ltd, Route 21 Corporate Park, 45 Sovereign Drive, Ground Floor, Unit C, Irene X30, 0046 ("the annual general meeting").

I/We (please print) ____________________

of (address) ____________________

being the holder/s of ____________________ ordinary shares of no par value in MRI, appoint (see note 1):

1. ____________________ or failing him,

2. ____________________ or failing him,

3. the chairperson of the annual general meeting,

as my/our proxy to act for me/us and on my/our behalf at the annual general meeting, which will be held for the purpose of considering, and if deemed fit passing, with or without modification, the resolutions to be proposed thereat and at any adjournment thereof; and to vote for and/or against the resolutions and/or abstain from voting in respect of the ordinary shares registered in my/our name/s, in accordance with the following instructions (see note 2):

	Number of votes		
	For	**Against**	**Abstain**
Ordinary Resolution Number 1 Adoption of the Annual Financial Statements			
Ordinary Resolution Number 2 Retirement and re-election of a director – JC Herbst			
Ordinary Resolution Number 3 Retirement and re-election of a director – SP Tredoux			
Ordinary Resolution Number 4 Appointment and remuneration of an auditor – Horwath Leveton Boner			
Ordinary Resolution Number 5 Approval of Remuneration Policy			
Ordinary Resolution Number 6 General authority to allot and issue shares for cash			
Special Resolution Number 1 General authority to acquire (repurchase) shares			
Special Resolution Number 2 General authority to enter into funding agreements, provide loans or other financial assistance			

Signed at ____________________ on ____________________ 2012

Signature ____________________

Assisted by me (where applicable) ____________________

Name ____________ Capacity ____________ Signature ____________

Notes to the form of proxy

1. This form is for use by certificated shareholders and dematerialised shareholders with "own-name" registration, whose shares are registered in their own names on the record date and who wishes to appoint another person to represent them at the meeting. If duly authorised, companies and other corporate bodies who are shareholders, having shares registered in their own names, may appoint a proxy using this form, or may appoint a representative in accordance with the last paragraph below.

   Other shareholders should not use this form. All beneficial holders who have dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker, and do not have their shares registered in their own name, must provide the CSDP or broker with their voting instructions. Alternatively, if they wish to attend the meeting in person they should request the CSDP or broker to provide them with a letter of representation in terms of the custody agreement entered into between the beneficial owner and the CSDP or broker.

2. This proxy form will not be effective at the meeting unless received by the transfer secretaries, Computershare Investor Services (Pty) Ltd of 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown, 2107), by not later than 10h00 on Thursday, 13 September 2012.

3. This proxy shall apply to all the ordinary shares registered in the name of shareholders at the record date unless a lesser number of shares are recorded.

4. A shareholder may appoint one person as his proxy by inserting the name of such proxy in the space provided. Such proxy need not be a shareholder of the Company. If the name of the proxy is not inserted, the chairman of the meeting will be appointed as proxy. If more than one name is inserted, then the person whose name appears first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of any persons whose names follow. The proxy appointed in this proxy form may delegate the authority given to him in this proxy by delivering to the Company, in the manner required by these instructions, a further proxy form which has been completed in a manner consistent with the authority given to the proxy of this proxy form.

5. Unless revoked, the appointment of proxy in terms of this proxy form remains valid until the end of the meeting even if the meeting or a part thereof is postponed or adjourned.

6. If

   6.1 a shareholder does not indicate on this instrument that the proxy is to vote in favour of, or against, or to abstain from voting on, any resolution; or

   6.2 the shareholder gives contrary instructions in relation to any matter; or

   6.3 any additional resolution/s which are properly put before the meeting; or

   6.4 any resolution listed in the proxy form is modified or amended,

   the proxy shall be entitled to vote or abstain from voting as he thinks fit in relation to that resolution or matter. If, however, the shareholder has provided further written instructions which accompany this form and which indicate how the proxy should vote or abstain from voting in any of the circumstances referred to in 6.1 to 6.4, then the proxy shall comply with those instructions.

7. If this proxy is signed by a person (signatory) on behalf of the shareholder, whether in terms of a power of attorney or otherwise, then this proxy form will not be effective unless:

   7.1 it is accompanied by a certified copy of the authority given by the shareholder to the signatory; or

   7.2 the Company has already received a certified copy of that authority.

8. The chairman of the meeting may, at his discretion, accept or reject any proxy form or other written appointment of a proxy which is received by the chairman prior to the time when the meeting deals with a resolution or matter to which the appointment of the proxy relates, even if that appointment of a proxy has not been completed and/or received in accordance with these instructions. However, the chairman shall not accept any such appointment of a proxy unless the chairman is satisfied that it reflects the intention of the shareholder appointing the proxy.

9. Any alterations made in this form of proxy must be initialed by the authorised signatory/ies.

10. This proxy form is revoked if the shareholder who granted the proxy:

    10.1 delivers a copy of the revocation instrument to the Company and to the proxy or proxies concerned, so that it is received by the Company by not later than 10h00 on Thursday, 13 September 2012; or

    10.2 appoints a later, inconsistent appointment of proxy for the meeting; or

    10.3 attends the meeting in person.

11. If duly authorised, companies and other corporate bodies who are shareholders of the Company having shares registered in their own name may, instead of completing this proxy form, appoint a representative to represent them and exercise all of their rights at the meeting by giving written notice of the appointment of that representative. This notice will not be effective at the meeting unless it is accompanied by a duly certified copy of the resolution/s or other authorities in terms of which that representative is appointed and is received at the Company's transfer secretaries at 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown, 2107) by no later than 10h00 on the Thursday, 13 September 2012.

Summary of rights established by section 58 of the Companies Act, 71 of 2008 ("Companies Act"), as required in terms of subsection 58(8)(b)(i)

Shareholder's diary

• Financial Year-end	29 February 2012
• Record date for posting of annual reports	22 August 2012
• Record date for inclusion in the register to be entitled to vote at the meeting	7 September 2012
• Annual General Meeting date	25 September 2012
• Next interim period	31 August 2012