

MINE RESTORATION INVESTMENTS LIMITED

(formerly Capricorn Investments Holdings Limited)

Incorporated in the Republic of South Africa

Registration number 1987/004821/06

Share Code: MRI

ISIN Code: ZAE000164562

("MRI" or "the Company")

UPDATE ON COMPLETION OF THE ANTHRACITE BRIQUETTING PROJECT

("BRIQUETTING PROJECT")

1. Introduction

Shareholders are referred to the circular dated 2 April 2012 ("the circular"), wherein they were advised, *inter alia*, that MRI had concluded an agreement with Water Utilities Limited ("Water Utilities"), a BVI company incorporated in the United Kingdom, and its holding company, Watermark Global PLC, an AIM listed company, for the acquisition of Western Utilities Corporation (Pty) Ltd ("WUC"), a wholly owned subsidiary company of Water Utilities and the owner of a 51% interest in Octavovox (Pty) Ltd, the company in which the briquetting project, which will be the main commercial business of MRI, is held ("the acquisition"). The acquisition was approved by MRI shareholders on 30 April 2012.

The circular incorporated details of the briquetting project. At the time of the circular it was anticipated that the project would be completed shortly thereafter and that production would be commissioned within 9 months, followed by a three month ramp-up period to full production. The circular also contained a profit forecast based on the time periods documented above.

2. Update on completion of the briquetting project

Due to a number of factors it is currently expected that commissioning will commence in April 2013 with full production of the briquetting project commencing in June 2013.

The reasons for the delay are as follows:

- 2.1 The replacement of the preferred contractor for the construction of the briquette rollers (which took place during the course of completion) due to its failure to deliver timeously and properly in terms of the construction contract;
- 2.2 Price escalations exceeding initial allocations, which led to scope changes;
- 2.3 A requirement to undertake additional studies and reports, such as a geotechnical report, traffic impact study, infiltration test work report and dam stability report;
- 2.4 Changes to the EMP (Environmental Management Programme) addendum - while the approval was expected to be imminent it took longer than expected.

The delay has also impacted on the costs of the completion of the briquetting project, which is expected to be covered by an existing loan agreement with MRI's two major shareholders: Watermark Global Plc and Trinity Asset Management (Pty) Ltd.

The pilot plant work on the fines produced by the mine has indicated that the Intellectual Property relating to the binders to be used has produced stable briquettes which handle well and adhere to the specified requirements with regards to strength and water repulsion.

23 January 2013

Corporate Advisor: AfrAsia Corporate Finance (Pty) Ltd

Designated Advisor

Sasfin Capital (a division of Sasfin Bank Limited)