

MINE RESTORATION INVESTMENTS LIMITED
(formerly Capricorn Investment Holdings Limited)
(Registration Number 1987/004821/06)
("MRI" or "the Company")
Share code: MRI ISIN: ZAE000149951

**RESTATEMENT OF PREVIOUSLY REPORTED FINANCIAL RESULTS
("RESTATEMENT"), WITHDRAWAL OF CAUTIONARY WITH REGARD TO THE
RESTATEMENT AND RENEWAL OF CAUTIONARY WITH REGARD TO THE CONVERSION
OF DEBT**

INTRODUCTION

Shareholders were advised in the cautionary announcement published on SENS on 20 March 2014 ("**Cautionary Announcement**"), that the Company's annual financial statements for the 14 months ended 28 February 2013 ("**2013 AFS**") and the interim results for the period ended 31 August 2013 ("**August 2013 Interims**") were misstated.

The misstatement of the 2013 AFS and August 2013 Interims were identified following the JSE Limited's ("**JSE**") pro-active monitoring process whereby the 2013 AFS were selected for review by the JSE ("**Pro-active Monitoring**").

RESTATEMENT

1. Background

During the financial period ended 28 February 2013, MRI was, from an International Financial Reporting Standards ("**IFRS**") perspective, acquired by Western Utilities Corporation (Pty) Limited ("**WUC**") by way of a reverse-acquisition in terms of IFRS 3 *Business Combinations*. MRI was regarded as the legal parent and the accounting acquiree and WUC was regarded as the legal subsidiary company and the accounting acquirer, which resulted in the identifiable assets and liabilities of MRI being measured at their fair-value.

The misstatement occurred as a result of incorrectly applying the requirements of IFRS 3 in the reverse acquisition, as well as errors made in the calculations relating to the transaction itself. The revised computation of the purchase price and the treatment of the loan accounts payable added further to the computation of the correcting reverse acquisition entries.

2. Basis of preparation of the Restatement

The restated financial information regarding the 2013 AFS and August 2013 Interims has been prepared by Anthon Meyer in his capacity as Financial Director, in accordance with IFRS and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee. The accounting policies applied in arriving at the restated financial results are consistent, in all material respects, with those applied in the 2013 AFS and August 2013 Interims.

3. Restated 2013 AFS and August 2013 Interims

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6-months to August 2013	Restatement to Adjustments	Restated 6-months to August 2013	14- months to 28 February 2013	Restatement Adjustments	Restated 14-months to February 2013
	R'000	R'000	R'000	R'000	R'000	R'000
Other income	-	-	-	20 021	(14 043)	5 978
Operating expenses	(4 093)	-	(4 093)	(9 048)	-	(9 048)
Operating (loss)/profit	(4 093)	-	(4 093)	10 973	(14 043)	(3 070)
Investment revenue	5	-	5	177	-	177
Interest expense	(2 707)	-	(2 707)	(4 908)	-	(4 908)
(Loss)/Profit before taxation	(6 795)	-	(6 795)	6 242	(14 043)	(7 801)
Taxation	1 550	-	1 550	(11 415)	-	(11 415)
(Loss)/Profit for the period	(5 245)	-	(5 245)	(5 173)	(14 043)	(19 216)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive (loss)/income	(5 245)	-	(5 245)	(5 173)	(14 043)	(19 216)
(Loss)/Profit attributable to:						
Equity holders	(4 283)	-	(4 283)	(5 095)	(14 043)	(19 138)
Non-controlling interests	(962)	-	(962)	(78)	-	(78)
Total comprehensive (loss)/income attributable to:						
Equity holders	(4 283)	-	(4 283)	(5 095)	(14 043)	(19 138)
Non-controlling interests	(962)	-	(962)	(78)	-	(78)
Basic and diluted (loss)/earnings per share	(0.91)	-	(0.91)	(1.74)	(4.82)	(6.55)
Basic and diluted headline (loss)/earnings per share	(0.91)	-	(0.91)	(6.55)	-	(6.55)
Weighted average number of shares ('000)	468 413	-	468 413	292 106	-	292 106

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 August 2013	Restatement Adjustments	Restated 6-months to August 2013	14- months to 28 February 2013	Restatement Adjustments	Restated 14-months to February 2013
	R'000	R'000	R'000	R'000	R'000	R'000
Assets						
Non-Current Assets						
Property, plant and equipment	14 404	-	14 404	10 798	-	10 798
Intangible assets	91 284	-	91 284	92 411	-	92 411
Goodwill	-	9 123	9 123	-	9 123	9 123
Deferred tax	1 550	-	1 550	7 173	-	7 173
	107 238	9 123	116 361	110 382	9 123	119 505
Current Assets						
Trade and other receivables	521	-	521	610	-	610
Cash and cash equivalents	3 270	-	3 270	314	-	314
	3 791	-	3 791	924	-	924
Total Assets	111 029	9 123	120 152	111 306	9 123	120 429
Equity and Liabilities						
Equity						
Share capital and share premium	79 961	(15 695)	64 266	76 999	(15 695)	61 304
Reverse acquisition reserve	(31 066)	31 066	-	(31 066)	31 066	-
Retained earnings	(10 330)	(6 248)	(16 578)	(6 047)	(6 248)	(12 295)
Amount attributable to equity holders	38 565	9 123	47 688	39 886	9 123	49 009
Equity loan	5 000	-	5 000	5 000	-	5 000
Non-Controlling Interest	16 390	-	16 390	17 352	-	17 352
	59 955	9 123	69 078	62 238	9 123	71 361

Liabilities**Non-Current Liabilities**

Deferred tax	18 464	-	18 464	25 626	-	25 626
Other financial liabilities	25 768	-	25 768	22 002	-	22 002
	44 232	-	44 232	47 628	-	47 628

Current Liabilities

Other financial liabilities	6 795	-	6 795	-	-	-
Current tax payable	16	-	16	33	-	33
Trade and other payables	31	-	31	1 407	-	1 407
	6 842	-	6 842	1 440	-	1 440
Total Equity and Liabilities	111 029	9 123	120 152	111 306	9 123	120 429

OTHER MATTERS ARISING FROM THE PRO-ACTIVE MONITORING

The Pro-active Monitoring also identified that insufficient disclosure, in terms of IFRS, was made with regard to certain items in the 2013 AFS. This is not considered to be material and will be corrected in the annual financial statements for the year ended 28 February 2014.

WITHDRAWAL OF CAUTIONARY WITH REGARD TO THE RESTATEMENT AND RENEWAL OF CAUTIONARY ANNOUNCEMENT WITH REGARD TO CONVERSION OF DEBT

Further to the Cautionary Announcement and this announcement, shareholders need no longer exercise caution when trading in MRI securities with regard to the Restatement. Notwithstanding this, further to the detailed cautionary announcement published on 21 February 2014 regarding the conversion of debt, shareholders should continue to exercise caution when dealing in MRI securities until a further announcement in this regard is made.

4 April 2014

Johannesburg

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