

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretation commencing on page 4 of this Circular apply throughout this Circular.

Action required

1. This entire Circular is important and should be read with particular attention to the section entitled: "Action required by Shareholders".
2. If you are in any doubt as to what action you should take, please consult your CSDP, broker, banker, attorney, accountant or other professional advisor immediately.
3. If you have disposed of all your MRI Shares, then this Circular should be handed to the purchaser of such MRI Shares or to the CSDP, banker or other agent through whom the disposal was effected.



Mine Restoration Investments Limited
(Incorporated in the Republic of South Africa)
(Registration number 1987/004821/06)
Share Code: MRI
ISIN Code: ZAE000164562
("MRI" or "the Company")

CIRCULAR TO SHAREHOLDERS

Regarding

- a specific issue of a maximum of 251 697 989 new MRI Shares for cash at an issue price of R0.05 per share in settlement of the AfrAsia Special Opportunities Fund Proprietary Limited loan;
- a specific issue of a maximum of 66 335 446 new MRI Shares for cash at an issue price of R0.05 per share in settlement of the Armadale Capital Plc loan;
- a specific issue of 10 000 000 new MRI Shares for cash at an issue price of R0.05 per share in settlement of corporate advisory fees owed to AfrAsia Corporate Finance Proprietary Limited;
- the granting of an incentive option in respect of 10 000 000 new MRI Shares at a strike price of R0.05 per share to the CEO, Mr Richard Tait; and
- a specific issue of 13 000 000 new MRI Shares for cash at an issue price of R0.05 per share in settlement of directors' fees;

and incorporating:

- **A notice convening the General Meeting;**
- **A form of proxy in respect of the General Meeting (for use by certificated shareholders and "own name" dematerialised shareholders only);**

Corporate Advisor



Designated Advisor



Independent Reporting
Accountants and Auditor



Independent Expert



Date of issue: 16 May 2014

This Circular is only available in English. Copies may be obtained from the registered office of MRI, Route 21 Corporate Park, 45 Sovereign Drive, Ground Floor, Unit C, Irene X30, 0046 from 16 May 2014 to 17 June 2014.

CORPORATE INFORMATION

Company Secretary

Neil Esterhuysen & Associates Inc
(Registration number 2012/046043/21)
Units 23 & 24 Norma Jean Sq., 244 Jean Ave, Centurion
(PO Box 814, Irene, 0062, Docex 61, Centurion)

Business and Registered Address

Route 21 Corporate Park, 45 Sovereign Drive, Ground
Floor, Unit C, Irene X30, 0046
(PO Box 825, Irene, 0062)

Place and date of incorporation

Incorporated in South Africa on 5 October 1987

Corporate Advisor

AfrAsia Corporate Finance Proprietary Limited
(Registration number 2007/015289/07)
Office 202, Cape Quarter
The Square
27 Somerset Road
Green Point
(Suite No. 54, Dixon Street, Cape Town, 8001 (Level A))
And at
Level P3, Oxford Corner
C/o Jellicoe and Oxford Road
Rosebank, Johannesburg)
(Suite No. 54, Dixon Street, Cape Town, 8001 (Level A))

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/06)
Ground Floor, 70 Marshall Street,
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Independent Expert

BDO Corporate Finance Proprietary Limited
(Registration number 1983/002903/07)
22 Wellington Road
Parktown, 2193
(Private Bag X60500, Houghton, 2041)

Directors

Q George (Chairman)*
R Tait (Chief Executive Officer)
A Meyer (Financial Director)
C Roed#^
J Lewis*
S Caddy#
**Non-executive*
^Lead independent director
#Independent, non-executive

Designated Advisor

Sasfin Capital (a division of Sasfin Bank Limited)
(Registration number 1951/002280/06)
29 Scott Street
Waverley, Johannesburg, 2090
(PO Box 95104, Grant Park, 2051)

Independent Reporting Accountants and Auditor

Horwath Leveton Boner
3 Sandown Valley Crescent, Sandown,
Johannesburg, 2196
(PO Box 652550, Benmore, 2010)

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SALIENT DATES AND TIMES IN RESPECT OF THE GENERAL MEETING

GENERAL MEETING

2014

Record date in order to be eligible to receive the notice of General Meeting	Friday, 9 May
Circular and notice of General Meeting posted to Shareholders	Friday, 16 May
Last date to trade in order to be eligible to vote at the General Meeting	Friday, 30 May
Record date in order to be eligible to vote at the General Meeting	Friday, 6 June
Last date to lodge forms of proxy for the General Meeting by 09h00 on	Thursday, 12 June
General Meeting at MRI's offices at Route 21 Corporate Park, 45 Sovereign Drive, Ground Floor, Unit C, Irene X30, 0046 at 09h00 on	Tuesday, 17 June
Results of General Meeting released on SENS	Tuesday, 17 June

Notes

1. All times indicated in this Circular are local times in South Africa.
2. The dates and times indicated in the table above are subject to change. Any such changes will be released on SENS.
3. Share certificates in the name of MRI will not be dematerialised or rematerialised between Friday, 30 May 2014 and Friday, 6 June 2014, both days inclusive
4. To be valid, the completed forms of proxy must be lodged with the Transfer Secretaries, being Computershare Investor Services Proprietary Limited, at Ground Floor, 70 Marshall Street, Johannesburg, 2001, (PO Box 61051, Marshalltown, 2107), to reach them by no later than Thursday, 12 June 2014 at 09h00. Alternatively, such forms of proxy may be handed to the company secretary or chairperson of the General Meeting at the General Meeting (or adjourned or postponed General Meeting) not later than 30 minutes prior to the commencement or recommencement of the General Meeting.
5. If the General Meeting is adjourned or postponed, forms of proxy submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting.

Shareholders entitled to attend and vote at the General Meeting, may appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the Company. A form of proxy, in which the relevant instructions for its completion are set out, is attached for use by certificated shareholders or dematerialised shareholders with "own name" registration who wish to be represented by proxy at the General Meeting. Completion of a form of proxy will not preclude such Shareholders from attending and voting (in preference to that Shareholder's proxy) at the General Meeting (provided that to the extent necessary a letter of representation is procured from your CSDP) and such Shareholders shall be obliged to produce a proper form of identification at the General Meeting.

IMPORTANT LEGAL NOTES

The definitions and interpretations commencing on page 4 of this Circular shall apply *mutatis mutandis* to this section.

APPLICABLE LAWS

The release, publication or distribution of this Circular in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Circular is released, published or distributed should inform themselves about and observe such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of such jurisdiction. This Circular does not constitute the solicitation of an offer to purchase shares or a solicitation of any vote or approval in any jurisdiction in which such solicitation would be unlawful.

The Transactions may be affected by the laws of the relevant jurisdictions of non-resident Shareholders. Such non-resident Shareholders should inform themselves about and observe any applicable legal requirements of such jurisdictions. It is the responsibility of any non-resident Shareholder to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Transactions, which are the subject of this Circular, including the obtaining of any governmental, exchange control or other consents or the making of any filings which may be required, the compliance with other necessary formalities, the payment of any issue, transfer or other taxes or other requisite payments due to such jurisdiction.

The Transactions are governed by the laws of South Africa and are subject to any applicable laws and regulations, including the Companies Act to the extent required.

Any Shareholder who is in doubt as to their position, including, without limitation, their tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

DEFINITIONS AND INTERPRETATION

In this Circular, unless otherwise stated or the context so requires, the words in the first column have the meanings stated opposite them in the second column, words in the singular shall include the plural and *vice versa*, words denoting one gender include the other and expressions denoting natural persons include juristic persons and associations of persons:

“AMD”	acid/saline drainage water found within or exiting a mine and is formed through a series of chemical and biological reactions that occur when pyrite found in rock strata is disturbed and exposed to oxygen and moisture as a result of mining;
“ACP Conversion Option”	means the share option granted by MRI to ACP to convert all or a part of the ACP Outstandings to MRI Shares in accordance with the ACP Loan Agreement;
“ACP Issue”	the specific issue of the ACP Option Shares to ACP at the Conversion Price in terms of the ACP Loan Agreement;
“ACP Loan”	the loan advanced to MRI in terms of the ACP Loan Agreement;
“ACP Loan Agreement”	the written loan agreement entered into between MRI and ACP, dated 20 December 2013, whereby ACP provided a facility of ZAR3 179 047.22 to the Company. With interest rolled up the total facility amount is ZAR3 317 000 at 14 July 2014;
“ACP Option Event”	ACP may exercise the ACP Conversion Option at any time after the advance date of the ACP Loan by written notice to MRI;
“ACP Option Shares”	means a maximum of 66 335 446 new MRI shares calculated in accordance with the ACP Loan Agreement;
“ACP Outstandings”	means, at any time, the aggregate of all amounts (whether in respect of interest, capital or otherwise) which are then owing by MRI to ACP on such day on account of the ACP Loan Agreement;
“Act” or “Companies Act”	the Companies Act, 2008 (Act 71 of 2008), as amended, and where appropriate in the context includes a reference to the Companies Regulations promulgated in terms of such Act;
“AfrAsia” or “Corporate Advisor”	AfrAsia Corporate Finance Proprietary Limited (Registration number 2007/015289/07), a company duly incorporated in accordance with the laws of South Africa, a wholly-owned subsidiary of Mauritian bank, AfrAsia Bank Limited, and having its registered address at Office 202, Cape Quarter, The Square, 27 Somerset Road, Green Point and the Corporate Advisor as appointed by MRI;
“AfrAsia Issue”	the specific issue of 10 000 000 new MRI Shares to AfrAsia at R0.05 in settlement of outstanding corporate advisory fees;
“AIM”	the AIM Market of the London Stock Exchange;
“ASOF”	AfrAsia Special Opportunities Fund Proprietary Limited (Registration number 2010/002213/07), a company duly incorporated in accordance with the laws of South Africa, wholly-owned by AfrAsia Special Opportunities Fund Limited, a Mauritian collective investment scheme, and having its registered address at Office 202, Cape Quarter, The Square, 27 Somerset Road, Green Point;
“ASOF Discharge Date”	means the day on which Octavovox has paid all amounts payable by it to ASOF on account of the ASOF Loan Agreement;
“ASOF Issue”	the specific issue of the ASOF Option Shares to ASOF at the Conversion Price in terms of the ASOF Loan Agreement;
“ASOF Loan”	the loan advanced to Octavovox and WUC in terms of the ASOF Loan Agreement;
“ASOF Loan Agreement”	the written loan agreement entered into between Octavovox, MRI, WUC and ASOF, dated 15 July 2013 whereby ASOF loaned a total of ZAR11 000 000 to the MRI Group. With interest rolled up the total facility amount is ZAR12 584 899 at 14 July 2014;
“ASOF Conversion Option”	means the option granted by MRI to ASOF regarding the right to convert all or part of the ASOF Outstandings for MRI Shares at the Conversion Price in accordance with the ASOF Loan Agreement;

“ASOF Option Event”	means the earlier of (i) the occurrence of an event of default as defined in the ASOF Loan Agreement (ii) cancellation of the ASOF Loan Agreement and (iii) the ASOF Discharge Date;
“ASOF Option Shares”	means a maximum of 251 697 989 new MRI Shares calculated in accordance with the ASOF Loan Agreement;
“ASOF Outstandings”	means, at any time, the aggregate of all amounts (whether in respect of interest, capital or otherwise) which are then owing by Octavovox to ASOF on such day on account of the ASOF Loan Agreement;
“Armadale” or “ACP”	Armadale Capital Plc (formerly known as Watermark Global Plc) (Registration number 5541602), a company duly incorporated in accordance with the laws of England and Wales, which public company was admitted to trading on AIM during February 2006 and having its registered address at 11 Bolton Street, London, W1J 8BB United Kingdom;
“briquetting”	the transformation of a powdery or granular product into a larger or more convenient size, referred to as agglomerates;
“Briquetting Project”	a project initiated for the production of coal briquettes;
“broker” or “stockbroker”	any person registered as a “broking member (equities)” in terms of the Rules of the JSE made in accordance with the provisions of the Financial Markets Act;
“business day”	any day excluding a Saturday, Sunday or an official public holiday in South Africa;
“CEO”	the appointed chief executive officer of MRI as from 15 November 2013, being Richard Tait, ID nr: 7311085038085;
“CEO Option”	the granting of an incentive option in respect of 10 000 000 new MRI Shares at a strike price of R0.05 per share to the CEO, Mr Richard Tait. The CEO Option vests in two tranches of 5 000 000 MRI Shares on the first and second anniversary of his permanent appointment as CEO, being 1 March 2015 and 1 March 2016 respectively;
“certificated shares”	MRI Shares held in the form of certificates or other documents of title and which have not yet been surrendered for dematerialisation in terms of Strate;
“certificated shareholders”	Shareholders holding certificated shares;
“CIPC”	the Companies and Intellectual Property Commission;
“Circle Way”	Circle Way Trading Proprietary Limited (Registration number 2008/024705/07), a company duly incorporated in accordance with the laws of South Africa, with DW Leeuw holding 50% and the ARAL Family Trust holding 50% of the issued share capital and having its registered address at 954 Tiekie Avenue, Strubensvallei, Johannesburg, 1735;
“this Circular”	this circular, dated 16 May 2014, including all Annexures, the notice of General Meeting and the form of proxy;
“common monetary area”	South Africa, the Republic of Namibia and the Kingdoms of Swaziland and Lesotho;
“Companies Regulations”	the Companies Regulations 2011, promulgated in terms of section 223 of the Act (which includes the Takeover Regulations);
“Conversion Options”	collectively the ACP Conversion Option and the ASOF Conversion Option;
“Conversion Price”	means, in respect of the Conversion Options, an amount equal to R0.05 (five cents);
“CSDP”	a Central Securities Depository Participant registered as a participant in terms of the Financial Markets Act and licensed as a central securities depository under the Financial Markets Act;
“dematerialised”	the process whereby paper share certificates or other documents of title are replaced with electronic records of ownership of shares or securities as contemplated in section 49(5) of the Act under the Strate system with a CSDP or stockbroker;
“dematerialised shares”	shares which have been dematerialised and incorporated into Strate and which are no longer evidenced by share certificates or other physical documents of title;
“dematerialised shareholders”	Shareholders holding dematerialised shares;
“Directors”	the non-executive and executive directors of MRI;

“Directors’ Issue”	the specific issue of up to 13 000 000 new MRI Shares to the Specific Directors at R0.05 per share in settlement of outstanding directors’ fees;
“Documents of Title”	share certificates, certified transfer deeds, balance receipts or any other documents of title to shares acceptable to the board;
“DWAF”	Department of Water Affairs and Forestry;
“Exchange Control Regulations”	the Exchange Control Regulations 1961, as amended, issued in terms of section 9 of the Currency and Exchanges Act 1933, as amended;
“Financial Markets Act”	means the Financial Markets Act 19 of 2012;
“fines”	small particles of coal material that are washed off from coal that is mined and processed;
“General Meeting”	the shareholders meeting to be held on Tuesday, 17 June 2014 in order to present the proposed resolutions as set out in the notice of General Meeting attached to this Circular;
“Green Bird”	Green Bird Africa Proprietary Limited (Registration number 2009/011389/07), a company duly incorporated in accordance with the laws of South Africa with B Reverdy holding 50% and Golden Dividend holding 50% of the issued share capital and having its registered address at 88 Fox Street, Marshalltown, 2107;
“headline earnings”	as defined and calculated in terms of Circular 3/2009, Headline earnings, as issued by SAICA, and as amended from time to time;
“Howarth Leveton Boner” or “Independent Reporting Accountants and Auditor”	Howarth Leveton Boner having its registered address at 3 Sandown Valley Crescent, Sandown, Johannesburg, 2196 and the independent reporting accountants and auditor to MRI;
“IFRS”	International Financial Reporting Standards;
“Independent Expert” or “BDO”	BDO Corporate Finance Proprietary Limited (Registration number 1983/002903/07), a company duly incorporated in accordance with the laws of South Africa and having its registered address at 13 Wellington Road, Parktown, 2193 and who have been appointed as the independent professional expert in terms of Schedule 5 and section 5.51(f) of the Listings Requirements to provide an opinion on the ACP Conversion Option and the Specific Issues;
“JSE” or “the JSE”	the exchange operated by JSE Limited (Registration number 2005/022939/06), a company duly incorporated in accordance with the laws of South Africa and having its registered address at 1 Exchange Square, 2 Gwen Lane, Sandown, and licensed as an exchange in accordance with the Financial Markets Act;
“Keaton”	Keaton Energy Holdings Limited (Registration number 2006/011090/06), a company duly incorporated in accordance with the laws of South Africa, listed on the JSE with various shareholders and having its registered address at Eland House, The Braes, 3 Eaton Avenue, Bryanston, 2194;
“last practicable date”	9 May 2014, being the last practicable date prior to the finalisation of this Circular;
“Listings Requirements”	the Listings Requirements of the JSE;
“Mine”	Vaalkrantz Colliery;
“MOI”	Memorandum of Incorporation of MRI;
“MRI” or “the Company”	Mine Restoration Investments Limited (Registration number 1987/004821/06), a company duly incorporated in accordance with the laws of South Africa and having its registered address at Route 21 Corporate Park, 45 Sovereign Drive, Ground Floor, Unit C, Irene X30, 0046 and listed on the Alternative Exchange of the JSE;
“the MRI Group” or “the Group”	MRI and its subsidiaries from time to time;
“ordinary “share(s)” or “MRI Shares”	ordinary shares of no par value in the capital of the Company, which shares are listed on the Alternative Exchange of the JSE;

“own name” dematerialised shareholders”	Shareholders who have dematerialised their shares through a CSDP and have instructed that CSDP to hold their shares in their own name on the sub-register, being the list of shareholders maintained by the CSDP and forming part of the Register;
“Octavovox”	Octavovox Proprietary Limited (Registration number 2009/018445/07), a company duly incorporated in accordance with the laws of South Africa and having its registered address at 88 Fox Street, Marshalltown, 2107 and 51% held by WUC, 24.5% held by Green Bird and 24.5% held by Circle Way;
“Option Event”	either or collectively the ACP Option Event and/or the ASOF Option Event;
“Option Exercise Notice”	written notice to be provided to MRI by ASOF and ACP respectively from the occurrence of an Option Event, to grant ASOF and ACP respectively the irrevocable option and right to oblige MRI to issue to ASOF and ACP respectively the ASOF and ACP Option Shares;
“Option Period”	means the period commencing on the occurrence of an Option Event and ending 12 months thereafter;
“Option Strike Date”	means the date upon which the Conversion Options are exercised by ACP and ASOF in accordance with the ACP Loan Agreement and ASOF Loan Agreement respectively;
“Plant”	the coal fines processing and briquetting plant;
“Prodiflex Coal”	Prodiflex Coal Proprietary Limited (Registration number 2011/010348/07), a company duly incorporated in accordance with the laws of South Africa owned 50% by WUC and 50% by Prodiflex Proprietary Limited and having its registered and business address at Route 21 Corporate Park, 45 Sovereign Drive, Ground Floor, Unit C, Irene X30, 0046;
“Rand”	the lawful currency of South Africa, being South African Rand;
“Register”	the register of the Company as contemplated in section 50(1) of the Act, including any sub-registers;
“Sasfin” or “Designated Advisor”	Sasfin Capital (a division of Sasfin Bank Limited) (Registration number 1951/002280/06), a company duly incorporated in accordance with the laws of South Africa and having its registered and business address at 29 Scott Street, Waverley, Johannesburg, 2090 and MRI’s designated advisor;
“SENS”	Stock Exchange News Service of the JSE;
“Shareholders”	holders of MRI Shares;
“South Africa”	Republic of South Africa;
“Specific Directors”	the current directors of MRI namely Q George, R Tait, A Meyer, C Roed, J Lewis and S Caddy as well as past directors namely S Tredoux and J Herbst, the directors who have elected to have their outstanding directors’ fees settled in MRI Shares in terms of the Directors’ Issue;
“Specific Issues Shares”	the MRI Shares to be issued pursuant to the Specific Issues;
“Specific Issues”	collectively the AfrAsia Issue, the Directors’ Issue and the CEO Option;
“Strate”	the settlement and clearance system used by the JSE, managed by Strate Limited (Registration number 1998/02224/06), a company duly incorporated in accordance with the laws of South Africa and having its registered address at 9 Fricker Road, Illovo Boulevard, Illovo and which company is a registered Central Securities Depository in terms of the Financial Markets Act;
“Takeover Regulation Panel”	the Takeover Regulation Panel established in terms of section 196 of the Companies Act;
“Takeover Regulations”	the Takeover Regulations, issued pursuant to sections 120 and 223 of the Act;
“Trading Days”	any day on which trading takes place through the usual trading systems of the JSE;
“Transactions”	collectively the Conversion Options and the Specific Issues;

“Transfer Secretaries”	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/06), a company duly incorporated in accordance with the laws of South Africa and having its registered address at Ground Floor, 70 Marshall Street, Johannesburg, 2001, (PO Box 61051, Marshalltown, 2107), and the transfer secretaries of MRI;
“Trinity Asset Management”	Trinity Asset Management Proprietary Limited (Registration number 1996/010864/07) a company duly incorporated in accordance with the laws of South Africa and having its registered address at Block F, The Terraces, 1 Silverwood Close, Steenberg Office Park, Tokai and owned by Oxio Limited as to 12% and Pincap Securities Limited as to 88%;
“VWAP”	volume weighted average trading price of MRI Shares listed on the exchange operated by the JSE; and
“WUC”	Western Utilities Corporation Proprietary Limited (Registration number 2006/000753/07) a company duly incorporated in accordance with the laws of South Africa and having its registered address at Route 21 Corporate Park, 45 Sovereign Drive, Ground Floor, Unit C, Irene X30, 0046 and a wholly-owned subsidiary of MRI.

ACTION REQUIRED BY SHAREHOLDERS

The definitions and interpretation commencing on page 4 apply *mutatis mutandis* to the information set out below.

Please take note of the following provisions regarding the action required by Shareholders:

1. If you have disposed of all of your MRI Shares, this Circular should be handed to the purchaser of such MRI Shares or the CSDP, broker, banker, attorney or other agent who disposed of your MRI Shares for you.
2. If you are in any doubt as to what action to take, consult your broker, CSDP, banker, attorney, accountant or other professional advisor immediately.
3. This Circular contains information relating to the Transactions. You should carefully read this Circular and decide how you wish to vote on the resolutions to be proposed at the General Meeting.
4. The General Meeting, convened in terms of the notice incorporated in this Circular, will be held at MRI's offices at Route 21 Corporate Park, 45 Sovereign Drive, Ground Floor, Unit C, Irene X30, 0046 at 09h00 on Tuesday, 17 June 2014.

GENERAL MEETING

1. If you have dematerialised your MRI Shares

“Own name” registration

You are entitled to attend in person, or be represented, at the General Meeting. If you are unable to attend the General Meeting, but wish to be represented thereat, you must complete and return the attached form of proxy, in accordance with the instructions contained therein, to be received by the Transfer Secretaries, Computershare Investor Services Proprietary Limited, at Ground Floor, 70 Marshall Street, Johannesburg, 2001, (PO Box 61051, Marshalltown, 2107) by no later than 09h00 on Thursday, 12 June 2014.

Other than “own name” registration

You are entitled to attend, or be represented by proxy, at the General Meeting. You must not however, complete the attached form of proxy. You must advise your CSDP or broker timeously if you wish to attend, or be represented at the General Meeting.

If your CSDP or broker does not contact you, you are advised to contact your CSDP or broker and provide them with your voting instructions. If your CSDP or broker does not obtain instructions from you, they will be obliged to act in terms of your mandate furnished to them. If you do wish to attend or be represented at the General Meeting, your CSDP or broker will be required to issue the necessary Letter of Representation to you to enable you to attend or to be represented at the General Meeting.

2. If you hold certificated MRI Shares

You are entitled to attend, or be represented by proxy, at the General Meeting. If you are unable to attend the General Meeting, but wish to be represented thereat, you must complete and return the attached form of proxy, in accordance with the instructions contained therein, to be received by the Transfer Secretaries, Computershare Investor Services Proprietary Limited, at Ground Floor, 70 Marshall Street, Johannesburg, 2001, (PO Box 61051, Marshalltown, 2107) by no later than 09h00 on Thursday, 12 June 2014.

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION AND BACKGROUND

History of MRI

MRI was listed on the Alternative Exchange of the JSE on 25 June 2012 after a reverse listing of WUC into MRI (then known as Capricorn Investment Holdings Limited) and a successful equity raise of R40 000 000. MRI is a holding company with its wholly-owned subsidiary, WUC, established to carry on the business of mine rehabilitation activities.

WUC was incorporated as a private company on 17 January 2006 in South Africa and was initially established in South Africa to address the challenges presented by the existence of AMD in underground voids and its effects on potable water sources in environmentally-sensitive areas. WUC's AMD project resulted from the request by DWAF to develop a solution to AMD. Approval has not been received from the DWAF for the AMD project and WUC is investigating its options in this regard.

WUC's 51% held subsidiary, Octavovox, manages the Plant. The Plant processes fines at Keaton's Mine from existing coal fine dumps and coal fines that are discarded from the wash plant at the Mine. The MRI Group has the right to process, at no initial cost, all the discarded coal fines at the Mine. The Plant is able to initially process these coal fines, thereby upgrading the quality of the coal to an intermediate duff product, before briquetting the coal and producing a saleable product.

The Plant has commenced testing the production of briquettes, and identifying areas of optimisation and sampling for potential customers. In addition, the Plant is currently processing coal fines, from the existing fines dumps at the mine, to produce a washed product. Processed coal fines can be produced at less cost to the Company than briquettes and will provide an alternate revenue source for the Company in addition to the sale of its briquettes. The Company has agreed commercial terms with Keaton, which has a first right of refusal for all product from the Plant.

Subsequent to 31 August 2013, indications of impairment, in terms of IFRS, have been identified in respect of assets associated with the AMD Project held in WUC, and the Briquetting Project held in Octavovox. With regard to the AMD Project, to date, WUC has not received approval from the DWAF and is therefore investigating alternate options. Valuations of the assets associated with the AMD Project are currently being completed by industry experts. With regards to the Briquetting Project, significant headway has been made including terms of an offtake agreement as well as sales of product, however it is continuing to experience delays in achieving the originally planned quantities and quality of production. Octavovox is continuing to test the production of briquettes, and to identify areas of optimisation. Valuations of the assets and liabilities associated with the Briquetting Project are currently being carried out. Any impairment losses would negatively affect the carrying value of goodwill.

The financial impact of the impairment indicators relating to the AMD Project and the Briquetting Project were not known at the last practicable date, being the last date prior to the finalisation of this Circular. These will only be determined upon finalising the results for the year ended 28 February 2014, which are to be published on SENS on or about 30 May 2014.

In terms of the Listings Requirements, the Company is obliged to publish a trading statement announcement on SENS, once there is reasonable certainty that the results (being basic earnings per share and headline earnings per share) for the current financial year ended 28 February 2014, will differ by more than 20% from that of the prior comparative period. As the Company did not have reasonable certainty with regard to this as at the last practicable date, a trading statement announcement has not been published prior to the last practicable date.

Accordingly, Shareholders should read this Circular and the pro forma financial information set out herein in paragraph 12 and Annexure 1 in conjunction with any trading statement announcement published on SENS subsequent to the issue of this Circular (should such an announcement be required in terms of the Listings Requirements) and the results for the year ended 28 February 2014 published on or about 30 May 2014.

Background to the Transactions

During December 2013, the Company raised an amount of R2 500 000 by way of a general issue of shares for cash. The Company has also entered into a further loan agreement with ACP, MRI's largest shareholder, extending its current loans by R2 000 000 for an aggregate amount of R3 179 047 in terms of the ACP Loan Agreement. The Company's existing lender, ASOF also approved the final draw down amount of R2 231 679 in respect of the ASOF Loan Agreement. The new capital provided to the Company via these arrangements is and continues to be utilised for working capital purposes of the MRI Group.

The purpose of this Circular is to detail the terms of the various financing arrangements as mentioned above and request Shareholders to vote upon the resolutions required to approve the Conversion Options attached to the ASOF and ACP Loan Agreements, as well as request Shareholders to consider the terms on which the Company proposes to remunerate its Directors and incentivise its CEO by way of the suggested Directors' Issue and CEO Option respectively, as well as the AfrAsia Issue.

2. CONVERSION OPTIONS

2.1 Introduction

In a SENS announcement published on 19 July 2013, Shareholders were advised that Octavovox secured the ASOF Loan in order to complete the Briquetting Project. In terms of the ASOF Loan Agreement, MRI granted an option to ASOF whereby ASOF has the right, at ASOF's election; to convert the ASOF Loan into MRI Shares at the Conversion Price in settlement of the ASOF Outstandings.

In addition, in terms of the ACP Loan Agreement, MRI granted ACP the ACP Conversion Option whereby ACP, at its election, has the right to elect to convert the ACP Loan into MRI Shares at the Conversion Price in settlement of the ACP Outstandings.

The exercising of the Conversion Options, to the extent exercised in full, would facilitate the repayment of the ASOF Loan and the ACP Loan, thereby reducing MRI's indebtedness in aggregate by R15 901 899. ASOF and ACP have agreed that they intend to exercise their Conversion Options.

The maximum number of new MRI Shares to be issued in terms of the ASOF Conversion Option, in the event that the option is exercised, is 251 697 989 MRI Shares, amounting to approximately 29.64% of the issued share capital of MRI post the ASOF Conversion Option and assuming the ACP Conversion Option is exercised and the Specific Issues are effected.

The maximum number of new MRI Shares to be issued in terms of the ACP Conversion Option, in the event that the option is exercised, is 66 335 446 MRI Shares, amounting to approximately 7.81% of the issued share capital of MRI post the ACP Conversion Option and assuming the ASOF Conversion Option is exercised and the Specific Issues are effected.

Subject to the fulfilment of the conditions precedent as set out in paragraph 2.4 below, Shareholders are requested to approve the issue of:

- up to a maximum 251 697 989 new MRI Shares at R0.05 per share to settle the ASOF Outstandings; and
- up to a maximum 66 335 446 new MRI Shares at R0.05 per share in settlement of the ACP Outstandings.

2.2 Details of the Conversion Options

As at the last practicable date, the following information is disclosed in accordance with the Listings Requirements as it relates to the Conversion Options:

- The MRI Shares to be issued in terms of the Conversion Options, if elected to be exercised, will be ordinary shares of no par value in MRI, which shares relate to a class of shares already in issue;
- ASOF is not a related party of the Company as defined in the Listings Requirements;
- ACP is a related party of the Company as it holds more than 10% of the issue share capital of MRI; and
- the Conversion Price represents a discount of approximately 53% to the 30-day VWAP of MRI Shares traded on the securities exchange operated by the JSE over the 30 days up to and including 20 February 2014, being the day prior to the announcement of the initial terms of the Conversion Options on SENS on 21 February 2014.

2.3 Rationale for the Conversion Options

It is the opinion of the Board that the Conversion Options represent an opportunity to raise equity capital for the Company, the proceeds of which will be applied to settling in its entirety the indebtedness of the Company in terms of the ASOF Loan and ACP Loan thereby reducing financing costs and significantly improving its balance sheet position.

2.4 Conditions Precedent

ASOF has particularly required the following in order that it can exercise the ASOF Conversion Option on or before the date of maturity of the ASOF Loan Agreement, being 17 July 2014, and provide its consent to ACP to exercise the ACP Conversion Option:

- MRI and ACP irrevocably agree to the exercise by ACP of the ACP Conversion Option simultaneously with the exercise by ASOF of the ASOF Conversion Option upon written notice from ASOF;
- the approval by all regulatory bodies, including any approvals required in terms of the Listings Requirements;
- that no event of default (howsoever defined) has occurred under the ASOF Loan Agreement;
- that, in the case of any event of default (howsoever defined) under the ACP Loan Agreement, ACP has not taken any steps to enforce any rights under the ACP Loan Agreement;
- approval by the requisite majority of Shareholders of the special resolutions (to the extent applicable and required) in terms of section 41 (3) of the Companies Act and section 5.53 of the Listings Requirements; and
- approval of the listing of the ASOF Option Shares, if the ASOF Conversion Options are elected to be exercised.

The following conditions precedent in relation to the exercise of the ACP Conversion Options are to be fulfilled by no later than 30 June 2014 (or such date as the Parties may agree in writing) –

- approval from ASOF to exercise the ACP Conversion Options due to the fact that ACP is currently a subordinated lender to ASOF and ASOF is the senior lender to the Company. ASOF does not want to become an equity investor with ACP remaining as a creditor as this would invert the current position in which ACP is subordinated to ASOF;
- the approval by all regulatory bodies, including any approvals required in terms of the Listings Requirements;
- approval by the requisite majority of Shareholders of the special resolutions (to the extent applicable and required) in terms of section 41 (3) of the Companies Act and section 5.53 of the Listings Requirements; and
- approval of the listing of the ACP Option Shares, if the ACP Conversion Options are elected to be exercised.

2.5 Regulatory considerations pertaining to the Conversion Options

The approval of the Conversion Options and the issue of MRI Shares pursuant to the exercise of the Conversion Options will be deemed a specific issue of options/convertible securities in terms of the Listings Requirements and will require the support of at least 75% of the Shareholders present and entitled to vote at the General Meeting.

In addition, in accordance with section 41(3) of the Companies Act, the approval of the Conversion Options and the issue of MRI Shares pursuant to the exercise of the Conversion Options will also require support of at least 75% of the Shareholders present and entitled to vote at the General Meeting as more than 30% of MRI's issued share capital will be issued.

Although the issue is at a discount of 53% to the 30-day VWAP, ASOF is a public shareholder in terms of section 4.25 of the Listings Requirements and therefore no fairness opinion is required in respect of the ASOF Conversion Option. To the extent that ASOF and its associates hold any shares in MRI prior to the General Meeting, they will be precluded from voting on the resolution in relation to the ASOF Conversion Option.

ACP is a related party to MRI by virtue of it holding more than 10% of the current issued share capital of MRI. Accordingly, ACP is not deemed to be a public shareholder as contemplated in the Listings Requirements. A fairness opinion for the issue of MRI Shares pursuant to the exercise of the ACP Conversion Option to ACP is required in terms of paragraph 5.51(f) of the Listings Requirements and is included in Annexure 3 to this Circular. ACP and its associates will be precluded from voting on the resolution in relation to the ACP Conversion Option.

2.6 Irrevocable Undertakings

MRI has received irrevocable undertakings from Shareholders to vote in favour of the ASOF Conversion Option, to the extent they are permitted to do so in terms of the Companies Act and the Listings Requirements, representing 88.29% of MRI's issued share capital. Details of the Shareholders who have provided irrevocable undertakings are presented in the below table:

Shareholder	Number of MRI Shares held	% of issued share capital of MRI prior to the Transactions ⁽²⁾
Armada Capital Plc	182 300 030	36.59
Trinity Asset Management ⁽¹⁾	257 605 608	51.70
Total	439 905 638	88.29

Notes

1. Asset manager holding shares in MRI on behalf of various clients.
2. Based on 498 285 572 MRI Shares in issue as at the last practicable date.

3. SPECIFIC ISSUES

3.1 Introduction

Subject to the fulfilment of the approvals required as set out in paragraph 3.4 below, Shareholders are requested to approve the proposed issue/grant of:

- 10 000 000 new MRI Shares at R0.05 per share in settlement of corporate advisory fees owed to AfrAsia in terms of which AfrAsia provided MRI with the option to settle its fees either in cash or in MRI Shares;
- options to the CEO of MRI to acquire up to 10 000 000 new MRI Shares at R0.05 per share which options are granted as an incentive and will vest in two tranches of 5 000 000 MRI Shares each on the first and second anniversary of his permanent employment being 1 March 2015 and 1 March 2016 respectively; and
- 13 000 000 new MRI Shares at R0.05 per share in settlement of directors' fees amounting to R650 000. This issue will be made to the Directors of MRI namely Q George, R Tait, A Meyer, C Roed, J Lewis and S Caddy as well as past directors namely S Tredoux and J Herbst on the following basis:

Name of Director	Indirect/Direct Beneficial holding	Number of Shares	Rand Value of Shares
Q George	Indirect	2 508 000	R125 400
R Tait	Direct	1 596 000	R79 800
A Meyer	Direct	1 848 000	R92 400
C Roed	Direct	2 508 000	R125 400
J Lewis	Indirect	1 000 000	R50 000
S Caddy	Direct	1 140 000	R57 000
S Tredoux	Direct	1 200 000	R60 000
J Herbst	Direct	1 200 000	R60 000
TOTAL		13 000 000	R650 000

3.2 Details of the Specific Issues

As at the last practicable date, the following information is disclosed in accordance with the Listings Requirements as it relates to the Specific Issues:

- the Specific Issues Shares will be ordinary shares of no par value in MRI, which shares relate to a class of shares already in issue;
- AfrAsia is a related party to the Company by virtue of its shareholding in MRI and the existing corporate advisory services it provides to the Company;
- the Specific Directors are related parties to the Company by virtue of their being directors of the Company or having been directors of the Company in the past 12 months;
- the CEO is a related party to the Company as he is a director of the Company;
- the issue price of R0.05 per MRI Share, represents a discount of approximately 50% to the 30 - day VWAP of MRI Shares traded on the JSE over the 30 days up to and including 7 April 2014, being the day prior to the announcement of the Specific Issues on SENS on 8 April 2014.

3.3 Rationale for the Specific Issues

It is the opinion of the Board that the Specific Issues represent an opportunity to raise equity capital for the Company, the proceeds of which will be applied to settling outstanding directors' and advisory fees without using cash resources as well as a mechanism of incentivising the CEO of MRI.

3.4 Approvals required for the Specific Issues

The following approvals in relation to the Specific Issues are to be obtained prior to the issue of any MRI Shares in this regard:

- the approval by all regulatory bodies, including any approvals required in terms of the Listings Requirements;
- Shareholders, at the General Meeting pass all resolutions as may be required to implement the Specific Issues; and
- approval of the listing of the Specific Issues shares on the JSE.

3.5 Regulatory Considerations of the Specific Issues

The Specific Issues, deemed specific issues of shares for cash to related parties in terms of the Listings Requirements, will require the support of at least 75% of Shareholders present and entitled to vote at the General Meeting. The Specific Issues Price is at a 50% discount to the 30-day VWAP and accordingly requires the inclusion of a fairness opinion, which is included in Annexure 3 of this Circular.

In addition, in accordance with section 41(1) of the Companies Act, the approval of the Directors' Issue and the CEO Option will also require the support of at least 75% of Shareholders present and entitled to vote at the General Meeting as shares will be issued to the directors of the Company.

AfrAsia, the Specific Directors, the CEO and their associates will be precluded from voting on the resolutions in relation to the relevant Specific Issues to the extent that they already hold MRI Shares.

3.6 Irrevocable Undertakings

MRI has received irrevocable undertakings from Shareholders in favour of the AfrAsia Issue, to the extent they are permitted to do so in terms of the Companies Act and the Listings Requirements, representing 88.29% of MRI's issued share capital. Details of the Shareholders who have provided irrevocable undertakings are presented in the below table:

Shareholder	Number of MRI Shares held	% of issued share capital of MRI prior to the Transactions ⁽²⁾
Armada Capital Plc	182 300 030	36.59%
Trinity Asset Management ⁽¹⁾	257 605 608	51.70%
Total	439 905 638	88.29%

Notes

1. Asset manager holding shares in MRI on behalf of various clients.
2. Based on 498 285 572 MRI Shares in issue as at the last practicable date.

4. EXCHANGE CONTROL REGULATIONS

4.1 Foreign Shareholders

The Transactions may be affected by the laws of the relevant jurisdiction of a foreign Shareholder. A foreign Shareholder should acquaint itself with and observe any applicable legal requirements of such jurisdiction in relation to all aspects of this Circular that may affect it. It is the responsibility of each foreign Shareholder to satisfy itself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Transactions, including the obtaining of any governmental, exchange control or other consents, the making of any filings which may be required, the compliance with other necessary formalities and the payment of any taxes or other requisite payments due in such jurisdiction.

The Transactions are governed by the laws of South Africa and is subject to any applicable laws and regulations, including the Exchange Control Regulations.

Any Shareholder who is in doubt as to its position, including, without limitation, its tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

4.2 Exchange Control Regulations

The following is a summary of the Exchange Control Regulations. It is intended as a guide only and is not a comprehensive statement of the Exchange Control Regulations which apply to the participants of the Conversion Options and Specific Issues ("Participants"). Participants who have any queries regarding the Exchange Control Regulations should contact their own professional advisors without delay.

4.3 Residents of the common monetary area

In the case of:

- 4.3.1 Participants holding certificated shares whose registered addresses in the register are within the common monetary area and whose Documents of Title are not restrictively endorsed in terms of the Exchange Control Regulations, the consideration will be posted to such Participants; or

4.3 Residents of the common monetary area (continued)

4.3.2 Participants whose shares are held by CSDPs or brokers on their behalf as nominees and whose registered addresses in the sub-register managed by CSDPs or brokers are within the common monetary area and whose accounts with their CSDP or broker have not been restrictively designated in terms of the Exchange Control Regulations, the consideration will reflect in the account nominated for the relevant Participants by their duly appointed CSDP or broker in terms of the provisions of the custody agreement with their CSDP or broker.

4.4 Emigrants from the common monetary area

4.4.1 The MRI Shares to be received in terms of the Transactions are not freely transferable from South Africa and must be dealt with in terms of the Exchange Control Regulations.

4.4.2 The consideration due to a Participant holding certificated shares who is an emigrant from South Africa, whose registered address is outside the common monetary area and whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations, will be deposited in a blocked account with the authorised dealer in foreign exchange in South Africa controlling the Participant's blocked assets in accordance with his instructions, against delivery of the relevant Documents of Title.

4.4.3 In terms of a recent relaxation to the exchange control rulings, emigrants may externalise the consideration by making application to the Financial Surveillance Department of the South African Reserve Bank via the requisite authorised dealer channel. Previously, a 10% levy would have been payable on externalisation. This is however no longer the position and the consideration may, on application, be externalised free of the levy.

4.5 All other non-residents of the common monetary area

The consideration due to an "own-name" Participant who is a non-resident of South Africa and who has never resided in the common monetary area, whose registered address is outside the common monetary area and whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations, will be deposited with the authorised dealer in foreign exchange in South Africa nominated by such Participant. It will be incumbent on the Participant concerned to instruct the nominated authorised dealer as to the disposal of the consideration, against delivery of the relevant Documents of Title. It will be incumbent on the Participant concerned to instruct the nominated authorised dealer as to the acceptance of the MRI Shares (consideration), against delivery of payment.

5. DIRECTORS

5.1 Directors of MRI

The names, ages, business addresses and the function of each of the directors of the Company are provided below:

Director	Age	Business address	Function at MRI
Quinton George*	41	Block F, The Terraces, Steenberg Office Park, Cape Town	Non-Executive Chairman
Richard Tait*	40	Route 21 Corporate Park, 45 Sovereign Drive, Ground Floor, Unit C, Irene X30, 0046	Chief Executive Officer
Anthon Meyer*	60	3 Kingfisher Mews, The Wilds, Pretoria	Financial Director
Chris Roed*	47	25 Boston Road, Bellville, Cape Town, 7530	Lead Independent Non-Executive Director
Justin Lewis^	40	L8, 446 Collins Street, Melbourne Victoria 3000, Australia	Non-Executive Director
Syd Caddy*	65	Bauba Platinum, Hammets Crossing Office Park, 1st Floor, Building 816/5, 2 Selbourne Road, Fourways, 2055	Independent Non-Executive Director

*South African ^British

5.1 Directors of MRI (continued)

Brief CVs for all the Directors are set out below:

Quinton George

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 Peter George Portfolios (Pty) Ltd, members of the South African Bond Market Association. Thereafter, Quinton joined a South African Corporate member of the Johannesburg Stock Exchange (JSE). Here he worked as 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.

Anthon Meyer (CA (SA))

Anthon completed his articles at a firm of public auditors and accountants, Viljoen, Louw, Bartell & Partners (currently Price Waterhouse Coopers). He performed the audits of a number of companies in fields of Farming, Medical Practitioners, Warehousing, Printing, Retail, Vehicle Sales, Manufacturing, Pharmaceutical, General Engineering, Banking and Government concerns.

He held financial management, CFO and Financial Director positions at large Corporates such as Vetsak, Interstate Bus Lines, Telkom Limited, Intekom (Pty) Ltd, Retails Brands Interafrica, AMSCO BV, NOSA and the State Information Technology Agency (SITA).

His last position held was as CFO of Mintails Limited, an Australian listed entity. Anthon currently works as an independent financial management consultant.

Chris Roed (BEng)

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 gained experience while working for the City of Cape Town Waterworks Department (7 years), Arcus Gibb Consulting Engineers water department (8 years), and Watermarc Consulting Engineers (6 years).

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

Richard Tait (B.Sc. (Chemical Engineering) and B.Comm (Economics and Quantitative Management))

Richard holds a B.Sc. and B.Comm degree from the University of Cape Town and the University of South Africa, respectively, and completed an Executive MBA through the Australian Graduate School of Management, Sydney in 2004. Richard commenced his career in the Gold & Uranium division of Anglo American, working in various roles in South Africa and Mali. Thereafter he joined Goldman Sachs International under the Investment Banking analyst training programme.

In 2000, he joined Credit Suisse First Boston's Credit Risk Management Department as an Assistant Vice President where he was later promoted to Vice President in 2002. After working abroad for several years, Richard moved back to South Africa and joined the Corporate and Investment Banking division of the Standard Bank of South Africa as a senior manager where he was promoted to the position of Director of the Investment Banking division in Mauritius. Richard was a managing director of GEM Africa until March 2013, where after he joined AfrAsia in April 2013 as a managing director until joining MRI as CEO with effect from November 2013.

Justin Lewis (BA (Hons), FCSI)

Justin is an experienced public company director who has spent over 17 years working with small and mid-cap and corporates across a broad range of sectors, with a focus on the resources and energy sectors, as both a director and advisor.

He is an experienced senior manager and entrepreneur having led the creation and development of mining group Beacon Hill Resources from inception as a small listed investment company to producing coal mining group. He previously was instrumental in the growth of a public listed investment banking group, initially in the UK and latterly in Australia. He has extensive experience of the public company environment both as a director and as an advisor. He is a director of MRI's largest shareholder, ACP.

5.1 Directors of MRI (continued)

Syd Caddy (Professional Engineer)

Syd has more than 40 years' of South African gold, uranium and base metal experience in both shallow and ultra-deep level mining environments. He has carried the General Manager appointments for the Black Mountain, Kloof and West Driefontein mines and has also been appointed to various positions within JCI Limited, First Uranium Corporation and Gold One International Limited, including those of Consulting Engineer, Chief Operating Officer and Managing Director.

He is currently fulfilling the role of CEO at JSE listed Bauba Platinum Limited. Syd is a registered Professional Engineer, and a Fellow of both the Southern African and Australian Institutes of Mining and Metallurgy. He is also a Past President of The Association of Mine Managers.

5.2 Directors of WUC

The names, ages and business addresses of the directors of WUC are provided below:

Director	Age	Business address
Albertus Steytler*	51	Route 21 Corporate Park, 45 Sovereign Drive, Ground Floor, Unit C, Irene X30, 0046
Richard Tait*	40	Route 21 Corporate Park, 45 Sovereign Drive, Ground Floor, Unit C, Irene X30, 0046

*South African

5.3 Directors of Octavovox

The names, ages and business addresses of the directors of Octavovox are provided below:

Director	Age	Business address
Richard Tait*	40	Route 21 Corporate Park, 45 Sovereign Drive, Ground Floor, Unit C, Irene X30, 0046
Albertus Steytler*	51	Route 21 Corporate Park, 45 Sovereign Drive, Ground Floor, Unit C, Irene X30, 0046
Bertrand Reverdy#	53	88 Fox Street, Marshalltown, PO Box 61495, Johannesburg

*South African # French

6. MAJOR BENEFICIAL SHAREHOLDERS

Insofar as is known to MRI, prior to the Transactions as well as after the Transactions, the major shareholders who will beneficially hold 5% (directly or indirectly) or more of the issued MRI Shares, based on the shareholdings in MRI as at the last practicable date, are as follows:

Shareholder	Number of MRI shares before the Transactions		% holding before the Transactions ⁽¹⁾	Number of MRI shares after the Transactions		% holding after the Transactions ⁽²⁾
	Direct beneficial	Indirect beneficial		Direct beneficial	Indirect beneficial	
ASOF	-	-	-	251 697 989	-	29.64
ACP	182 300 030	-	36.59	248 635 476	-	29.27
Trinity Asset Management*	-	257 605 608	51.70	-	257 605 608	30.33
TOTAL	182 300 030	257 605 608	88.29	500 333 465	257 605 608	89.24

Notes:

- Based on 498 285 572 MRI shares in issue.
- Based on 849 319 007 MRI shares in issue.
- Insofar as it is known to the Directors, the controlling Shareholders prior to the Transactions were Armadale and Trinity Asset Management, while following the Transactions, there will be no controlling shareholder of MRI as defined in the Listings Requirements.

7. DIRECTORS' INTERESTS IN SECURITIES

The Directors and past directors interests in MRI Shares, as at the last practicable date, prior to and after the implementation of the Transactions are as follows:

Director	Beneficial Prior to the Transactions		Prior to the Transactions		Beneficial After the Transactions		After the Transactions	
	Direct	Indirect	Total	Total ⁽⁸⁾	Direct	Indirect	Total	Total ⁽⁹⁾
Q George*	-	-	-	-	-	2 508 000	2 508 000	0.30
R Tait [§]	-	-	-	-	11 596 000	-	11 596 000	1.37
A Meyer	-	-	-	-	1 848 000	-	1 848 000	0.22
C Roed*##	-	-	-	-	2 508 000	-	2 508 000	0.30
J Lewis*&	-	3 333 214	3 333 214	0.67	3 333 214	1 000 000	4 333 214	0.51
S Caddy*#	-	-	-	-	1 140 000	-	1 140 000	0.13
S Tredoux [^]	-	-	-	-	1 200 000	-	1 200 000	0.14
J Schoeman [#]	-	4 166 519	4 166 519	0.84	-	4 166 519	4 166 519	0.49
M van den Berg ^{##}	-	59 522	59 522	0.01	-	59 522	59 522	0.01
J Herbst [^]	490 918	-	490 918	0.10	1 690 918	-	1 690 918	0.20
	490 918	7 559 255	8 050 173	1.62	23 316 132	6 834 041	31 050 173	3.67

Notes:

- *Non-executive.
- #Independent.
- @ Resigned with effect from 19 July 2013.
- [^] Resigned with effect from 4 September 2013.
- ## Resigned with effect from 15 November 2013.
- § Changed role from non-executive to executive with effect from 15 November 2013.
- & By virtue of his shareholding in ACP.
- Based on 498 285 572 MRI shares in issue.
- Based on 849 319 007 MRI shares in issue.

Save as disclosed above, none of the Directors who have resigned in the last 18 months since the last practicable date held an interest in MRI Shares. Other than as detailed in paragraph 9 of this Circular, no Directors have had a beneficial interest, whether directly or indirect, in Transactions that were effected by MRI in the last 18 months.

Save for the Directors' Issue and the CEO Option, there have been no directors' dealings in securities for the period from the last preceding financial year to the last practicable date.

The executive managements' services contracts contain terms and conditions that are standard in nature. A Meyer's contract requires 60 days' notice in order to terminate whereas R Tait's agreement requires a 30 day notice in order to terminate. Although not specifically stated in the service contracts, the MOI provides that no directorship may be held for life or be infinite in nature. The service contracts do not contain non-compete provisions or restraint of trade provisions. These contracts are available for inspection as detailed in paragraph 21 below.

8. DIRECTORS' REMUNERATION

The directors' remuneration for the last financial year ended 28 February 2013 was as follows:

	Fees for Services	Basic salary	Allowances and fringe benefits	Pension and other contributions	Bonuses	Total 2013
	R'000	R'000	R'000	R'000	R'000	R'000
Executive Directors						
J Schoeman	-	90	-	-	-	90
M van den Berg	-	210	-	-	-	210
R Tait	-	-	-	-	-	-
Non-Executive Directors						
S Swana	100	-	-	-	-	100
Q George	100	-	-	-	-	100
C Pettit ⁸	80	-	-	-	-	80
A Meyer	100	-	-	-	-	100
C Roed	100	-	-	-	-	100
S Tredoux	130	-	-	-	-	130
J Herbst	100	-	-	-	-	100
B McQueen ⁹	30	-	-	-	-	30
K Jarvis ⁹	30	-	-	-	-	30
J Lewis	-	-	-	-	-	-
S Caddy	-	-	-	-	-	-
	770	300	-	-	-	1 070

Notes:

1. The executive Directors make their own contributions to a pension scheme.
2. Bonuses, if any, will depend on the extent to which MRI meets its financial and other objectives and appraisal of the Directors' individual performances by independent members of the MRI board.
3. Other than as mentioned above and in terms of remuneration of subsidiary directors, no other emoluments are receivable from MRI's subsidiaries, associates, joint ventures or from entities that provide management or advisory services to MRI, its subsidiaries, associates or joint ventures.
4. As at the last practicable date no loans have been made or security furnished by MRI or by any of its subsidiaries to or for the benefit of any director or associate of any director.
5. No part of the business of the Company or any of its subsidiaries is, or is to be, managed by a third party.
6. There are no options held by the Directors above, other than the CEO Option proposed to be granted to Richard Tait, details of which are included in paragraph 3 of this Circular.
7. The Company does not have a share plan.
8. Resigned with effect from 18 April 2013.
9. Resigned with effect from 30 April 2012.

There will be no variation in the remuneration receivable by any of the Directors or the capacity of any director following the implementation of the Transactions.

9. DIRECTORS' INTERESTS IN TRANSACTIONS

Richard Tait was previously a Managing Director of AfrAsia. Since 1 March 2014, he became a non-executive director of AfrAsia. Since Richard Tait's involvement as CEO in MRI, which position he took up during November 2013, the corporate advisory role of AfrAsia was primarily managed by other members of AfrAsia and not by Richard Tait. Quinton George is a director of Trinity Asset Management, a major shareholder in MRI, and the non-executive chairman of MRI. Justin Lewis is a director of ACP, a major shareholder in MRI and lender to MRI, and a non-executive director of MRI. Save for the above, none of the other directors have any interest in transactions undertaken by MRI.

There are no other Directors' interests during the current or immediate preceding financial year or during an earlier financial year that remain in any respect outstanding or unperformed.

10. STATED CAPITAL OF THE COMPANY

The table below sets out the authorised and issued share capital of MRI before and after the Transactions:

STATED CAPITAL BEFORE THE TRANSACTIONS	R
Authorised share capital	
1 000 000 000 ordinary shares of no par value	-
Issued share capital	
498 285 572 ordinary shares of no par value	81 962 159
Treasury shares	-
Total stated capital	81 962 159

STATED CAPITAL AFTER THE TRANSACTIONS	
Authorised share capital	
1 000 000 000 Ordinary shares of no par value	-
Issued share capital	
849 319 007 ordinary shares of no par value	98 721 830
Treasury shares	-
Total stated capital	98 721 830

Notes:

1. At the last practicable date as well as after the Transactions, there were and will be no treasury shares in issue.
2. Shareholders control the issue of the authorised but unissued securities of MRI, as the MRI directors may only resolve to issue shares and/or grant options to subscribe for shares, to the extent that such issue or option has been approved by the shareholders in a general meeting, either by way of a general authority (which may be either conditional or unconditional) or a specific authority in respect of any particular issue or option in respect of shares, provided that, if such approval is in the form of a general authority to the MRI board, it shall be valid only until the next annual general meeting of the Company and it may be varied or revoked by any general meeting of the shareholders prior to such annual general meeting.

Share Price History

The share price history of MRI Shares traded on the JSE are summarised in Annexure 5 of this Circular.

Issues of MRI Shares

Other than the issue of new MRI Shares as detailed in Annexure 7 of this Circular, no other shares were issued by MRI or its subsidiaries since the last financial year end and up until the last practicable date.

11. LITIGATION STATEMENT

In terms of the Listings Requirements, the Directors, whose names appear under "Corporate Information", 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 Group's financial position.

12. PRO FORMA FINANCIAL INFORMATION

The table below sets out the *pro forma* financial effects of the Transactions on MRI.

The *pro forma* financial effects of the Transactions on Shareholders are the responsibility of the MRI Directors and have been prepared for illustrative purposes only to provide information about how the Transactions would have affected the financial position and results of MRI and, because of its nature, may not give a fair reflection of MRI's financial performance and position, changes in equity, and results of operations and cash flows after the Transactions, and are based on the assumptions that:

- For the purpose of calculating earnings per share and headline earnings per share, it was assumed that the Transactions were implemented from 1 March 2013; and
- For the purpose of calculating net asset value per share and net tangible asset value per share, it was assumed that the Transactions were implemented on 31 August 2013.

The accounting policies of MRI have been used in calculating the *pro-forma* financial effects. The accounting policies used are consistent with previous accounting policies used by MRI and the accounting policies have been applied on the same basis. The *pro formas* have been prepared using the most recent financial period for six months ended 30 August 2013 for MRI.

The *pro forma* financial information is prepared in terms of the Listings Requirements and guidelines issued by the South African Institute of Chartered Accountants.

12. PRO FORMA FINANCIAL INFORMATION (continued)

	Before the Transactions ¹	Subsequent Events ³	After Subsequent Events	Directors Issue ³	CEO Option ⁴	AfrAsia Issue and transaction fees ⁵	After the actions 2 to 5	ACP Conversion ⁶	ASOF Conversion ⁷	Pro forma 31 August 2013	% Change
Net asset value per share (cents)	10.14	(0.17)	9.97	(0.15)	(0.09)	(0.24)	9.49	(0.50)	(1.19)	7.80	(23%)
Net tangible asset value per share (cents)	(7.61)	0.83	(6.78)	0.27	0.22	0.06	(6.23)	1.25	2.95	(2.03)	73%
Basic earnings per share (cents)	(0.91)	0.05	(0.86)	(0.01)	0.02	0.01	(0.84)	0.09	0.23	(0.52)	(43%)
Headline (loss)/ earnings per share (cents)	(0.91)	0.05	(0.86)	(0.01)	0.02	0.01	(0.84)	0.09	0.23	(0.52)	(43%)
Weighted and actual number of shares in issue at the end of the period	468 413 000	496 190 778	496 190 778	509 190 778	519 490 778	529 190 778	529 190 778	595 526 224	847 224 214	847 224 214	81%
Shares in issue at the end of the period	470 507 794	498 285 572	498 285 572	511 285 572	521 285 572	531 285 572	531 285 572	597 621 018	849 319 008	849 319 008	81%

The detailed pro forma financial information and notes thereto, as a result of the Transactions, are contained in Annexure 1 of the Circular. The Reporting Accountants' limited assurance report on the pro forma financial information is set out in Annexure 2. The restatement of the historical financial information pertaining to the periods ended 28 February 2013 and 31 August 2013 are included in Annexure 4 to this Circular.

12. PRO FORMA FINANCIAL INFORMATION (continued)

Notes and assumptions:

1. The amounts set out in the "Before the Transactions" column above have been extracted from the restated consolidated interim results of MRI for the six months ended 31 August 2013 as announced on SENS on 4 April 2014 and set out in Annexure 4 to this Circular.
2. Subsequent to 31 August 2013, MRI issued 27 777 778 new ordinary shares of no par value for a cash amount of R2 500 000, at R0.09 per share, being a 10% discount to the 30-day VWAP as at the agreement date on 27 November 2013. The shares were issued to Lavender Sky Investments 40 Proprietary Limited ("**Lavender Sky**"), not a related party to MRI. This subsequent event was determined to be material. MRI undertook to pay an arrangement fee of R500 000 and was paid in cash to Lavender Sky on the same day as the share issue. The arrangement fee was taken directly to stated capital.
3. Directors' fees of R650 000 were due and payable as at 28 February 2014. In line with the Company's strategy to reduce its indebtedness and preserve the Company's cash resources, the Company proposes that 13 000 000 new MRI Shares at R0.05 per share be issued in settlement of this amount. For purposes of the pro forma financial effects, it has been assumed that 13 000 000 new MRI Shares have been issued.
4. The Company proposes that the CEO, Richard Tait, be granted an option to acquire up to 10 000 000 new MRI Shares at R0.05 per share over a period of 2 years from 1 March 2015 to 1 March 2017. For purposes of the pro forma financial effects, it has been assumed that the option has been exercised in full and that 10 000 000 new MRI Shares have been issued.
5. The effect of the Transactions is presented net of transaction fees of approximately R792 000. As agreed, MRI has elected to settle R500 000 of the total transactions costs through the issue of 10 000 000 new MRI Shares at an issue price of R0.05 per share to AfrAsia. All transaction costs relate to the issue of MRI Shares and as such are deducted from stated capital.
6. Corporate actions 3, 4 and 5 are independent of corporate actions 6 and 7. Per written confirmation from ACP and ASOF, they will either exercise their options in full together, or not at all. In the event that ASOF or ACP does not elect to convert their loan outstandings, the pro forma financial effect of corporate action 6 and 7 will be nil.
7. The ACP Loan Agreement was entered into on 20 December 2013. It is assumed that in terms of the ACP Conversion Option, ACP will fully convert its loan balance of R3 317 000 as at 14 July 2014 at a price of R0.05 cents per share into 66 335 446 new MRI Shares. ACP has indicated that it will either exercise in full or not at all. There is no implication on the pro-forma income statement in respect of finance charges, as the loan was not in existence on or before 31 August 2013 (having been facilitated on 20 December 2013). In the event that ACP does not exercise its option, the pro forma effect will be nil.
8. The ASOF Loan Agreement was entered into on 15 July 2013. It is assumed that in terms of the ASOF Conversion Option, ASOF will fully convert the loan balance as at 14 July 2014 of R12 584 899 into 251 697 989 new MRI Shares at a price of R0.05 per share. ASOF has indicated that it will either exercise in full or not at all. The exercising of the Conversion Options will facilitate the repayment of the ASOF Loan reducing MRI's indebtedness and resulting in an interest saving of R134 000 for the 6 month period ended 31 August 2013. The loan balance as at 31 August 2013 was R6 795 000, with the remaining amount increasing cash and cash equivalents. In the event that ASOF does not convert the loan balance, the pro forma financial effect will be nil. The ACP and ASOF Conversions have been assumed to be exercised simultaneously in full, if this is not the case, the Conversion Options will not be exercised at all.
9. It has been assumed that the Transactions had been implemented on 31 August 2013 for purposes of compiling the statement of financial position and on 1 March 2013 for purposes of compiling the statement of comprehensive income.
10. Tax consequences in relation to the Transactions have been taken into account.
11. All adjustments, other than transaction fees, will have a continuing effect.

12. Subsequent to 31 August 2013, indications of impairment, in terms of IFRS, have been identified in respect of assets associated with the AMD Project held in WUC, and the Briquetting Project held in Octavovox. With regards to the AMD Project, to date, WUC has not received approval from the DWAF and is therefore investigating alternate options. Valuations of the assets associated with the AMD Project are currently being completed by industry experts. With regards to the Briquetting Project, significant headway has been made including terms of an offtake agreement as well as sales of product, however it is continuing to experience delays in achieving the originally planned quantities and quality of production. Octavovox is continuing to test the production of briquettes, and to identify areas of optimisation. Valuations of the assets and liabilities associated with the Briquetting Project are currently being carried out. Any impairment losses would negatively affect the carrying value of goodwill.

The financial impact of the impairment indicators relating to the AMD Project and the Briquetting Project were not known at the last practicable date, being the last date prior to the finalisation of this Circular. These will only be determined upon finalising the results for the year ended 28 February 2014, which are to be published on SENS on or about 30 May 2014.

In terms of the Listings Requirements, the Company is obliged to publish a trading statement announcement on SENS, once there is reasonable certainty that the results (being basic earnings per share and headline earnings per share) for the current financial year ended 28 February 2014, will differ by more than 20% from that of the prior comparative period. As the Company did not have reasonable certainty with regard to this as at the last practicable date, a trading statement announcement has not been published prior to the last practicable date.

Accordingly, Shareholders should read this Circular and the pro forma financial information set out herein in paragraph 12 and Annexure 1 in conjunction with any trading statement announcement published on SENS subsequent to the issue of this Circular (should such an announcement be required in terms of the Listings Requirements) and the results for the year ended 28 February 2014 published on or about 30 May 2014.

13. CODE OF CORPORATE PRACTICE AND CONDUCT

The Directors endorse and have adopted and applied the Code of Corporate Practices and Conduct as set out in the King III Report. In supporting the Code, the Directors are committed to conducting the business affairs of MRI with the utmost good faith, highest level of ethics and in accordance with generally acceptable practices within the constraints of industry norms, thus ensuring timely, relevant and meaningful reporting to Shareholders and other stakeholders.

Further details regarding Corporate Governance are set out in Annexure 6 to this Circular.

14. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are set out in paragraph 5 of this Circular, collectively and individually accept full responsibility for the accuracy of the information given in this Circular in relation to MRI and certify that, to the best of their knowledge and belief, no facts have been omitted which would make any statement in this Circular false or misleading, that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by law and the Listings Requirements.

15. EXPENSES RELATING TO THE TRANSACTIONS

The Company incurred costs of R2.7 million relating to the reverse listing following the acquisition of WUC detailed in a circular dated 2 April 2012. Save for this, the Company has not incurred any transaction costs in the three years preceding the date of this Circular.

The costs (exclusive of value added tax) relating to the Transactions are estimated to be as follows:

Description	Name	R'000
Printing, publication and distribution expenses	Wounded Buffalo	40
Corporate advisory fees	AfrAsia	500#
Designated advisor fees	Sasfin Capital	100
Reporting accountant - pro formas	Horwath Leveton Boner	50
Independent Expert	BDO	50
Documentation fee	JSE	39
Listing fee	JSE	13
Total		792

To be settled through the AfrAsia Issue

16. CONSENTS

Each of The Designated Advisor, Corporate Advisor, Independent Reporting Accountants and Auditor, Independent Expert and Transfer Secretaries have consented in writing to the inclusion of their names and reports, as applicable in this Circular, in the form and context in which they appear and have not withdrawn their consents prior to the publication of this Circular.

17. GENERAL MEETING

The General Meeting will be held at MRI's offices at, Route 21 Corporate Park, 45 Sovereign Drive, Ground Floor, Unit C, Irene X30, 0046, at 09h00 on Tuesday, 17 June 2014, to consider and, if deemed fit, to pass, with or without modification, the resolutions contained in the notice of General Meeting.

A form of proxy for the convenience of certificated shareholders and "own name" dematerialised shareholders who are unable to attend the General Meeting, but who wish to be represented thereat, is attached to, and forms part of this Circular. In order to be valid, duly completed forms of proxy must be received by MRI's Transfer Secretaries, Computershare Investor Services Proprietary Limited, at Ground Floor, 70 Marshall Street, Johannesburg, 2001, (PO Box 61051, Marshalltown, 2107), not later than 09h00 on Thursday, 12 June 2014. Alternatively, such forms of proxy may be handed to the company secretary or chairperson of the Company at the meeting not later than 30 minutes prior to the commencement of the General Meeting.

Dematerialised shareholders other than with "own name" registration who have not been contacted by their CSDP or broker with regard to how they wish to cast their votes, should contact their CSDP or broker and instruct their CSDP or broker as to how they wish to cast their votes at the General Meeting in order for their CSDP or broker to vote in accordance with such instructions. If such dematerialised shareholders wish to attend the General Meeting in person, they must request their CSDP or broker to issue the necessary Letter of Representation to them. This must be done in terms of the agreement entered into between such dematerialised shareholders and the CSDP or broker. The votes of treasury shares, if any, held will not be taken into account in determining the results of the voting at the General Meeting.

18. DIRECTORS' OPINION AND PROSPECTS

The Directors have considered the terms and conditions of the Transactions detailed in this Circular. In addition, the Board has considered the prospects of the MRI Group, which include discussions regarding trials of innovative screening equipment that could increase the yield of coal fine screens with improved quality, request for proposals to solutions for coal fines of certain collieries and test work on samples of fines from Vanggaatfontein Colliery. Together with any material information that was relevant thereto and accordingly the Board recommends to Shareholders to vote in favour of the Transactions. The board members, who are eligible to vote, intend voting in favour of the relevant resolutions except on those resolutions where they are specifically precluded from voting.

19. MATERIAL CONTRACTS

Other than the ASOF Loan Agreement, ACP Loan Agreement and the CEO Option, MRI and its subsidiaries have not entered into any other material contracts which are outside of the ordinary course of business, during the two years preceding this Circular, nor has the Company or any of its subsidiaries entered into agreements at any time that contain an obligation or settlement that is material to the Company and its subsidiaries as at the date of this Circular.

20. MATERIAL CHANGES

Other than as detailed in paragraph 1 of this Circular and note 12 to the pro forma financial information set out in paragraph 12 and Annexure 1 of this Circular, which paragraphs specifically refer to the indications of impairment, in terms of IFRS, which have been identified in respect of assets associated with the AMD Project held in WUC, and the Briquetting Project held in Octavovox which are regarded as material changes to the financial or trading position of MRI and its subsidiaries since the unaudited interim results for the six months ended 31 August 2013 were published on 18 November 2013 and the restated unaudited interim results for the six months ended 31 August 2013 that were published on 4 April 2014 (details of which are set out in Annexure 4 of this Circular), no other material change to the financial or trading position of MRI and its subsidiaries since the above-mentioned periods have occurred.

21. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection at the registered office of MRI as well as at the offices of the Corporate Advisor, during normal office hours from 16 May 2014 to 17 June 2014:

- the MOI of MRI and each of its subsidiaries;
- the ASOF Loan Agreement and annexures thereto;
- the ACP Loan Agreement and annexures thereto;
- financial statements of MRI for the period ended 28 February 2012 and year ended 28 February 2013;
- restated financial results of MRI for the year ended 28 February 2013 and the period ended 31 August 2013;
- the report of the Independent Reporting Accountants and Auditor regarding the pro forma financial information;
- the report of the Independent Expert regarding the fairness opinion;
- the irrevocable undertakings;
- the executive directors' service contracts;
- the AfrAsia mandate;
- the signed consent letters of the parties referred to in paragraph 16 of this Circular; and
- a signed copy of this Circular.

Signed at Johannesburg by or on behalf of MRI, in terms of powers of attorney granted by the Directors of MRI.

By order of the Board

R TAIT (Chief Executive Officer)
For and on behalf of MRI

16 May 2014

PRO FORMA FINANCIAL INFORMATION

The *pro forma* financial information set out below has been prepared to assist Shareholders to assess the impact of the Transactions on the interim results of MRI for the six months ended 31 August 2013. The *pro forma* statement of financial position at 31 August 2013 and statement of comprehensive income for the six months ended 31 August 2013 of MRI have been prepared to illustrate the impact of the Transactions as if the Transactions had occurred on 1 March 2013 for purpose of adjusting the *pro forma* statement of comprehensive income, and on 31 August 2013 for purposes of adjusting the *pro forma* statement of financial position of MRI.

The *pro forma* financial information has been prepared for illustrative purposes only based on current available information available to management and, due to its nature, may not fairly present MRI's financial position, changes in equity, and results of operations or cash flows after the Transactions.

The *pro forma* financial effects have been prepared using accounting policies that comply with IFRS and that are consistent with those applied in the audited and restated, published condensed financial statements of MRI for the year ended 28 February 2013.

The Directors are responsible for the preparation of the *pro forma* financial information contained in this Circular.

The *pro forma* financial information of MRI should be read in conjunction with the assurance report of the Independent Reporting Accountants which is included as Annexure 2 to this Circular.

PRO FORMA STATEMENT OF COMPREHENSIVE INCOME OF MRI

	Before the Subsequent		After		AfrAsia		ASOF		Pro forma 31	
	Transactions ¹	Events ²	Subsequent Events	Directors Issue ³	Issue and transaction fees ⁵	actions 2 to 5	Conversion ⁶	Conversion ⁷	August 2013	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Operating Expenses	(4 093)	-	(4 093)	(206)	-	(4 299)	-	-	-	(4 299)
Operating Loss	(4 093)	-	(4 093)	(206)	-	(4 299)	-	-	-	(4 299)
Investment revenue	5	-	5	-	-	5	-	-	-	5
Finance Costs	(2 707)	-	(2 707)	-	-	(2 707)	-	-	134	(2 573)
Loss before tax	(6 795)	-	(6 795)	(206)	-	(7 001)	-	-	134	(6 866)
Taxation	1 550	-	1 550	58	-	1 608	-	-	(38)	1 570
Loss for the period	(5 245)	-	(5 245)	(148)	-	(5 393)	-	-	97	(5 296)
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	(5 245)	-	(5 245)	(148)	-	(5 393)	-	-	97	(5 296)
Total comprehensive loss attributable to:										
Owners of the parent	(4 283)	-	(4 283)	(148)	-	(4 431)	-	-	49	(4 382)
Non-controlling interest	(962)	-	(962)	-	-	(962)	-	-	97	(915)
Basic earnings per share (cents)	(0.91)	0.05	(0.86)	(0.01)	0.02	(0.84)	0.09	0.23	0.23	(0.52)
Headline earnings per share (cents)	(0.91)	0.05	(0.86)	(0.01)	0.02	(0.84)	0.09	0.23	0.23	(0.52)
Weighted number of shares in issue at the end of the period	468 413 000	496 190 778	496 190 778	509 190 778	519 190 778	529 190 778	595 526 224	847 224 214	847 224 214	847 224 214
Shares in issue at the end of the period	470 507 794	498 285 572	498 285 572	511 285 572	521 285 572	531 285 572	597 621 018	849 319 008	849 319 008	849 319 008

PRO FORMA STATEMENT OF FINANCIAL POSITION OF MIRI

	Before the Transactions ¹	Subsequent Events ²	After Subsequent Events	Directors Issue ³	CEO Option ⁴	AfrAsia Issue and transaction fees ⁵	After actions 2 to 5	ACP Conversion ⁶	ASOF Conversion ⁷	Pro forma 31 August 2013
ASSETS	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Non-current assets	116 361	-	116 361	-	-	-	116 361	-	-	116 361
Property, plant and equipment	14 404	-	14 404	-	-	-	14 404	-	-	14 404
Intangible assets	91 284	-	91 284	-	-	-	91 284	-	-	91 284
Goodwill	9 123	-	9 123	-	-	-	9 123	-	-	9 123
Deferred tax	1 550	-	1 550	-	-	-	1 550	-	-	1 550
Current assets	3 791	2 000	5 791	-	500	(292)	5 999	3 317	5 790	15 106
Trade and other receivables	521	-	521	-	-	-	521	-	-	521
Cash and cash equivalents	3 270	2 000	5 270	-	500	(292)	5 478	3 317	5 790	14 585
TOTAL ASSETS	120 152	2 000	122 152	-	500	(292)	122 360	3 317	5 790	131 467

EQUITY AND LIABILITIES	Before the Subsequent Transactions ¹		Subsequent Events ²		After Subsequent Events		Directors Issue ³		CEO Option ⁴		AfrAsia Issue and transaction fees ⁵		After actions 2 to 5		ACP Conversion ⁶		ASOF Conversion ⁷		Pro forma 31 August 2013	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Stated capital	64 266	2 000	2 000	66 266	650	500	(292)	67 124	3 317	12 547	82 988									
Retained income	(16 578)	-	-	(16 578)	(148)	-	-	(16 726)	-	-	(16 726)									
Equity attributable to holders of the parent	47 688	2 000	2 000	49 688	502	500	(292)	50 398	3 317	12 547	66 262									
Capital reserve	5 000	-	-	5 000	-	-	-	5 000	-	-	5 000									
Non-controlling interest	16 390	-	-	16 390	-	-	-	16 390	-	-	16 390									
Total equity	69 078	2 000	2 000	71 078	502	500	(292)	71 788	3 317	12 547	87 652									
Non-current liabilities	44 232	-	-	44 232	-	-	-	44 232	-	-	44 232									
Other financial liabilities	25 768	-	-	25 768	-	-	-	25 768	-	-	25 768									
Deferred tax	18 464	-	-	18 464	-	-	-	18 464	-	-	18 464									
Current liabilities	6 842	-	-	6 842	(502)	-	-	6 340	-	-	(417)									
Other financial liabilities	6 795	-	-	6 795	(444)	-	-	6 351	-	-	(444)									
Current tax payable	16	-	-	16	(58)	-	-	(42)	-	-	(4)									
Trade and other payables	31	-	-	31	-	-	-	31	-	-	31									
TOTAL EQUITY AND LIABILITIES	120 152	2 000	2 000	122 152	-	500	(292)	122 360	3 317	5 790	131 467									
Net asset value per share (cents)	10.14	(0.17)	(0.17)	9.97	(0.15)	(0.09)	(0.24)	9.49	(0.50)	(1.19)	7.80									
Net tangible assets value per share (cents)	(7.61)	0.83	0.83	(6.78)	0.27	0.22	0.06	(6.23)	1.25	2.95	(2.03)									

Notes and assumptions:

1. The amounts set out in the “Before the Transactions” column above have been extracted from the restated consolidated interim results of MRI for the six months ended 31 August 2013 as announced on SENS on 4 April 2014 and set out in Annexure 4 to this Circular. These results have not been audited or reviewed by the external auditor.
2. Subsequent to 31 August 2013, MRI issued 27 777 778 new ordinary shares of no par value for a cash amount of R2 500 000, at R0.09 per share, being a 10% discount to the 30-day VWAP as at the agreement date on 27 November 2013. The shares were issued to Lavender Sky Investments 40 Proprietary Limited (“**Lavender Sky**”), not a related party to MRI. This subsequent event was determined to be material. MRI undertook to pay an arrangement fee of R 500,000 and was paid in cash to Lavender Sky on the same day as the share issue. The arrangement fee was taken directly to stated capital.
3. Directors fees of R650 000 were due and payable as at 28 February 2014. In line with the Company’s strategy to reduce its indebtedness and preserve the Company’s cash resources, the Company proposes that 13 000 000 new MRI Shares at R0.05 per share be issued in settlement of this amount. For purposes of the pro forma financial effects, it has been assumed that 13 000 000 new MRI Shares have been issued.
4. The Company proposes that the CEO, Richard Tait, be granted an option to acquire up to 10 000 000 new MRI Shares at R0.05 per share over a period of 2 years from 1 March 2015 to 1 March 2017. For purposes of the pro forma financial effects, it has been assumed that the option has been exercised in full and that 10 000 000 new MRI Shares have been issued.
5. The effect of the Transactions is presented net of transaction fees of approximately R792 000. As agreed, MRI has selected to settle R500 000 of the total transactions costs through the issue of 10 000 000 new MRI Shares at an issue price of R0.05 per share to AfrAsia. All transaction costs relate to the issue of MRI Shares and as such as deducted from stated capital.
6. Corporate actions 3, 4 and 5 are independent of corporate actions 6 and 7. Per written confirmation from ACP and ASOF, they will either exercise their options in full together, or not at all. In the event that ASOF or ACP do not elect to convert their Loan Outstandings, the pro forma financial effect of corporate action 6 and 7 will be nil. In the event that the Conversion Options are not exercised, the pro forma financial effect will be nil.
7. The ACP Loan Agreement was entered into on 20 December 2013. It is assumed that in terms of the ACP Conversion Option, ACP will fully convert its loan balance of R3 317 000 as at 14 July 2014 at a price of 5 cents per share into 66 335 446 new MRI Shares. ACP has indicated that it will either exercise in full or not at all. There is no implication on the pro-forma income statement in respect of finance charges, as the loan was not in existence on or before 31 August 2013 (having been facilitated on 20 December 2013). In the event that ACP does not exercise its option, the pro forma effect will be nil.
8. The ASOF Loan Agreement was entered into on 15 July 2013. It is assumed that in terms of the ASOF Conversion Option, ASOF will fully convert the loan balance as at 14 July 2014 of R12 584 899 into 251 697 989 new MRI Shares. ASOF has indicated that it will either exercise in full or not at all. The exercising of the Conversion Options will facilitate the repayment of the ASOF Loan reducing MRI’s indebtedness and resulting in an interest saving of R134 000 for the 6 month period ended 31 August 2014. The loan balance as at 31 August 2013 was R6 795 000, with the remaining amount increasing cash and cash equivalents. In the event that ASOF does not convert the loan balance, the pro forma financial effect will be nil. The ACP and ASOF Conversions have been assumed to be exercised simultaneously in full, if this is not the case, the Conversion Options will not be exercised at all.
9. It has been assumed that the Transactions had been implemented on 31 August 2013 for purposes of compiling the statement of financial position and on 1 March 2013 for purposes of compiling the statement of comprehensive income.

10. Tax consequences in relation to the Transactions have been taken into account.
11. All adjustments, other than transaction fees, will have a continuing effect.
12. Subsequent to 31 August 2013, indications of impairment, in terms of IFRS, have been identified in respect of assets associated with the AMD Project held in WUC, and the Briquetting Project held in Octavovox. With regards to the AMD Project, to date, WUC has not received approval from the DWAF and is therefore investigating alternate options. Valuations of the assets associated with the AMD Project are currently being completed by industry experts. With regards to the Briquetting Project, significant headway has been made including terms of an offtake agreement as well as sales of product, however it is continuing to experience delays in achieving the originally planned quantities and quality of production. Octavovox is continuing to test the production of briquettes, and to identify areas of optimisation. Valuations of the assets and liabilities associated with the Briquetting Project are currently being carried out. Any impairment losses would negatively affect the carrying value of goodwill.

The financial impact of the impairment indicators relating to the AMD Project and the Briquetting Project were not known at the last practicable date, being the last date prior to the finalisation of this Circular. These will only be determined upon finalising the results for the year ended 28 February 2014, which are to be published on SENS on or about 30 May 2014.

In terms of the Listings Requirements, the Company is obliged to publish a trading statement announcement on SENS, once there is reasonable certainty that the results (being basic earnings per share and headline earnings per share) for the current financial year ended 28 February 2014, will differ by more than 20% from that of the prior comparative period. As the Company did not have reasonable certainty with regard to this as at the last practicable date, a trading statement announcement has not been published prior to the last practicable date.

Accordingly, Shareholders should read this Circular and the pro forma financial information set out herein in paragraph 12 and Annexure 1 in conjunction with any trading statement announcement published on SENS subsequent to the issue of this Circular (should such an announcement be required in terms of the Listings Requirements) and the results for the year ended 28 February 2014 published on or about 30 May 2014.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN THE CIRCULAR

9 May 2014

The Directors
Mine Restoration Investments Limited
Route 21 Corporate Park
45 Sovereign Drive
Ground Floor, Unit C
Irene X30, 0046

Dear Sirs

We have completed our limited assurance engagement on the compilation of *pro forma* financial information of Mine Restoration Investments Limited. The *pro forma* financial information, as set out in Annexure 1 of the Circular, consists of the *pro forma* statement of financial position at 31 August 2013, the *pro forma* statement of comprehensive income for the six months ended on that date and related notes. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the corporate action or event, described in Annexure 1, on the company's financial position at 31 August 2013 and its financial performance for the six months then ended, as if the corporate action or event had taken place at 31 August 2013 and for the six months 31 August 2013. As part of this process, information about the company's financial position and financial position has been extracted by the directors from the company's unaudited financial results for the six months ended 31 August 2013. .

Directors' Responsibility for the Pro Forma Financial Information

The directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in Annexure 1.

Reporting Accountants' Responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis specified in the Listings Requirements based on our procedures performed. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Circular*. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specific in the Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in the compilation of the *pro forma* financial information, nor have we, in the course of this engagement, performed any audit or review of financial information used in compiling the *pro forma* financial information nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

As the purpose of the *pro forma* financial information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier stage selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction at 31 August 2013 would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *pro forma* financial information provided a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustment give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the pro forma financial information.

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

Opinion

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in Annexure 1.

Emphasis of matter

We draw attention to note 12 to the financial information presented in Annexure 1. Our opinion is not modified in respect of this note.

This note discloses that there are indicators of impairment associated with the AMD project and Briquetting project. The extent of the impairments will be determined on release of the MRI results for the year ended 28 February 2014.

Horwath Leveton Boner
Registered Auditor
Per: Selwyn Bloch CA (SA) RA
Partner

3 Sandown Valley Crescent
Sandown
Sandton

FAIRNESS OPINION

8 May 2014

The Directors
 Mine Restoration Investments Limited
 Route 21 Corporate Park
 45 Sovereign Drive
 Ground Floor
 Unit C
 Irene, X30
 0046

Dear Sirs

REPORT OF THE INDEPENDENT PROFESSIONAL EXPERT TO MINE RESTORATION INVESTMENTS LIMITED

INTRODUCTION

BDO Corporate Finance (Pty) Limited ("**BDO Corporate Finance**") has been appointed by the board of directors (the "**Directors**") of Mine Restoration Investments Limited ("**MRI**" or the "**Company**") to provide independent external advice to the shareholders of MRI in respect of the following transactions:

- i) the grant of an option to Armadale Capital Plc ("**ACP**") (the "**ACP Conversion Option**"), whereby ACP has the right, at ACP's election and subject to the written consent by AfrAsia Special Opportunities Fund, to convert the balance outstanding (together with rolled up interest) in respect of a loan with a capital amount of R3 179 047 provided by ACP to MRI in terms of a written loan agreement dated 20 December 2013 (the "**ACP Loan Agreement**"). With interest rolled up, the total facility amount is R3 317 000. Upon exercise of the ACP Conversion Option, the ACP Loan will be settled via the issue of a maximum of 66 335 446 MRI Shares to ACP at an issue price of 5.0 cents per MRI Share (the "**ACP Conversion Price**");
- ii) the specific issue of 10 000 000 new MRI Shares to AfrAsia Corporate Finance (Pty) Ltd ("**AfrAsia**") for cash, at a price of R0.05 per share in settlement of corporate advisory fees owed to AfrAsia (the "**AfrAsia Issue**");
- iii) the granting of an incentive option in respect of 10 000 000 new MRI shares to the CEO of MRI, R Tait, at a strike price of R0.05 per share (the "**CEO Option**");
- iv) the specific issue of 13 000 000 new MRI Shares to the existing directors of MRI for cash, namely Q George, R Tait, A Meyer, C Roed, J Lewis and S Caddy ("**Current Directors**") as well as past directors namely S Tredoux and J Herbst ("**Past Directors**"), at an issue price of R0.05 per share, in settlement amounts owing of R650 000 in aggregate regarding directors' fees (the "**Directors' Issue**");

(The ACP Conversion Option is referred to herein as the "**Conversion Options**". Collectively the AfrAsia Issue, the CEO Option and the Directors' Issue are referred to herein as the "**Specific Issues**"). The Conversion Option and the Specific Issues are collectively the "**Transactions**").

FAIRNESS OPINIONS REQUIRED IN TERMS OF THE JSE LISTINGS REQUIREMENTS

ACP is a material shareholder in MRI and therefore a related party as defined in terms of Section 10.1(b) (i) of the JSE Limited ("**JSE**") Listings Requirements, read together with the definition of material shareholder.

Afrasia is the corporate advisor to MRI and therefore a related party as defined in terms of Section 10.1(b) (IV) of the JSE Listings Requirements.

R Tait is a related party to MRI as defined in terms of Section 10.1(b) (ii) of the JSE Listings Requirements.

The Current Directors and Past Directors are related parties to MRI as defined in terms of Section 10.1(b) (ii) of the JSE Listings Requirements.

The ACP Conversion Price is at a discount of approximately 53% to the 30-day volume weighted average price ("**VWAP**") of MRI shares traded on the exchange operated by JSE up to and including 20 February 2014, being the day prior to the publication of the detailed cautionary announcement regarding the commissioning of the coal fines processing and briquetting plant (the "**Plant**") at the Vaalkrantz Colliery and also providing an update in respect of drawdowns relating to the ACP Loan. In terms of Section 5.53 of the JSE Listings Requirements, as the Directors are required to provide written confirmation from an independent professional expert confirming whether the terms and conditions of the ACP Conversion Option are fair insofar as the shareholders of MRI are concerned.

The proposed issue price of R0.05 per MRI share for the AfrAsia Issue, the CEO Option and Directors' Issue represents a discount of approximately 50% to the 30 day volume weighted average price ("VWAP") of MRI shares traded on the JSE over the 30 days up to and including 4 April 2014, being the day prior to the announcement of the terms of the AfrAsia Issue and Directors' Issue on the Stock Exchange News Service of the JSE ("SENS"). In terms of Section 5.51 of the JSE Listings Requirements, the Directors are required to provide written confirmation from an independent professional expert confirming whether the terms and conditions of the AfrAsia Issue and Directors' Issue are fair insofar as the shareholders of MRI are concerned. In terms of Section 5.53 of the JSE Listings Requirements, as the Directors are required to provide written confirmation from an independent professional expert confirming whether the terms and conditions of the CEO Option are fair insofar as the shareholders of MRI are concerned.

RESPONSIBILITY

Compliance with the JSE Listings Requirements is the responsibility of the Directors. Our responsibility is to report on the fairness of the terms of the ACP Conversion Option, the AfrAsia Issue, the CEO Option and the Director' Issue.

EXPLANATION AS TO HOW THE TERM "FAIR" APPLIES IN THE CONTEXT OF THE TRANSACTION

Schedule 5.7 of the JSE Listings Requirements states the "fairness" of a transaction is based on quantitative issues. A transaction may be said to be fair if value received by the shareholders, as a result of the transaction, are equal to or greater than the value ceded by the shareholders.

The ACP Conversion Option, the AfrAsia Issue, the CEO Option and the Director' Issue may be said to be fair to the shareholders of MRI if the price at which MRI Shares are issued is greater than or equal to the value of an MRI Share.

DETAILS AND SOURCES OF INFORMATION

In arriving at our opinion we have relied upon the following principal sources of information:

- The ACP Loan Agreement;
- The terms and conditions of the Transactions as set out in the Circular;
- The AfrAsia mandate for the provision of corporate finance services relating to the Transactions;
- Signed board resolution approving the remuneration payable to Current Directors and Past Directors as well as the Directors' Issue;
- R Tait employment contract;
- Audited financial information of MRI for the year ended 31 December 2011 and 14 month period ended 28 February 2013;
- Restated annual financial statements of MRI for the 14 months ended 28 February 2013 and restated interim results of MRI for the period ended 31 August 2013;
- Unaudited financial information for MRI for the six months ended 28 February 2014;
- Monthly forecast financial information in respect of the Coal Briquetting Project up to 30 November 2022, being the initial phase of the Coal Briquetting Project, which comprises forecast financial information for the subsidiaries of MRI, namely WUC, Octavovox and Prodiflex Coal (Pty) Ltd ("PC");
- Discussions with MRI directors and management regarding the historic and forecast financial information of MRI;
- Discussions with MRI and MRI directors and management regarding the status of the Acid Mine Drainage Project;
- Discussions with MRI and MRI directors and management on prevailing market, economic, legal and other conditions which may affect underlying value;
- Publicly available information relating to the Environmental & Mine Rehabilitation Sector in general; and
- Publicly available information relating to MRI that we deemed to be relevant, including company announcements and media articles.

The information above was secured from:

- Directors and management of MRI; and
- Third party sources, including information related to publicly available economic, market and other data which we considered applicable to, or potentially influencing MRI.

PROCEDURES

In arriving at our opinions we have undertaken the following procedures in evaluating the fairness of the ACP Conversion Option, the AfrAsia Issue, the CEO Option and the Director' Issue:

- Reviewed the terms and conditions of the Transactions;
- Reviewed the audited and unaudited financial information of MRI;
- Reviewed and obtained an understanding from management as to the forecast financial information of the Coal Briquetting Project and assessed the achievability thereof by considering historic information as well as macro-economic and sector-specific data;
- Held discussions with directors of MRI and considered such other matters as we consider necessary, including assessing the prevailing economic and market conditions and trends;
- Compiled a DCF Valuation for the Coal Briquetting Project by using the forecast financial information as detailed above and by applying BDO Corporate Finance's assumptions in respect of cost of capital to the forecast cash flows to produce a discounted cash flow valuations of MRI's attributable interest in WUC, Octavovox and PC;
- Aggregated the valuations of MRI's attributable interest in WUC, Octavovox and PC, as well as adjusting for financial assets and financial liabilities to determine a sum-of-the-parts ("SOTP") valuation of MRI;
- Assessed the long-term potential of the MRI Group;
- Performed a sensitivity analysis on key assumptions included in the discounted cash flow valuation, specifically related to cost of capital, revenue and operating margins;
- Evaluated the relative risks associated with the MRI Group and the industry in which it operates;
- Reviewed certain publicly available information relating to the MRI Group that we deemed to be relevant, including company announcements and media articles;
- Where relevant, representations made by management and/or directors were corroborated to source documents or independent analytical procedures were performed by us, to examine and understand the industry in which the MRI Group operates, and to analyse external factors that could influence the business of the MRI Group; and
- Held discussions with the directors and management of MRI as to their strategy and the rationale for the Transactions considered such other matters as we considered necessary, including assessing the prevailing economic and market conditions and trends in the Environmental & Mine Rehabilitation Sector.

OTHER CONSIDERATIONS

In arriving at our opinions, we have considered, in addition to the procedures referred to above, other key qualitative factors, which are set out below:

- Consideration of the rationale for the Transactions, as set out in the Circular.

ASSUMPTIONS

We arrived at our opinion based on the following assumptions:

- That all agreements that are to be entered into in terms of the Transactions will be legally enforceable;
- That the Transactions will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by representatives and advisors of MRI; and
- That reliance can be placed on the financial information of the MRI Group.

APPROPRIATENESS AND REASONABLENESS OF UNDERLYING INFORMATION AND ASSUMPTIONS

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our opinion by:

- Reliance on audit reports in the financial statements of MRI;
- Conducting analytical reviews on the historic financial results and forecast financial information, such as key ratio and trend analyses; and
- Determining the extent to which any representations were confirmed by documentary evidence as well as our understanding of MRI and the Environmental & Mine Rehabilitation Sector.

LIMITING CONDITIONS

The opinions are provided to the directors and shareholders of MRI in connection with and for the purposes of the Transactions. The opinions do not purport to cater for each individual shareholder's perspective, but rather that of the general body of MRI shareholders. Should a MRI shareholder be in doubt as to what action to take, he should consult an independent advisor.

An individual shareholder's decision as to whether to vote in favour of the Transactions may be influenced by his particular circumstances. The assessment as to whether or not the directors decide to recommend the Transactions is a decision that can only be taken by the directors of MRI.

We have relied upon and assumed the accuracy of the information used by us in deriving our opinions. While our work has involved an analysis of the annual financial statements and other information provided to us, our engagement does not constitute, nor does it include, an audit conducted in accordance with generally accepted auditing standards.

We have also assumed that the Transactions will have the legal consequences described in discussions with, and materials furnished to us by representatives and advisors of MRI and we express no opinion on such consequences.

Our opinions are based on current economic, regulatory and market as well as other conditions. Subsequent developments may affect the opinions, and we are under no obligation to update, review or re-affirm our opinions based on such developments.

INDEPENDENCE AND COMPETENCE

We confirm that we have no direct or indirect interest in MRI Shares or the Transactions. We also confirm that we have the necessary competence to provide the opinions for the purposes of the Transactions.

Furthermore, we confirm that our professional fees are not contingent upon the success of the Transactions.

VALUATION APPROACH

The valuation of MRI has been based upon an aggregation of the sum of the parts of:

- The value of MRI's attributable interest in the Coal Briquetting Project which comprises forecast financial information for WUC, Octavovox and PC;
- The market value of and the intellectual property related to the Acid Mine Drainage Project. No cash flows are however currently expected from the Acid Mine Drainage Project as there is no project currently underway nor is any project planned in the near term; and
- Balance sheet adjustments to account for net debt and cash as at 28 February 2014.

BDO has performed a valuation of MRI on a sum of the parts basis to determine whether the terms and conditions of the Transactions represent fair value to the MRI shareholders.

The Income Approach was the valuation methodology employed in respect of the Coal Briquetting Project.

The Income Approach is based on net present value ("NPV") that is derived using a discounted cash flow ("DCF") technique applied to the post-tax pre-finance cash flows. The external value driver to the DCF is the price per ton for varying grades of briquettes. Key internal value drivers include production, operating costs, and working capital and capital expenditure requirements.

Assumptions in respect of the sensitivity analysis performed were influenced by the following factors:

- Installed production capacity;
- Capacity utilisation;
- Production tons (Briquettes); and
- Realisable price per ton for the varying grades of briquettes produced based on the quality of fines.

Balance sheet adjustments for cash and debt were effected at carrying values, after confirming that such carrying values are in terms of International Financial Reporting Standards ("IFRS") approximated fair market value.

OPINIONS

ACP Conversion Option

Having considered the terms and conditions of the ACP Conversion Option, based upon and subject to the conditions set out herein, we are of the opinion that the terms and conditions of the ACP Conversion Option, based on quantitative considerations, are fair to the MRI shareholders.

AfrAsia Issue

Having considered the terms and conditions of the AfrAsia Issue, based upon and subject to the conditions set out herein, we are of the opinion that the terms and conditions of the AfrAsia Issue, based on quantitative considerations, are fair to the MRI shareholders.

CEO Option

Having considered the terms and conditions of the CEO Option, based upon and subject to the conditions set out herein, we are of the opinion that the terms and conditions of the CEO Option, based on quantitative considerations, are fair to the MRI shareholders.

Directors Issue

Having considered the terms and conditions of the Directors Issue, based upon and subject to the conditions set out herein, we are of the opinion that the terms and conditions of the Directors Issue, based on quantitative considerations, are fair to the MRI shareholders.

Our opinions are necessarily based upon the information available to us up to 8 May 2014, including in respect of the financial, market and other conditions and circumstances existing and disclosed to us at the date thereof. We have furthermore assumed that all conditions precedent, including any material regulatory and other approvals and consents required in connection with the Transactions have been fulfilled or obtained.

Accordingly, it should be understood that subsequent developments may affect the opinions, which we are under no obligation to update, revise or re-affirm.

CONSENT

We hereby consent to the inclusion of this letter and references thereto in the Circular in the form and context in which they appear.

Yours faithfully

Nick Lazanakis

Partner

BDO Corporate Finance (Pty) Ltd
22 Wellington Road
Parktown
Johannesburg
2193

SENS ANNOUNCEMENT FOR THE RESTATEMENT ADJUSTMENTS FOR 28 FEBRUARY 2013 AND 31 AUGUST 2013 MRI FINANCIAL RESULTS

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 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

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)

MRI SHARE PRICE HISTORY

The share price history of the Company's ordinary shares traded on the JSE since MRI's listing date, being 25 June 2012 and up until the last practicable date are given below:

Date	High (cents)	Low (cents)	Close (cents)	Volume Traded	Value Traded
Quarterly					
June 2012	35	17	33	6 335 549	1 819 287
September 2012	33	22	27	17 104 051	4 104 531
December 2012	31	11	25	44 244 456	10 067 230
Monthly					
February 2013	21	15	20	1 607 703	318 713
March 2013	21	16	20	6 916 609	1 369 314
April 2013	20	16	19	984 560	196 205
May 2013	19	15	16	6 737 727	1 146 113
June 2013	16	14	16	5 420 524	807 709
July 2013	18	10	14	1 456 715	199 938
August 2013	14	10	13	620 525	77 081
September 2013	13	8	12	13 521 192	1 554 743
October 2013	13	8	12	22 379 489	2 653 730
November 2013	14	10	11	21 784 871	2 549 716
December 2013	13	11	13	29 472 903	3 487 201
January 2014	14	10	13	6 910 120	774 875
February 2014	10	10	10	52 000	5 200
Daily					
13 March 2014	10	10	10	171 250	17 125
14 March 2014	-	-	10	-	-
17 March 2014	-	-	10	-	-
18 March 2014	10	10	10	119 151	11 915
19 March 2014	-	-	10	-	-
20 March 2014	11	9	11	356 449	35 942
24 March 2014	-	-	11	-	-
25 March 2014	10	10	10	35 000	3 500
26 March 2014	-	-	10	-	-
27 March 2014	9	9	9	45 000	4 050
28 March 2014	10	9	10	224 577	20 445
31 March 2014	-	-	10	-	-
1 April 2014	-	-	10	-	-
2 April 2014	10	10	10	751 075	75 108
3 April 2014	-	-	10	-	-
4 April 2014	11	10	10	70 079	7 509
7 April 2014	11	10	11	80 000	8 690
8 April 2014	10	10	10	19 000	1 900
9 April 2014	-	-	10	-	-
10 April 2014	9	9	9	129 074	11 617
11 April 2014	10	10	10	110 000	11 000
14 April 2014	11	10	11	138 000	14 700
15 April 2014	-	-	11	-	-
16 April 2014	10	10	10	1 100 000	110 000
17 April 2014	-	-	10	-	-
22 April 2014	11	9	11	629 100	62 300
23 April 2014	9	9	9	258 418	23 258
24 April 2014	11	11	11	60 000	6 600
25 April 2014	11	10	10	200 620	20 062
29 April 2014	11	10	10	1 620 000	162 200
30 April 2014	-	-	10	360 327	32 533
2 May 2014	10	10	10	107 500	10 750
5 May 2014	9	9	9	97 473	8 773
6 May 2014	-	-	9	-	-
8 May 2014	10	10	10	500 000	500 000

CORPORATE GOVERNANCE

Corporate Governance

Introduction

The MRI Group 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 continuously strives to ensure that the MRI-Group is being ethically managed according to prudently determined risk parameters and in compliance with generally accepted corporate practices and conduct.

A general overview of how the MRI Group applies the King Code principles is set out below to assist shareholders and potential investors in evaluating how the principles have been applied. Further to this, the Company has assessed and considered the application of every one of the principles in King III. This assessment has been reported on and documented in the form of a register which includes details of how each principle has been applied. This register can be found on the Company's website http://minerestoration.co.za/wp-content/uploads/2012/03/MRI-King-III-Principles-April-2014-_Final_.pdf.

The Board

MRI retains a unitary board structure. As at the date of this report, the Board consists of two non-executive directors, two executive directors and two independent non-executive directors. The non-executive directors are of sufficient calibre for their views to carry significant weight in the board's decisions. The Board is assisted in fulfilling its duties by a Combined Audit and Risk Committee (CARC), and a Social and Ethics Committee. The board assumed the responsibility of the Combined Remuneration and Nomination committee, however the Company has reconstituted this committee with effect from 30 April 2014 and the members consist of S Caddy, Q George and C Roed.

The Board, which is chaired by a non-executive chairman, is scheduled to sit at least four times a year, but meets more frequently if circumstances require it to do so. Since the last Annual General Meeting, held on 4 September 2013, three board meetings have been held.

The Board 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 matter 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 implementing and maintaining effective corporate governance of MRI whilst at the same time providing support to operations staff in the execution of its coal briquetting project. Updating and training is 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.

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.

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 as required by the King III report on corporate governance. The Board is chaired by a non-executive director, Quinton George and the position of Chief Executive Officer is held by Richard Tait. The non-executive directors are not appointed under service contracts and their remuneration is not linked to the Company's financial performance. The Company appointed Chris Roed to act as lead independent non-executive director.

The predominance of non-executive directors on the board helps maintain a balance of power and ensures 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 directors

Appointments to the Board are currently based on the needs of the Company as assessed from time to time. Consideration is given to their qualifications when nominating prospective directors. Appointments are made at shareholders meetings and by the Board with subsequent confirmation 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 directions and delegates certain powers to management. The day-to-day management of the Company is vested in the executive directors.

The Board 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.

Board Committees

The Company has two committees: a Combined Audit and Risk Committee (CARC), and a Combined Social and Ethics committee (CSEC). These committees report to the Board.

The CARC

The composition of the CARC consists of two independent non-executive members, namely Chris Roed, and Syd Caddy and a non-executive member namely Justin Lewis, which composition complies with the Companies Act. Chris Roed, as lead independent non-executive director chairs this committee.

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 ended 28 February 2013 and to the date of this report, five CARC meetings were held. The majority of the members of the CARC are financially literate. The board 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 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 Board has approved the CARC's responsibilities in terms of this charter.

The expertise and competency of the financial director (albeit that the financial director is employed on a part-time basis until October 2014) and the appropriateness of the expertise, resources and adequacy of resources of the finance function are reviewed annually.

The CRNC

The Combined Remuneration and Nominated Committee, due to the size of the Company and its Board the Company disbanded its CRNC and its responsibility was assumed by the Board. However the Company has reconstituted this committee with effect from 30 April 2014 and the members consist of S Caddy, Q George and C Roed.

The MRI Group has not entered into any service contract with its executive directors. 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.

The MRI Group has no share incentive scheme in place.

The CSEC

The Board established the Company's Social and Ethics Committee in February 2012 to assist the Board in ensuring that the MRI Group is and remains a good and responsible corporate citizen and to perform the statutory functions required of a social and ethics committee in terms of the Companies Act.

The committee consists of three independent Non-Executive Directors, who are suitably skilled and experienced. The three members are: Chris Roed, Quinton George and J Lewis. Chris Roed chairs the committee. During the year ended 28 February 2013 the CSEC met once.

The responsibilities and functioning of the committee are governed by a formal mandate approved by the Board, which is subject to annual review by the Board. The main objectives of the committee are to assist the Board, which is subject to annual review by the Board. The main objectives of the committee are to assist the Board in ensuring that the MRI Group is and remains a good and responsible corporate citizen by monitoring the sustainable development performance of MRI, which includes the following main responsibilities outlined below.

The committee is responsible for developing and reviewing the MRI Group's policies with regard to the commitment, governance and reporting of MRI Group's sustainable development performance and for making recommendations to management and/or the Board in this regard.

The committee performs a monitoring role in respect of the sustainable development performance of the MRI Group, specifically relating to:

- Stakeholder engagement;
- Health and public safety;
- Broad-based black economic empowerment;
- Labour relations and working conditions;
- Training and skills development of employees;
- Management of the MRI Group's environmental impacts;
- Ethics and compliance; and
- Corporate social investment.

The committee's monitoring role also includes the monitoring of relevant legislation, other legal requirements or prevailing codes of best practice, specifically with regard to matters relating to social and economic development, good corporate citizenship, the environment, health and public safety, consumer relationships, as well as labour and employment. The Board will assess the effectiveness of the committee annually.

Company Secretary

All directors have access to the advice and service of Neil Esterhuysen and Associates Attorneys, which fulfils the role of Company Secretary; this office has been filled by them since 4 September 2012. The Board is of the opinion that the member of the management team at Neil Esterhuysen and Associates Attorneys have the requisite attributes, experience and qualifications to effectively fulfil the MRI Group's responsibilities of the Company Secretary. The appointment or dismissal of the Company Secretary is decided by the Board as a whole and not by one individual director.

The Company Secretary is not a director of any of the operations and accordingly maintains an arm's length relationship with the Board and its directors. The Company Secretary reports to the Chief Executive Officer and has a direct channel of communication to the Chairman. The Company Secretary communicates with the Chairman before each board and general meeting to prepare and discuss important issues, agree on the agenda and assist the Chairman or the Board and committee chairman in the drafting of the yearly work plans.

The Company Secretary is responsible for the functions specified in section 88 of the Companies Act. All meetings of shareholders, directors and all board committees are properly recorded as per the requirements of the Companies Act.

External audit and the audit

The auditor of the Company is Horwath Leveton Boner Chartered Accountants (SA), (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). The consolidated financial statements for the period ended 28 February 2013 were audited by HLB. The CARC reviews the audit fees for the audit. The auditor has unrestricted access 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 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.

Except for attending to tax returns, no other 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 MRI Group'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 of all financial and price sensitive reports about the Company.

The Board has established controls and procedures to ensure the accuracy and integrity of the accounting records. The Board monitors the MRI Group'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 financial statements.

Audit opinion

MRI received an unqualified audit opinion for the year ended 28 February 2013.

Internal audit

After review of the Company's internal control process and consideration of the nature of the Company and lack of trading activity, the Board did not identify the need to establish a formal internal audit process. This requirement will be continuously monitored in light of the evolution of the company's business over time.

The executive directors will conduct an annual review of the MRI Group's internal controls when the projects become operational. 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.

Ethical leadership

The MRI Group 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. The MRI Group expects its shareholders, suppliers and partners to subscribe to the same high ethical standards.

Communications with Stakeholders

The MRI Group is committed to on-going and effective communication with stakeholders. It subscribes to a policy of open and timely communication in line with JSE Listed Listings Requirements and sound corporate governance. MRI is considering an investor relations programme.

Employment, development and employment equity

The MRI Group will endeavour to promote a culture that will provide employees with opportunities to advance their careers.

The MRI Group 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 MRI Group employment policies are designed to provide equal opportunities, without discrimination, to all employees.

When considering board appointments, a formal and transparent procedure is applied. Any new appointment of a director is considered by the Board as a whole, on the recommendation of the CRNC. The selection process involves considering the existing balance of skills and experience, and a continual process of assessing the needs of the company.

Sustainability reporting

The MRI Group is committed to high moral, ethical and legal standards and expects all representatives of the MRI Group 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 MRI Group has implemented ethical standards during the year ended 28 February 2013.

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

The MRI Group, the Board and the individual directors support implementing best governance principles and practices throughout the MRI Group.

The board continues to subscribe to the values of good corporate governance as set out in the King Report on governance in South Africa 2009 and those prescribed by the JSE Listings Requirements. The aim is to maintain the highest standards of integrity to ensure that the principles set out in King III are observed and implemented.

While the board is of the opinion that the MRI Group complies in all material respects with the principles embodied in King III and the additional requirements for corporate governance stipulated by the JSE. Where specific principles have not been applied explanations for those are provided below.

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
Board of 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	✓ 7		
Framework for the delegation of authority has been established	✓		
The board comprises a balance of power, with majority of non-executive directors, the majority of whom are independent	✓		
Directors are appointed through a formal process	✓		
Formal induction and on-going training of directors is conducted		✓ 2	
The Board is assisted by a competent, suitably qualified and experience 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			✓ 1
Directors and executives are fairly and responsibly remunerated	✓		
Remuneration of directors and senior executives is disclosed	✓		
The remuneration policy is approved by shareholders	✓		
Audit Committee			
Effective and independent			
Suitably skilled and experienced independent non-executive directors	✓	✓ 4	
Chaired by an independent non-executive director	✓		
Oversees integrated reporting		✓ 8	
A combined assurance model is applied to improve efficiency in assurance activities	✓ 9		
Satisfied itself on the expertise, resources and experience of the company's finance functions	✓		
Oversees internal audit process	✓		
Integral to the risk management process	✓		
Oversees the external audit process	✓		
Reports to the board and shareholders on how it has discharged its duties	✓		

Ethical Leadership and Corporate Citizenship	Apply	Partially apply	Under review/ do not apply
Compliance with Laws, codes, rules and standards			
The board ensures that the company complies with relevant laws	✓		
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			✓ 5
Management is responsible for the implementation of an IT governance framework			✓ 5
The board is responsible for information technology (IT) governance	✓		
IT is aligned with performance and sustainability objectives of the company			✓ 5
Management is responsible for the implementation of an IT governance framework			✓ 5
The board monitors and evaluate significant IT investments and expenditure			✓ 5
IT is an integral part of the group risk management			✓ 5
IT assets are managed effectively			✓ 5
The risk management committee and audit committee assist the board in carrying out its IT responsibilities			✓ 5
The Governance of Risk			
The Board is responsible for the governance of risk and setting levels of risk tolerance	✓		
The audit committee assists the board in carrying out its risk responsibilities	✓ 6		
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 Group's integrated annual report	✓		
Sustainability reporting and disclosure is integrated with the Group's financial reporting		✓ 10	
Sustainability reporting and disclosure is independently assured			✓ 1

✓ 1	This will be considered by the Board as the MRI Group grows.
✓ 2	Whilst directors are provided with information on the business on appointment, formal on-going training for non-executive directors has not been introduced. This will be considered by the Board as the MRI Group grows.
✓ 3	The Board will be considering the introduction of board, committee and individual evaluation during the forthcoming year.
✓ 4	Due to the size and nature of the MRI Group, two independent non-executives and one non-executive director were members of the CARC. Once the MRI Group grows and projects become operational, three independent non-executive directors will be appointed.
✓ 5	Due to the size and nature of the MRI Group, there is currently no focus on IT reporting and sustainability. This will be considered by the Board as the MRI Group grows.
✓ 6	The Company does not have a separate risk committee due to the size and nature of the Company. Risks are being addressed and monitored by CARC.
✓ 7	The Chairman of the Board is a non-executive director and by virtue of his directorship with a major shareholder is deemed not independent. However, the Company has appointed a led independent director, Anthon Meyer; in order to ensure compliance with the JSE Listings Requirements and King III.
✓ 8	The Company has started considering the requirements of integrated reporting and will improve the required disclosure in future annual reports.
✓ 9	The activities for the year were minimal given that projects are still to become operational
✓ 10	The MRI Group will present integrated reporting in future annual reports.

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 MRI Group 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 Proprietary Limited acts as transfer secretary to the Company.

Risks

Risk assessments have been prepared by management and reviewed at each meeting of the CARC.

The main risks facing the MRI Group relate to the sale of process coal fines and coal briquettes.

Stakeholders

Stakeholders are identified as those individuals, groups and entities that are directly affected, both positively and negatively, by the activities of the MRI Group.

Stakeholder concerns are raised in various ways including formal concerns or queries lodged in writing with the MRI Group on concerns raised during stakeholder forums or information discussion. The MRI Group responds to these concerns appropriately and timeously. The Group timeously reports information that is relevant and meaningful.

As the coal briquetting project begins operations, stakeholders will receive regular updates on plant performance as well as any impact that its operations may have on the surrounding environment and communities.

PREVIOUS ISSUE OF SHARES IN MRI

Details of shares issued by MRI and its subsidiaries in the three years preceding the date of this Circular including the Transactions up until the last practicable date are as follows:

	Number of shares Issued	Issue Date	Issue Price
Authorised Share Capital	1 000 000 000		
Issued share capital	59 886 020		
Issue of shares to ACP in part settlement of the acquisition of WUC	182 300 030	30/4/2012	R0.19*
Issue of shares to Arcay Moela Sponsor (Pty) Ltd in lieu of fees owed for services provided	1 535 540	30/4/2012	R0.19*
Issue of shares to AfrAsia in lieu of fees owed for services provided	1 447 368	30/4/2012	R0.19*
Specific share issue to various investors to raise R40 000 000	210 526 316	30/4/2012	R0.19*
Issue of shares for cash to public shareholders (under MRI's general authority)	14 812 520	25/3/2013	R0.20#
Issue of shares for cash to public shareholders (under MRI's general authority)	27 777 778	13/12/2013	R0.09^
Issued share capital prior to the Transactions	498 285 572		
ASOF Conversion Option – Issue of ASOF Option Shares	251 697 989	24/6/2014 ⁽¹⁾	R0.05&
ACP Conversion Option – Issue of ACP Option Shares	66 335 446	24/6/2014 ⁽¹⁾	R0.05&
Directors Issue	13 000 000	24/6/2014 ⁽¹⁾	R0.05&
AfrAsia Issue	10 000 000	24/6/2014 ⁽¹⁾	R0.05&
CEO Option – Issue of CEO Option Shares	10 000 000	24/6/2014 ⁽¹⁾	R0.05&
Issued share capital after the Transactions	849 319 007		

Notes

¹ Assuming the Transactions are approved at the General Meeting.

* The issue price of R0.19 was determined at the listing of MRI on 20 June 2012 based on the net asset value of MRI at that time, no discount or premium was associated to this issue price.

The issue price of R0.20 was at a premium of less than 1% to the 30-day VWAP as at 25 March 2013, the maximum allowed discount permitted under the general issue for cash regulations of the JSE Listings Requirements.

^ The issue price of R0.09 was at a discount of 10% to the 30-day VWAP as at 27 November 2013, the maximum allowed discount permitted under the general issue for cash regulations of the JSE Listings Requirements.

& the issue price of R0.05 is at a discount (approved by the board of MRI as a fair reflection of the future earning value of MRI) and as agreed in terms of signed agreements with ASOF and ACP, of approximately 53% to the then 30-day VWAP.

MRI does not hold any treasury shares.

MINE RESTORATION INVESTMENTS LIMITED

Incorporated in the Republic of South Africa
(Registration Number: 1987/004821/06)
Share Code: MRI ISIN ZAE000164562
("MRI" or "the Company" or "the Group")

NOTICE OF GENERAL MEETING OF SHAREHOLDERS OF MRI

Q George (Chairman)*

R Tait (Chief Executive Officer)

A Meyer (Financial Director)

J Lewis (Non-Executive Director)

C Roed (Independent Non-Executive Director)^

S Caddy (Independent Non-Executive Director)

^Lead independent director

All terms defined in the Circular to which this notice of General Meeting is attached shall bear the same meanings in this notice of General Meeting.

Shareholders are reminded that:

- a. a Shareholder entitled to attend and vote at the General Meeting is entitled to appoint a proxy (or more than one proxy) to attend, participate in and vote at the General Meeting in the place of the Shareholder, and Shareholders are referred to the attached form of proxy;
- b. a proxy need not also be a Shareholder of the Company; and
- c. in terms of section 63(1) of the Companies Act, any person attending or participating in a meeting of Shareholders must present reasonably satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as MRI shareholder or as proxy for a Shareholder) has been reasonably verified. Please note that the Company will not provide for electronic participation at the General Meeting.

No teleconference facilities will be available for the General Meeting.

Notice is hereby given to the Shareholders that a General Meeting of Shareholders will be held at Route 21 Corporate Park, 45 Sovereign Drive, Ground Floor, Unit C, Irene X30, 0046 on Tuesday, 17 June 2014 at 09h00 for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions set out below.

1. ORDINARY RESOLUTION NUMBER 1 – APPROVAL OF THE AFRASIA ISSUE

"RESOLVED THAT, subject to the passing of special resolution number 2, as a specific issue in accordance with section 5.51 of the Listings Requirements, the Company be and is hereby authorised to issue up to 10 000 000 new ordinary shares of no par value ranking *pari passu* with existing issued ordinary shares in the Company, at an issue price of R0.05 per new MRI Share to AfrAsia as detailed in paragraph 3 of the Circular."

Information and explanatory material with respect to Ordinary Resolution Number 1

Shareholders are requested to approve this resolution to facilitate the issue of shares to AfrAsia to settle fees owing by MRI. In accordance with the Listings Requirements, the approval of this ordinary resolution requires at least 75% of all voting rights exercisable by Shareholders present or represented by proxy and entitled to vote at the General Meeting at which this resolution is considered, excluding AfrAsia and its associates to the extent that they hold shares in MRI. The Board is satisfied that the price of R0.05 per share in this and the below mentioned transactions is adequate consideration to the Company in respect of the various new MRI Shares to be issued by the Company, as contemplated in section 40(1) of the Companies Act.

2. ORDINARY RESOLUTION NUMBER 2 – APPROVAL OF THE ACP CONVERSION OPTION

“**RESOLVED THAT**, subject to the passing of special resolution number 2, as a specific issue in accordance with section 5.51 of the Listings Requirements, the Company be and is hereby authorised to issue up to a maximum of 66 335 446 new ordinary shares of no par value ranking *pari passu* with existing issued ordinary shares in the Company, at an issue price of R0.05 per new MRI Share to ACP in the event ACP elects to exercise the ACP Conversion Option in accordance with the terms and subject to the conditions set out in the Circular.”

Information and explanatory material with respect to Ordinary Resolution Number 2

Shareholders are requested to approve this resolution to facilitate the issue of shares to ACP if it elects to exercise the ACP Conversion Option. In accordance with the Listings Requirements, the approval of this ordinary resolution requires at least 75% of all voting rights exercisable by Shareholders present or represented by proxy and entitled to vote at the General Meeting at which this resolution is considered, excluding ACP and its associates.

3. ORDINARY RESOLUTION NUMBER 3 – APPROVAL OF THE ASOF CONVERSION OPTION

“**RESOLVED THAT**, subject to the passing of special resolution number 2, as a specific issue in accordance with section 5.51 of the Listings Requirements, the Company be and is hereby authorised to issue up to a maximum of 251 697 989 new ordinary shares of no par value ranking *pari passu* with existing issued ordinary shares in the Company, at an issue price of R0.05 per new MRI Share to ASOF, in the event ASOF elects to exercise the ASOF Conversion Option in accordance with the terms and subject to the conditions set out in the Circular.”

Information and explanatory material with respect to Ordinary Resolution Number 3

Shareholders are requested to approve this resolution to facilitate the issue of shares to ASOF if it elects to exercise the ASOF Conversion Option. In accordance with the Listings Requirements, the approval of this ordinary resolution requires at least 75% of all voting rights exercisable by Shareholders present or represented by proxy and entitled to vote at the General Meeting at which this resolution is considered, excluding ASOF and its associates to the extent that they hold shares in MRI.

4. ORDINARY RESOLUTION NUMBER 4 – APPROVAL OF THE DIRECTORS’ ISSUE

“**RESOLVED THAT**, subject to the passing of special resolutions number 1 and 2, as a specific issue in accordance with section 5.51 of the Listings Requirements, the Company be and is hereby authorised to issue up to 13 000 000 new ordinary shares of no par value ranking *pari passu* with existing issued ordinary shares in the Company, at an issue price of R0.05 per new MRI Share to the Specific Directors in accordance with the terms and subject to the conditions set out in the Circular.”

Information and explanatory material with respect to Ordinary Resolution Number 4

Shareholders are requested to approve this resolution to facilitate the issue of new shares to the Specific Directors. In accordance with the Listings Requirements, the approval of this ordinary resolution requires at least 75% of all voting rights exercisable by Shareholders present or represented by proxy and entitled to vote at the General Meeting at which this resolution is considered, excluding the Specific Directors and their associates to the extent that they hold shares in MRI.

5. ORDINARY RESOLUTION NUMBER 5 – APPROVAL OF THE CEO OPTION

“**RESOLVED THAT**, subject to the passing of special resolutions number 1 and 2, as a specific issue in accordance with section 5.51 of the Listings Requirements, the Company be and is hereby authorised to grant the option to issue up to 10 000 000 new ordinary shares of no par value ranking *pari passu* with existing issued ordinary shares in the Company, at an issue price of R0.05 per new MRI Share to the CEO in accordance with the terms and subject to the conditions set out in the Circular.”

Information and explanatory material with respect to Ordinary Resolution Number 5

Shareholders are requested to approve this resolution to facilitate the granting of an option to enable the CEO of MRI to purchase new MRI Shares on terms set out in this Circular. In accordance with the Listings Requirements, the approval of this ordinary resolution requires at least 75% of all voting rights exercisable by MRI Shareholders present or represented by proxy and entitled to vote at the General Meeting at which this resolution is considered, excluding the CEO and his associates to the extent that they hold shares in MRI.

6. SPECIAL RESOLUTION NUMBER 1 – ISSUE OF SHARES TO DIRECTORS

“RESOLVED THAT, in accordance with section 41(1) of the Companies Act, the Company be and is hereby authorised to issue up to 13 000 000 new MRI Shares to the Specific Directors and 10 000 000 new MRI Shares to the CEO as detailed in this Circular.”

Information and explanatory material with respect to Special Resolution Number 1 as contemplated in section 65(4) (b) of the Companies Act

This resolution is required to be approved in terms of section 41(1) of the Companies Act if and to the extent that new MRI Shares are issued to any directors of the Company.

7. SPECIAL RESOLUTION NUMBER 2 – ISSUE OF MORE THAN 30% OF MRI ISSUED SHARE CAPITAL

“RESOLVED THAT, in accordance with section 41(3) of the Companies Act, the Company be and is hereby authorised to issue up to 351 033 435 new MRI Shares, representing 71% of the issued share capital of MRI prior to the Transactions as detailed in this Circular.”

Information and explanatory material with respect to Special Resolution Number 2 as contemplated in section 65(4) (b) of the Companies Act

This resolution is required to be approved in terms of section 41(3) of the Companies Act if and to the extent that the sum of the MRI Shares to be issued in terms of the Transactions equal or exceed 30% of the total issued shares held by Shareholders of MRI prior to the Transactions.

8. ORDINARY RESOLUTION NUMBER 6 - AUTHORITY TO ACTION

“RESOLVED THAT, any director of the Company be and is hereby authorised, instructed and empowered to do all such things, sign all such documents and procure the doing of all such things and the signing of all such documents as may be necessary to give effect to the ordinary and special resolutions contemplated herein.”

Information and explanatory material with respect to Ordinary Resolution Number 6 as contemplated in section 65(4) (b) of the Companies Act

This resolution is necessary to give effect to any of the above resolutions which may be passed by the shareholders. The minimum percentage of voting rights that is required for this ordinary resolution to be adopted is 50%.

DIRECTORS’ RECOMMENDATION

The Board unanimously recommends that MRI Shareholders vote in favour of the special and ordinary resolutions contemplated herein.

RECORD DATES

The posting record date, being the date that Shareholders must be recorded in the Register to be eligible to receive this notice of General Meeting, is Friday, 9 May 2014. The last day to trade in order to be eligible to vote at the General Meeting is Friday, 30 May 2014.

The voting record date, being the date that shareholders must be recorded in the Register to be eligible to speak and vote at the General Meeting, is Friday, 6 June 2014.

VOTING

On a show of hands, every Shareholder who is present in person, by proxy or represented at the General Meeting shall have one vote (irrespective of the number of MRI Shares held), and on a poll, every MRI shareholder shall have for each share held by him that proportion of the total votes in the Company which the aggregate amount of the nominal value of that share held by him bears to the aggregate of the nominal value of all the shares issued by the Company.

In terms of the Listings Requirements, the votes of shares held by AfrAsia, ACP and the respective Directors (regarding the Directors' Issue and CEO Option) and their associates will be taken into account in determining whether a quorum of Shareholders is present at the General Meeting, but such votes will not be taken into account in determining the results of the voting at the General Meeting for the resolution relating to the AfrAsia Issue, ACP Conversion Option, the Directors' Issue and the CEO Option.

PROXIES

A Shareholder entitled to attend and vote at the General Meeting may appoint one or more persons as its proxy to attend, speak and vote in its stead. A proxy need not be a shareholder of the Company. A form of proxy is attached for the convenience of certificated shareholders and "own name" dematerialised shareholders who are unable to attend the General Meeting, but who wish to be represented thereat. In order to be valid, duly completed forms of proxy must be received by the Transfer Secretaries, Computershare Investor Services Proprietary Limited, at Ground Floor, 70 Marshall Street, Johannesburg. 2001, (PO Box 61051, Marshalltown, 2107), not later than 09h00 on Thursday, 12 June 2014. Alternatively, such forms of proxy may be handed to the company secretary or chairperson of the Company at the meeting not later than 30 minutes prior to the commencement of the General Meeting.

Section 63(1) of the Companies Act requires that meeting participants provide satisfactory identification.

Shareholders rights regarding proxies in terms of section 58 of the Companies Act are as follows:

- (1) At any time, a shareholder of a company may appoint any individual, including an individual who is not a shareholder of that company, as a proxy to –
 - (a) participate in, and speak and vote at, a shareholders meeting on behalf of the shareholder; or
 - (b) give or withhold written consent on behalf of the shareholder to a decision contemplated in section 60.
- (2) A proxy appointment –
 - (a) must be in writing, dated and signed by the shareholder; and
 - (b) remains valid for –
 - (i) one year after the date on which it was signed; or
 - (ii) any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in subsection (4) (c), or expires earlier as contemplated in subsection (8) (d).
- (3) Except to the extent that the Memorandum of Incorporation of a company provides otherwise –
 - (a) a shareholder of that company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder;
 - (b) a proxy may delegate the proxy's authority to act on behalf of the shareholder to another person subject to any restriction set out in the instrument appointing the proxy; and
 - (c) a copy of the instrument appointing a proxy must be delivered to the company, or to any other person on behalf of the company, before the proxy exercises any rights of the shareholder at a shareholders meeting.

- (4) Irrespective of the form of instrument used to appoint a proxy –
- (a) the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder;
 - (b) the appointment is revocable unless the proxy appointment expressly states otherwise; and
 - (c) if the appointment is revocable, a shareholder may revoke the proxy appointment by –
 - (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and
 - (ii) delivering a copy of the revocation instrument to the proxy, and to the company.
- (5) The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of –
- (a) the date stated in the revocation instrument, if any; or
 - (b) the date on which the revocation instrument was delivered as required in subsection(4)(c)(ii).
- (6) A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the instrument appointing the proxy otherwise provides.

Dematerialised shareholders other than with "own name" registration who have not been contacted by their CSDP or broker with regard to how they wish to cast their votes, should contact their CSDP or broker and instruct their CSDP or broker as to how they wish to cast their votes at the General Meeting in order for their CSDP or broker to vote in accordance with such instructions. If such dematerialised shareholders wish to attend the MRI General Meeting in person, they must request their CSDP or broker to issue the necessary letter of representation to them. This must be done in terms of the agreement entered into between such dematerialised shareholders and the CSDP or broker.

By order of the Board

MINE RESTORATION INVESTMENTS LIMITED

R Tait
Chief Executive Officer

16 May 2014

Registered office

Route 21 Corporate Park, 45 Sovereign Drive, Ground Floor, Unit C, Irene X30, 0046

Transfer Secretaries

Computershare Investor Services Proprietary Limited, at Ground Floor, 70 Marshall Street, Johannesburg. 2001,
(PO Box 61051, Marshalltown, 2107)

Mine Restoration Investments Limited
(Incorporated in the Republic of South Africa)
(Registration number 1987/004821/06)
("MRI" or "the company")

ISIN Code: ZAE000164562 Share code: MRI

FORM OF PROXY

All terms defined in this Circular to which this form of proxy is attached shall bear the same meanings in this 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 at the General Meeting of MRI to be held at Route 21 Corporate Park, 45 Sovereign Drive, Ground Floor, Unit C, Irene X30, 0046 on Tuesday, 17 June 2014 at 09h00.

If dematerialised shareholders, other than "own name" dematerialised shareholders have not been contacted by their CSDP or broker with regard to how they wish to cast their vote, they should contact their CSDP or broker and instruct their CSDP or broker as to how they wish to cast their vote at the General Meeting in order for their CSDP or broker to vote in accordance with such instructions. If dematerialised shareholders, other than "own name" dematerialised shareholders, have not been contacted by their CSDP or broker it would be advisable for them to contact their CSDP or broker, as the case may be, and furnish them with their instructions.

Dematerialised shareholders who are not "own name" dematerialised shareholders and who wish to attend the General Meeting must obtain their necessary letter of representation from their CSDP or broker, as the case may be and submit same to the Transfer Secretaries to be received by no later than 09h00, on Thursday, 12 June 2014. This must be done in terms of the agreement entered into between the dematerialised shareholder and their CSDP or broker. If the CSDP or broker, as the case may be, does not obtain instructions from such dematerialised shareholders, it will be obliged to act in terms of the mandate furnished to it, or if the mandate is silent in this regard, to abstain from voting. Such dematerialised shareholders, other than "own name" dematerialised shareholders, must not complete this form of proxy and should read note 11 of the overleaf.

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 General Meeting,

as my/our proxy to act for me/us and on my/or behalf at the 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):

	For	Against	Abstain
Ordinary Resolution Number 1 AfrAsia Issue			
Ordinary Resolution Number 2 ACP Issue			
Ordinary Resolution Number 3 ASOF Issue			
Ordinary Resolution Number 4 Approval of the Directors' Issue in terms of the Listings Requirements			
Ordinary Resolution Number 5 CEO Option			
Special Resolution Number 1 Approval of the Directors' Issue in terms of the Companies Act			
Special Resolution Number 2 Issue of more than 30% of issued share capital			
Ordinary Resolution Number 6 Authority to action			

Signed at on 2014 _____

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 wish to appoint another person to represent them at the General 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 General Meeting in person, they should request the CSDP or broker to provide them with a letter of representation in terms of the CSDP or broker.
2. This proxy form will not be effective at the General Meeting unless received by the Transfer Secretaries of the Company at Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), Johannesburg, Republic of South Africa, not later than 09h00 on Thursday, 12 June 2014.
3. This proxy shall apply to all the ordinary shares registered in the name of shareholders at the record date for voting unless a lesser number of shares are inserted.
4. A shareholder may appoint one person as his proxy by inserting the name of such proxy in the space provided. Any such proxy need not be a shareholder of the Company. If the name of the proxy is not inserted, the chairman of the General 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 General Meeting even if the General 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 General 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 certificated copy of the authority given by the shareholder or the shareholder to the signatory; or
 - 7.2 the Company has already received a certificated copy of that authority.
8. The chairman of the General 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 General 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 09h00 on Thursday, 12 June 2014; or
 - 10.2 appoints a later, inconsistent appointment of proxy for the General Meeting; or
 - 10.3 attends the General 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 General Meeting by giving written notice of the appointment of that representative. This notice will not be effective at the General 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 by the Transfer Secretaries of the Company at Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), Johannesburg or at the office of the Company Secretary at Units 23 & 24 Norma Jean Sq., 244 Jean Ave, Centurion, Republic of South Africa, not later than 09h00 on Thursday, 12 June 2014.

