

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")

UNAUDITED INTERIM RESULTS FOR THE 6 MONTHS ENDED 31 AUGUST 2018

The Board of Directors (the "Board") of MRI are pleased to announce the interim results for the 6 months ended 31 August 2018.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 6-months to August 2018	Unaudited 6-months to August 2017	Audited 12- months to February 2018
	R' 000	R' 000	R' 000
Revenue	-	-	-
Cost of Sales	-	-	-
Other income	-	-	-
Operating expenses	(1 291)	(1 151)	(2 840)
Impairments	-	-	-
Operating loss	(1 291)	(1 152)	(2 840)
Investment revenue	-	-	-
Finance cost	(692)	(291)	(843)
Loss before taxation	(1 983)	(1 442)	(3 683)
Taxation	-	-	-
Loss for the period	(1 983)	(1 442)	(3 683)
Other comprehensive income	-	-	-
Total comprehensive loss	(1 983)	(1 442)	(3 683)
(Loss) attributable to:			
Owners of the parent	(1 983)	(1 442)	(3 681)
Non-controlling interests	-	-	(2)
Total comprehensive loss attributable to:			
Equity holders	(1 983)	(1 442)	(3 681)
Non-controlling interests	-	-	(2)
Basic loss per share	(0.23)	(0.17)	(0.43)
Diluted loss per share	(0.23)	(0.17)	(0.43)
Weighted average number of shares in issue ('000)	863 053	863 053	863 053

Diluted weighted average number of shares in issue (`000)	863 053	863 053	863 053
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited 31 August 2018 R' 000	Unaudited 31 August 2017 R' 000	Audited 28 February 2018 R' 000
Assets			
Current Assets			
Trade and other receivables	58	68	41
Cash and cash equivalents	40	107	51
	98	175	92
Total Assets	98	175	92
Equity and Liabilities			
Equity			
Amount attributable to equity holders	(9 864)	(5 642)	(7 880)
Non-Controlling Interest	(66)	(64)	(66)
	(9 930)	(5 706)	(7 946)
Liabilities			
Current Liabilities			
Other financial liabilities	8 929	4 792	6 994
Trade and other payables	1 099	1 089	1 044
	10 028	5 881	8 038
Total Equity and Liabilities	98	175	92

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Reverse Acquisition Reserves	Capital Reserve	Reserve for capital based payments	Equity due to change in ownership	Retained earnings	Amount attributable to Equity Holders	Non- Controlling Interest	Total equity
	R' 000	R' 000	R' 000	R' 000		R' 000	R' 000	R' 000	R' 000
Balance at 28 February 2016 (restated)	85 020	-	5 000	559	(2 459)	(91 282)	(3 162)	(105)	(3 267)
Total comprehensive loss for the period	-	-	-	-	-	(1 037)	(1 037)	41	(996)
Share-based payment charges reversed	-	-	-	(559)	-	(559)	-	-	-
Share-based payment charges reversed	-	-	-	-	-	-	-	-	-
Balance at 28 February 2017	85 020	-	5 000	-	(2 459)	(91 760)	(4 199)	(64)	(4 263)
Total comprehensive loss for the period	-	-	-	-	-	(3 681)	(3 681)	(2)	(3 683)
Balance at 28 February 201	85 020	-	5 000	-	(2 459)	(95 441)	(7 880)	(66)	(7 946)
Total comprehensive loss for the period	-	-	-	-	-	(1 983)	(1 983)	-	(1 983)
Release on Non- Controlling Interest on share purchase	-	-	-	-	-	-	-	-	-
Issue of shares	-	-	-	-	-	-	-	-	-
Balance at 31 August 2018	85 020	-	5 000	-	(2 459)	(97 424)	(9 863)	(66)	(9 929)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 6-months to August 2018 R' 000	Unaudited 6-months to August 2017 R' 000	Audited 12-months to February 2018 R' 000
Cash flows from operating activities	(1 944)	(1 390)	(3 649)
Cash flows from investing activities	-	-	-
Cash flows from financing activities	1 933	1 468	3 671
Total cash movement for the period	(11)	78	22
Cash and cash equivalents at the beginning of the period	51	29	29
Cash and cash equivalents at end of the period	40	107	51

COMMENTARY

1. BASIS OF PREPARATION

These condensed consolidated interim financial statements have been prepared by Ulrich Bester, the Financial Director in accordance with IAS 34: Interim Financial Reporting, the framework concepts and the recognition requirements of International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guides as issued by the Accounting Standards Committee and Financial Reporting Pronouncements issued by the Financial Reporting Standards Council and the requirements of the South African Companies Act, (Act 71 of 2008), as amended, and the Listings Requirements of the JSE Limited.

The financial statements have been prepared using accounting policies that comply with IFRS and which are consistent with those applied in the preparation of the audited financial statements for the year ended 28 February 2018.

These condensed consolidated interim financial statements have not been reviewed by the Company's external auditor.

2. FINANCIAL RESULTS AND FUTURE PROSPECTS

After closing down the coal operation, the Company focused on eliminating all corporate costs and maintaining the Company as a cash shell. The Board is continuing its discussions regarding the

proposed re-capitalisation of the Company, the terms of which will be announced as soon as these have been agreed. Creditors subordinated their claims and provided support in order to maintain the Company's solvency and liquidity and going concern.

3. HEADLINE LOSS PER SHARE ("HLPS")

Reconciliation of losses to headline losses attributable to equity holders of the parent:

	Unaudited 6-months to August 2018	Unaudited 6-months to August 2017	Audited 12-months to February 2018
Loss per share (cents)	(0.23)	(0.17)	(0.43)
diluted loss per share (cents)	(0.23)	(0.17)	(0.43)
Headline loss per share (cents)	(0.23)	(0.17)	(0.43)
Diluted headline loss per share	(0.23)	(0.17)	(0.43)
HLPS Calculation			
(Loss)/profit for the period	(1 983)	(1 442)	(3 681)
Impairment of intangible assets and goodwill	-	-	-
Impairment of property, plant and equipment	-	-	-
Deferred tax on impairments of assets	-	-	-
Headline loss	(1 983)	(1 442)	(3 681)
Weighted average number of shares in issue ('000)	863 053	863 053	863 053
Actual number of shares in issue ('000)	863 053	863 053	863 053

There are no dilutionary instruments in issue.

4. CHANGES IN SHARE CAPITAL

Since the last reporting period there have been no changes in issued share capital.

5. EVENTS AFTER THE END OF THE REPORTING PERIOD

Investors have subordinated their claims and provided support in order to maintain the company's solvency and ability to continue operating as a going concern.

6. OTHER FINANCIAL LIABILITIES

In early 2017, an angel investor re-capitalised the Company, through a subordinated debt facility with a balance of R4,61m at 31 August 2018, in order to settle claims and provide support so as to maintain the Company's solvency and to ensure that the Company is able to continue operating as a going concern.

The Board is pursuing a transaction in the chrome industry, which transaction will involve the parties engaged in the recapitalisation of the Company, and the angel investor has committed to funding MRI until transaction close. The subordinated debt facility is expected to be repaid from the proceeds of a proposed rights offer to be undertaken by MRI. The remaining increase in other financial liabilities relates to trade payables in the ordinary course of business.

7. CHANGES TO THE BOARD

During the reporting period, the following changes to the Board took place:

- o Norman Robert Preston resigned as Financial Director on 28 August 2018.
- o Ulrich Bester was appointed Financial Director on 29 August 2018.

8. GOING CONCERN

The financial period under review reflects a challenging financial period, with a net loss after tax of R1.98 million. The directors are of the opinion that the Company will require additional funding within the next 12 months in order to meet its commitments as they fall due, with no revenue generating operations. These conditions indicate the existence of a material uncertainty which may cast doubt about the Company's ability to continue as a going concern. The Board, however, remains confident that the Company retains the continued support of its major shareholders to provide additional funding should other sources not be forthcoming.

The directors have a reasonable expectation, having regard to the current status and the future strategy of the Company, that the

Company will have sufficient resources to continue as a going concern and have therefore concluded that it is appropriate to prepare the financial statements on a going concern basis. Accordingly, the financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

9. DIVIDENDS

No dividend was declared for the interim financial period ended 31 August 2018 (2018: Nil).

14 December 2018
Johannesburg

R Tait
Non-executive Chairman

MJ Miller
Chief Executive Officer

CORPORATE INFORMATION

Postal address: PO Box 1823, Bedfordview, 2008

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Web: www.minerestoration.co.za

Board of Directors: Q George*, C Roed*, R Tait# (Chairman), S Caddy*, M Miller (CEO), U Bester (FD), A Collins*.
(#Non-Executive, * Independent Non-Executive)

Company Secretary: Neil Esterhuysen & Associates Inc

Transfer Secretaries: Computershare Investor Services (Pty) Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, PO Box 61051, Marshalltown 2107

Auditor: Grant Thornton Johannesburg Partnership

Designated Adviser: Questco Corporate Advisory Proprietary Limited