

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")



REPORTABLE IRREGULARITY DISCLOSURE

The board of directors of MRI (the "**Board**") hereby advises shareholders that:

- On 29 September 2020, MRI's then auditor, BDO South Africa Incorporated ("**BDO**"), notified the Board about a possible Reportable Irregularity ("**RI**") relating to i) the late release by MRI of its interim financial results for the period ended 31 August 2019 ("**Interims**"); ii) the late release of the annual financial statements for the year ended 29 February 2020 ("**2020 AFS**"); and iii) the late release of the 29 February 2020 notice of annual general meeting.
- On 2 November 2020, MRI was notified by the Companies and Intellectual Property Commission ("**CIPC**") that on 23 October 2020 BDO had issued the second report to CIPC confirming that a RI was continuing. It is important to note that at the date of this announcement, BDO has yet to communicate such fact to the Company.

The Board has duly deliberated on the RI and advises shareholders of the following:

1. the Board is committed to the highest levels of corporate governance;
2. the Board has taken the necessary steps to remedy the RI announced on SENS on 2 September 2020;
3. the 30-day prescribed period, as set out in the Auditing Profession Act, No. 26 of 2005, commenced on 29 September 2020;
4. on 13 October 2020, the Board resolved to terminate the services of BDO as external auditors, as announced on SENS on 15 October 2020;
5. on 16 October 2020, the Board sent BDO its formal response to the possible RI, together with the Interims which had been reviewed by the Board. The Interims were marked as 'draft' given that the notes thereto made references to a settlement agreement that had, at that time, yet to be finalised;
6. on 27 October 2020, the Board entered into a settlement agreement, as announced on SENS on 28 October 2020, which effectively finalised the Interims;
7. on 29 October 2020, the Interims were released on SENS;
8. on 30 October 2020, given the 30-day prescribed period had ended, the Board sent BDO a confirmation that the necessary remedies had been made to negate any possible RI;
9. on 2 November 2020, CIPC notified the Company of the RI. BDO are yet to respond to the aforementioned Board confirmation or to notify the Board of the second report;
10. prior to 29 September 2020, the Board requested its then auditors and designated advisors to obtain an extension from the JSE with regards to the late issuance of the 2020 AFS;
11. given point 4 above, the Board is in the process of appointing new auditors; and
12. the 2020 AFS will be announced and distributed to shareholders once they have been audited by the newly appointed auditors.

Johannesburg
4 November 2020

Designated Adviser
Merchantec Capital