Mine Restoration Investments Limited
Consolidated Financial Statements
for the year ended 28 February 2021

General Information

Country of incorporation and domicile	South Africa
Directors	MJ Miller A Collins TA Makgolane MM Movundlela V Madlela
Registered office	Lower Ground Floor Block F Pinmill 164 Katherine street Sandton Gauteng 2196
Business address	Lower Ground Floor Block F Pinmill 164 Katherine street Sandton Gauteng 2196
Postal address	PO Box 866 Rivonia Gauteng 2128
Bankers	Nedbank
Auditor	Ngubane & Co (JHB) Inc. Registered Auditors
Secretary	Neil Esterhuysen & Associates Incorporated
Company registration number	1987/004821/06
Level of assurance	These consolidated financial statements have been audited in compliance with the applicable requirements of the Companies Act of 71 of 2008.
Preparer	The financial statements were internally compiled.
Issued	07 September 2021

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The reports and statements set out below comprise the consolidated financial statements presented to the shareholders:

The CEO and the financial director responsibility statement

The directors, whose names are stated below, hereby confirm that;

(a) the consolidated financial statements set out on pages 12 to 36, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;

(b) no facts have been omitted or untrue statements made that would make the consolidated financial statements false or misleading;

(c) internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the consolidated financial statements of the issuer; and

(d) the internal financial controls are adequate and effective and can be relied upon in compiling the consolidated financial statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of the King Code.

Where we are not satisfied, we have disclosed to the audit committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors, and have taken the necessary remedial action.

Signed by the CEO and the Financial Director:

CEO

Financial Director

Audit and Risk Committee Report

The report of the CARC is presented as required by Section 61(8)(a) (iii) of the Companies Act.

Functions and Responsibilities of the CARC

The role of the CARC is to assist the Board by performing an objective and independent review of the functioning of the organisation's finance and accounting control mechanisms. It exercises its functions through close liaison and communication with Company management and the external auditors.

The CARC is guided by its terms of reference as approved by the Board, dealing with membership, structure, and levels of authority and has the following responsibilities:

- ensuring compliance with applicable legislation and the requirements of any regulatory authority;
- nominating for appointment a registered auditor who, in the opinion of the audit committee, is independent of the MRI Group;
- considering whether the expertise and experience of the Financial Director is appropriate;
- considering matters relating to financial accounting, accounting policies, reporting and disclosure and ensure integrity of the MRI Group's annual report;
- considering internal and external audit policy including determining fees and the terms of engagement;
- considering and evaluating, on an on-going basis, the need for an internal audit function and audit plans;
- reviewing and approving external audit plans, findings, problems, reports, fees and determining and approving any non-audit services that the auditor may provide to the MRI Group;
- ensuring compliance with the Code of Corporate Practices and Conduct; and
- ensuring compliance with the MRI Group's code of ethics.

The members of the CARC adopted an audit mandate which will be reviewed annually. The CARC has established a policy, as well as required procedures with regard to the use of the external auditors, for non-audit services. During the year under review, no non-audit services were utilized.

The CARC also assesses and monitors all risk matters including compliance risk matters, which responsibilities have been assumed with the adoption by the CARC of a risk mandate.

The CARC is informed of regulatory and other monitoring and enforcement requirements designed to ensure that the Company's financial information complies with financial reporting and other regulatory requirements.

Members of the Combined Audit and Risk Committee
The current CARC members are:
A Collins (Chair),
M Miller, and
V Madlela

In terms of King IV, a minimum of three independent non-executive directors is recommended. In terms of the JSE Listings Requirements, the CARC must be constituted in terms of King IV and the Companies Act. All three members of the CARC are independent non-executive directors. Mr. A Collins acts as lead independent non-executive director and chairs the CARC.
The external auditors, the Chief Executive Officer, the Financial Director and the Company's Designated Adviser are all invited to attend the CARC meetings.

Frequency of meetings

The CARC intends meeting a minimum of three times per year and provision will be made for additional meetings to be held when, and if, necessary. The CARC has met three times during the 2021 financial year.

Audit and Risk Committee Report

Independence of external audit

A responsibility of the CARC is the assessment of the independence of the external auditor. The CARC duly satisfied itself that, in accordance with the Companies Act, Ngubane and Co (JHB) Inc., remains independent of MRI.

In addition, the audit committee confirm that based on the amended requirements for the JSE-accreditation of Auditors, effective 15 October 2017, we were satisfied that:

- the audit firm has met all the criteria stipulated in the requirements, including that the audit regulator has completed a firm-wide independent quality control (ISQC 1) inspection on the audit firm during its previous inspection cycle;
- the auditors have provided to the audit committee, the required IRBA inspection decision letters, findings report and the proposed remedial action to address the findings, both at the audit firm and the individual auditor levels; and
- both the audit firm and the individual auditor understand their roles and have the competence, expertise, experience and skills required to discharge their specific audit and financial reporting responsibilities

Expertise and experience of the financial director

The CARC is satisfied with the expertise and experience of the financial director and is satisfied that appropriate financial reporting procedures are in place and are operating.

Financial statements

Management has reviewed the consolidated financial statements of the MRI Group, and the CARC has reviewed them without management or the external auditor being present. The quality of the accounting policies are discussed with the external auditor and a private discussion was held with the external auditor. The CARC considers the consolidated financial statements of the MRI Group to be a fair presentation of its financial position as at 28 February 2021 and of the results of the operations, changes in equity and cash flows for the period then ended, in accordance with International Financial Reporting Standards and the Companies Act and similarly recommended the consolidated financial statements to the Board for approval.

A Collins
Chair of the CARC
07 September 2021

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act (No 71 of 2008) ("Companies Act") to maintain adequate accounting records and are responsible for the content and integrity of the consolidated financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated financial statements fairly present the state of affairs of the Group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the consolidated financial statements.

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

With regard to a system of internal control: this will be enhanced once projects become operational and revenue is generated. The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the Group’s cash flow forecast for the coming 12 months from signature date and, in light of this review and the current financial position, they are satisfied that the Group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The directors are satisfied that the Company has complied with and operates in conformity with:
• the provisions of the Companies Act and any other applicable laws relating to its incorporation; and
• the Company’s memorandum of incorporation and other relevant constitutional documents.

The external auditors are responsible for independently auditing and reporting on the consolidated financial statements. The consolidated financial statements have been examined by the Group's external auditors and their report is presented on pages 8 to 11.

The consolidated financial statements set out on pages 15 to 36, which have been prepared on the going concern basis and the directors' report on pages 12 to 14, were approved by the board of directors of the Group ("the Board") on 07 September 2021 and were signed on their behalf by:

MJ Miller **Director**	**TA Makgolane** **Director**

OUR REF : NEA/CD/W59
YOUR REF : MRI LTD
DATE : 7 SEPTEMBER 2021

MINE RESTORATION INVESTMENTS LIMITED
LOWER GROUND FLOOR BLOCK F PINMILL
164 KATHERINE STREET
SANDTON
GAUTENG
2080

IN RE: MINE RESTORATION INVESTMENTS LIMITED COMPANY SECRETARY'S REPORT 2021

I the undersigned certify that, in accordance with Section 88(2)(e) of the Companies Act 71 of 2008, the Company has filed the required returns and notices with the Registrar of Companies, and that all such returns and notices appear to be true, correct and up to date.

CARLA SIMONE CAMARA
NEIL ESTERHUYSEN & ASSOCIATES INC.
E-MAIL: carla@nea.co.za

NGUBANE
ASSURANCE | TAX | ADVISORY

Independent Auditor's Report to the Shareholders of Mine Restoration Investments Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Mine Restoration Investments Limited set out on pages 15 to 36, which comprise the consolidated statement of financial position at 28 February 2021, and the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Mine Restoration Investments Limited and its subsidiaries at 28 February 2021, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the group in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - Material Uncertainty Related to Going Concern

We draw attention to Note 25 of the consolidated financial statements, which indicates that the group had accumulated losses of R107 million for the year ended 28 February 2021 and, as of that date, the group's total liabilities exceeded its total assets by R22 million. As stated in Note 25, these events, and conditions, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

NGUBANE AND COMPANY (JOHANNESBURG) INC. Reg. No. 2010/016757/21 | Woodmead Estate Office Park, Building 13 Ground Floor,
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Email: jhb@ngubane.co.za | www.ngubane.co.za
Directors: T Nkomozephi • K Ruiters • M Ndlovu • D Msomi • N Ashom • S Dolamo • E Chapanduka • J Mgiba • J Gondo • M Naidoo

Emphasis of matter - Disposal of subsidiaries

We draw attention to Note 15 of the consolidated financial statements, which indicates that the company disposed of all its subsidiaries during the year ended 28 February 2021. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Other than the matter described in the Material uncertainty related to the going concern section, we have determined that there are no key audit matters to communicate in our report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled “Mine Restoration Investments Limited Audited Consolidated Financial Statements for the year ended 28 February 2021”, which includes the Directors’ Report, the Audit and Risk Committee’s Report and the Company Secretary’s Certificate as required by the Companies Act of South Africa. The other information does not include the consolidated financial statements and our auditor’s reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Audit tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Ngubane & Co. (Johannesburg) Incorporated has been the auditor of Mine Restoration Investments Limited for 2 years.

Ngubane & Co

Ngubane & Co. (Jhb) Inc
M Naidoo
Director
Registered Auditor

7 September 2021

Directors' Report

The directors have pleasure in submitting their report on the consolidated financial statements of Mine Restoration Investments Limited for the year ended 28 February 2021. The individual Company annual financial statements are not included in this report, but can be viewed at the Company's registered address.

1. Nature of business

The MRI Group was historically an environmental service company. After closing down the coal operation, the Company focused on reducing all corporate costs in order to maintain the Company as a cash shell whilst searching for investment opportunities. MRI is in the process of acquiring a chrome mining and beneficiation company and as such will continue as a mining investment company.

2. Review of financial results and activities

Full details of the financial position, results of operations and cash flows of the Group are set out in these consolidated financial statements.

3. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

4. Directorate

The directors in office at the date of this report are as follows:

Directors	Office	Designation	Changes
MJ Miller	Chairman	Non-executive	
A Collins	Other	Non-executive Independent	
TA Makgolane	Chief Financial Officer	Executive	Appointed 13 August 2020
MM Movundlela	Chief Executive Officer	Executive	Appointed 13 August 2020
V Madlela	Lead Independent Director	Non-executive	Appointed 23 July 2021
G Sebulela	Other	Non-executive	Appointed 01 November 2020, Resigned 14 June 2021
RM Tait		Executive	Resigned 24 July 2020
CB Roed	Other	Non-executive	Resigned 28 August 2020
QJ George	Other	Non-executive	Resigned 24 July 2020
SJM Caddy		Executive	Resigned 28 August 2020
U Bester		Executive	Resigned 01 November 2020

5. Subsidiaries

The company notes that the subsidiary companies were held at nominal value and sold for a consideration of R1.00. Refer to note 15 of the financial statements for detail of the disposals of the investments.

- MRI held 100% of the shares in Western Utilities Corporation Proprietary Limited ("WUC"). WUC invested in the Acid Mine Drainage project. Western Utilities Corporation Proprietary Limited is dormant.

- WUC holds 50% of the total share capital of Prodiflex Coal Proprietary Limited which has access to and the right to distribute the binding material used in the production of briquettes. Prodiflex Coal Proprietary Limited is dormant.

- WUC holds 100% of the total share capital of Octavovox Proprietary Limited which holds the rehabilitation and processing rights to process coal fines at the Vaalkrantz Colliery. Octavovox Proprietary Limited is dormant.

Directors' Report

6. Secretary

The Group secretary is Neil Esterhuysen & Associates Incorporated.

Postal address:
PO Box 814
Irene
0062

Business address:
Units 23 & 24, Norma Jean Square
244 Jean Ave
Centurion
0157

7. Auditors

Ngubane & Co (JHB) Inc. continued in office as auditors for the Group for 2021.

During the period under review, the Company terminated its independent auditor, BDO South Africa Incorporated, with effect from 14 October 2020, as the Board deemed that they were no longer best suited to act as the Company's independent auditors. In their stead, Ngubane & Co (Jhb) Inc. was appointed on 11 December 2020, and commenced with the audit of the financial year 2020, which they signed off and issued an unqualified opinion thereon, on 30 April 2021.

8. Dividends

No dividends were declared or paid to shareholders during the year.

9. Litigation

There are no proceedings which are pending or threatened, which may have, or which have had a material effect on the financial position of the Group.

10. Special resolutions

No special resolutions, the nature of which might be significant to the shareholder in their appreciation of the state of affairs of the Group were made by the Group during the period covered by this report.

11. Directors' interests in shares

The individual interests declared by the directors and officers in the Company's share capital held at any point during the financial period under review.

Directors 2021	**Direct**	**Beneficial Indirect**	**Total - as at 28 February 2021**	**% - 2021**
QJ George (Non-Executive Director)	8 000	-	8 000	-
SJM Caddy (Non-Executive Director)	1 140 000	-	1 140 000	0.13
CB Roed (Non-Executive Director)	2 508 000	-	2 508 000	0.29
RM Tait (Non-Executive Chairman)	1 596 000	-	1 596 000	0.18
	5 252 000	**-**	**5 252 000**	**0.60**

Directors' Report

Directors 2020	Direct	Beneficial Indirect	Total - as at 29 February 2020	% - 2020
QJ George (Independent Non-Executive Director)	8 000	-	8 000	-
SJM Caddy (Independent Non-Executive Director)	1 140 000	-	1 140 000	0.13
CB Roed (Lead Independent Non-Executive Director)	2 508 000	-	2 508 000	0.29
RM Tait (Non-Executive Chairman)	1 596 000	-	1 596 000	0.18
	5 252 000	**-**	**5 252 000**	**0.60**

As at year-end all the above mentioned directors had resigned and are no longer directors of the Company.

There have been no changes in the directors' interests in the Company's shares between 28 February 2021 and the date of approval of these annual financial statements.

12. Events after the reporting period

George Sebulela resigned as a Director on the 14 June 2021 and he was duly replaced by Vincent Madlela who was appointed on the 23 July 2021 taking over the role of Lead Independent Director. With the exception of the resignation, the Directors are not aware of any material event which occurred after the reporting date up to the date of this report.

13. Going concern

The directors believe that the Group has access to adequate resources to continue as a going concern for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. Whilst MRI operated as a cash shell throughout the current financial year, the directors worked at reducing all corporate costs whilst pursuing the acquisition of Langpan Mining Co Proprietary Limited. The directors have satisfied themselves that the Group is in a position to continue as a going concern and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Gamsy Family Trust was secured as an investor in MRI, and the Trust provided a working capital facility to fund operations and transaction costs. Both the Gamsy Family Trust and Growth Equity loans were subordinated to maintain the liquidity and solvency position of the Group.

We draw attention to the fact that at 28 February 2021, the Group had accumulated losses of R 107 million and that the Group's total liabilities exceed its assets by R 22 million. Although MRI has entered into a share purchase agreement to acquire all of the issued shares of Langpan Mining Co Proprietary Limited, there remains material uncertainty that the Group can continue as a going concern because of certain conditions precedent that need to be met prior to the successful completion of the transaction. The details of the transaction will be contained in a circular to MRI shareholders setting out the conditions precedent which include JSE approval to lift MRI's suspension and certain legal, regulatory and governance conditions standard for a transaction of this nature. The directors are confident that such conditions precedent will be met.

Statement of Financial Position as at 28 February 2021

	Notes	2021 R '000	2020 R '000
Assets			
Current Assets			
Short term loan	3	1 085	-
Trade and other receivables	4	316	136
Cash and cash equivalents	5	4	1
		1 405	**137**
Equity and Liabilities			
Equity			
Equity Attributable to Equity Holders of Parent			
Share capital	6	85 020	85 020
Capital reserve		-	5 000
Equity due to change in ownership	7	-	(2 459)
Accumulated loss		(107 386)	(108 831)
		(22 366)	(21 270)
Non-controlling interest		-	(31)
		(22 366)	**(21 301)**
Liabilities			
Current Liabilities			
Trade and other payables	8	5 367	4 698
Other financial liabilities	9	18 404	16 727
Bank overdraft	5	-	13
		23 771	**21 438**
Total Equity and Liabilities		**1 405**	**137**

Statement of Profit or Loss and Other Comprehensive Income

	Notes	2021 R '000	2020 R '000
Other income	10	956	660
Impairment reversal	12	3 705	-
Directors remuneration	21	(2 321)	(1 560)
Administration and other operating costs	11	(1 199)	(1 340)
Operating profit (loss)	11	**1 141**	**(2 240)**
Finance costs	13	(2 635)	(2 932)
Gain on disposal of subsidiaries	15	429	-
Loss before taxation		**(1 065)**	**(5 172)**
Taxation	14	-	-
Loss for the year		**(1 065)**	**(5 172)**
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Reversal of capital reserve		5 000	-
Total comprehensive income (loss) for the year		**3 935**	**(5 172)**
Total comprehensive income (loss) attributable to:			
Owners of the parent		3 935	(5 173)
Non-controlling interest		-	1
		3 935	**(5 172)**
Earnings / (loss) per share (refer to note 24)			
Basic earnings / (loss) per share			
From operations (cents)		0.45	(0.60)
Basic earnings / (loss) per share for the MRI Group was based on earnings / (loss) of		3 935	(5 172)
And weighted average number of ordinary shares ("000)		863 053	863 053
Diluted earnings / (loss) per share			
From operations (cents)		0.45	(0.60)
Earnings / (loss) for the period attributable to equity holders of the parent		3 935	(5 172)
Diluted weighted average number of shares in issue ('000)		863 053	863 053
Headline loss per share			
Headline loss		(1 494)	(5 172)
Weighted average number of shares in issue ('000)		863 053	863 053
Headline loss per share (cents)		(0.17)	(0.60)
Diluted weighted average number of shares in issue ('000)		863 053	863 053
Diluted headline loss per share (cents)		(0.17)	(0.60)

Statement of Changes in Equity

	Share capital	Capital reserve	Equity due to change in ownership	Accumulated loss	Total attributable to equity holders of the group	Non-controlling interest	Total equity
	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Balance at 01 March 2019	**85 020**	**5 000**	**(2 459)**	**(103 658)**	**(16 097)**	**(32)**	**(16 129)**
Loss for the year	-	-	-	(5 173)	(5 173)	1	(5 172)
Balance at 01 March 2020	**85 020**	**5 000**	**(2 459)**	**(108 831)**	**(21 270)**	**(31)**	**(21 301)**
Loss for the year	-	-	-	(1 065)	(1 065)	-	(1 065)
Disposal of subsidiaries recognised directly in OCI	-	(5 000)	-	5 000	-	-	-
Total comprehensive loss for the year	**-**	**(5 000)**	**-**	**3 935**	**(1 065)**	**-**	**(1 065)**
Disposal of subsidiaries recognised directly in equity	-	-	2 459	(2 490)	(31)	31	-
Balance at 28 February 2021	**85 020**	**-**	**-**	**(107 386)**	**(22 366)**	**-**	**(22 366)**
Notes	6		7			22	

Statement of Cash Flows

	Notes	2021 R '000	2020 R '000
Cash flows from operating activities			
Cash used in operations	16	(2 602)	(23)
Cash flows from investing activities			
Short term loan repayments received (repayments made)		3 233	(96)
Cash flows from financing activities			
Repayment of other financial liabilities		(615)	-
Total cash movement for the year		**16**	**(119)**
Cash at the beginning of the year		(12)	107
Total cash at end of the year	5	**4**	**(12)**

Accounting Policies

1. Basis of preparation of financial statements

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the South African Institute of Chartered Accountants Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, International Financial Reporting Interpretations Committee (IFRIC) and the requirements of the South African Companies Act and the JSE Listings Requirements. Notwithstanding the insolvency of the Group and the fact that it has limited activity, the directors are satisfied that the Group will still be able to settle its obligations and realise its assets as measured in terms of IFRS as applicable to going concern.

They are presented in Rands, which is the Group's functional currency.

The accounting policies are in terms of IFRS and are consistent with those of the most recent financial statements.

1.1 Consolidation

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. Where necessary, adjustments are made to the financial statements to bring their accounting policies into line with those used by other members of the Group. All subsidiaries have a reporting date of 28 February. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interests of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributable to non-controlling interests even if this results in the non-controlling interest having a deficit.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the annual financial statements and the reported amounts of revenues and expenses during the reporting period based on management's best knowledge of current events and actions. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the annual financial statements are:

Impairment testing
The Group assesses the recoverability of its loan to its subsidiaries for impairment at the financial year end. In determining whether an impairment loss should be recorded in the profit or loss, the Group makes judgement as to whether there is observable data indicating a loss.

Going concern
Notwithstanding the insolvency of the Group and the fact that it has ceased operations, the directors are satisfied that the Group will still be able to settle its obligations and realise its assets as measured in terms of IFRS as applicable to judgements.

1.3 Financial instruments

Financial instruments held by the Group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the Group, as applicable, are as follows:

Accounting Policies

1.3 Financial instruments (continued)

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows).

Financial liabilities:

- Amortised cost.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Group are presented below:

Short term loan

Classification

Short term loan (note 3) is classified as financial assets subsequently measured at amortised cost.

It has been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on this loan.

Recognition and measurement

Loans receivable are recognised when the Group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The Group recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The Group measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the Group considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

The Group has elected to use the simplified approach with regards to the short term loan. The loss allowance for short term loan equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the loan.

Accounting Policies

1.3 Financial instruments (continued)

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 4).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the Group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The Group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The Group has elected to use the simplified approach. The Group measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Other financial liabilities

Classification

Other financial liabilities (note 9) are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Other financial liabilities are recognised when the Group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 13.)

Other financial liabilities expose the Group to liquidity risk and interest rate risk. Refer to note 20 for details of risk exposure and management thereof.

Accounting Policies

1.3 Financial instruments (continued)

Trade and other payables

Classification

Trade and other payables (note 8), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the Group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 13).

Trade and other payables expose the Group to liquidity risk and possibly to interest rate risk. Refer to note 20 for details of risk exposure and management thereof.

Cash and cash equivalents

Cash and cash equivalents are stated at amortised cost.

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition

Financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The Group derecognises financial liabilities when, and only when, the Group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Accounting Policies

1.4 Tax

Current taxation

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxation

Deferred tax is recognised on temporary differences between the carrying amounts and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from goodwill of from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associated, and interest in joint ventures except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future. Deferred tax for the period is to be recognised in profit and loss except to the extent that it relates to a transaction that is recognised directly in other comprehensive income or in equity, or a business combination that is an acquisition. The effect on deferred tax of any changes in the tax rates is recognised in profit or loss, except to the extent that it relates to items previously charged or credited directly to other comprehensive income or to equity.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Tax expenses

Income tax expense recognised in profit or loss comprises the sum of deferred taxation and current taxation not recognised in other comprehensive income or directly in equity.

1.5 Leases

While the Group has no leases currently, all leases would be accounted for in the future.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a term of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

Accounting Policies

1.5 Leases (continued)

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonable certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

The Group has elected not to recognise a right-of-use asset and lease liability for all short-term leases with a lease term of 12 months or less and all low-value assets. The lease payments of these leases are recognised on a straight-line basis over the lease term.

1.6 Share capital and equity

Share capital represents the nominal value of shares that have been issued.

Any transaction cost associated with the issuing of shares is deducted from share capital net of any related income tax benefit.

Retained earnings include all current and prior period retained profits.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

Accounting Policies

1.7 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.8 Borrowing costs

Finance costs that are directly attributable to the acquisition, construction or production of a qualifying asset, form part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.9 Earnings per share

The Group presents basic and diluted earnings per share ('EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares, adjusted for own shares held, for the effects of any dilutive potential ordinary shares

Headline earnings per share are presented in terms of JSE Limited Listing Requirements. Headline earnings as defined in Circular 1/2019, newer circular issued by South African Institute of Chartered Accountants, separates from earnings all separately identifiable re-measurements.

Notes to the Consolidated Financial Statements

2. New Standards and Interpretations

At the date of approval of these financial statements, certain new accounting standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Group.

Management anticipates that all of the pronouncements will be adopted in the entity's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the entity's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the entity's annual financial statements.

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the Group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7	01 January 2020	The impact of the amendment is not material.
• Definition of a business - Amendments to IFRS 3	01 January 2020	The impact of the amendment is not material.
• Presentation of Financial Statements: Disclosure initiative	01 January 2020	The impact of the amendment is not material.
• Accounting Policies, Changes in Accounting Estimates and Errors: Disclosure initiative	01 January 2020	The impact of the amendment is not material.

2.2 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the Group's accounting periods beginning on or after 01 March 2021 or later periods but are not relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	01 January 2023	Unlikely there will be a material impact
• Reference to the Conceptual Framework: Amendments to IFRS 3	01 January 2022	Unlikely there will be a material impact
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9	01 January 2022	Unlikely there will be a material impact
• Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16	01 January 2022	Unlikely there will be a material impact
• Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 7	01 January 2021	Unlikely there will be a material impact
• Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9	01 January 2021	Unlikely there will be a material impact
• Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 16	01 January 2021	Unlikely there will be a material impact
• Interest Rate Benchmark Reform - Phase 2: Amendments to IAS 39	01 January 2021	Unlikely there will be a material impact
• COVID-19 - Related Rent Concessions - Amendment to IFRS 16	01 June 2020	Unlikely there will be a material impact

Notes to the Consolidated Financial Statements

	2021 R '000	2020 R '000

3. Short term loan

	2021 R '000	2020 R '000
Langpan Mining Co Proprietary Limited	1 085	3 705
Langpan Mining Co Proprietary Limited - Impairment	-	(3 705)
	1 085	**-**

The Langpan Mining Co loan is a related party loan entered into in September 2018 repayable within 12 months from the advance date. The loan is unsecured and bears interest at prime plus 8%. Should it not be repaid within the period, the default interest increases to prime plus 12%. Since we are using simplified approach, there has been no changes as at reporting period in the credit risk of Langpan thus, assessment remains the same. The loan was previously fully impaired. During the financial year under review, Langpan began making payments towards the loan. Management has since assessed the loan and concluded it meets the conditions to fully reverse the impairment.

The loan opening balance was R nil and increased by R 3 705, with the impairment reversal and interest fees of R 613. The balance reduced by R 3 233 due to repayments received during the year , leaving a closing balance of R 1 085 as at 28 February 2021.

Further, as it is a related party loan, the Group sought and obtained a fairness opinion from an independent third party valuator who assessed the terms of the loan and concluded that it is fair and in line with market terms.

4. Trade and other receivables

	2021 R '000	2020 R '000
Non-financial instruments:		
VAT	316	136

5. Cash and cash equivalents

Cash and cash equivalents consist of:

	2021 R '000	2020 R '000
Bank balances	4	1
Bank overdraft	-	(13)
	4	**(12)**
Current assets	4	1
Current liabilities	-	(13)
	4	**(12)**

6. Share capital

Authorised

	2021 R '000	2020 R '000
1 000 000 000 Ordinary shares at no par value	-	-

The unissued ordinary shares are under the control of the directors in terms of a resolution of shareholders of MRI passed at the last Annual General Meeting. This authority remains in force until the next Annual General Meeting. The MRI Group does not have any unlisted securities.

	2021 R '000	2020 R '000
Issued		
863 053 100 no par value ordinary shares	85 020	85 020

The Group does not hold any treasury shares.

Notes to the Consolidated Financial Statements

	2021 R '000	2020 R '000

7. Equity due to change in ownership

Octavovox Proprietary Limited

Purchase of additional 49% of Octavovox Proprietary Limited

The Group purchased the remaining shares in Octavovox Proprietary Limited on 31 March 2015 for consideration of R1 500 000. This transaction was accounted for as an additional acquisition in terms of IFRS10. The consideration paid over the fair value of the assets was recognised in equity. The Equity due to change in ownership amounted to R 2 459 296. This amount has since been reversed as part of the disposal of these subsidiaries as at year-end.

8. Trade and other payables

	2021 R '000	2020 R '000
Financial instruments:		
Employees tax	617	755
Accrual for directors remuneration	2 783	1 560
Supplier control	1 967	2 224
VAT	-	159
	5 367	**4 698**

Fair value of trade and other payables

All amounts are short-term and the carrying value of trade and other payables is considered a reasonable approximation of fair value.

9. Other financial liabilities

Held at amortised cost

	2021 R '000	2020 R '000
The Gamsy Family Trust The loan is unsecured and bears interest at prime plus 8%. This loan has been subordinated in favor of other creditors until such time as the Group's assets, fair valued exceeds its liabilities.	12 771	10 975
POCOT Trust	953	819
Tertain Investments Proprietary Limited	-	612
Opsisolve Investments Proprietary Limited	458	394
Douglas Welsh	375	323
KAG Trust	191	164
JS Geyer	174	149
Parkview Trust	174	149
These loans are unsecured, bear interest at prime plus 8% and are repayable by 31 December 2021.		
Growth Equities Proprietary Limited The loan is unsecured and bears interest at prime plus 8% per annum. The interest is capitalised monthly. This loan has been subordinated in favor of other creditors until such time as the Group's assets, fair valued exceeds its liabilities.	3 308	2 978
T&T Marine The loan is unsecured, interest free and repayable on demand.	-	164
	18 404	**16 727**

Notes to the Consolidated Financial Statements

	2021 R '000	2020 R '000

9. Other financial liabilities (continued)

Split between non-current and current portions

Current liabilities	18 404	16 727

The above amounts are inclusive of interest. Refer to note 13 and 17 for interest and other movements to the liabilities.

10. Other income

Discount received	343	-
Other income	613	660
	956	**660**

11. Operating profit (loss)

Operating profit (loss) for the year is stated after charging the following, amongst others:

Auditor's remuneration - external		
Audit fees	350	240
Remuneration, other than to employees		
Consulting and professional services	758	312
Administration and other operating costs		
Advisory fees	(499)	(182)
Audit fees	(350)	(240)
Professional fees	(208)	(76)
Legal fees	(27)	(52)
Other expenses	(115)	(790)
	(1 199)	**(1 340)**

12. Impairment reversal

Loans to subsidiaries - reversal of impairment	79 819	-
Loans to subsidiaries - write-off	(79 819)	-
Langpan Mining Co Proprietary Limited - Impairment reversal	3 705	-
	3 705	**-**

Langpan Mining Co Proprietary Limited - Impairment reversal

Management has since assessed the loan and concluded it meets the conditions to fully reverse the impairment and expects the loan to be fully repaid in the short-term.

13. Finance costs

SARS	-	204
Other financial liabilities	2 635	2 728
Total finance costs	**2 635**	**2 932**

Notes to the Consolidated Financial Statements

	2021 R '000	2020 R '000

14. Taxation

Reconciliation of the tax expense

Reconciliation between accounting loss and tax expense.

	2021 R '000	2020 R '000
Accounting loss	(1 065)	(5 172)
Tax at the applicable tax rate of 28%	(298)	(1 448)
Tax effect of adjustments on taxable income		
Tax losses carried forward	298	1 448
	-	-

No taxation has been provided as the Group has incurred losses. The estimated tax loss carried forward R 72 297 569 (2020: R 72 297 974).

15. Gain on disposal of subsidiaries

	2021 R '000	2020 R '000
Investments in subsidiaries	429	-

The company notes that the subsidiary companies were held at nominal value and sold with no profit.

	Western Utilities Corporation Proprietary Limited	Octavovox Proprietary Limited	Prodiflex Coal Proprietary Limited	Total
Capital reserve	5 000	-	-	5 000
Assets	-	-	159	159
Liabilities	105	165	-	270
Equity due to change in ownership	-	-	(2 459)	(2 459)
NCI	(31)	-	-	(31)
Gain on sale of subsidiaries	**5 074**	**165**	**(2 300)**	**2 939**
Net equity write off on sale of subsidiaries	(5 074)	(165)	2 300	(2 939)

	2021 R '000	2020 R '000
Recognised as follows:		
Recognised in profit / loss	(429)	-
Other comprehensive income	(5 000)	-
Statement of changes in equity	2 490	-
	(2 939)	**-**

Notes to the Consolidated Financial Statements

16. Cash used in operations

	2021 R '000	2020 R '000
Loss before taxation	(1 065)	(5 172)
Adjustments for:		
Gains on disposal of investments in subsidiaries	(429)	-
Finance costs	2 635	2 932
Impairment loss	(3 705)	756
Other income	(613)	(660)
Discount received	(343)	-
Changes in working capital:		
Trade and other receivables	(180)	(136)
Trade and other payables	1 098	2 257
	(2 602)	**(23)**

17. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - 2021 - R'000

	Opening balance	Interest	Cash flows repayments	Closing balance
Other financial liabilities	16 727	2 635	(958)	18 404

Reconciliation of liabilities arising from financing activities - 2020 - R'000

	Opening balance	Interest	Cash flows repayments	Closing balance
Other financial liabilities	14 000	2 728	(1)	16 727

18. Segment information

No segment information is presented as the Group did not conduct any operations during this financial year.

Notes to the Consolidated Financial Statements

	2021 R '000	2020 R '000

19. Related parties

Relationships

Shareholder with significant influence	Armadale Capital Plc The Gamsy Family Trust
Corporate advisor	Merchantec Proprietary Limited
Entity owned by director	Langpan Mining Co Proprietary Limited KAG Trust
Prescribed officers	None
Directors	MJ Miller A Collins TA Makgolane MM Movundlela G Sebulela (resigned 14 June 2021) U Bester (resigned 01 November 2020) V Madlela (appointed 23 July 2021)

Related party balances

Loan accounts - Owing by related parties

	2021 R '000	2020 R '000
Langpan Mining Company Proprietary Limited	1 085	3 705
The Gamsy Family Trust	(12 771)	(10 975)
	(11 686)	**(7 270)**

	2021 R '000	2020 R '000
Amounts included in other financial liabilities regarding related party		
KAG Trust	191	164

Related party transactions

	2021 R '000	2020 R '000
Other income from related party		
Langpan Mining Co Proprietary Limited	613	660
Impairment reversal of related party loan		
Langpan Mining Co Proprietary Limited	3 705	-

Refer to note 8 for related party balances.
Refer to note 21 for related party transactions.

20. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2021 - R'000

	Notes	**Amortised cost**	**Fair value**
Short term loan	3	1 085	1 085
Cash and cash equivalents	5	4	4
		1 089	**1 089**

Notes to the Consolidated Financial Statements

20. Financial instruments and risk management (continued)

2020 - R'000

	Note	Amortised cost	Fair value
Cash and cash equivalents	5	1	1

Categories of financial liabilities

2021 - R'000

	Notes	Amortised cost	Fair value
Trade and other payables	8	5 367	5 367
Other financial liabilities	9	18 404	18 404
		23 771	**23 771**

2020 - R'000

	Notes	Amortised cost	Fair value
Trade and other payables	8	4 539	4 539
Other financial liabilities	9	16 727	16 727
Bank overdraft	5	13	13
		21 279	**21 279**

Capital risk management

The Group's capital management objectives are to ensure the MRI Group's ability to continue as a going concern and to provide an adequate return to shareholders from the capital projects in chrome mining industry. The MRI Group monitors capital through the optimization of the debt and equity balance. The capital structure of the MRI Group consists of borrowings and equity. The directors review capital structure on a regular basis. As part of these reviews the costs of capital and the risk associated with each class of capital is considered.

Financial risk management

Credit risk

Credit risk is managed on a group basis. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Deposits and cash balances are maintained by Nedbank.

		2021 - R'000			2020 - R'000		
		Gross carrying amount	**Credit loss allowance**	**Difference**	**Gross carrying amount**	**Credit loss allowance**	**Difference**
Short term loan	3	1 085	-	1 085	3 705	(3 705)	-
Cash and cash equivalents	5	4	-	4	1	-	1
		1 089	**-**	**1 089**	**3 706**	**(3 705)**	**1**

20. Financial instruments and risk management (continued)

Liquidity risk

Ultimate responsibility for liquidity risk management is with management, which has established an appropriate framework for the management of the Group's requirements. The Group manages liquidity risk by continuously monitoring forecasts and actual cash flows. The liquidity risk is fully discussed in Note 25 on Going Concern.

The Gamsy Family Trust was secured as an investor in MRI, and the Trust provided a working capital facility to fund operations and transaction costs. Both the Gamsy Family Trust and Growth Equities loans were subordinated to maintain the liquidity and solvency position of the Group.

The table below analyses the MRI Group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

2021 - R'000

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	8	5 367	5 367	5 367
Other financial liabilities	9	21 040	21 040	18 404
		26 407	**26 407**	**23 771**

2020 - R'000

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	8	4 539	4 539	4 539
Other financial liabilities	9	18 404	18 404	16 727
Bank overdraft	5	13	13	13
		22 956	**22 956**	**21 279**

Liquidity risk relating to other financial liabilities includes interest that will be payable in the coming 12 months.

Interest rate risk

The Group's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During the year, the Group's borrowings at variable rate were denominated in the Rand.

At 28 February 2021, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post tax loss for the year would have been R 184 000 (2020: R 167 000) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

Notes to the Consolidated Financial Statements

21. Directors' emoluments

Executive

2021 - R'000

	Emoluments	Consulting fees	Board fees	Total
MJ Miller	1 040	-	90	1 130
A Collins *	-	-	100	100
TA Makgolane	196	-	70	266
MM Movundlela	600	75	70	745
G Sebulela	-	-	30	30
U Bester *	-	-	50	50
	1 836	**75**	**410**	**2 321**

2020 - R'000

	Emoluments	Total
MJ Miller	1 560	1 560
A Collins *	-	-
U Bester *	-	-
	1 560	**1 560**

Remuneration paid to all non-executive directors is based on their individual service contract with the Group. There were no other director's benefits in the 2021 and 2020 financial year apart from executive salaries, non-executive fees to directors. No directors fees where paid to non-executive directors in 2021. There are no prescribed officers and no key management other than the directors.

* No emoluments were paid to non-executive directors.

22. Subsidiaries

The Group previously held investments in three subsidiaries all of which were sold to an independent third party on 28 February 2021. Details of the investments were as follows:

MRI held 100% of the shares in WUC. WUC invested in the AMD project.

WUC holds 50% of the total share capital of Prodiflex Coal which has access to and the right to distribute the binding material used in the production of briquettes. As the holding satisfies the following conditions of control, Prodiflex Coal is accounted for as a subsidiary;

- Power over the investee
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect the amount of the investor's returns.

The commercial arrangement is that the holding company makes all the financial and operating decisions.

WUC holds 100% of the total share capital of Octavovox which owns the rehabilitation and processing rights to process coal fines. The entity is dormant.

Partly-owned subsidiary

Prodiflex is immaterial in the operating activities of the Group.

23. Commitments

The Group has not entered into any contractual obligations or commitments that would have future liability implication.

Notes to the Consolidated Financial Statements

24. Earnings / (loss) per share

Basic earnings (loss) per share

Basic earnings / (loss) per share is determined by dividing profit or loss attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Basic earnings / (loss) per share		
From operations (cents)	0.45	(0.60)
Basic earnings / (loss) per share for the MRI Group was based on earnings / (loss) of	3 935	(5 172)
And weighted average number of ordinary shares ("000)	863 053	863 053
Diluted earnings / (loss) per share		
From operations (cents)	0.45	(0.60)
Earnings / (loss) for the period attributable to equity holders of the parent	3 935	(5 172)
Diluted weighted average number of shares in issue ('000)	863 053	863 053
Headline loss per share		
Headline loss	(1 494)	(5 172)
Weighted average number of shares in issue ('000)	863 053	863 053
Headline loss per share (cents)	(0.17)	(0.60)
Diluted weighted average number of shares in issue ('000)	863 053	863 053
Diluted headline loss per share (cents)	(0.17)	(0.60)
Headline loss reconciliation		
Total comprehensive income	3 935	(5 172)
Reversal of capital reserve	(5 000)	-
Gain on disposal of subsidiaries	(429)	-
Total loss for the year	**(1 494)**	**(5 172)**

25. Going concern

The directors believe that the Group has access to adequate resources to continue as a going concern for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. Whilst MRI operated as a cash shell throughout the current financial year, the directors worked at reducing all corporate costs whilst pursuing the acquisition of Langpan Mining Co Proprietary Limited. The directors have satisfied themselves that the Group is in a position to continue as a going concern and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Gamsy Family Trust was secured as an investor in MRI, and the Trust provided a working capital facility to fund operations and transaction costs. Both the Gamsy Family Trust and Growth Equity loans were subordinated to maintain the liquidity and solvency position of the Group.

We draw attention to the fact that at 28 February 2021, the Group had accumulated losses of R 107 million and that the Group's total liabilities exceed its assets by R 22 million. Although MRI has entered into a share purchase agreement to acquire all of the issued shares of Langpan Mining Co Proprietary Limited, there remains material uncertainty that the Group can continue as a going concern because of certain conditions precedent that need to be met prior to the successful completion of the transaction. The details of the transaction will be contained in a circular to MRI shareholders setting out the conditions precedent which include JSE approval to lift MRI's suspension and certain legal, regulatory and governance conditions standard for a transaction of this nature. The directors are confident that such conditions precedent will be met.

26. Events after the reporting period

George Sebulela resigned as a Director on the 14 June 2021 and he was duly replaced by Vincent Madlela who was appointed on the 23 July 2021 taking over the role of Lead Independent Director. With the exception of the resignation, the Directors are not aware of any material event which occurred after the reporting date up to the date of this report.