

Mine Restoration Investments Limited

Incorporated in the Republic of South Africa

(Registration number 1987/004821/06)

Share Code: MRI

ISIN Code: ZAE000164562

("MRI", "the Company" or "the Group")

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2021

The board of directors of MRI ("the Board") hereby presents the interim financial results for the six months ended 31 August 2021 ("Results").

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 6-months to August 2021	Unaudited 6-months to August 2020	Audited 12-months to February 2021
	R' 000	R' 000	R' 000
Revenue	-	-	-
Other income	266	386	956
Impairment reversal	-	-	3 705
Administration and other operating expenses	(1 069)	(1 201)	(3 520)
Operating Profit/(Loss)	(803)	(815)	1 141
Finance costs	(1 430)	(1 540)	(2 635)
Gain on disposal of subsidiaries	-	-	429
Loss before Taxation	(2 233)	(2 355)	(1 065)
Taxation	-	-	-
Loss for the Year	(2 233)	(2 355)	(1 065)
Other Comprehensive Income:			
Reversal of capital reserve	-	-	5 000
Total Comprehensive Income/(Loss) for the Year	(2 233)	(2 355)	3 935
Total Comprehensive Income Attributable to:			
Owners of the parent	(2 233)	(2 355)	3 935
Non-controlling interest	-	-	-
Basic Earnings/(Loss) per Share	(0.25)	(0.27)	0.45
Diluted Earnings/(Loss) per Share	(0.25)	(0.27)	0.45
Headline Loss per Share	(0.25)	(0.27)	(0.17)

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

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 31 August 2021 R' 000	Unaudited as at 31 August 2020 R' 000	Audited as at 28 February 2021 R' 000
Assets			
Current Assets			
Short-term loan	-	-	1 085
Trade and other receivables	362	538	316
Cash and cash equivalents	5	27	4
	367	565	1 405
Total Assets	367	565	1 405
Equity and Liabilities			
Equity			
Amount attributable to equity holders	(24 599)	85 020	(22 366)
Non-controlling interest	-	(108 247)	-
	(24 599)	(23 227)	(22 366)
Liabilities			
Current Liabilities			
Other financial liabilities	19 856	18 103	18 404
Trade and other payables	5 110	5 689	5 367
	24 966	23 792	23 771
Total Equity and Liabilities	367	565	1 405

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Capital reserve	Equity due to change in ownership	Accumulated earnings (loss)	Amount attributable to Equity Holders	Non- controlling interest	Total equity
	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000
Balance at 29 February 2020	85 020	5 000	(2 459)	(108 831)	(21 270)	(31)	(21 301)
Total comprehensive earnings/(loss) for the period	-	(5 000)	-	3 935	(1 065)	-	(1 065)
Disposal of subsidiaries recognised directly in equity	-	-	(2 459)	(2 490)	(31)	31	-
Issue of shares	-	-	-	-	-	-	-
Balance at 28 February 2021	85 020	-	-	(107 386)	(22 366)	-	(22 366)
Total comprehensive earnings/(loss) for the period	-	-	-	(2 233)	(2 233)	-	(2 233)
Disposal of subsidiaries recognised directly in equity	-	-	-	-	-	-	-
Balance at 31 August 2021	85 020	-	-	(109 619)	(24 599)	-	(24 599)

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 6-months to 31 August 2021 R' 000	Unaudited 6-months to 31 August 2020 R' 000	Audited 12-months to 28 February 2021 R' 000
Cash flows from operating activities	(1 138)	(4)	(2 602)
Cash flows from investing activities	1 139	-	3 233
Cash flows from financing activities	-	43	(615)
Total cash movement for the period	1	39	16
Cash and cash equivalents at the beginning of the period	4	(12)	(12)
Cash and cash equivalents at end of the period	5	(27)	4

COMMENTARY

1. BASIS OF PREPARATION

These condensed consolidated unaudited interim financial results have been prepared by Thato Makgolane, the Financial Director of the Company, in accordance with IAS 34 - Interim Financial Reporting, the framework concepts and the recognition requirements of International Financial Reporting Standards ("IFRS"), the South African Institute of Chartered Accountants ("SAICA") 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 (Act 71 of 2008), as amended, and the Listings Requirements of the JSE Limited ("JSE").

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 2021.

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

Notwithstanding the insolvency of the Company 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.

Shareholders are advised that the information contained in the announcement is also available at:

<https://senspdf.jse.co.za/documents/2021/jse/isse/mri/interim21.pdf>

2. FINANCIAL RESULTS AND FUTURE PROSPECTS

MRI operated as a cash shell throughout the period. The Board focused on reducing all corporate costs whilst continuing to pursue the acquisition of Langpan Mining Co Proprietary Limited ("**Langpan**").

The Board has 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 Board is confident that the acquisition of Langpan will recapitalise the Company and allow for the Company's successful reinstatement on the Alternative Exchange of the JSE.

3. HEADLINE LOSS PER SHARE ("HLPS")

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

	Unaudited 6-months to 31 August 2021	Unaudited 6-months to 31 August 2020	Audited 12-months to 31 August 2021
Earnings/(loss) per share (cents)	(0.26)	(0.27)	0.45
Diluted earnings/(loss) per share (cents)	(0.26)	(0.27)	0.45
Headline loss per share (cents)	(0.26)	(0.27)	(0.17)
Diluted headline loss per share	(0.26)	(0.27)	(0.17)
Headline loss Calculation			
Earnings/(Loss) for the period (R'000)	(2 233)	(2 355)	3 935
Reversal of capital reserve	-	-	(5 000)
Gain on disposal of subsidiaries	-	-	(429)
Deferred tax on impairments of assets	-	-	-

Headline loss	(2 233)	(2 355)	(1 494)
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

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

Directorate change:

- On 15 October 2021 Alistair Collins tendered his resignation as an independent non-executive director of the Company with effect from 3 November 2021, post the Company's Annual General Meeting. The Board is in the process of identifying suitable replacements to fill the vacancy and reconstitute subcommittees accordingly.

The Company continues to evaluate the Board and its subcommittees, and following the AGM and the conclusion of the Langpan Transaction, will be looking to include additional independent members to strengthen the governance structures of the Company.

6. OTHER FINANCIAL LIABILITIES

In early 2017, an angel investor re-capitalised the Company through a subordinated debt facility in order to settle claims, cover working capital and transaction related costs for the Langpan Transaction, providing support so as to maintain the Company's solvency and to ensure that the Company is able to continue operating as a going concern. This support had been maintained throughout the period under review.

The remaining increase in other financial liabilities relates to trade payables in the ordinary course of business including interest charges.

7. OTHER FINANCIAL ASSETS

With respect to supporting the Langpan Transaction, on 1 September 2018, R3,71 million was provided on an unsecured short term debt basis to Langpan to cover transactional related expenses. As at 31 August 2021, the full loan amount has been repaid.

8. GOING CONCERN

The financial period under review reflects a challenging financial period, with a net loss after tax of R2.2 million (2020: R2.4 million) and the Group's total liabilities exceeding its assets by R24.6 million (2020: R23.2 million). The Board is confident that the acquisition of Langpan will adequately recapitalise the Company and ensure the successful reinstatement of MRI's listing on the JSE Alternative Exchange. The Board remains confident that the Company retains the continued support of its major shareholders to provide additional funding should other sources not be forthcoming.

The Board has 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 2021 (2020: Nil).

10. CHANGES TO THE BOARD

Mr Vincent Madlela was appointed to the Board as the Lead Independent Non-Executive Director of MRI with effect from 23 July 2021.

CORPORATE INFORMATION

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Web: www.minerestoration.co.za

Board of Directors: V Madlela*, A Collins*, MJ Miller#
(Chairman), MM Movundlela (CEO), TA Makgolane (FD).
(#Non-Executive, *Independent Non-Executive)

Company Secretary: Neil Esterhuysen & Associates Inc

Transfer Secretaries: Computershare Investor Services
Proprietary Limited, Rosebank Towers, 15 Biermann Avenue,
Rosebank, 2196, PO Box 61763, Marshalltown 2107

Auditor: Ngubane & Co (JHB) Inc.

Johannesburg
18 October 2021

Designated Adviser
Merchantec Capital