

Mineral & Financial Investments Limited

Annual Report and Financial Statements

for the year ended 30 June 2022

Full Year Highlights

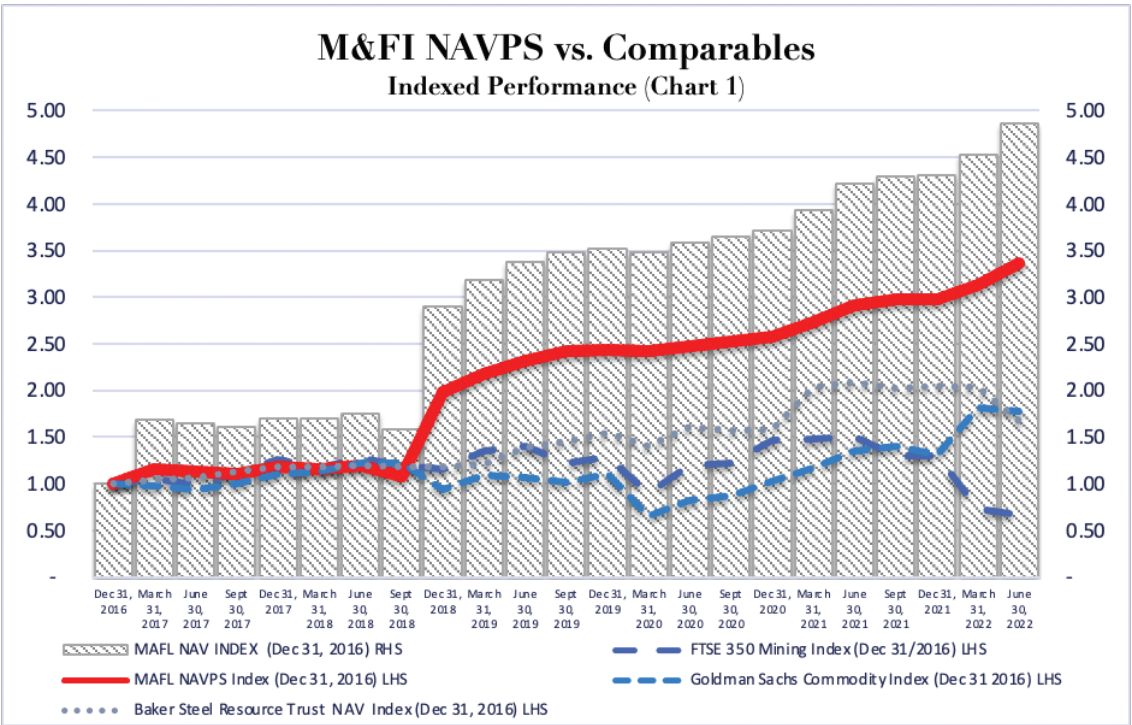
for the year ended 30 June 2022

- Year-end Net Asset Value £7,454,000, up 15.8%, from £6,438,000 in past 12 months
- Net Asset Value Per Share fully diluted (FD) is 20.0p, up 10%, from 18.2p, in past 12 months
- NAVPS FD has increased at compound annual growth rate (CAGR) of 23.2% since 31 June 2017
- Net Asset Value has increased at CAGR of 24.1% since 31 June 2017
- Investment Portfolio now totals £7,183,000 up 23.4%, from £5,822,000 in past 12 months
- Our NAVPS performance has consistently exceeded that of the comparables (see Chart 1)

NET ASSET VALUE

	30 June 2017	30 June 2018	30 June 2019	30 June 2020	June 30 2021	June 30 2022	*CAGR (%)*
Net Asset Value ('000)	£2,443	£2,623	£5,114	£5,474	£6,438	£7,454	***24.1%***
Fully diluted NAV per share	7.05p	7.49p	14.50p	15.50p	18.22p	20.04p	***23.2%***

M&FI PERFORMANCE



Mineral & Financial Investments Limited ("M&FI") is an investing company with the objectives of a mining finance house, which includes providing investment in and capital to finance mining companies and/or projects to provide our shareholders with superior returns. We will seek to provide financing and act as a good partner in exchange for meaningful ownership levels, and board representation if needed and appropriate. We will provide advisory services when possible and will be willing to make follow-on investments in the investee companies if, and when, appropriate.

The full details of our investing policy are set out in the Directors' Report

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[1] No comment or fact stated in these reports should be taken or interpreted as investment advice.

COMPANY INFORMATION

DIRECTORS:	Mark T Brown, Chairman Jacques Vaillancourt, President & CEO James Lesser Sean Keenan
REGISTERED OFFICE:	One Nexus Way Camana Bay Grand Cayman KY1-9005 Cayman Islands
COMPANY NUMBER:	Incorporated in the Cayman Islands with registered number 141920
SECRETARY:	Walkers SPV Limited
NOMINATED ADVISER:	W H Ireland 24 Martin Lane London EC4R 0DR UK
JOINT BROKERS:	W H Ireland 24 Martin Lane London EC4R 0DR UK Novum Securities Ltd. 10 Grosvenor Gardens London SW1W 0DH UK
REGISTRARS:	Link Market Services (Jersey) Limited PO Box 532 St Helier Jersey JE4 5UW
SOLICITORS:	Charles Russell Speechlys 5 Fleet Place London EC4M 7RD
AUDITORS:	Shipleys LLP Registered Auditor Chartered Accountants 10 Orange Street London WC2H 7DQ
COMPANY'S WEBSITE:	www.mineralandfinancial.com

CHAIRMAN'S STATEMENT

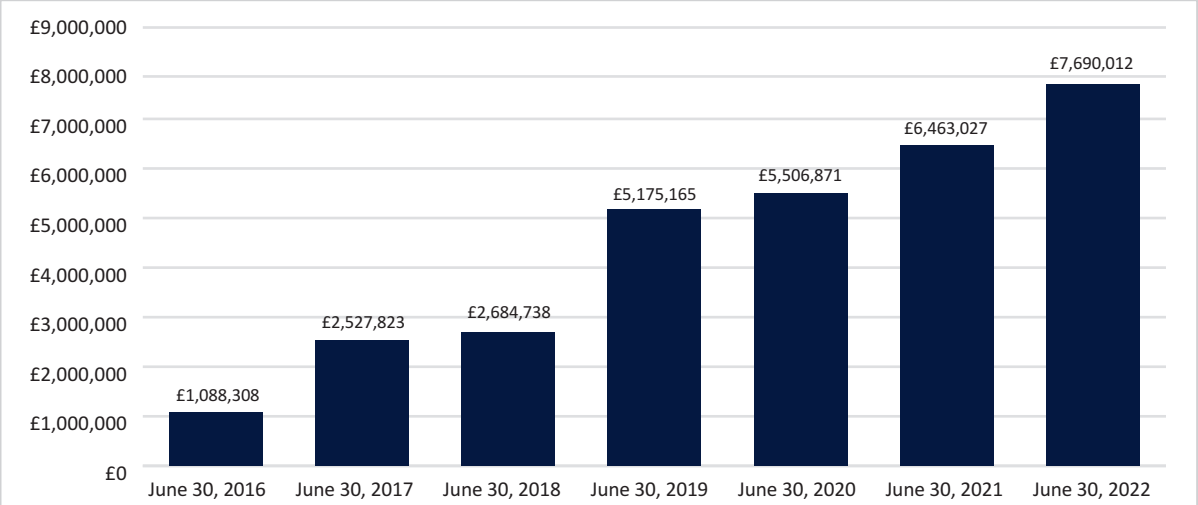
for the year ended 30 June 2022

Dear fellow shareholders,

Mineral & Financial Investments Limited ("M&FI") is an investing company that approaches its business as a mining finance house, which includes providing investment in and capital to finance mining and mineral exploration companies, and/or projects, while aiming to provide our M&FI shareholders with superior returns. We will seek to provide financing and act as a good partner in exchange for meaningful ownership levels, and board representation if needed and appropriate. We will provide advisory services when possible and will be willing to make follow-on investments in the investee companies if, and when, appropriate. The full details of our investing policy are set out in the Directors' Report on p.8 of the Company's Annual Report and Accounts which are available on the Company's website.

During the 12-month fiscal period ending 30 June 2022 your company generated net trading income of £1,297,000 which translated into a net profit of £899,000 or 2.5p per share on a Fully Diluted ("FD") basis for the period. At the period end of 30 June 2022, our Net Asset Value (NAV) was £7,454,000 an increase of 15.8% from 30 June 2021 NAV of £6,438,000. The Net Asset Value per share – fully diluted (NAVPS-FD) as of 30 June 2022 was 20.04p, up 10% from the 30 June 2021 NAVPS FD of 18.22p. Since 30 June 2016, our NAV FD has appreciated on average by 38.6% annually. We continue to be effectively debt free, with working capital of £7.55 million.

M&FI Net Asset Value - FD, Audited – (Fig. 1)



It is our view that the world recovered strongly from the economic effects of the Covid 19 Pandemic. Global economic output increased by 6.0% in calendar 2021[2], a turnaround from the 3.1% decline of output in 2020. We believe the recovery was driven by pent-up demand, low interest rates, fiscal support policies from virtually all governments and very loose monetary policies. We also observe that this economic broth when combined with logistic frictions generated a significant lift in global inflation from the 3.2% in 2020 to 8.8% estimated by the IMF in 2022. We note that the return of inflationary pressures has caused most central bankers to initiate rate increases to dampen inflationary pressures. Global Output for 2022 is estimated to have grown by 32%[2], half the growth rate of the previous year[2]. Global economic growth is expected to slow even further in 2023 and only expand by 2.7%. Inflation's return has been a global phenomenon and is estimated to reach an average of 8.8% in 2022[2].

[2] International Monetary Fund, "Countering the Cost of Living Crisis", October 11, 2022

CHAIRMAN'S STATEMENT

for the year ended 30 June 2022

IMF – World Economic Outlook[2] (Fig. 2)

October 2022	2017	2018	2019	2020	2021 (A)	2022 (E)	2023 (F)
World Output	3.8%	3.6%	2.8%	-3.1%	6.0%	3.2%	2.7%
Advanced Economies	2.5%	2.3%	1.7%	-4.5%	5.2%	2.4%	1.1%
Emerging Markets and Developing Economies	4.7%	4.5%	3.7%	-2.1%	6.6%	3.7%	3.7%
World Consumer Prices	3.2%	3.6%	3.5%	3.2%	4.7%	8.8%	6.5%
Advanced Economies	1.7%	2.0%	1.4%	0.7%	3.1%	7.2%	4.4%
Emerging Markets and Developing Economies	4.4%	4.9%	5.1%	5.1%	5.9%	9.9%	8.1%

In our last annual report, we included the Shiller S&P 500 Cyclically Adjusted Price Earning (CAPE) chart to underscore relatively high P/E valuation of the S&P 500 a year ago. We believe that the overvaluation extends to most major equity markets. There are a couple of major drivers for equity valuations – firstly and importantly, profits and their expected growth; the second, are the major valuation inputs: growth expectations, interest rates, and inflation. We believe that above average inflation and rising interest rates will prevail in 2023.

The US dollar, as measured by the DXY Index was up 13.7% during our fiscal year, appreciating versus virtually all currencies. The US dollar's strength during the past year had the single greatest impact on most aspects of our business. Virtually all global commodities are priced in US dollars. When the US dollar rises in value, the usual reaction is that the price of commodities is weighted downwards (ceteris paribus). We believe the US dollar's rise is in part because it has been the world's default currency. Further enhancing its natural appeal, US interest rates are higher than most advanced economies' interest rates for similar terms, and the US Fed have claimed an unshakeable resolve to address inflationary pressures. We consider that the direction of movement in money supply is consistent with the rhetoric, however, the amplitude of the moves is less dramatic. US M3[3] peaked at $21.74 Trillion March 2022 and has been reduced to $21.5 Trillion by September 2022[2]. We believe that what has been significant has been the rise in interest rates – during our fiscal period (July 1, 2021, to June 30, 2022) US 10-year treasury yields rose 129%, from 1.46% to 3.02%. They currently are 3.81% as of November 15, 2022[2]. We believe that in isolation this is meaningful. However, we have also observed that worldwide interest rates implicitly reference US rates, and this has impacted most national interest rates. Nevertheless, we believe that the inflationary pressures unleashed by monetary and fiscal policies to manage the devastating economic impact of the COVID 19 lockdowns in 2020 and 2021 will result in longer lasting inflation, though less acute than seen in 2022.

We consider that the Fiscal and Monetary responses by most "advanced economy" governments and central banks to the rise in inflation have negatively impacted equity markets. As can be seen in Figure 3 all major equity markets declined, with the FTSE 100 being the positive exception recording a modest 1.9% appreciation. The Chinese markets were the weakest combined markets, which we believe should be a source of global concern.

Global Stock Index performance (Fig. 3)

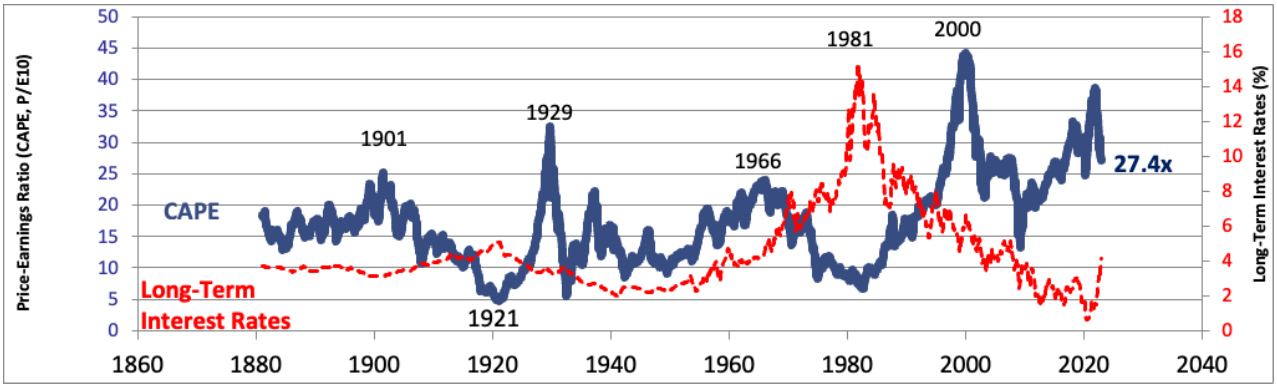
June 30, 2021 to June 30, 2022	30/06/2021	30/06/2022	% Ch.
Shanghai Shenzhen CSI 300	5224	4485	-14.1%
Standard & Poor 500	4292	3785	-11.8%
Euro Stoxx 50	4064	3455	-15.0%
Hang Seng	28994	21870	-24.6%
FTSE 100	7037	7169	1.9%
Nikkei 225	28791	26393	-8.3%

[3] US Federal Reserve Board – Economic Research, Federal Reserve Bank of St.Louis

CHAIRMAN'S STATEMENT

for the year ended 30 June 2022

Shiller S&P 500 P/E Index[4] & Long-Term Interest Rates (Fig. 4)



The US Equity market valuation, as measured by the S&P 500 P/E Index, is declining both absolutely and relatively from its peak at the beginning of 2022. As can be seen in the Shiller S&P 500 index, as composed by Prof. Robert Schiller of Yale University, shows that the S&P 500's Index current level for Price/Earnings (P/E) is 27.4x, which is down from the 39.6x p/e which we pointed to in last year's M&FI annual report, and which we believe was priced for a flawless exit from the economic life support offered by governments around the world during the Covid Pandemic economic crisis. We remain cautious and, although optimistic for metal prices, we believe that markets remain richly priced relative to the historical valuations, as shown by Prof. Shiller. We also see that interest rates are beginning to rise from the lows reached after a 40-year decline from the 1981 highs. Rising interest rates are an unfamiliar market feature for a generation of market participants. We believe the financial turmoil that rising rates can create should be a cause of concern.

M&FI continues to seek suitable strategic investment opportunities that we believe will generate above average returns while adhering to our standards of prudence. We thank you for your support and we will continue to work diligently and thoroughly to advance your company's assets and market position.

Mark T. Brown
Non-Executive Chairman
21 December 2022

[4] Shiller P/E ratio for the S&P 500.Price earnings ratio is based on average inflation-adjusted earnings from the previous 10 years, known as the Cyclically Adjusted PE Ratio (CAPE Ratio), Shiller PE Ratio, or PE 10

CHIEF EXECUTIVE OFFICER'S REPORT

for the year ended 30 June 2022

OPERATIONAL REPORT

Your company generated gross profit of £1,297,000 during the year, a slight decline from the previous year's gross profit of £1,362,000. The operating profit for the full year, ending 30 June 2022, was £899,000 versus last year's operating profit of £998,000. The decline is linked to slightly lower yr./yr. gross profits and higher administrative costs. Specifically, the issuance of equity incentives, higher legal fees, and an increase to the CEO's salary, these represent 94.6% of the SG&A variance from FY 2021. The post-tax income for the year was £899,000 vs. £964,000 achieved last year. M&FI's NAVPS (basic) increased 15.8% year over year to 20.04p. The overall cash and investment portfolios increased by 14.8% year over year to £7,664,000.

The key to creating shareholder value for Mineral & Financial Investments is attempting to achieve positive risk adjusted investment returns while keeping operating costs low. More specifically, operating costs which grow at a slower rate than the accretion in the Net Asset Value. Our full year administrative costs totalled £439,000, 5.88% of net assets, an increase over the previous year's costs of £341,000 (5.33% of net assets). General & Administrative ("G&A") costs were higher. The increase was partly due to "Legal and Professional fees" increasing by £51,000 year over year in the period due to some extraordinary legal costs associated with an unsuccessful financing attempt by an investee company (financing was secured later from a different source). Excluding that increase in legal fees our G&A would have been within our expectations rising by 13.6%. Also, there was a £92,000 charge to the income statement in respect of the grant of options and Restricted Share Units. M&FI's policy is that management and directors will benefit and prosper along with shareholders, not despite shareholder performance.

Price Performance of Various Commodities & Indices[5] (Fig. 5)

Commodity	2018 (June 30)	2019 (June 30)	2020 (June 30)	2021 (June 30)	2022 (June 30)	% Ch. 2022 vs. 2021	CAGR 2018 to 2022
Gold (US$/oz)	1,187	1,389	1,784	1,784	1,809	-1.3%	**+11.1%**
Silver (US$/oz)	14.30	15.30	18.30	26.15	19.80	-24.3%	**+8.5%**
Platinum (US$/oz)	824	837	828	1083	881	-18.8%	**+1.7%**
Copper (US$/t)	6,171	5,969	6,120	9,279	7,901	-14.9%	**+6.4%**
Nickel (US$/t)	12,540	12,670	13,240	18,172	23,229	+27.8%	**+16.7%**
Aluminium (US$/t)	2,024	1,779	1,598	2,514	2,659	+5.8%	**+7.1%**
Zinc (US$/t)	2,612	2,575	2,043	2,899	3,147	+8.6%	**+4.8%**
Lead (US$/t)	2,017	1,913	1,770	2,301	1,899	-17.5%	**-1.5%**
Uranium (US$/t)	60,250	54,454	71,871	70,768	108,027	+52.6%	**+15.7**
WTI (US$/Bbl.)	73.25	60.06	40.39	75.25	107.86	+43.3%	**+10.2%**
DXY	95.13	96.56	96.68	92.66	105.09	+13.7%	**+2.7%**
FTSE 350 Mining Index	18,877	20,688	17,714	22,585	9,810	-55.6%	**-15.1%**

World commodity price performances were broadly negative in FY 2022 due to rise of the US dollar vs. most world currencies and a recognition that global economic growth has slowed from the post Pandemic demand spurt. Uranium was a strong performer, rising 52.6% during our fiscal year. Energy insecurity led to a renewed optimism for Uranium (U_3O_8), as its principal use is for nuclear power generation. Additionally, there were several new uranium ETF funds created which amplifies demand. The Nickel (Ni) price was up 27.8% during our fiscal year and is benefitting from LME inventories being at 5-year lows (c. 49,470t in Nov 2022 vs 380,000t in November of 2017) due to slowing supply growth. Nickel now, in addition to its historic dominant use in combination with iron to create stainless steel, which still represent 69% of global Ni demand, is part of the revolution in battery technologies. Battery production currently represents 11% of Ni global demand. Zinc (Zn) was also one of the few metals which ended the period with year over year gains, rising 8.6% during our fiscal period. Several years ago, we recognized that Zn was being supplied by several large-scale mines which were approaching the end of their mine life. Like Ni, Zn LME inventories are at 5-year lows of 40,800t, which represent less than 2 days of global demand (in 2021: 14,047,000t). Our investments in Zinc via Ascendant and more importantly our investment in Redcorp, benefitted slightly from Zinc's outperformance versus other metals.

[5] Bloomberg LLC

CHIEF EXECUTIVE OFFICER'S REPORT

for the year ended 30 June 2022

We made a conscious decision to be overweight in precious metals, notably gold and to a lesser extent silver. This has been a very difficult year for gold, which was down 1.3%, while silver was down 24.3% during our fiscal year. We remain confident that our allocation will bear fruit. We consider that inflation is once again a global concern, central bankers are tightening monetary policies, economic growth has slowed, and we believe that the most recent fashionable alternative to gold as a defensive store of value, crypto currencies, are suffering yet another existential crisis with the bankruptcy of FTX.

We believe the equity markets are afflicted by a disconnect between metal prices and the performance of the shares of the companies that explore and produce these metals. We believe the market is, understandably, plagued with anxiety about the weak metal price performances and the increases in production costs, led upwards by energy costs and soon to be followed by labour costs. We also believe that inflation above Central banks' inflation targets will be a fact of life for a few more years. The US dollar's out-performance is, we believe, unlikely to continue as it did in 2022. Lastly, operating costs will have to rise, or capacity will have to close, which will lead to metal price rises. Although not the most robust setting for mining companies, there is, we believe, good cause for bullishness that more broadly based metal price rises will define 2023 and that the inflationary pressures of 2022 will moderate, but not return to 2019 levels for some time.

INVESTMENT PORTFOLIOS

We have high expectations. Our performance in 2022 was relatively strong, but below our expectations for the year. Our NAVPS by 10% during 2022 but was significantly better than the yardsticks by which we measure our performance. The broader equity markets were down during our fiscal year, the S&P 500 was down 11.8%, the CSI 300 (Shanghai) was down 14.1%, while the FTSE 100 did manage a gain of 1.9%. The more specific comparables, such as - the S&P/TSX Global Mining Index was down 11.5% during our fiscal period, while FTSE 350 Mining Index, was down 55.2% – although it must be noted that the FTSE 350 Mining Index was dragged down by the Ukrainian conflict and the sanctions imposed on Russian companies, which are part of the Index.

Portfolio Performance 2017 – 2022 (Fig. 6)

(£,000)	2017	2018	2019	2020	2021	2022	2022 vs. 2021	CAGR '17 – 2022
Strategic	£746.0	£766.9	£3,655.3	£3,909.7	£4,110.3	£4,946.5	20.3%	**46.0%**
Tactical	£983.6	£1,319.2	£226.3	£430.4	£1,711.9	£2,237.0	30.7%	**17.9%**
Cash	£273.5	£422.3	£224.4	£274.6	£854.7	£481.4	-43.7%	**12.0%**
Total	£2,003.2	£2,508.3	£4,106.0	£4,614.8	£6,677.0	£7,664.9	14.8%	**30.8%**

CASH

Our liquidity as of 30 June 2022, was £481,000 a decline of 43.7% from the £855,000 as at the end of fiscal 2021. In 2021 we had received the funds from Ascendant on 22 June 2021 and had not fully deployed the funds. In 2022 we received a US$1.0M payment from Ascendant, as part of their earn-in on the Lagoa Salgada Project, earlier in the period, and some of the funds were invested in what we felt were attractive values. The intention is to keep the cash and tactical holdings' combined value to be between 25 and 60 percent. For the past 2 years we have been at 38.4% as of the end of 2021 and ended 2022 at 35.5% of NAV. As this mining cycle moves ahead, we would like to gradually evolve to a higher cash & tactical holding, to allow us to exploit strategic investment opportunities along the economic cycle.

TACTICAL HOLDINGS

The Tactical portfolios grew by 30.7% to end the year at £2,237,004. As we advance through the mining cycle the tactical portfolio should grow more quickly than the strategic portfolio, as we monetize the some of our strategic investments and convert them into either cash or tactical investments. The tactical portfolio now comprises 22 distinct investments, the following are some of the most noteworthy.

Cerrado Gold: We initiated an investment in common shares of Cerrado Gold in 2019. It now represents 5.4% in the allocated investments. Cerrado is a South American gold producer with a mine, Minera Don Nicolas, in Argentina.

CHIEF EXECUTIVE OFFICER'S REPORT

for the year ended 30 June 2022

Which mined 44,000 oz in 2021 and should mine 50,000 oz of gold. Based comparable valuations presented by Cerrado trades at around US$26 of EV per oz of Au equivalent resource, the comparable producers trade at approximately US$99 p/Oz of Au equivalent resource. Production is expected to grow by 322% over the next 4 years. In the second half of 2022 Cerrado has funded and begun development of a heap leach operation which should amplify its production and lower its all-in sustaining costs (AISC). Additionally, it is infill drilling with an aim of expanding the resource base, defining underground mining potential, while continuously working on optimizing production levels. Cerrado's second, and perhaps more exciting asset is the Monte do Carmo exploration asset located in the state of Tocantins in Brazil. The current project economic indicate, using a US$1,600/oz gold price, an after-tax NPV$^{@5\%\ DR}$ of US$617M, and IRR of 99% while requiring US$126M of CAPEX. The resulting project is estimated to produce gold an average of 131,000 oz per year of gold with an all-in sustaining cost (AISC) life of mine of US$612/oz. Whilst these numbers are providing for guidance only and there is no guarantee that either these production levels or the valuations will be achieved, the Directors consider this is an exciting opportunity that they will continue to provide updates on as it progresses. Most independent analysts covering the stock have a share price target of between $2.50 and $5.50 per share.

Ascendant Resources Inc.: We have held our position in Ascendant for several years. The holding, despite its performance represent 4.3% of our investment portfolios; and is held by one of our subsidiaries. It was part of the payment made by Ascendant for its original acquisition of a 25% interest in Redcorp from TH Crestgate; and part of the earn-in agreement with Ascendant for the Lagoa Salgada Project located on the well-known Iberian Pyrite Belt (IPB) in South Central Portugal. The IPB is home to several of the world's largest zinc mines and hosts the original mine that became the cornerstone of Rio Tinto Mines. We consider Ascendant suffered significantly during the early stages as the price of Zinc plummeted. In 2019 Zinc was as high as US$2,950/t and by March of 2020 Zinc had fallen to US$1750/t, a 40% decline that pushed its El Mochito Mine, located in Honduras into significant monthly losses, forcing Ascendant to dispose of the operations at the cycle bottom. We consider that Ascendant have rebounded by advancing the Lagoa Salgada Project, meeting all earn-in obligations and being a good partner. They are currently advancing a Feasibility Study which it is hoped will meet, or exceed, the results in the Preliminary Economic Assessment (PEA) which indicated an after-tax NPV$^{@8\%DR}$ of US$246.7M, an IRR of 55% and a payback period of 1.5 years – all based on lower than current metals price assumptions. Whilst there can be no guarantee that any of these results can be achieved and acknowledging this is no-longer a core holding, we remain optimistic that this investment will outperform from the current levels.

UBS Gold ETF (CHF): Our investments in precious metal bullion is 2.66% of total investments. We will almost always have some physical gold holdings as an "insurance policy", the size of the holding will fluctuate as our investment outlook evolves. We maintained the core of this holding, although took some profits when bullion exceeded US$2,000/oz. We expect that gold will perform its historical role of providing protection against weakening currencies and economic turmoil. In the third quarter of 2022 global gold mine production (i.e. supply) was up 2% year/year and recycling was down 6% y/y.

The World Gold Council announced that Q3-2022 gold demand trends were up 28% year on year, reaching 1,181 tonnes. Retail investors demand increased by 36% y/y as they sought to purchase bullion and coins as inflation hedges. Jewellery demand was also up in 10% y/y the third quarter. Central Banks purchased a record 400 tonnes in the quarter. In a survey of Central banks, 25% of the respondents stated that they expected to increase their holdings further in the next 12 months. These positives outweighed the Q3 47% y/y decline in demand from ETF, in large part due to the strength of the US dollar.

Zuercher KTBK Silver ETF (CHF): We consider that silver is occasionally, and unfairly, described as the "poor man's" gold. Physical Silver holdings represent 2.31% of our investment holdings. Silver is a precious metal with dominant and growing industrial applications. Silver plays a critical role in the advancement of electronics. In the past century silver demand was initially dominated by jewellery and silverware demand, then photographic and X-ray usage were its key users[6]. It is now a metal used primarily in various technologies that will be critical in the world's advancement. Industrial and electronic applications represent 81.0% of total demand, giving it distinctly different fundamental drivers that other precious metals[6]. Silver is now used in solar technology, medical applications (e.g. coating body implants made of polymers), automotive and electric vehicles, 5G devices, water purification. Silver demand[6] in 2021 was up 19% to 1.05B/oz. Mine production grew by 5.3%[6] in 2021 to 822.6m/oz. Scrap supply rose 173m/oz. Considering all sources of

[6] The Silver Institute

CHIEF EXECUTIVE OFFICER'S REPORT

for the year ended 30 June 2022

supply, the industry was in a deficit of 71.5M/ oz in 2021[6]. Much like gold, we believe that for the foreseeable future a silver holding is a sensible default investment in a commodity that has strong demand fundamentals and supply which is struggling to keep pace at current prices.

Agnico Eagle Mines: Agnico is a Canadian Gold mining company founded by a colourful industry legend, Paul Penna, in 1957. Agnico represents 2.3% of our portfolio's holdings. Agnico has evolved from its original Joutel Mine in Quebec, to now being an international mining organisation ranking as the third largest, by gold production, gold mining company in the world. We believe that Agnico is an exemplary operator and has developed a reputation of swimming against conventions. As a testimony to the wisdom of its strategy - it now has more than 50M oz of gold reserves and is expected to produce 3.3 million ounces in 2022. We consider its mines are well run and note that its total cash costs are US$769/oz and AISC is US$1,067/oz. and it pays a US$0.40 per share quarterly dividend. In addition, we note that these operations are underpinned by strong financial footings and US$2.0B of liquidity. We believe that the shares were depressed by the share acquisition of Kirkland Lake Gold, which we used as an opportunity to initiate a position

STRATEGIC PORTFOLIO

Our Strategic Portfolio are longer term holdings, that we strongly believe will outperform. At the bottom of the cycle, we made investments in out-of-favour assets that we considered had high potential but were, we acknowledge, higher risk and less liquid. We believe our competitive advantage was that we were capable and willing to invest when others would, or could, not invest. We believe that the best return to risk ratio is to invest in good assets when these are out of favour. The next phase of our strategy is to gradually monetize these investments when and where it makes sense and redeploy these funds into more liquid investments that are out of favour but have strong long term investment merits.

Redcorp Empreedimentos Mineiros Lda.: Redcorp is a Portuguese company whose main asset is 85% ownership of the Lagoa Salgada project. Our investment in Redcorp, held through our subsidiary, represents 47% of our investment portfolios. In 2018 our subsidiary entered into a sale and earn-in option agreement with a Canadian listed company, Ascendant Resources. Ascendant has met all its financial and operational obligations to date. We consider they have been good partners, running the exploration program for which, we are appreciative. On May 25, 2022, Ascendant increased its ownership of Redcorp to 50% by completing US$9,000,000 of exploration work on the project and making a US$1.0M payment to M&FI's subsidiary (in accordance with the terms of the agreement between the parties). Ascendant can now earn up to 80% of the overall project by completing a Definitive Feasibility Study and making a final US$2.5M payment to M&FI. The payment has been made, and the Feasibility Study must be completed on, or before June 22, 2023.

The project has advanced from an initial resource of approximately 4.4Mt with Zinc Equivalent grade of 6.0% to a resource totalling 27.5Mt with a ≧7.5% Zinc Equivalent grade. Redcorp and Ascendant have recently announced that they have secured a mine development licence from the Portuguese government. Redcorp and Ascendant have also completed a second a PEA that indicating that the Lagoa Salgada Project has, based on 100% ownership, a pre-tax $NPV^{@8\%}$ of US$341.6M resulting in a pre-tax IRR of 68.2%, with a 1.3-year pre-tax payback based on its planned 14-year life of mine.

Ideon Technologies Inc.: Ideon Technologies Inc. is Canadian based company which is a world pioneer in the application of cosmic-ray muon tomography. Ideon now represents 11.64% of our investment portfolios. M&FI made its initial investment in 2019 and since then has participated in three follow-on investments. The initial equity investment was priced at C$0.37 per share. This spring a term sheet and pricing was tabled by Ideon with a Silicon Valley VC called Playground LLC with an exciting track record committed to investing in Ideon. Their investment was made at a higher price than our average investment cost. The revaluation to the latest financing price has resulted in an uplift to Ideon's value in our portfolio.

Ideon's discovery platform provides x-ray-like visibility up to 1 km beneath the Earth's surface, much like medical tomography images the interior of the body using x-rays. Using proprietary detectors, imaging systems, inversion technologies, and artificial intelligence, we map the intensity of cosmic-ray muons underground and construct detailed 3D density profiles of subsurface anomalies. Ideon's discovery platform can identify and image anomalies such as mineral and metal deposits, air voids, caves, and other structures with density properties that contrast with the surrounding earth. The potential result is a new exploration paradigm that could result in a 90% reduction in core drilling, while increasing exploration certainty by 95% in the geological settings suited by tomography. The environmental impact from

CHIEF EXECUTIVE OFFICER'S REPORT

for the year ended 30 June 2022

such a technological change would be meaningful. Since last year Ideon's commercial advances have continued and now they have several of the world's largest mining companies as revenue generating clients.

Golden Sun Resources: In 2019, MAFL participated in a round of financing of Golden Sun Resources (GSR) by acquiring convertible notes of GSR. As of the date of writing GSR represents 9.6% of the investment portfolios. The GSR notes represent a 5.5% net ownership in Golden Sun. Our increased investment is largely due to acquisition of a fractional ownership of a 2% Net Smelter Royalty on the BellaVista Mine as well as on the other exploration projects in Costa Rica and a bridge loan to advance the engineering work to build the mill. The GSR notes mature on 30 April 2024, interest is charged and accrues at the rate of 20% per annum, calculated monthly in arrears on the outstanding Loan Amount and shall become payable upon maturity. GSR brought the Bellavista project back into production. Its business plan is to expand the project in small, financially self-sustaining phases. The next phase is to progress from small leach pad production to a 450 tonnes per day CIL plant, which could result in production exceeding 35,000/oz of gold per year. We believe that GSR could receive the project expansion funding via a streaming agreement with a well-known North American mining financier in the near term, although there is no guarantee this will occur. Additionally, GSR has applied for and secured several other Costa Rican exploration project licenses from the Costa Rican government, many with historical resources. We believe GSR is evolving to become a leading and respected mining company in Costa Rica. We believe it has done so by exhibiting market leading Environmental and Social practices. GSR is progressing more slowly than planned but has not deviated from the agreed principal course and we believe it continues to offer a distinctive investment opportunity and should over the next 24 months. We believe that GSR is progressing towards a monetization event.

Cap Energy PLC: CAP Energy PLC (CAP) is an offshore oil and gas exploration company focused on West Africa. We have decided to write-down our investment in CAP to nil due to unresolved liquidity issues. We proposed to CAP several financial solutions, which were declined. During a period, that was establishing the foundations for an explosion in oil prices due to insufficient exploration, CAP's management was unable to secure funding. Although there may be an opportunity to recover some value, at this juncture we believe it more prudent to take this action. Moreover, we are considering our next steps with the Company and management to seek a solution to the situation.

Jacques Vaillancourt, CFA
President, CEO & Director
21 December 2022

STRATEGIC REPORT

for the year ended 30 June 2022

The Directors present their Strategic Report for the Company (Mineral & Financial Investments Ltd) and its subsidiary companies, together the "Group", for the year ended 30 June 2022.

RESULTS

The Group made a profit after taxation for the year ended 30 June 2022 of £899,000 (2021: £964,000). The Directors do not propose a dividend (2021: £nil).

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

A review of the business in the period and of future developments is set out in the Chief Executive's Report, which should be read as part of the Strategic Report.

KEY PERFORMANCE INDICATORS

The key performance indicators are set out below:

COMPANY STATISTICS	**30 June 2022**	**30 June 2021**	**Change %**
Net asset value	£7,454,000	£6,438,000	+15%
Net asset value – fully diluted per share	20.0p	18.2p	+10%
Closing share price	10.0p	11.5p	-13%
Share price (discount)/premium to net asset value – fully diluted	(50%)	(37%)	–
Market capitalisation	£3,547,000	£4,041,000	-12%

PRINCIPAL RISKS AND UNCERTAINTIES

The key risk facing shareholders is that the value of the investments falls and that future returns to shareholders are therefore lower than they could have been.

The current Covid-19 situation will continue to be monitored and is expected to evolve over time. The rapid development and fluidity of the situation makes it difficult to predict its ultimate impact at this stage. However, due to the nature of the Group's activities, the impact on the Group has been minimal and most of its investee companies are looking to expand their activities. Management will, however, continue to assess the impact of Covid-19 on the Group.

Details of the financial risk management objectives and policies are provided in Note 18 to the financial statements.

PROMOTION OF THE COMPANY FOR THE BENEFIT OF THE MEMBERS AS A WHOLE

While M&FI is incorporated in the Cayman Islands and therefore does not have to comply with the UK Companies Act, the Company considers the disclosures within the Annual Report to be consistent with the requirement for UK incorporated companies to include a Section 172 Statement which requires the directors to:

- Consider the likely consequences of any decision in the long term
- Act fairly between the members of the Company
- Maintain a reputation for high standards of business conduct
- Consider the interests of the Company's employees
- Foster the Company's relationships with suppliers, customers and others and
- Consider the impact of the Company's operations on the community and the environment.

STRATEGIC REPORT

for the year ended 30 June 2022

The Directors believe that during the year they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole and have adhered to the requirements set out above that are applicable to the Company given its scope of operations. For example, the Company does not have any employees other than the directors, so considering employee interests is not relevant. However, the Company has been focused on implementing the investment strategy previously approved by shareholders which has resulted in a significant improvement in financial performance over the last 5 years.

GOING CONCERN

The Group has prepared cash forecasts to December 2022 which assume no significant investment activity is undertaken unless sufficient funding is in place to undertake the investment activity and the forecasts demonstrate that the Group is able to meet its obligations as they fall due. The Directors have also considered the impact of Covid-19 and have concluded that, given the cash reserves in place and the level of the Group's ongoing costs, there are no material factors which are likely to affect the ability of the Group to continue as a going concern. Accordingly, the Directors believe that as at the date of this report it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

For and on behalf of the Board

Sean Keenan
Director
21 December 2022

DIRECTORS' REPORT

for the year ended 30 June 2022

The Directors present their annual report together with the audited financial statements for the year ended 30 June 2022.

PRINCIPAL ACTIVITY AND INVESTING POLICY

During the year the Company continued to act as an investment company. The following Investing Policy was adopted at a General Meeting held 28 November 2013:

"The Company's Investing Policy is to invest in the natural resources sector through investments in companies or other assets, which it considers to represent good value and offer scope for significant returns to Shareholders over the long term. In particular, the Company will focus on providing new capital for mining companies that require finance for their projects.

Investments will be made in the securities of quoted and unquoted companies and their assets, units in open-ended investment companies, exchange traded funds, physical commodities, derivatives, and other hybrid securities.

As the Company's assets grow the intention is to diversify company, geographic, and commodity risks. The Company will have a blend of passive and active investments and, if and when appropriate, it may seek to gain control of an investee company.

Returns to shareholders are expected to be by way of growth in the value of the Company's Ordinary Shares. The Company may also from time to time make market purchases to buy in the Company's Ordinary Shares if the Directors consider this to be in the interests of shareholders. The Company will publish a quarterly update on its Net Asset Value ("NAV").

Mineral & Financial Investments Ltd.'s investment policy is focused on the metals and mining industry.

The Company's strategy is to invest, finance, and advise metals and mining companies through "Strategic" investments. The Company's capital, when not deployed in strategic investments, will be captured and deployed in its "Tactical" portfolio.

CHARITABLE AND POLITICAL DONATIONS

No charitable or political donations were made during the year (2021: £Nil)

POST YEAR END EVENTS

There have been no material post year-end events.

DIRECTORS

The Directors of the Company during the year and subsequently are set out below.

Mark T Brown

Jacques Vaillancourt

James Lesser

Sean Keenan

There is a qualifying third-party indemnity provision in force for the benefit of the Directors and Officers of the Company.

DIRECTORS' REPORT

for the year ended 30 June 2022

SUBSTANTIAL SHAREHOLDINGS

The only interests in excess of 3% of the issued share capital of the Company which have been notified to the Company as at 10 December 2022 were as follows:

	Ordinary shares of 1p each number	Percentage of capital %
Mount Everest Finance SA*	6,894,000	19.4%
Lynchwood Nominees Limited	3,472,000	9.9%
Barry Reynolds	2,987,500	8.5%
P Howells	1,661,548	4.7%
A. Coulson	1,516,160	4.2%
T. Darvall	1,410,920	4.0%
C. Cozens	1,092,252	3.1%

*Jacques Vaillancourt is the sole shareholder of Mount Everest Finance SA

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Company was incorporated as a corporation in the Cayman Islands, which does not prescribe the adoption of any particular accounting framework, however the Directors are required under the AIM rules of the London Stock Exchange to prepare the Group financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU")

The Directors are responsible for the preparation of the Group's financial statements, which give a true and fair view of the state of affairs of the Group and of the profit, or loss of the Group for the period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware at the time this report was approved:

- there is no relevant audit information of which the Group's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information held on the Company's website.

AUDITORS

The auditors Shipleys LLP have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the Annual General Meeting.

For and on behalf of the Board

Sean Keenan
Director
21 December 2022

CORPORATE GOVERNANCE REPORT

for the year ended 30 June 2022

Changes to the AIM Rules on 30 March 2018 required AIM companies to apply a recognised corporate governance code. The corporate governance framework which the Company operates, including board leadership and effectiveness, board remuneration, and internal control is based upon practices which the Board believes are proportional to the size, risks, complexity and operations of the business and is reflective of the group's values. Of the two widely recognised formal codes, we have therefore decided to adopt the Quoted Companies Alliance's ("QCA") Corporate Governance Code for small and mid-size quoted companies (revised in April 2018).

BOARD OF DIRECTORS

The Board of Directors is responsible for the Group's system of corporate governance. It comprises a Non-executive chairman, a chief executive officer and two other non-executive directors. The Chairman of the Board is Mark T Brown.

The Board met regularly throughout the year. It has a schedule of matters referred to it for decision, which includes strategy and future developments, allocation of financial resources, investments, annual and interim results, and risk management.

INTERNAL CONTROL

The Board is responsible for maintaining a strong system of internal control to safeguard shareholders' investment and the Company's assets and for reviewing its effectiveness. The system of internal financial control is designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

ANTI-CORRUPTION AND BRIBERY POLICY

The Company has adopted an anti-corruption and bribery policy which applies to the Directors. It generally sets out their responsibilities in observing and upholding a zero-tolerance position on bribery and corruption in all the jurisdictions in which the Company operates as well as providing guidance on how to recognise and deal with bribery and corruption issues and the potential consequences. The Company expects all employees, suppliers, contractors and consultants to conduct their day-to-day business activities in a fair, honest and ethical manner, be aware of and refer to this policy in all of their business activities worldwide and to conduct business on the Company's behalf in compliance with it.

AUDIT COMMITTEE

The Audit Committee meets twice per year and has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Company is properly measured and reported on. The committee monitors the integrity of the financial statements of the Company, quarterly NAV updates and any other formal announcement relating to its financial performance. It receives and reviews reports from the Company's management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Company. The Committee is also responsible for keeping under review the scope and results of the audit, its cost effectiveness and the independence and objectivity of the auditors. The members of the Audit Committee are Mark T Brown and Sean Keenan.

REMUNERATION COMMITTEE

The Remuneration Committee meets at least once per year to exercise independent judgement on remuneration policies, practices and incentives. The committee is created to manage risk, capital and liquidity, whilst overseeing objectives, performance and compensation of the Board Chairman, Executive Directors and Senior Management, ensuring that they are fairly rewarded (which extends to all aspects of remuneration) for their individual contribution to the overall performance of the Company. The members of the Remuneration Committee are Sean Keenan and Mark T Brown.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The QCA Code is constructed around ten broad principles and a set of disclosures. The QCA Code has stated what it considers to be appropriate arrangements for growing companies and asks companies to provide an explanation about how they are meeting the principles through the prescribed disclosures. We have considered how we apply each principle

CORPORATE GOVERNANCE REPORT

for the year ended 30 June 2022

to the extent that the Board judges these to be appropriate in the circumstances, and below we provide an explanation of the approach taken in relation to each.

The following paragraphs set out the Company's compliance with the ten principles of the QCA Code and reasons for any non-compliance.

1. Establish a strategy and business model which promote long-term value for shareholders

M&FI is an investment company whose purpose is to create value for its shareholders by investing in, financing, and advising resource companies with a particular emphasis on mining companies.
The Company runs two portfolios; the Tactical Portfolio for more liquid investments in which short and medium-term value can be achieved and the Strategic Portfolio for longer-term investments. Details of the strategy of each investment portfolio are in the Tactical and Strategic portfolio pages of the Our Business section of the Company's website. The Principal Activity and Investing Policy is set out in the Directors' Report and also on the website.
The key challenges in their execution are outlined in the Risk Management Objectives and Policies section (Note 18) of this Annual Report.

2. Seek to understand and meet shareholder needs and expectations

M&FI seeks to share this vision and details of the implementation of its strategy through internal dialogue with employees as well as external communications to keep shareholders informed. The Company publishes all relevant material, according to QCA definitions, in the Investment Centre on its website. This includes annual and interim reports, quarterly net asset value updates, shareholder circulars and details of Shareholder Meetings. The Board is sensitive to all of its shareholders and commits to maintain a regular dialogue to communicate strategy, progress and to understand the needs of shareholders. Contact details are listed in the Corporate Directory and Officers & Directors pages on its website and on all announcements released via RNS, should shareholders wish to communicate with the Board.
The Board believes these publications in the investor section of the website play an important part in presenting all shareholders with an assessment of the Company's position and prospects. The Board encourages shareholders to attend its Annual General Meeting where they can meet and question the Directors and express ideas or concerns. In addition, the Directors will undertake presentations and roadshows to institutional investors as appropriate.
Since the Company has a predominantly retail shareholder base, the website allows both prospective and actual shareholders to contact the Directors directly, register for automated news alerts for both regulatory and non-regulatory news, and shareholder communication is answered, where possible or appropriate, by Directors or the Company's Nominated Advisor and co-broker, WH Ireland or the Company's co-broker, Novum Securities.
At present the Directors believe they have a good understanding of the needs and expectations of all elements of the company's shareholder base. Feedback from shareholders to date has been positive.

3. Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Board recognises the need to take account of the needs of society and the environment and maintain high ethical standards. As an investment company and not an operating company the Directors identify its shareholders as its primary stakeholders. The Board recognises that the long-term success of the Company is reliant upon the efforts of its employees, advisers and regulators and additionally expects the highest standards of governance from its portfolio companies. The Company therefore maintains a regular dialogue with both its internal and external stakeholders as well as its investments. Policies to protect regular two-way dialogue with shareholders are outlined in Principle 2 of this Code. The Board takes a collective responsibility to report on regulatory matters and works closely with its advisers to ensure it operates in conformity with its listing regulations. Directors meet weekly to monitor all key stakeholder relationships.
The Board understands the Company has a responsibility to consider, where practicable, the social, environmental and economic impact of its investments. The Directors are aware of the responsibilities of investee companies to the communities and environments within which they operate, and as a shareholder, expects the highest standards of governance. Good community relations and environmental sensitivity are essential to success in the resources sector and an integral part of investment decisions and advice provided by M&FI.
Feedback from shareholders, advisers and employees remains positive.

CORPORATE GOVERNANCE REPORT

for the year ended 30 June 2022

4. Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Company's Audit Committee and Remuneration Committee meet regularly since 2018. The Company also receives regular feedback from its external auditors on the state of its internal controls.

As an investment company M&FI constantly seeks to balance the various risks it undertakes with an acceptable return. In executing the company's strategy, management will typically confront a range of day-to-day challenges associated with key markets, portfolio and projects risks and other uncertainties.

The identification and management of these risks can be found in the Risk Management Objectives and Policies section in Note 18 of the Notes to these Financial Statements. They include market price risk, foreign exchange risk, credit risk, liquidity risk and capital risk management.

Company management hold a daily meeting to assess and monitor all risks on a continuous basis drawing on press releases and news flow from companies and jurisdictions in which M&FI have an interest and will seek to deploy mitigation steps to manage these risks as they manifest themselves. Further, the Directors meet weekly, via conference call to review activities and opportunities with which the company is engaged.

5. Maintain the board as a well-functioning, balanced team led by the chair

The Board is responsible for creating value for shareholders by formulating, reviewing and approving and monitoring the implementation of the Group's strategy, budgets, investment and acquisition policies and corporate actions. The Board ensures that management meets plans and performance targets and is also responsible for the oversight of the governance of the company, being the systems and procedures in place by which it is directed and controlled.

The Board comprises a Non-Executive Director and Chairman (Mark T Brown), Chief Executive Officer (Jacques Vaillancourt), a Non-Executive Director (Jamie Lesser) and Non-Executive Director (Sean Keenan). Mark T Brown and Sean Keenan are the independent directors of the Company. Appointments continue subject to re-election by shareholders at the AGM. A description of the roles of the Directors and their biographies are included within the Officers & Directors page of the website. All key investment decisions are subject to Board approval.

The Company has appointed Audit and Remuneration committees, whose membership and responsibilities are set out on the first page of the Corporate Governance Report. The Company does not have a formally established Nominations Committee and matters that would be dealt with it are considered by the Board as a whole.

Whilst the Company is guided by the provisions of the Code in respect of the independence of directors, it gives regard to the overall effectiveness and independence of the contribution made by directors to the Board in considering their independence. The Non-Executive Directors are both considered to be part-time, and are required to provide their services on a timely basis. Board meetings are held at least four times a year and a full record of attendance is shown. The Board also considers that the Directors have specific expertise and experience, materially enhancing knowledge and judgement to the overall performance of the Board.

6. Ensure that, between them, the directors have the necessary up-to-date experience, skills and capabilities

Directors who have been appointed to the Company have been chosen because of the experience and skills they offer and maintain, by virtue of their continued involvement in the sector and other part time roles. The structure of the Board and full biographical details of all Directors are included within the Officers & Directors page of the Group's website.

Based on the M&A experience of Jacques Vaillancourt, the investment experience of Jamie Lesser and the geological expertise of Sean Keenan, the Directors are confident the Board has the right mix of skills to develop strategies for the benefit of shareholders.

The Chairman, in conjunction with the Board, ensures that the Directors' knowledge is kept up to date on key issues and developments pertaining to the Group, its operational environment and to the Directors' responsibilities as members of the Board. During the course of the year, Directors receive updates from the Board and various external advisers on a number of regulatory and corporate governance matters. As secretary to the Board, Miles Nicholson, Chartered Accountant, provides financial control and book keeping services, advises the board, manages day to day administration and liaises with Auditors for the publication of company accounts.

CORPORATE GOVERNANCE REPORT

for the year ended 30 June 2022

7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

With a small team the Board and Directors enjoy a natural on-going evaluation of performance which includes daily communication. The Company therefore undertakes continuous natural monitoring of personal and corporate performance using agreed key performance indicators and detailed financial reports.

Responsibility for assessing and monitoring the performance of the executive directors lies with the Chairman and the independent non-executive directors.

The Board also considers the need for the periodic refreshing of its membership. One of the Non-Executive directors was appointed in 2018 and the Non-Executive Chairman was appointed in 2021.

8. Promote a corporate culture that is based on ethical values and behaviour

The Board recognises that a corporate culture based on sound ethical values and behaviours is an asset and provides competitive advantages. The Group has a strong ethical culture, which is promoted by the actions of the Board and Directors. An open culture is encouraged within the Group, with regular communications regarding progress and feedback is regularly sought. Through the daily and weekly meetings, the Board and Directors hold each other to account to ensure standards are maintained and ethical values and behaviours are recognised and respected.

The Board will be fostering the framework needed for the delivery of excellence in all business decisions and actions so as to exceed the principles and industrywide standards of practice.

Board performance reviews and individual director reviews ensure ethical values and behaviours are recognised, respected and maintained.

9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

As an investment company M&FI seeks to keep costs low and preserve shareholder value. As such the Company, given its size, maintains the minimum number of directors and officers required to manage a portfolio of investments, within the requirements of company law and regulation.

The Chairman's primary role is through his leadership to ensure that the Board and individual Directors are able to operate efficiently by setting the agenda, style and tone of Board discussions to promote constructive debate and effective decision making.

As Chief Executive, Jacques Vaillancourt has led the management team which meets daily and is primarily responsible for the implementation of the Board's policies and strategies, effective communication with shareholders, ensuring that all Board members develop an understanding of investors and for managing the activities of the Audit and Remuneration Committees.

The Board has a formal agenda of items for consideration but is responsible for creating value for shareholders by formulating, reviewing and approving and monitoring the implementation of the Company's strategy, budgets, investment and acquisition policies and corporate actions. The Board ensures management meet plans and performance targets and is also responsible for the oversight of the governance of the company, being the systems and procedures in place by which it is directed and controlled.

At this stage in the Company's growth, the Board believes the governance framework is sufficient.

Website disclosures

In accordance with AIM Rule 26, the Company is required to maintain on its website details of the QCA code, how the Company complies with the QCA code and an explanation of any deviations from such code. This information is required to be reviewed annually and it is intended that it will be reviewed at the same time as the Company's Annual Report is prepared.

Further information about the Company's charters, policies and procedures may be found on the Company's website at www.mineralandfinancial.com, under the section titled "Corporate Governance".

This Corporate Governance Statement is dated 21 December 2022 and has been approved by the Board.

CORPORATE GOVERNANCE REPORT

for the year ended 30 June 2022

10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Board is committed to maintaining good communication and having constructive dialogue with all of its stakeholders, providing them with access to clear and transparent information to enable them to come to informed decisions about the Company.

The Company's Investment Centre section on the website provides all required regulatory information as well as shareholder communications and additional information shareholders may find helpful including: Share Services, information on Board Members, Advisors and Significant Shareholdings, a historical list of the Company's Announcements, its Financial Calendar, Corporate Governance information, the Company's publications including historic Annual Reports and Notices of Annual General Meetings, together with Share Price information and interactive Charting facilities to assist shareholders analyse performance. The website is regularly updated and users can register to be alerted when announcements or details of presentations and events are posted onto the website.

The Board holds regular meetings and regards the annual general meeting as a good opportunity to communicate directly with shareholders via an open question and answer session. The Company encourages two-way communication with both its institutional and private investors and endeavours to respond quickly to all queries received. The Company lists contact details on its website and on all announcements released via RNS, should shareholders wish to communicate with the Board.

Results of shareholder meetings and details of votes cast will be publicly announced through the regulatory system and displayed on the Group's website with suitable explanations of any actions undertaken as a result of any significant votes against resolutions.

Information on the work of the various Board Committees and other relevant information are included in the Group's Annual Report. Reference to the appropriate section in the annual report will be made here upon publication.

Website disclosures

In accordance with AIM Rule 26, the Company is required to maintain on its website details of the QCA code, how the Company complies with the QCA code and an explanation of any deviations from such code. This information is required to be reviewed annually and it is intended that it will be reviewed at the same time as the Company's Annual Report is prepared.

Further information about the Company's charters, policies and procedures may be found on the Company's website at www.mineralandfinancial.com, under the section titled "Corporate Governance".

This Corporate Governance Statement is dated 21 December 2022 and has been approved by the Board.

REPORT ON REMUNERATION

for the year ended 30 June 2022

DIRECTORS' REMUNERATION

The Board recognises that Directors' remuneration is of legitimate concern to the shareholders, and it is committed to following current best practice. The Company operates within a competitive environment and its performance depends on the effective contributions of the Directors and employees who are compensated accordingly.

DIRECTORS' REMUNERATION

The remuneration of the Directors was as follows:

	Year ended 30 June 2022			Year ended 30 June 2021		
	Salary and fees £'000	Pension £'000	Total £'000	Salary and fees £'000	Pension £'000	Total £'000
Mark T Brown	25	–	25	10	–	10
Jacques Vaillancourt	60	–	60	34	–	34
James Lesser	10	–	10	13	–	13
Sean Keenan	10	–	10	10	–	10
	105	–	105	67	–	67

PENSIONS

No pension contributions were paid in respect of the directors for the year ended 30 June 2022, or for the year ended 30 June 2021.

BENEFITS IN KIND

The Directors did not receive any benefits in kind, either in the year ended 30 June 2022, or for the year ended 30 June 2021.

BONUSES

There were no bonuses payable either for the year ended 30 June 2022, or for the year ended 30 June 2021.

DIRECTORS' INTERESTS IN THE COMPANY'S SHARES

The interests of the Directors, their immediate families, and persons connected with them in the issued share capital of the Company (all of which are beneficial) are set out below.

	Ordinary shares of 1p each number	Percentage of capital
Jacques Vaillancourt*	6,894,000	19.4%
Sean Keenan	100,000	0.3%
James Lesser	223,880	0.6%

*Jacques Vaillancourt's shareholding is held by Mount Everest Finance SA, a company in which he has a 100% beneficial holding.

REPORT ON REMUNERATION

for the year ended 30 June 2022

RESTRICTED SHARE UNITS

On 10 June 2022, Directors were granted Restricted Share Units "RSUs" as follows. Further details of the RSUs are disclosed in note 14.

	Number of RSUs	Reference market price
Mark T Brown	275,000	11.75p
Jacques Vaillancourt	400,000	11.75p
Sean Keenan	275,000	11.75p
James Lesser	200,000	11.75p

Further details of the RSUs granted are disclosed in note 14.

SHARE OPTION INCENTIVES

Directors held options as follows.

	At beginning of period	Granted in period	Exercised in period	Lapsed in period	At end of period	Average Exercise price
Jacques Vaillancourt	230,000	1,000,000	230,000	–	1,000,000	13.50p
Sean Keenan	100,000	–	100,000	–	–	–
James Lesser	–	500,000	–	–	500,000	13.50p

Further details of options granted are disclosed in note 14.

For and on behalf of the Board

Sean Keenan
Director

21 December 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MINERAL & FINANCIAL INVESTMENTS LIMITED

for the year ended 30 June 2022

OPINION

We have audited the financial statements of Mineral & Financial Investments Ltd (the 'Group') for the year ended 30 June 2022 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement and related notes including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's affairs as at 30 June 2022 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the financial statements have been prepared in accordance with the requirements of relevant legislation.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement. The components of the Group were evaluated by the Group audit team based on a measure of materiality, considering each component as a percentage of the Group's gross assets, which allowed the Group audit team to assess the significance of each component and determine the planned audit response.

For those components that were evaluated as significant components, either a full scope or specified audit approach was determined based on their relative materiality to the Group and our assessment of the audit risk. For significant components requiring a full scope approach, we evaluated controls by performing walkthroughs over the financial reporting systems identified as part of our risk assessment, reviewed the accounts production process and addressed critical accounting matters. We then undertook substantive testing on significant transactions and material account balances.

In order to address the audit risks identified during our planning procedures, we performed a full scope audit of the Parent Company and subsidiary companies. All work was carried out by the Group audit team.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MINERAL & FINANCIAL INVESTMENTS LIMITED

for the year ended 30 June 2022

OUR ASSESSMENT OF RISKS OF MATERIAL MISSTATEMENT

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

Risk	How the scope of our audit responded to the risk
Management override of controls Journals can be posted that significantly alter the Financial Statements	We examined journals posted around the year end, specifically focusing on areas which are more easily manipulated such as accruals, prepayments, bank reconciliations and tax.
Going Concern There is a risk that the company may hold insufficient working capital to allow it to meet its financial obligations as they fall due thus giving rise to a going concern risk.	Existing cash reserves have been evidenced and future cashflow forecasts have been reviewed to ensure sufficient cash headroom exists for a period of at least one year from the date of approving these financial statements.
Fraud in Revenue Recognition There is a risk that revenue is materially understated due to fraud.	Income was tested on a sample basis for completeness, and we concluded that no evidence of fraud or other understatement was identified.
Accounting Estimates Potential risk of inappropriate accounting estimates giving rise to misstatement in the accounts.	We have considered the basis of the accounting estimates applied when preparing the financial statements and considered the responses to audit questions with professional scepticism.
Risk of material misstatement within related party transactions There is the risk that related party transactions are potentially incomplete or materially misstated.	Correspondence and accounting records were reviewed for evidence of material related party transactions and it is considered that all relevant items have been disclosed.
Disclosures There is a risk of incorrect or incomplete disclosures in the financial statements.	The financial statements have been reviewed and checks have been undertaken to ensure all material disclosure requirements have been met.

Our audit procedures relating to these matters were designed in the context of our audit of the Financial Statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the Financial Statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

OUR APPLICATION OF MATERIALITY

We define materiality as the magnitude of misstatement in the Financial Statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning and in the scope of our audit work and in evaluating the results of our work.

We determine materiality for the Group to be £137,620 and this financial benchmark, which has been used throughout the audit, was determined by way of a standard formula being applied to key financial results and balances presented in the Financial Statements. Where considered relevant the materiality is adjusted to suit the specific area risk profile of the Group.

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MINERAL & FINANCIAL INVESTMENTS LIMITED

for the year ended 30 June 2022

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

OPINION ON OTHER MATTERS

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which relevant legislation requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Statement of Directors' Responsibilities set out in the Directors' Report the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

OUR RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors 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 (UK) 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

EXPLANATION AS TO WHAT EXTEND THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MINERAL & FINANCIAL INVESTMENTS LIMITED

for the year ended 30 June 2022

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the Company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the Group and considered that the most significant are the international accounting standards as adopted by the EU, the rules of the Alternative Investment Market, and relevant legislation;
- We obtained an understanding of how the Group complies with these requirements by discussions with management and those charged with governance;
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance;
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations; and
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.
- Agreeing the financial statement disclosures to underlying supporting documentation;
- Assessing the susceptibility of the Group and Parent Company financial statements to material misstatement, including how fraud might occur by making enquiries of the Directors during the planning and execution phases of our audit. We considered the area in which fraud might occur was in the management override of controls. In response our procedures included, but were not limited to;
  - Addressing the risk of fraud through management override of controls by testing the appropriateness of a sample of journal entries where we considered there to be a higher risk of potential fraud and other adjustments, assessing whether the judgements made in making accounting estimates specifically those in the key audit matters section of the report are indicative of a potential bias, and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;
  - Testing the consolidation entries for consistency and appropriateness of application

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

USE OF OUR REPORT

This report is made solely to the Company's members, as a body, in accordance with relevant legislation. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in a Report of the Auditor and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joseph Kinton (Senior Statutory Auditor)
For and on behalf of Shipleys LLP
Chartered Accountants and Statutory Auditors
10 Orange Street
Haymarket
London
WC2H 7DQ

Date 21 December 2022

CONSOLIDATED INCOME STATEMENT AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2022

	Notes	Year ended 30 June 2022 £'000	Year ended 30 June 2021 £'000
Investment income		128	96
Fee revenue		–	3
Net gains on disposal of investments		861	1,244
Net change in fair value of investments		308	19
		1,297	1,362
Operating expenses	3	(439)	(341)
Share based payment expense		(92)	
Other gains and losses	5	133	(24)
Profit before taxation		899	997
Taxation expense	6	–	(33)
Profit for the year from continuing operations and total comprehensive income, attributable to owners of the Company		899	964
Profit per share attributable to owners of the Company during the year from continuing and total operations:	7	Pence	Pence
Basic (pence per share)		2.5	2.7
Fully diluted (pence per share)		2.5	2.7

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2022

	Notes	2022 £'000	2021 £'000
CURRENT ASSETS			
Financial assets held at fair value through profit or loss	8	7,183	5,822
Trade and other receivables	10	17	27
Cash and cash equivalents		481	855
		7,682	6,704
CURRENT LIABILITIES			
Trade and other payables	11	125	163
Convertible unsecured loan notes	12	10	10
		135	173
NET CURRENT ASSETS		7,547	6,531
NON-CURRENT LIABILITIES			
Deferred tax provision	13	(93)	(93)
NET ASSETS		7,454	6,438
EQUITY			
Share capital	15	3,099	3,096
Share premium	15	5,914	5,892
Loan note equity reserve	16	6	6
Reserve for employee share schemes	17	92	23
Capital reserve		15,736	15,736
Retained earnings		(17,393)	(18,315)
Equity attributable to owners of the Company and total equity		7,454	6,438

The financial statements were approved by the Board and authorised for issue on 21 December 2022

Mark T. Brown
Chairman

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2022

	Share capital £'000	Share premium £'000	Reserve for employee share schemes £'000	Loan note reserve £'000	Capital reserve £'000	Accumulated losses £'000	Total equity £'000
At 1 July 2020	3,096	5,892	23	6	15,736	(19,279)	5,474
Total comprehensive income for the year	–	–	–	–	–	964	964
At 30 June 2021	3,096	5,892	23	6	15,736	(18,315)	6,438
Total comprehensive income for the year	–	–	–	–	–	899	899
Share based payment expense	–	–	92	–	–	–	92
Exercise of options	3	22	(23)	–	–	23	25
At 30 June 2022	3,099	5,914	92	6	15,736	(17,393)	7,454

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2022

	Notes	Year ended 30 June 2022 £'000	Year ended 30 June 2021 £'000
OPERATING ACTIVITIES			
Profit before taxation		899	997
Adjustments for:			
Profit on disposal of trading investments		(861)	(1,244)
Fair value gain on trading investments		(308)	(19)
Investment income		(128)	(96)
Share based payment expense		92	–
Operating cash flow before working capital changes		(306)	(362)
Decrease in trade and other receivables		9	54
(Decrease)/increase in trade and other payables		(52)	36
Net cash outflow from operating activities		(348)	(272)
INVESTING ACTIVITIES			
Purchase of financial assets		(2,177)	(2,269)
Disposal of financial assets		2,098	3,116
Investment income		29	5
Net cash (outflow)/inflow from investing activities		(50)	852
FINANCING ACTIVITIES			
Proceeds of share issues		25	–
Net cash inflow from financing activities		25	–
Net (decrease)/increase in cash and cash equivalents		(374)	580
Cash and cash equivalents as at 1 July		855	275
Cash and cash equivalents as at 30 June		481	855

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

1 GENERAL INFORMATION

The Company was incorporated as a Corporation in the Cayman Islands which does not prescribe the adoption of any particular accounting framework. The Board has therefore adopted International Financial Reporting Standards as adopted by the European Union (IFRSs). The Company's shares are listed on the AIM market of the London Stock Exchange. The Company is exempt from the requirement to prepare, and file audited financial statements under Cayman Islands law so the Group consolidated financial statements have been prepared without the inclusion of parent company information.

The Company is an investment company, mainly investing in natural resources, minerals, metals, and oil and gas projects. The registered office of the Company is as detailed in the Company Information on page 2.

These financial statements are prepared in pounds sterling which is the Company's functional and presentational currency and rounded to the nearest £'000.

2 PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention, and in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union, and International Financial Reporting Interpretations Committee ("IFRIC") interpretations. All accounting standards and interpretations issued by the International Accounting Standards Board and IFRIC effective for the periods covered by these financial statements have been applied.

The principal accounting policies of the Company are set out below and have been consistently applied to all periods.

BASIS OF CONSOLIDATION

The Group financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The subsidiaries have a reporting date of 30 June.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the non-controlling interests in excess of the minority's interest in the subsidiary's equity are recorded as a debit to non-controlling interest regardless of whether there is an obligation in the part of the holders of non-controlling interests for losses.

GOING CONCERN

The Directors have prepared cash flow forecasts through to 31 December 2023 which assumes no significant investment activity is undertaken unless sufficient funding is in place to undertake the investment activity. The expenses of the Group's continuing operations are minimal, and the cash flow forecasts demonstrate that the Group is able to meet its obligations as they fall due. The directors have also considered the impact of Covid-19 and have concluded that there are no material factors which are likely to affect the ability of the Group to continue as a going concern, as a result of the cash reserves in place and given the Group's ongoing costs. On this basis, the Directors have a reasonable expectation that the Group has adequate resources to continue operating for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

2 PRINCIPAL ACCOUNTING POLICIES (continued)

KEY ESTIMATES AND ASSUMPTIONS

Estimates and assumptions used in preparing the financial statements are reviewed on an on-going basis and are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of these estimates and assumptions form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources:

SHARE BASED PAYMENTS

The calculation of the fair value of equity-settled share-based awards and the resulting charge to the statement of comprehensive income requires assumptions to be made regarding future events and market conditions. These assumptions include the future volatility of the Company's share price. These assumptions are then applied to a recognised valuation model in order to calculate the fair value of the awards.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group holds investments that have been designated as held at fair value through profit or loss on initial recognition. The company determines the fair value of quoted financial instruments using quoted prices in active markets for identical assets or liabilities (level 1). Where practicable the Company determines the fair value of the financial instruments that are not quoted (Level 3) using the most recent bid price at which a transaction has been carried out. These techniques are significantly affected by certain key assumptions, such as market liquidity. Other valuation methodologies such as discounted cash flow analysis assess estimates of future cash flows and it is important to recognise that in that regard, the derived fair value estimates cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realised immediately.

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Company and its subsidiaries ("the Group") has adopted all new and amended accounting standards and interpretations as adopted by the European Union (IFRSs) for the reporting periods beginning on or after 1 July 2021.

The Directors have reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2022. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

INVESTMENT INCOME

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income on an ex-dividend basis. Interest on fixed interest debt securities, designated at fair value through profit or loss, is recognised using the effective interest rate method.

TAXATION

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable result for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the income statement.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the consolidated financial statements with their respective tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability, unless the related transaction is a business combination or affects tax or accounting profit. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

2 PRINCIPAL ACCOUNTING POLICIES (continued)

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Most changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

FINANCIAL ASSETS

The Group's financial assets comprise investments held for trading, cash and cash equivalents and loans and receivables, and are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

FINANCIAL ASSET INVESTMENTS

CLASSIFICATION OF FINANCIAL ASSETS

The Group holds financial assets including equities and debt securities.

On the initial recognition, the Group classifies financial assets as measured at amortised cost or fair value through profit or loss ("FVTPL"). A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specific dates to cash flows that are Solely Payments of Principal and Interest (SPPI).

All other financial assets of the Group are measured at FVTPL.

BUSINESS MODEL ASSESSMENT

In making an assessment of the objective of the business model in which a financial asset is held, the Company considers all of the relevant information on how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realised cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how the investment advisor is compensated e.g. whether compensation is based on the fair value of the assets managed or the contractual cashflows collected

IFRS 9 subsection B4.1.1-B4.1.2 stipulates that the objective of the entity's business model is not based on management's intentions with respect to an individual instrument, but rather determined at a higher level of aggregation. The assessment needs to reflect the way that an entity manages its business.

The company has determined that it has two business models.

- Held-to-collect business model: this includes cash and cash equivalents, balances due from brokers and other receivables. These financial assets are held to collect contractual cash flows.
- Other Business model: this includes structured finance products, equity investments, investments in unlisted private equities and derivatives. These financial assets are managed and their performance is evaluated, on a fair value basis with frequent sales taking place in respect to equity holdings.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

2 PRINCIPAL ACCOUNTING POLICIES (continued)

If the credit risk on a financial instrument has increased significantly since initial recognition, the loss allowance is equal to the lifetime expected credit losses. If the credit risk has not increased significantly, the loss allowance is equal to twelve month expected credit losses.

VALUATION OF FINANCIAL ASSET INVESTMENTS

Investment transactions are accounted for on a trade date basis. Assets are de-recognized at the trade date of the disposal. Assets are sold at their fair value, which comprises the proceeds of sale less any transaction cost. The valuations in respect of unquoted investments (Level 3 financial assets) are explained in note 8. Changes in the fair value of investments held at fair value through profit or loss and gains and losses on disposal are recognized in the consolidated statement of comprehensive income as “Net gains/(losses) on investments”. Investments are initially measured at fair value plus incidental acquisition costs. Subsequently, they are measured at fair value. This is either the bid price or the last traded price, depending on the convention of the exchange on which the investment is quoted.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of changes in value.

TRADE AND OTHER RECEIVABLES

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade and other receivables have been grouped based on days overdue.

Generally, there are no trade receivables.

Other receivables are recognized at amortized cost, less any allowance for expected credit losses.

EQUITY

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received net of direct issue costs.

The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

The share option reserve represents the cumulative cost of share-based payments.

The loan note reserve represents the value of the equity component of the nominal value of the loan notes issued.

The capital reserve represents amounts arising in connection with reverse acquisitions.

Retained earnings include all current and prior period results as disclosed in the statement of comprehensive income.

FINANCIAL LIABILITIES

Financial liabilities are recognised in the Group’s balance sheet when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised as an expense in finance cost in the income statement using the effective interest rate method.

The Group's financial liabilities comprise convertible loan notes, and trade and other payables.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

2 PRINCIPAL ACCOUNTING POLICIES (continued)

The fair value of the liability portion of the convertible loan notes is determined using a market interest rate for an equivalent non-convertible loan note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the loan notes. The remainder of the proceeds is allocated to the conversion option, which is recognised and included in shareholders' equity, net of tax effects.

Trade payables are recognised initially at their fair value and subsequently measured at amortised cost less settlement payments.

SHARE BASED PAYMENTS

The Group operates equity settled share-based remuneration plans for the remuneration of its employees.

All services received in exchange for the grant of any share-based remuneration are measured at their fair values. These are indirectly determined by reference to the fair value of the share options awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

Share based payments are ultimately recognised as an expense in the income statement with a corresponding credit to retained earnings in equity, net of deferred tax where applicable. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates. No adjustment is made to the expense or share issue cost recognized in prior periods if fewer share options ultimately are exercised than originally estimated.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as share premium.

Where share options are cancelled, this is treated as an acceleration of the vesting period of the options. The amount that otherwise would have been recognised for services received over the remainder of the vesting period is recognised immediately within profit or loss.

FOREIGN CURRENCIES

The Directors consider Sterling to be the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Sterling, which is the Company's functional and presentation currency.

Foreign currency transactions are translated into Sterling using the exchange rates prevailing at the date of the transactions. Foreign currency exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the income statement. Non-monetary items that are measured at historical costs in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated into the functional currency using the exchange rates at the date when the fair value was determined.

SEGMENTAL REPORTING

A segment is a distinguishable component of the Group's activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about the allocation of resources and assessment of performance and about which discrete financial information is available.

As the chief operating decision maker reviews financial information for and makes decisions about the Group's investment activities as a whole, the directors have identified a single operating segment, that of holding and trading in investments in natural resources, minerals, metals, and oil and gas projects. The directors consider that it would not be appropriate to disclose any geographical analysis of the Group's investments.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

3 OPERATING PROFIT

	2022 £'000	2021 £'000
Profit from operations is arrived at after charging:		
Directors fees	104	67
Other salary costs	20	19
Share based payment expense	92	–
Registrars fees	31	31
Corporate adviser and broking fees	39	42
Other professional fees	180	124
Foreign exchange differences	(133)	24
Other administrative expenses	45	39
Fees payable to the Group's auditor:		
For the audit of the Group's consolidated financial statements	20	19
	398	365

4 EMPLOYEE REMUNERATION

The expense recognised for employee benefits is analysed below; the Group has no employees other than the directors of the parent company and its subsidiary; average number of employees, including executive directors, 2 (2021, 2):

	2022 £'000	2021 £'000
Wages and salaries	124	86
Share based payment expense	92	–
	216	86

Details of Directors' employee benefits expense are included in the Report on Remuneration.

Remuneration for key management of the Company, including amounts paid to Directors of the Company, is as follows:

	2022 £'000	2021 £'000
Short-term employee benefits	104	67
Share based payment expense	77	–
	181	67

5 OTHER GAINS AND LOSSES

	2022 £'000	2021 £'000
Foreign currency exchange differences	133	(24)
	133	(24)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

6 INCOME TAX EXPENSE

	2022 £'000	2021 £'000
Deferred tax charge relating to unrealized gains on investments	–	33
Other tax payable	–	–
	–	33

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average rate applicable to the results of the Consolidated entities as follows:

	2022 £'000	2021 £'000
Profit before tax from continuing operations	899	1,004
Profit before tax multiplied by rate of federal and cantonal tax in Switzerland of 14.6% (2021: 14.6%)	131	146
Less abatement in respect of long-term investment holdings	(118)	(131)
Unrelieved tax losses	–	18
Overprovided in previous period	(13)	
Total tax	–	33

7 EARNINGS PER SHARE

The basic and diluted earnings per share are calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2022 £'000	2021 £'000
Profit attributable to owners of the Company – Continuing and total operations	899	964

	2022	2021
Weighted average number of shares for calculating basic earnings per share	35,271,011	35,135,395
Weighted average number of shares for calculating fully diluted earnings per share	35,271,011	35,204,897
Earnings per share from continuing and total operations		
– Basic (pence per share)	2.5	2.7
– Fully diluted (pence per share)	2.5	2.7

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

8 INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022 £'000	2021 £'000
1 July – Investments at fair value	5,822	5,315
Cost of investment purchases	2,177	2,269
Proceeds of investment disposals	(2,098)	(3,116)
Profit on disposal of investments	861	1,244
Fair value adjustment	308	19
Accrued interest on loan notes	113	91
30 June – Investments at fair value	7,183	5,822
Categorised as:		
Level 1 - Quoted investments	2,237	1,712
Level 3 - Unquoted investments	4,946	4,110
	7,183	5,822

The Group has adopted fair value measurements using the IFRS 13 fair value hierarchy

Categorisation within the hierarchy has been determined on the basis of the lowest level of input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 – valued using quoted prices in active markets for identical assets.

Level 2 – valued by reference to valuation techniques using observable inputs other than quoted prices included in Level 1.

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market criteria.

LEVEL 3 investments

Reconciliation of Level 3 fair value measurement of investments

	2022 £'000	2021 £'000
Brought forward	4,110	4,314
Reclassified to Level 1	–	(404)
Purchases	152	207
Fair value adjustment	684	(7)
Carried forward	4,946	4,110

Level 3 valuation techniques used by the Group are explained on page 32 (Fair value of financial instruments)

The Group's largest Level 3 investment is Redcorp Empreendimentos Mineiros LDA ("Redcorp").

REDCORP EMPREENDIMENTOS MINEIROS LDA

Redcorp is a Portuguese company whose main asset is the Lagoa Salgada Project, which has resources of zinc, lead and copper.

In June 2018, TH Crestgate entered into an agreement with Ascendant Resources Inc ("Ascendant") under which Ascendant initially acquired 25% of the equity in Redcorp for a consideration of US$2.45 million, composed of US$1.65 million in Ascendant shares and US$800,000 in cash.

The second part of the Agreement is an Earn-in Option under which Ascendant has the right to earn a further effective 25% interest via staged payments and funding obligations as outlined below:

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

8 INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Ascendant is required to spend a minimum of US$9.0 million directly on the Lagoa Salgada Project within 48 months of the closing date, to fund exploration drilling, metallurgical test work, economic studies and other customary activities for exploration and development, and to make stage payments totalling US$3.5 million to TH Crestgate according to the following schedule or earlier:

22 Dec 2018	US$250,000 *(Received)*
22 Jun 2019	US$250,000 *(Received)*
22 Dec 2019	US$500,000 *(Received)*
22 Jun 2020	US$500,000 *(Received)*
22 Jun 2021	US$1,000,000 *(Received)*
22 Jun 2022	US$1,000,000 *(Received)*

Under the last part of the agreement Ascendant can acquire an additional 30% taking its total interest to 80% by the payment of US$2,500,000 on or before 22 Dec 2022.

To date the payments due by Ascendant under the agreement have been paid on time and the Group's investment in Redcorp has been valued on a discounted cash flow basis of the remaining payments due under the agreement plus an additional amount for the discounted value of the Group's residual investment in the project. As at 30 June 2022, Mineral and Financial Investments AG owns 50% of Redcorp (2021: 75%). Ascendant increased its ownership of Redcorp from 25% to 50% as a result of making the payments on time under the agreement.

Redcorp currently owns 85% of the Lagoa Salgada project and signed an agreement in June 2017 with Empresa Desenvolvimento Mineiro SA (EDM), a Portuguese State-owned company to re-purchase the remaining 15% of the project resulting in a 100% ownership of the project. The 2017 agreement was subject to the Portuguese Secretary of State's approval which has not yet been received. Redcorp and Mineral & Financial continue to explore ways and means to complete the purchase. M&FI has granted Ascendant conditional options that would enable Ascendant to have a net 80% interest in the Project if the company is unsuccessful in re-acquiring EDM's interest within a still to be determined period after the completion of the Feasibility Study.

9 SUBSIDIARY COMPANIES

The Group's subsidiary companies are as follows:

Name	Principal activity	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the Group
Mineral & Financial Investments AG (Formerly TH Crestgate GmbH)	Investment company	Steinengraben 18 4051 Basel, Switzerland	100%
M&FI Services Ltd	Service company	5 Bath Road, London, United Kingdom, W4 1LL	100%

All intergroup transactions and balances are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

10 TRADE AND OTHER RECEIVABLES

	2022 £'000	2021 £'000
Other receivables	11	9
Prepayments	6	18
Total	17	27

The fair value of trade and other receivables is considered by the Directors not to be materially different to the carrying amounts.

At the balance sheet date in 2022 and 2021 there were no trade and other receivables past due.

11 TRADE AND OTHER PAYABLES

	2022 £'000	2021 £'000
Trade payables	50	36
Other payables	21	82
Accrued charges	54	45
Total	125	163

The fair value of trade and other payables is considered by the Directors not to be materially different to carrying amounts.

12 CONVERTIBLE UNSECURED LOAN NOTES

The outstanding convertible loan notes are zero coupon, unsecured and unless previously purchased or converted they are redeemable at their principal amount at any time on or after 31 December 2014.

The net proceeds from the issue of the loan notes have been split between the liability element and an equity component, representing the fair value of the embedded option to convert the liability into equity of the Company as follows:

	2022 £'000	2021 £'000
Liability component at beginning and end of period	10	10

The Directors estimate the fair value of the liability component of the loan notes at 30 June 2022 to be approximately £10,000 (2021: £10,000)

13 DEFERRED TAX PROVISION

	2022 £'000	2021 £'000
As at 1 July	93	60
Provision relating to unrealised gains on investments	–	33
As at 30 June	93	93

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

14 EMPLOYEE SHARE SCHEMES

SHARE OPTIONS

On 10 June 2022 the Company granted 2,350,000 options to directors, advisers and consultants, exercisable at 13.5p per share, representing a 15% premium to the closing mid-market price on 9 June 2022. The options vest in three tranches, one third on the date of grant, one third on the anniversary of the date of grant, and one third on the second anniversary of the date of grant. The options can be exercised at any time from the date of vesting for a period of 5 years whilst the recipient is employed or engaged by the Company.

The fair value of the options granted during the year was determined using the Black-Scholes pricing model. The significant inputs to the model in respect of the options were as follows:

Date of grant	10 June 2022
Share price at date of grant	11.75p
Exercise price per share	13.50p
No. of options	2,350,000
Risk free rate	1.0%
Expected volatility	50%
Life of option	5 years
Calculated fair value per share	4.6797p

The share-based payment charge for the year was £41,000 (2021: £Nil).

The share options movements and their weighted average exercise price are as follows:

	2022		2021	
	Number	Weighted average exercise price (pence)	Number	Weighted average exercise price (pence)
Outstanding at 1 July	330,000	7.50	330,000	7.50
Granted	2,350,000	13.50	–	–
Exercised	(330,000)	7.50	–	–
Lapsed	–	–	–	–
Outstanding at 30 June	2,350,000	13.50	330,000	7.50

RESTRICTED SHARE UNITS ("RSUs")

On 10 June 2022 the Company granted 1,150,000 RSUs to directors. The RSUs vest in three tranches, one third on the date of grant, one third on the anniversary of the date of grant, and one third on the second anniversary of the date of grant. They can be exercised at any time from the date of vesting for a period of 5 years whilst the recipient is employed or engaged by the Company, with a reference price of 11.75p being the closing mid-market price on 9 June 2022.

The fair value of the RSUs granted during the year was determined to be the reference price of 11.75p per share, and the share-based payment charge for the year in respect of the RSUs was £51,000 (2021: £Nil).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

14 EMPLOYEE SHARE SCHEMES (continued)

The RSU movements and their weighted average reference price are as follows:

	2022 Number	2022 Weighted average Reference price (pence)	2021 Number	2021 Weighted average Reference price (pence)
Outstanding at 1 July	–	–	–	–
Granted	1,150,000	11.75	–	–
Exercised	–	–	–	–
Lapsed	–	–	–	–
Outstanding at 30 June	1,150,000	11.75	–	–

15 SHARE CAPITAL

	Number of shares	Nominal Value £'000	Share premium £'000
AUTHORISED			
At 30 June 2021 and 30 June 2022			
Ordinary shares of 1p each	160,000,000	1,600	
Deferred shares of 24p each	35,000,000	8,400	
		10,000	
ISSUED AND FULLY PAID			
At 30 June 2021			
Ordinary shares of 1p each	35,135,395	351	
Deferred shares of 24p each	11,435,062	2,745	
		3,096	5,892
Ordinary shares issued in year to 30 June 2022	330,000	3	22
At 30 June 2022			
Ordinary shares of 1p each	35,465,395	354	
Deferred shares of 24p each	11,435,062	2,745	
		3,099	5,914

The ordinary shares carry no rights to fixed income but entitle the holders to participate in dividends and vote at Annual and General meetings of the Company.

The restricted rights of the deferred shares are such that they have no economic value.

16 LOAN NOTE EQUITY RESERVE

	2022 £'000	2021 £'000
Equity component of convertible loan notes at 1 July	6	6
Equity component of convertible loan notes at 30 June	6	6

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

17 RESERVE FOR EMPLOYEE SHARE SCHEMES

	2022 £'000	2021 £'000
Brought forward at 1 July	23	23
Transfer to retained earnings on exercise of options	(23)	–
Share based payment charge	92	–
Carried forward at 30 June	92	23

18 RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks which result from both its operating and investing activities. The Company's risk management is coordinated by the board of directors and focuses on actively securing the Company's short to medium term cash flows by minimising the exposure to financial markets.

MARKET PRICE RISK

The Company's exposure to market price risk mainly arises from potential movements in the fair value of its investments. The Company manages this price risk within its long-term investment strategy to manage a diversified exposure to the market. If each of the Company's equity investments were to experience a rise or fall of 10% in their fair value, this would result in the Company's net asset value and statement of comprehensive income increasing or decreasing by £718,000 (2021: £583,000).

FOREIGN CURRENCY RISK

The Group holds investments and cash balances denominated in foreign currencies and investments quoted on overseas exchanges; consequently, exposures to exchange rate fluctuations arise. The Group does not hedge its foreign currency exposure and its liabilities in foreign currencies are limited to the trade payables of Mineral & Financial Investments AG which are not material.

The carrying amounts of the Group's foreign currency denominated monetary assets at the reporting date are as follows:

	2022 £'000	2021 £'000
US Dollar	5,913	4,512
Canadian Dollar	1,402	1,537
Swiss franc	28	48
Australian Dollar	208	122

FOREIGN CURRENCY SENSITIVITY ANALYSIS

The Group is mainly exposed to the US Dollar and the Canadian Dollar in respect of investments which are either denominated in or valued in terms of those currencies. The following table details the Group's sensitivity to a 5 per cent increase and decrease in pounds sterling against the US Dollar, Canadian Dollar and Swiss franc. The Group's exposure to the Australian Dollar and the Euro are not considered material.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

18 RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

		2022 £'000	2021 £'000
US Dollar	5% increase in exchange rate against GBP	296	226
	5% decrease in exchange rate against GBP	(296)	(226)
Canadian Dollar	5% increase in exchange rate against GBP	70	77
	5% decrease in exchange rate against GBP	(70)	(77)
Swiss franc	5% increase in exchange rate against GBP	1	2
	5% decrease in exchange rate against GBP	(1)	(2)
Australian Dollar	5% increase in exchange rate against GBP	10	6
	5% decrease in exchange rate against GBP	(10)	(6)

CREDIT RISK

The Company's financial instruments, which are exposed to credit risk, are considered to be mainly cash and cash equivalents and the Company's receivables are not material. The credit risk for cash and cash equivalents is not considered material since the counterparties are reputable banks.

The Company's exposure to credit risk is limited to the carrying amount of the financial assets recognised at the balance sheet date, as summarised below:

	2022 £'000	2021 £'000
Cash and cash equivalents	481	855
Other receivables	11	9
	492	864

No impairment provision was required against other receivables which are not past due.

LIQUIDITY RISK

Liquidity risk is managed by means of ensuring sufficient cash and cash equivalents are held to meet the Company's payment obligations arising from administrative expenses.

CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are:

- to safeguard the Company's ability to continue as a going concern, so that it continues to provide returns and benefits for shareholders;
- to support the Company's growth; and
- to provide capital for the purpose of strengthening the Company's risk management capability.

The Company actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and equity holder returns, taking into consideration the future capital requirements of the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. Management regards total equity as capital and reserves, for capital management purposes.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

19 FINANCIAL INSTRUMENTS

FINANCIAL ASSETS BY CATEGORY

The IFRS 9 categories of financial assets included in the balance sheet and the headings in which they are included are as follows:

	2022 £'000	2021 £'000
Financial assets:		
Cash and cash equivalents	481	855
Loans and receivables	11	9
Investments held at fair value through profit and loss	7,183	5,822
	7,675	6,686

FINANCIAL LIABILITIES BY CATEGORY

The IFRS 9 categories of financial liability included in the balance sheet and the headings in which they are included are as follows:

	2022 £'000	2021 £'000
Financial liabilities at amortised cost:		
Convertible unsecured loan notes	10	10
Trade and other payables	71	118
	81	128

20 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There were no contingent liabilities or capital commitments at 30 June 2022 or 30 June 2021.

21 POST YEAR END EVENTS

There have been no material post year end events.

22 RELATED PARTY TRANSACTIONS

Key management personnel, as defined by IAS 24 'Related Party Disclosures' have been identified as the Board of Directors, as the controls operated by the Group ensure that all key decisions are reserved for the Board of Directors. Details of the directors' remuneration and the options granted to directors are disclosed in the remuneration report.

23 ULTIMATE CONTROLLING PARTY

The Directors do not consider there to be a single ultimate controlling party.

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