

Mineral & Financial Investments Limited

Interim Results (unaudited) for the Six Months Ended 31 December 2022

HIGHLIGHTS:

- Net Asset Value per share (“NAVPS”) on 31 Dec. 2022 was 22.03p, up 18.3% from 18.62p year/year.
- H1-2023 NAV was £8,214,458, up 24.8% from £6,580,017 year over year
- Net earnings¹ for H1-2023 were £702,824 (EPS-FD 1.84p) vs. H1- 2022 Net earnings £141,740 (EPS-FD: 0.37 p/s FD)
- The 6-year Compound Annual Growth rate for NAV was +32.9% and for NAVPS +23.4%
- Cash position increased by 883.5% yr/yr to £2,284,667 as of December 31, 2022 while invested capital was £6,214,891 (down by 5.32% yr/yr).
- M&F remains debt free, with a very strong cash position and a NAV growth performance outperforming a number of relevant benchmarks.

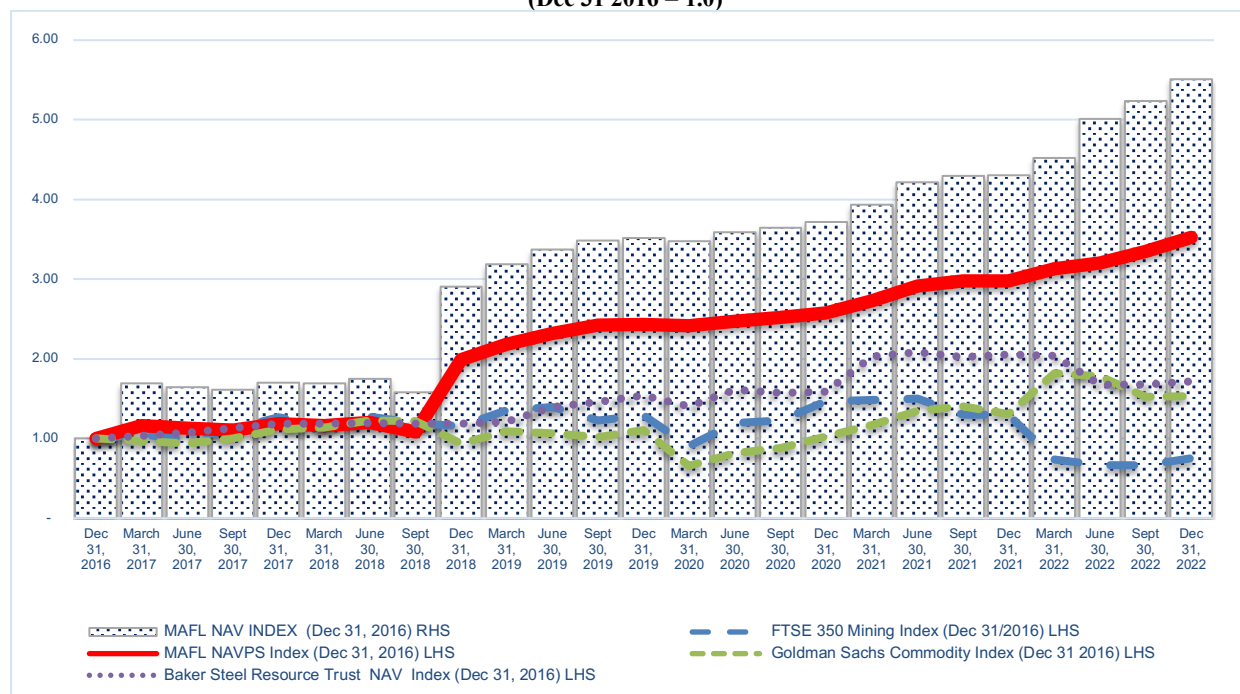
CAMANA BAY, GRAND CAYMAN ISLANDS, 30 March 2023 – Mineral and Financial Investments Limited (LSE-AIM: MAFL) (“M&F” or the “Company”) is very pleased to announce its unaudited interim results for the six months ended 31 December 2022.

The Company generated a H1-2023 after-tax profit of £702,208 and a fully diluted earnings per share Fully Diluted (“EPS-FD”) of 1.84p per share, this compares with H1-2022 net earnings of £141,740 or 0.37p per share. The NAVPS as at the end of the December 31, 2022, quarter was 22.03p an increase 18.3% from last year’s NAVPS for the same period of 18.62p. Working capital as of 31 December 2022 was £8,354,458². The Net Asset Value (basic) has grown at an average of rate of 32.9% per year on a compounded basis since 31st December 2016 (6 years).

M&F NAVPS vs. Comparable Benchmarks

Indexed Performance (Fig. 1)

(Dec 31 2016 = 1.0)



CHIEF EXECUTIVE’S STATEMENT:

The Company had a very strong cash position of £2,284,667. M&F received a US\$2.5M cash payment from Ascendant Resources in the final quarter of 2022, as part of their earn-in agreement on the Lagoa Salgada’s copper project in Portugal. During the period, we also monetized some of our smaller investments. Our NAV growth Year on Year was 24.8% despite the continued strength in the USD. The US dollar, as measured by the DXY was up 6.7% year over year. Virtually all the reference prices for commodities are in USD and it caused a headwind to

¹ Unaudited

² Current Assets of £8,514,147 less Current Liabilities of £159,689 = Working Capital of £8,354,458

Mineral and Financial Investments Limited

commodity price appreciation in US dollars. Moreover, the period was defined by the military action by Russia upon Ukraine.

Since our June 30, 2022 financial year end, we have observed that the interest rate hikes experienced in virtually every western economy slowed from a rapid rise to a moderate pace of increase. US 10yr Government Bond yields rose +124.1% (3.63% vs. 1.62%) during the 12-month period from 31 December 2021 to 31 December 2022 period³. However, the rise of US 10Yr Government Bond yields from 30 June 2022 to 31 December 2022 moderated to +20.2% (3.63% vs. 3.02%)³. The generally understood purpose of these rate rises has been to subdue inflationary pressures caused, amongst other things, by the logistical bottlenecks resulting from COVID lockdowns and further pushed by the invasion of Ukraine. We consider these frictional causes of inflation were exacerbated by stimulative monetary policies by most of the world's central banks. There is evidence⁴ of slowing rates of inflation, but we believe the path to containing the inflationary pressure will be longer and more difficult than currently believed. We believe rising rates will have a constricting effect on consumption and ultimately economic performance which we have yet to fully witness.

Our performance in the period was muted somewhat by the rise in the US dollar. Our Net Asset Value as at the end of the Q2-2023 period was £8,214,000. The DXY (US dollar Trade Weighted Currency Index), was up 7.3% on a year over year basis. As most commodities are denominated in US dollars, a rising US dollar, all things being equal, has a depressing effect on dollar denominated commodities. Despite this, the price of gold ended the period (31 Dec. 2022) up 5.5%, at US \$1825/oz³. The best performing of the metal we follow during this period was nickel, up 38.3% to US\$28,824/t³. We believe Nickel has “benefitted” from tightening supply and from being increasingly embraced as a battery technology metal. The surprising performance of the year was from copper, which declined 4.4% as at the end of 2022 to US\$9,338/t³. We consider Copper to be the “original” electrification metal. We believe that copper supply will grow more slowly than demand and that the outlook for copper is better than it has been for some time.

The following is a summary of the Company's NAV Performance for the 6 years to 31 December 31 2022:

M&F – Financial Performance Summary (Fig.2)

	31 Dec 2016 ⁵ FYE	31 Dec 2017 ¹ FYE	31 Dec 2018 H1	31 Dec 2019 H1	31 Dec 2020 H1	31 Dec 2021 H1	31 Dec 2022 H1	H1-2023 / H1-2022 % Ch.	CAGR 2022 / 2016
NET ASSET VALUE (NAV) (,000)	£1,494	£2,603	£4,393	£5,361	£5,681	£6,580	£8,214	24.8%	32.9%
Net Asset Value Per Share (FD)	6.25p	7.43p	12.43p	15.19p	16.11p	18.62p	22.03p	18.2%	23.4%
FTSE 350 Mining Index	14,799	18,719	17,705	19,049	21,699	16,679	11,154	-42.1%	-4.6%
Goldman Sachs Commodity Index	398.20	442.44	374.33	439.58	409.46	561.18	610.07	17.0%	7.4%

For the 12-month period ending 31 December 2022, many of the largest equity markets closed down – notably: Shanghai's CSI 300 Index (closed down 21.3% on the year) and the Hong Kong's Hang Seng Index (closed down 15.1% on the year). The US equity markets were also weak, as measured by the S&P500 (-19.9% down on the year) and closer to home the FTSE 100 (closed 0.7% down of the year) nearly ended the period as a rising market. Despite commodities rising sharply in the period, the Reuters/Jefferies CRB Index rose 22.0% and the S&P Goldman Sachs Commodity Index was up 26.0% while the FTSE 350 Mining Index underperformed the overall market in the UK declining 42.1% on a yr./yr. basis, exacerbated, by the embargo on Russian companies listed on the London Stock Exchange.

Portfolio Allocation by Commodity Grouping (Fig. 3)

	H1-2023	H1-2022	% Change	As a % of Total
Cash	£2,284,667	£232,303	883.49%	26.9%
Precious Metals	£3,482,094	£3,193,920	9.02%	41.0%
Base Metals	£1,760,403	£2,889,722	-39.08%	20.7%
Diamonds	£60,878	-	-	0.7%
Food, Energy, & Tech.	£911,516	£480,527	89.69%	10.7%
Total	£8,499,558	£6,796,472	25.06%	100.0%

M&F's investable funds, as at the end of Q2 period, are broken down as follows: cash is currently at a temporarily high level of 26.9% of our investable capital; precious metals represent 41%, and; base metals represent 20.7% of our investments; while food, energy, tech and miscellaneous investments represent 10.7% of investable funds. We expect the decline of the relative weighting of base metals within the overall portfolio to be short term and explained in part by Ascendant increasing its ownership of Redcorp to 50% as part of their Earn-in Agreement.

³ Bloomberg LLC

⁴ Federal Reserve Board Economic Data (St. Louis Fed) – PPI: Final Demand Finished Consumer Goods (March 15, 2023)

⁵ Audited Fiscal Year end results.

Our belief is that the underperformance of mining and exploration companies, despite stable commodity pricing, is due to inflation exceeding metal price rises resulting in shrinking margins for most mining companies. We do not believe this can be sustained and furthermore, commodities are traditionally viewed as a hedge against inflation. The world needs metals and only a profitable mining industry can satisfy this need. We expect to see improving metal prices over the next 18 to 24 months. Moreover, we see the greater investment values in public markets, rather than private markets. We are currently cash rich and have invested in short term fixed income instruments from an S&P AA- rated global bank. It should be noted that we expect to conclude several investments in the next quarter.

Our current weighting of the Tactical fund is low at 26.2%, but its weighting should be considered in conjunction with our cash holdings. The collective holding of cash and the Tactical portfolio is 53.1%. Investors should expect that the weighting of the Tactical and Strategic portfolio should increase over the next 6 months at the expense of our cash holding.

Portfolio Allocation by Portfolio Category (Fig. 4)

	H1-2022	H1-2021	% Change	As a % of Total
Cash	£2,284,667	£230,303	883.49%	26.9%
Tactical Portfolio	£2,229,129	£2,106,760	5.81%	26.2%
Strategic Portfolio	£3,985,762	£4,457,409	-10.58%	46.9%
Total	£8,499,558	£6,796,472	25.06%	100.0%

Tactical Portfolio:

The purpose of the Tactical Portfolio is to protect our performance by generating “excess returns” to offset our cash holdings and by positioning itself to hedge, if deemed appropriate, against market circumstance that would negatively affect our Strategic Portfolio. Additionally, the Tactical Portfolio allows M&F the flexibility to take advantage of short-term opportunities across asset classes in high quality names, whilst remaining liquid enough to deploy working capital elsewhere when needed. The Tactical portfolio increased by 5.81% compared to Q2-2022, despite selling several investments and reducing the number of holdings.

During the year we reduced the number of tactical holdings from 22 companies to 18 by selling holdings in the following companies: Aclara Resources; Coeur Mining; Equinox Gold; Fiore Gold; Fortuna Silver; Fresnillo Plc; Hecla Mining Company; Hochschild Plc; Kinross Gold; VanEck Vectors Gold Miners; VanEck Junior Gold Miners. We added the following equity investments: Agnico Eagle Mines; Calibre Mining; Camellia Plc; Mountain Province Diamonds; Lucara Diamonds; Newcrest Mining; Sabina Gold & Silver; and, Victoria Gold Corp.

We initiated an Agnico-Eagle (AEM) position after it announced the merger of equals with Kirkland Lake Gold that resulted in Agnico shareholders owning 54% of the combined company, while the Kirkland shareholders owning 46% of the “new” Agnico. When share based acquisitions occur, we believe there can be a temporary decline in the combined companies market value. This can be due to selling by some shareholders which often ensues before any of the corporate combination’s benefits manifest themselves in improved financial performance. Additionally, during this very busy year for AEM, it acquired the outstanding 50% interest in the Canadian Malartic mine (CMM) from Yamana Gold as part of the Yamana takeover by Pan American Silver. AEM acquired CMM for US\$1.0B and 36.89M Agnico shares. In 2022 CMM produced 714,794 ounces of gold at a total cash cost of US\$663/oz of gold and 580,000 oz. of silver making it the 9th largest gold mine in the world⁶. AEM also acquired a 50% interest in the San Nicolas Mine from Teck Resources Limited for US\$580 million. 2022 was a very active year for Agnico. We expect the company and its shares to benefit from improved results in 2023.

Our Fiore Gold position benefitted from a takeover bid by Calibre Mining Corp. during the period. Fiore, a Canadian domiciled company with Nevada gold mining assets, and gold resources totalling 3.0M/oz at a grade of 0.79g/t. It was acquired by Calibre Mining, also a Canadian Mining company, with mining assets in Central America. We also added to our Ascendant position after it announced that it successfully secured US\$15.0M of financing allowing it to advance the Lagoa Salgada project. Newcrest was added to the Tactical Portfolio during the 12-month period after it announced the acquisition of Pretium. After the end of the period Newmont announced an indicative and non-binding offer to acquire Newcrest for 0.38 shares of Newmont for each share of Newcrest.

An investment which has yet to meet our expectations has been our foray into diamond miners. In 2022 economic sanctions were introduced against Russia, the world’s largest producer of diamonds. In 2021 Russia is believed to have produced 39.12M carats⁷. According to DeBeers⁸ the start of Russia’s invasion of Ukraine and the imposition of related formal sanctions, as well as self-sanctioning, of Russian diamonds created uncertainty in the sector. De Beers also believed that healthy consumer demand, particularly in the US, led to polished price growth and robust demand for rough diamonds in the first half of the year. By June 2022, the economic outlook had changed and De Beers observed that consumer demand for diamond jewellery in the US softened for the second half of 2022, although it remained above pre-Covid-19 levels. Amid this economic uncertainty, De Beers also observed that retailers restocked more cautiously, causing midstream polished diamond inventories to build up through the second

⁶ Mining.com and the World Gold Council

⁷ Statista 2023

⁸ DeBeers Preliminary financial results 2022

Mineral and Financial Investments Limited

half of the year, putting downward pressure on polished prices and softening demand for rough diamonds. Furthermore, De Beers noted that in China, the heightened Covid-19 restrictions from the second quarter onwards impacted diamond jewellery retail sales, resulting in negative demand growth for the year. We remain confident that this investment will yield fruit, but will take additional time.

Strategic Portfolio:

The Strategic Portfolio holds investments which are longer term in nature and which we believe had unique investment characteristics at the time we invested. These longer-lived investments require M&F to assess the four keystone foundations to a successful investment in the natural resource sectors: 1. Management; 2. Finance; 3. Location, and 4. Geology. We can assist in the improvement of the first two, however, we cannot affect the location (i.e. jurisdiction and logistics) or the geology of the asset, and therefore must evaluate these investments more cautiously on the latter two keystones. As such, we are constantly reviewing potential investments filtering through the many underfunded projects left struggling, we believe, by 10 years of sector neglect, underfunding and underperformance.

Ascendant continues to make progress on the Lagoa Salgada project and is working diligently to advance towards completing a Feasibility Study (FS). Redcorp Empreendimentos Mineiros Lda. (funded by Ascendant Resources as part of the Earn-In agreement of June 2018) and Ascendant are currently completing a FS expected to be delivered on, or before, 22 June 2023. The FS delivery date was extended from 22 December 2022 to 22 June 2023 in exchange for Ascendant agreeing to some additional terms. These additional terms include granting M&F the right to exercise a put option with Ascendant for 6 months after the delivery of the FS. The put price would be based on the estimated Net Present Value of the Project (NPV) after applying a 10.5% discount rate of the estimated cash flows in the FS.

Golden Sun Resources (GSR) has achieved another very important watershed in the past 6 months by securing financing from a specialist finance house ("Lender") to build a 400tpd mill at its BellaVista mine in Costa Rica. Construction planning began in Q4-2022, equipment has been ordered and is beginning to arrive at site. Construction should start in earnest by June 2023 and should be completed by Q3-2024. To facilitate the execution of the Financing Package M&F agreed to convert its existing secured convertible loan notes (known as the Series B Notes (issued on 30 June 2019), the Series C Notes (issued on 31 January 2020) and the Series D Notes (issued on 26 May 2021) (together the "Secured Convertible Notes") into common shares of Golden Sun Resources. All the Secured Convertible Notes accrued interest at 20% per annum and had a maturity date of 30 April 2024. The agreement reached with GSR, and the Lender meant that the Secured Convertible Notes have been converted into common shares in GSR with immediate effect. However, the accrued value utilised was at a 30% premium to the accrued face value as of 18 December 2022. The share conversion price of US\$1.2677 per GSR share, this premium reflects the loss of the interest accruals up to the maturity date of each note. Accordingly, M&F now holds 922,955 common shares in GSR representing 5.2% of the issued common shares of GSR. We value these shares at US\$1.45 in our NAV. However, there has since been a transaction valuing GSR shares at US\$1.75. Additionally, GSR will dividend out to GSR shareholders its exploration company, Terrasun Resources SA (Terrasun). Terrasun has 17 distinct exploration permits covering 202km² of which with 7 projects have either historical resources and / or had historical production. Terrasun also owns a new 500TPD CVL gold processing plant and six drill rigs. M&F is finalizing its ownership of a portion of a 2% NSR royalty on BellaVista. Until these transactions are finalized, they have not been included in the NAV.

Ideon Technologies Inc. successfully secured a US\$15M Venture Capital investment during the period. Ideon is a world pioneer in the application of cosmic-ray muon tomography. 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, Ideon's technology maps the intensity of cosmic-ray muons underground and construct detailed 3D density profiles of subsurface anomalies. Ideon is working with several world leading mining companies, such as BHP, Orano, Teck Corp, Glencore, and several others, in applying Ideon's technology to their exploration programs.

The directors look forward to providing shareholders with an update on investments in due course.

On behalf of the Board

Mark T. Brown, CA CPA
Chairman

Jacques Vaillancourt CFA
President, CEO and Director

FOR MORE INFORMATION:

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Mineral and Financial Investments Limited

Statement of comprehensive Income for the 6 months ended 31 December 2022

		UNAUDITED	UNAUDITED	AUDITED
		6 months to 31 December 2022	6 months to 31 December 2021	12 months to 30 June 2022
	Note	£'000	£'000	£'000
Continuing operations:				
Investment income		110	50	128
Fee revenue		-	-	-
Net gains on investments		899	233	1,169
Total income		1,009	283	1,297
Operating expenses		(225)	(198)	(439)
Share based payment expense		(58)	-	(92)
Other gains and losses		24	57	133
Profit before taxation		750	142	899
Taxation expense		(47)	-	-
Profit for the period attributable to owners of the Company		703	142	899
Earnings per share attributable to owners of the Company during the period	3	pence	pence	pence
Basic:		2.0	0.4	2.5
Diluted:		1.8	0.4	2.5

Mineral and Financial Investments Limited

Statement of Financial Position as at 31 December 2022

	UNAUDITED	UNAUDITED	AUDITED
	31 December 2022	31 December 2021	30 June 2022
	£'000	£'000	£'000
CURRENT ASSETS			
Financial assets	6,215	6,564	7,183
Trade and other receivables	15	14	17
Cash and cash equivalents	2,284	233	481
	8,514	6,811	7,682
CURRENT LIABILITIES			
Trade and other payables	149	128	125
Convertible unsecured loan notes	10	10	10
	159	138	135
NET CURRENT ASSETS	8,355	6,683	7,547
NON-CURRENT LIABILITIES			
Deferred tax provision	(140)	(93)	(93)
NET ASSETS	8,215	6,580	7,454
EQUITY			
Share capital	3,099	3,096	3,099
Share premium	5,914	5,892	5,914
Loan note equity reserve	6	6	6
Reserve for employee share option schemes	150	23	92
Other reserves	15,736	15,736	15,736
Retained earnings	(16,690)	(18,173)	(17,393)
SHAREHOLDERS' EQUITY	8,215	6,580	7,454

Mineral and Financial Investments Limited

Statement of Changes in equity for the 6 months ended 31 December 2022

	Share capital	Share Premium	Loan note reserve	Reserve for Employee Share schemes	Other reserves	Accumulated losses	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 30 June 2021	3,096	5,892	6	23	15,736	(18,315)	6,438
Profit for the 6 months to 31 December 2021	-	-	-	-	-	142	142
At 31 December 2021	3,096	5,892	6	23	15,736	(18,173)	6,580
Profit for the 6 months to 30 June 2022	-	-	-	-	-	757	757
Share based payment expense	-	-	-	92	-	-	92
Exercise of options	3	22	-	(23)	-	23	25
At 30 June 2022	3,099	5,914	6	92	15,736	(17,393)	7,454
Profit for the 6 months to 31 December 2022	-	-	-	-	-	703	703
Share based payment expense	-	-	-	58	-	-	92
At 31 December 2022	3,096	5,892	6	150	15,736	(16,690)	8,215

Mineral and Financial Investments Limited

Statement of Cash flows for the 6 months ended 31 December 2022

	UNAUDITED	UNAUDITED	AUDITED
	6 months to 31 December 2022	6 months to 31 December 2021	12 months to 30 June 2022
	£'000	£'000	£'000
OPERATING ACTIVITIES			
Profit/(loss) before taxation	750	142	899
Adjustments for:			
Net gains on investments	(899)	(233)	(1,169)
Investment income	(110)	(50)	(128)
Share based payment expense	58	–	92
Operating cashflow before working capital changes	(201)	(141)	(306)
(Increase)/decrease in trade and other receivables	3	13	9
Increase/(decrease) in trade and other payables	21	(35)	(52)
Net cash outflow from operating activities	(177)	(163)	(348)
INVESTING ACTIVITIES			
Purchase of financial assets	(1,110)	(811)	(2,177)
Disposal of financial assets	3,060	343	2,098
Investment income	30	9	29
Net cash (outflow)/inflow from investing activities	1,980	(459)	(50)
FINANCING ACTIVITIES			
Proceeds of share issues	–	–	25
Net cash inflow from financing activities	–	–	25
Net (decrease)/increase in cash and cash equivalents	1,803	(622)	(374)
Cash and cash equivalents at start of period	481	855	855
Cash and cash equivalents at end of period	2,284	233	481

Notes to the unaudited interim statement for the 6 months ended 31 December 2022

1. General information

The Company is a limited company quoted on AIM, a market of the London Stock Exchange, and is registered in the Cayman Islands. The address of its registered office is One Nexus Way, Camana Bay, Grand Cayman, KY1-9005, Cayman Islands. The financial statements are presented in Pounds Sterling which is the Company's functional and presentational currency.

2. Basis of preparation

The interim financial statements of Mineral & Financial Investments Limited have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and on the historical cost basis using the accounting policies which are consistent with those set out in the Company's Annual Report and Accounts for the year ended 30 June 2022.

This interim financial information for the 6 months to 31 December 2022 was approved by the board on 30 March 2023.

The unaudited interim financial information for the 6 months to 31 December 2022 does not constitute statutory accounts. The comparative figures for the year ended 30 June 2022 are extracted from the statutory financial statements which contain an unqualified audit report.

3. Earnings per share

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

	6 months to 31 December 2022 £'000	6 months to 31 December 2021 £'000	12 months to 30 June 2022 £'000
Weighted average number of shares for calculating basic earnings per share	35,465,395	35,135,395	35,271,011
Weighted average number of shares for calculating fully diluted earnings per share	38,365,395	35,465,395	35,271,011

4. The interim report is available to view and download from the Company's website: www.mineralandfinancial.com