

# Mineral & Financial Investments Limited

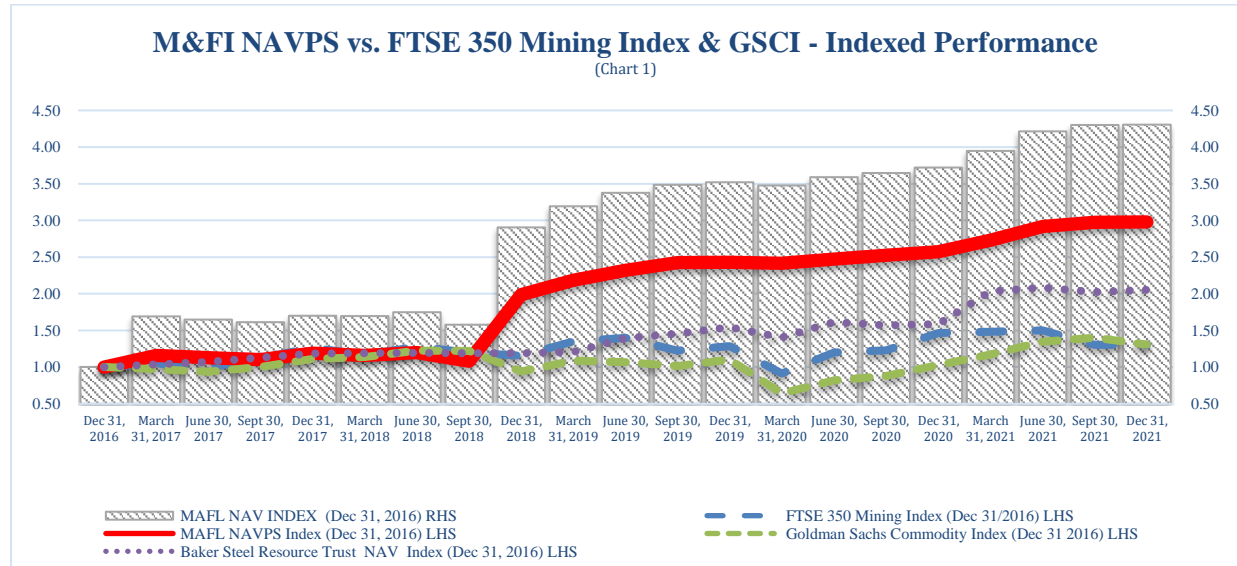
## Interim Results (unaudited) for the Six Months Ended 31 December 2021

### HIGHLIGHTS:

- *Unaudited net earnings for the first 6 months of fiscal 2022 were £141,740 or 0.40p p/s*
- *NAV per share at Dec 31, 2021 was 18.62p, up 15.7% year over year (2021: 16.09p)*
- *The 5 Year Compound Annual Growth rate of the NAVPS +24.4% and +34.5% for NAV is outperforming comparable yardsticks*
- *Invested capital increased by 23.6% to £6,564,169 as of December 31, 2021*
- *Lower year on year precious metal prices in the period slowed NAV growth.*
- *The Company remains debt free, with a good cash balance and a growing portfolio of 25 investments in the natural resource sectors*

**GEORGE TOWN, CAYMAN ISLANDS, March 30, 2022** – Mineral and Financial Investments Limited (LSE-AIM: MAFL) ("M&FI" or the "Company") is very pleased to announce its unaudited interim results for the six months ended 31 December 2021.

The Company generated a H1-2022 after-tax profit of £141,740 and a fully diluted EPS of 0.40p per share, this compares with H1-2021 net earnings of £207,416 or 0.59p per share. The Net Asset Value Per Share (NAVPS) as at the end of the December 31, 2021, quarter was 18.62p, up 15.7% from last year's NAVPS for the same period of 16.09p. The Net Asset Value per share has grown at an average of rate of 24.4% per year on a compounded basis since 31<sup>st</sup> December 2016, while the overall Net Asset Value (NAV) has grown at a compound annual rate of 34.5%.



### CHIEF EXECUTIVE'S STATEMENT:

The Company has a strong cash position of £232,303, as we reinvested much of the cash inflow in the final quarter of the previous financial year but still retain adequate cash resources. Our modest NAV growth Quarter on Quarter was despite a decline in precious metal prices on a quarter over quarter basis and what we perceive to be a continued disconnect between commodity prices and the valuation of the companies producing the respective commodities. Additionally, on a year over year basis the DXY Index (US dollar Trade Weighted Currency Index) was up 7.3%. As most currencies are denominated in US\$, a rising US dollar normally has a depressing effect on the dollar denominated commodities. It is our view that precious metals were generally dragged down by the US dollar's performance, however, in spite of the rising US dollar, we observed base metals, and most food commodities rose year over year in the period ending Dec. 31, 2021.

The following is a summary of the Company's NAV Performance for the 5 years to Dec. 31, 2021:

### M&FI – Financial Performance Summary

(Fig.1)

	31 Dec 2016 <sup>1</sup> FYE	31 Dec 2017 <sup>1</sup> FYE	31 Dec 2018 Q2	31 Dec 2019 Q2	31 Dec 2020 Q2	31 Dec 2021 Q2	CAGR (%) 2021/2016
NET ASSET VALUE (NAV) (,000)	£1,494	£2,603	£4,393	£5,361	£5,681	<b>£6,580</b>	<b>34.5%</b>
NAV Per Share (FD)	6.2p	7.43p	12.43p	15.19p	16.11p	<b>18.62p</b>	<b>24.4%</b>
FTSE 350 Mining Index	14,799	18,719	17,705	19,049	21,699	<b>16,679</b>	<b>5.4%</b>
Goldman Sachs Commodity Index	398.20	442.44	374.33	439.58	409.46	<b>561.18</b>	<b>5.5%</b>

The most notable change in capital markets in the past 6 months, since our Fiscal Year began July 1<sup>st</sup>, 2021 is that interest rates in the top 20 capital market have risen, and in the UK 10-year government yields have risen 195% from their artificially low levels to 1.68% (as of March 24<sup>th</sup>, 2022). US Government 10 Yr. Bond yields are up 86% to 2.38%. These rises are in part due to increased economic activity as COVID 19 constraints are being rolled back. Also propelling interest rates upwards are increasing global inflationary measures. In February 2022, the annual inflation rate in the UK was 6.2%<sup>2</sup>, up from 0.7% in March 2021. Higher inflation and higher interest rates should normally influence asset and financial valuations, yet there has not been a meaningful change in equity market valuations. The Ukrainian crisis did not occur until our Fiscal Q3-2022 period, which we will address in our next shareholder report.

Amongst the equity markets which we track, on a year on year basis, as at Dec 31<sup>st</sup>, 2021, the only 2 major equity markets were down - Shanghai's CSI 300 Index (-5.6%) and the Hong Kong's Hang Seng Index (-14.5%). The USA equity markets, as measured by the S&P500 (+27.6%) led equity markets and closer to home the FTSE 100 (+16.2%) generated some good returns. Despite Commodities rising sharply in the period, the Reuters/Jefferies CRB Index rose 38.5%, the FTSE 300 Mining Index underperformed the overall market in the UK declining 11.3% on a yr./yr. basis.

We continue to believe that the inflationary pressures triggered by manufacturing and transportation delays caused by COVID 19 are not "transitional" and will require policy adjustments by central bankers if they are to be constrained. Therefore, we believe that the mid-term outlook for our commodity weightings remains quite positive. With growing levels of inflation, we believe that we must maintain liquidity but recognize that there is a growing cost to holding significant quantities of cash in an inflationary period. In the quarter we invested £346,416 of our cash during the quarter. As at Dec 31, 2021, period, M&FI was 96.6% invested.

### Portfolio Allocation by Commodity Grouping

(Fig. 2)

	Q2-2021	Q2-2020	% Change
Cash	£232,303	£577,369	(59.8%)
Precious Metals	£3,193,920	£2,380,740	34.2%
Base Metals	£2,889,722	£2,483,953	16.3%
Energy, Tech & Misc.	£480,527	£446,201	8.2%
Total	£6,796,472	£5,888,263	15.4%

Your Company's portfolios have expanded to now include 25 distinct investments. M&FI's investable funds are broken down as follows: Precious metals represent 47%, and; Base metals represent 43% of our investments; while Energy Tech and Miscellaneous investments represent 7% of the remaining investable funds, as at the end of Q2 period. The growth the relative weight of precious metal within the overall portfolio is partly explained by the 34.2% year over year growth in the value of our precious metal holdings, double the performance of our broad commodity groupings. This performance validates our strategy of re-increasing our precious metals weighting last year

### Portfolio Allocation by Portfolio Grouping

(Fig. 3)

	Q2-2021	Q2-2020	% Change
Cash	£230,303	£577,369	(59.8%)
Tactical Portfolio	£2,106,760	£1,302,773	61.5%
Strategic Portfolio	£4,457,409	£4,008,121	11.3%
Total	£6,796,472	£5,888,263	15.4%

<sup>1</sup> Audited Fiscal Year end results

<sup>2</sup> UK Office for National Statistics

**Tactical Portfolio:**

The purpose of the Tactical Portfolio is to allow M&FI 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. Any changes in our tactical holdings in precious metals are trading decisions around a long-term bullish attitude towards precious metals. The Tactical portfolio grew by 61.5% year on year during the quarter.

Our largest tactical holding is Cerrado Gold. We initially invested in Cerrado at US\$0.45 and it is now trading at C\$1.72 per share and represents 5.84% of our investible funds. Barrick Gold is now our second largest tactical investment, representing 2.21% of our total investable funds.

Our third largest holding is the Van Eck Gold Miner index. We use this index solely as a quick means to increase our weighting in the gold miners and sell portions of it to fund specific investments in the sector. During the past year we re-categorised our investment in Ascendant Resources as a Tactical Investment. The ASND shareholding corrected in value by 18.3% in the quarter, after a strong run-up in the summer of 2021. We believe that it was subject to end of year tax-loss selling by taxable Canadian investors.

**The Tactical Portfolio, as of December 31, 2021, had the following holdings (Fig.4)**

Company	Development Stage	Type of Security	Primary Commodity	Geographic Area of Activities
Aclara Resources Inc	Development	Common Equity	Ionic Clay and Rare Earths	Chile
Ascendant Resources	Exploration	Common Equity	Zn, Pb, Cu, Au, Ag	Portugal
ATF Culpeo Minerals	Exploration	Common Equity	Cu	Chile
Barclays Bank	Food Commodities	Derivative	Food Commodities	N/M
Barrick Gold	Production	Common Equity	Gold, Copper	Global
Cerrado Gold	Production / Exploration	Common Equity	Gold	Argentina / Brazil
Coeur Mining	Production	Common Equity	Gold	Americas
East West Petroleum	Production / Exploration	Common Equity	Oil & Gas	New Zealand / Romania
Equinox Gold	Production	Common Equity	Gold	North America
Fiore Gold (now Calibre Mining)	Production	Common Equity	Gold	USA and Central America
Fortuna Silver Mines	Production	Common Equity	Gold / Silver	Argentina, Peru, Mexico, Cote d'Ivoire, Burkina Faso
Fresnillo Plc	Production	Common Equity	Gold / Silver	Mexico
Hochschild Mining Plc	Production	Common Equity	Gold / Silver	Peru & Argentina
Kinross Gold	Production	Common Equity	Gold	Global
Northern Star Resources	Production	Common Equity	Gold	Australia / Alaska
Orla Mining	Production / Development	Common Equity	Gold	Mexico / Panama
Resolute Mining	Production	Common Equity	Gold	Australia / Mali, Senegal
VanEck Vectors Gold Miners	Production	ETF	Gold, et al.	Global
UBS Gold	Metal	ETF	Gold	N/M
Zimplats Holding	Production	Common Equity	PGM	Zimbabwe
ZKB Gold ETF	Metal	ETF	Gold	N/M
ZKB Silver ETF	Metal	ETF	Silver	N/M

We added Coeur Mining, a US based, precious metals miner whose mining operations span the Americas from Alaska to Bolivia. We added Fiore Gold, a Canadian domiciled company with Nevada gold mining assets, and gold resources totalling 3.0M/oz at a grade of 0.79g/t. Fiore has since the period end been acquired by Calibre Mining, also a Canadian Mining company with mining Assets in Central America. We also added Hochschild, a Peruvian Mining company listed on the LSE, Kinross a Canadian gold mining Company with assets around the world (this position has since been sold), and lastly, we acquired Orla Mining a Canadian company

initiating production from its Camino Rojo mine in Mexico which a pre-feasibility stage project, Cerro Quema, in Panama.

**Strategic Portfolio:**

The Strategic Portfolio holds investments which are longer term in nature and which we believe had unique investment characteristics at the time when we invested in these companies and/or assets. These longer-lived investments require M&FI 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 by 10 years of sector underperformance, neglect, and underfunding. The Board continues to be optimistic towards precious metals generally and certain specific base metals that should benefit from the evolving needs of the planet. We are aggressively searching for suitable investments that will provide our shareholders the benefit of a world evolving towards increased renewable energy sources, requiring advanced energy sources all of which will be increasingly stored in various power storage technologies. We are overweighted in zinc which is used for stainless steel, battery technology, nutrition and anti-corrosion applications. We are also overweighted precious metals in both portfolios. We continue to review investments in other commodities, notably copper, with the potential to outperform.

Our partner Ascendant continues to make progress on the Lagoa Salgada project and is working very diligently to advance towards completing a Feasibility Study by December 22, 2022. Redcorp Empreendimentos Mineiros Ltda. (Funded by Ascendant Resources as part of the Earn-In agreement of June 2018) is currently completing a drilling program, partly for exploration, but also for further metallurgical testing purposes. Additionally, Redcorp has initiated an Environmental Impact Study (EIS) on the Lagoa Salgada project. Moreover, we have been having some constructive discussions with management which could lead to possible project financing solutions.

Golden Sun Exploration has achieved a very important watershed as the Costa Rican government re-instated its mining licence on its BellaVista mine. Originally Golden Sun's BellaVista was solely an Open Pit mine, but the new license allows it Golden Sun to increase its mine production and use CIL extraction technology. The mine plan call for higher grade underground mining. Golden Sun has been producing on a small scale as it bulk tested the ore with small scale heap leach technology. The net result is a more environmentally prudent and responsible means of extracting or producing gold and dealing with the mining residue. We believe that the next 12 months should lead to the next step upwards phase for the BellaVista Mine.

Ideon Technologies Inc. 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'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. Ideon is working with several world leading mining companies, such as BHP, Orano, Teck Corp, Nyrstar and several others, in applying Ideon's technology to their exploration programs. Our initial investment at C\$0.375 p/s was followed by a financing at C\$1.00 p/s nine months later. We anticipate that another financing round will be sought in 2022 and should allow for a review of our holding value of the investment.

M&FI are currently reviewing several other investment opportunities. The directors look forward to providing shareholders with more information on all the investments, in due course if they progress.

**On behalf of the Board**

Mark T. Brown, Chairman

*This announcement contains inside information for the purposes of Article 7 of the UK version of Regulation (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended ("MAR"). Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.*

**FOR MORE INFORMATION:**

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**Statement of comprehensive Income  
for the 6 months ended 31 December 2021**

		UNAUDITED	UNAUDITED	AUDITED
		6 months to 31 December 2021	6 months to 31 December 2020	12 months to 30 June 2021
Note		£'000	£'000	£'000
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Continuing operations:				
Investment income		50	2	96
Fee revenue		–	–	3
Net gains on investments		233	372	1,263
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Total income		283	374	1,362
Operating expenses		(198)	(152)	(341)
Other gains and losses		57	(4)	(24)
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Profit before taxation		142	218	997
Taxation expense		–	(11)	(33)
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Profit for the period attributable to owners of the Company		142	207	964
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Earnings per share attributable to owners of the Company during the period	3	pence	pence	pence
Basic:		0.4	0.6	2.7
Diluted:		0.4	0.6	2.7
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**Statement of Financial Position  
as at 31 December 2021**

	UNAUDITED	UNAUDITED	AUDITED
	31 December	31 December	30 June
	2021	2020	2021
	£'000	£'000	£'000
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<b>CURRENT ASSETS</b>			
Financial assets	6,564	5,311	5,822
Trade and other receivables	14	81	27
Cash and cash equivalents	233	578	855
	<hr/>	<hr/>	<hr/>
	6,811	5,918	6,704
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<b>CURRENT LIABILITIES</b>			
Trade and other payables	128	156	163
Convertible unsecured loan notes	10	10	10
	<hr/>	<hr/>	<hr/>
	138	166	173
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<b>NET CURRENT ASSETS</b>	6,683	5,752	6,531
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<b>NON-CURRENT LIABILITIES</b>			
Deferred tax provision	(93)	(71)	(93)
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<b>NET ASSETS</b>	6,580	5,681	6,438
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<b>EQUITY</b>			
Share capital	3,096	3,096	3,096
Share premium	5,892	5,892	5,892
Loan note equity reserve	6	6	6
Share option reserve	23	23	23
Other reserves	15,736	15,736	15,736
Retained earnings	(18,173)	(19,072)	(18,315)
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<b>SHAREHOLDERS' EQUITY</b>	6,580	5,681	6,438
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**Statement of Changes in equity****for the 6 months ended 31 December 2021**

	Share capital £'000	Share premium £'000	Loan note reserve £'000	Share option reserve £'000	Other reserves £'000	Accumulated losses £'000	Total equity £'000
At 30 June 2020	3,096	5,892	6	23	15,736	(19,279)	5,474
Profit for the 6 months to 31 December 2020	—	—	—	—	—	207	207
At 31 December 2020	3,096	5,892	6	23	15,736	(19,072)	5,681
Profit for the 6 months to 30 June 2021	—	—	—	—	—	757	757
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



**Statement of Cash flows**  
**for the 6 months ended 31 December 2021**

	UNAUDITED	UNAUDITED	AUDITED
	6 months to 31 December 2021	6 months to 31 December 2020	12 months to 30 June 2021
	£'000	£'000	£'000
<b>OPERATING ACTIVITIES</b>			
Profit/(loss) before taxation	142	218	997
Adjustments for:			
Net gains on investments	(233)	(372)	(1,263)
Investment income	(50)	(2)	(96)
Operating cashflow before working capital changes	(141)	(156)	(362)
(Increase)/decrease in trade and other receivables	13	52	54
Increase/(decrease) in trade and other payables	(35)	29	36
Net cash outflow from operating activities	(163)	(75)	(272)
<b>INVESTING ACTIVITIES</b>			
Purchase of financial assets	(811)	(906)	(2,269)
Disposal of financial assets	343	1,282	3,116
Investment income	9	2	5
Net cash (outflow)/inflow from investing activities	(459)	378	852
Net (decrease)/increase in cash and cash equivalents	(622)	303	580
Cash and cash equivalents at start of period	855	275	275
Cash and cash equivalents at end of period	233	578	855

## Notes to the unaudited interim statement for the 6 months ended 31 December 2021

### 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 2021.

This interim financial information for the 6 months to 31 December 2021 was approved by the board on 30 March 2022.

The unaudited interim financial information for the 6 months to 31 December 2021 does not constitute statutory accounts. The comparative figures for the year ended 30 June 2021 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 2020 £'000	6 months to 31 December 2019 £'000	12 months to 30 June 2020 £'000
Weighted average number of shares for calculating basic earnings per share	35,135,395	35,135,395	35,135,395
Weighted average number of shares for calculating fully diluted earnings per share	35,465,395	35,192,285	35,204,897

4. The interim report is available to view and download from the Company's website: [www.mineralandfinancial.com](http://www.mineralandfinancial.com)