Mineral & Financial Investments Limited

(“MAFL” or “the Company")

Unaudited Interim Results for the Six Months Ended 30 June 2013

Mineral & Financial Investments Limited today announces its unaudited interim results for the six months ended 30 June 2013.

Highlights

- £1.1 million overall investment portfolio worth
- £860,000 net cash position
  - £502,500, realised from SF Webb Capital Smaller Companies Growth Fund to date, and £293,125 in debt paid down
  - £100,000 convertible loan note in Chapel Down Plc exercised
- £137,220 new money brought into the Company via a subscription by Mount Everest Finance
  - Jacques Vaillancourt appointed as executive director
- Failure of Silvermere to pay £660,000 loan (initial cash loan of £330,000 with a 100 per cent coupon)
  - CVA process enacted with new money and management secured

Strategy

- Measured capital deployment
  - Significant strategic stakes in companies, actively supporting corporate development
  - Larger liquid equities

Commenting today Alastair Ford, Chief Investment Officer, said: “The new Board has a wealth of natural resources expertise and already we are securing positions in larger, liquid stocks that MAFL can move quickly in and out of. We are also building a structured methodology to assess strategic investments. A significant amount of the non-core legacy portfolio has either been realised satisfactorily or is being actively dealt with.”

Chairman’s Statement

During the first six months of this year the Board elected to hold a significant portion of the Company’s assets in cash, thus insulating the portfolio in large measure against the collapse in mining equity valuations.

We also realised a number of investments that were non-core and took steps to secure value from a £660,000 loan outstanding with Silvermere Energy.

In May the board of Silvermere informed MAFL that it was facing insolvency due to a significant shortfall in funds.

We took action to address the situation, bringing in our own petroleum exploration advisors, new legal counsel and advice from Laurence Read, who was appointed to the Board in June.

Having looked at the size of the liabilities, well failure to date, punitive royalties existing on the I1 well, funding agreements reneged on, and the list of creditors immediately present at the time and pending, the Company regretfully came to the conclusion that the only value inherent in Silvermere at that time was in its Aim listing.

Accordingly, MAFL as the major creditor called for a voluntary creditors' agreement and worked with a new group, Tern Plc, which brought new capital and management into the vehicle and which will now be looking at opportunities in the software sector.

A decision was also reached to place a MAFL representative, Laurence Read, onto the board of the new company, renamed Tern PLC, as a representative of our interest going forward.

Subsequent to the period end, MAFL welcomed new investment and expertise into the Company from Mount Everest Finance SA, and Jacques Vaillancourt has joined the MAFL Board. With new capitalisation and a new wealth of expertise in MAFL, we now have a team focussed on natural resources at a time when assets are cheaper than they have been for over a decade.

A lack of funding continues to cripple resource companies, but increasing political risk in traditional mining provinces and the need for major powers to secure strategic energy sources leads the Board to believe that the fundamental drivers for growth are in place.

On behalf of the Board

Jennifer Allsop
Chairman

Chief Investment Officer's Statement

Junior mining markets continued tough throughout the period, and for that reason the portfolio remained heavily weighted to cash.

As part of this strategy to build funds MAFL monetised further units in the SF Webb Capital Smaller Companies Growth Fund, having realised a total of £502,500 to date, and paying down £293,125 in debt.

Accordingly, as at 30th June, the Company had £490,000 in cash and cash equivalents, part of an overall investment portfolio worth just over £1.1 million.

Post period the MAFL cash position was further improved following two separate portfolio decisions. In July the Company exercised its £100,000 convertible loan note in Chapel Down Plc, the maker of English Wines, and booked a profit of £46,000.

The Company also realised one of its key objectives: to rebuild value by securing new funds and expertise. That was achieved when Mount Everest Finance subscribed for 2,287,000 new shares, thereby injecting £137,220 in new money into the Company.

Concurrently with this I am delighted to say that Jacques Vaillancourt, a previous head of BMO Capital Markets' Equity Products division for Europe, has joined the Board as executive director.

As a result of these transactions and other minor adjustments to the portfolio, the Company's net cash position currently sits at £860,000, creating a strong base from which to build upon when the market improves, as it seems likely to at some stage next year.

The Company's portfolio of mining investments remained largely unchanged in the six months to June, although subsequent to the period end, the Company has divested its interests in Amara, and taken a significant interest in UMC Energy, an oil and gas company with petroleum licenses off-shore Papua New Guinea.

The key challenge of the period occurred with the failure of Silvermere Energy adequately to capitalise itself and its operations.

MAFL had an outstanding loan totalling £660,000 (initial cash loan of £330,000 with a 100 per cent coupon) due from Silvermere, which was also unable to pay a host of other operational and corporate creditors.

A series of issues faced Silvermere including: an overly onerous royalty agreement, a well flow failure, a lack of operator oversight, and a lock-out by the operator from information pertaining to the asset.

Various attempts to refinance or sell the project and analysis of the exploration field led us to conclude the sole value to be had in Silvermere was its status as a listed vehicle.

Having assessed a series of candidate groups we worked with the management of Silvermere to back a creditors voluntary agreement (CVA) process, now passed by Silvermere's shareholders, to capitalise and transform Silvermere into Tern PLC, a software investment company.

While not a resource asset, we are keen to recover value from the equity that will be allotted to us under the CVA from the conversion of our loan, and have placed our own Board member, Laurence Read, on the Tern board to assist with this process.

With reference to other non-mining assets in the portfolio, the Company has also recently held talks with the management teams at certain companies we have invested in and are increasingly urging them to execute their business plans and focus on building shareholder value.

While the gold price continues to fluctuate, as of September 2013 the environment for resources companies looks to be improving for the first time in several years.

We believe selling from generalist institutional funds will continue to keep valuations low for some time to come, and allow companies like MAFL to pick up bargains.

The intention is to pursue a twofold investment strategy. The first involves the maintenance of a tactical equity portfolio, designed primarily to preserve capital, but also to profit from opportunities that arise in the equities markets, whether from discounted valuations, corporate activity or positive newsflow.

The second is to take larger, strategic stakes in companies, and to guide them through the development process.

The new Board has a wealth of natural resources expertise and already we are securing positions in larger, liquid stocks we can move quickly in and out of, in addition to building a structured methodology to assess strategic investments.

Alastair Ford
Chief Investment Officer

For further information please call:

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Statement of comprehensive Income
for the 6 months ended 30 June 2013

	Note	UNAUDITED 6 months to 30 June 2013 £'000	UNAUDITED 6 months to 30 June 2012 £'000	AUDITED 12 months to 31 December 2012 £'000
Continuing operations:				
Investment income		3	2	29
Net (losses)/gains on disposal of investments		(274)	(105)	(1,428)
Change in fair value of investments		(254)	(1,724)	(622)
Total income		(525)	(1,827)	(2,021)
Operating expenses		(109)	(139)	(197)
Operating loss		(634)	(1,966)	(2,218)
Finance cost		(15)	(20)	(46)
Loss before taxation		(649)	(1,986)	(2,264)
Taxation expense		-	-	-
Loss for the period attributable to owners of the Company		(649)	(1,986)	(2,264)
Loss per share attributable to owners of the Company during the period	3	pence	pence	pence
Basic:		(5.7)	**(19.2)	**(20.8)
Diluted:		(5.7)	**(19.2)	**(20.8)

** The losses per share for the periods ended 30 June 2012 and 31 December 2012 have been adjusted to reflect the one for one hundred share consolidation effective in March 2013.

Statement of Financial Position
as at 30 June 2013

	UNAUDITED 30 June 2013 £'000	UNAUDITED 30 June 2012 £'000	AUDITED 31 December 2012 £'000
CURRENT ASSETS			
Financial assets	693	2,352	1,425
Trade and other receivables	21	10	17
Cash and cash equivalents	486	34	633
	1,200	2,396	2,075
CURRENT LIABILITIES			
Trade and other payables	40	76	29
	40	76	29
NET CURRENT ASSETS	1,160	2,320	2,046
NON-CURRENT LIABILITIES			
Convertible unsecured loan notes	217	454	435
	217	454	435
NET ASSETS	943	1,866	1,611
EQUITY			
Share capital	2,859	2,840	2,859
Share premium	4,423	4,414	4,423
Shares to be issued	-	-	-
Loan note equity reserve	85	109	104
Capital reserve	15,736	15,736	15,736
Retained earnings	(22,160)	(21,233)	(21,511)
Shareholders' equity	943	1,866	1,611

Statement of Cash flow
for the 6 months ended 30 June 2013

	UNAUDITED 6 months to 30 June 2013 £'000	UNAUDITED 6 months to 30 June 2012 £'000	AUDITED 12 months to 31 December 2012 £'000
OPERATING ACTIVITIES			
Loss before taxation	(649)	(1,986)	(2,264)
Adjustments for:			
Share based payment charge	-	-	-
Shares issued in settlement of directors' remuneration	-	-	-
Shares issued in settlement of professional fees	-	14	35
Loss on disposal of financial assets	274	105	1,428
Fair value adjustment to financial assets	254	1,724	622
Investment income	(3)	(2)	(29)
Finance costs	14	20	46
Operating cashflow before working capital changes	(110)	(125)	(162)
(Increase)/decrease in trade and other receivables	(4)	63	64
Increase/(decrease) in trade and other payables	11	27	(20)
Net cash outflow from operating activities	(102)	(35)	(118)
INVESTING ACTIVITIES			
Purchase of financial assets	(90)	(889)	(1,298)
Disposal of financial assets	294	661	1,775
Investment income	3	2	29
Net cash inflow/(outflow) from investing activities	207	(226)	506
FINANCING ACTIVITIES			
Redemption of convertible loan notes	(251)	-	(50)
Net cash outflow from financing activities	(251)	-	(50)
Net (decrease)/increase in cash and cash equivalents	(147)	(261)	338
Cash and cash equivalents at start of period	633	295	295
Cash and cash equivalents at end of period	486	34	633

Notes to the unaudited interim statement for the 6 months ended 30 June 2013

1. General information

The Company is a limited company quoted on AIM and is registered in the Cayman Islands.

The address of its registered office is 190 Elgin Avenue, George Town, Grand Cayman, KY1-9005, Cayman Islands. The financial statements are presented in Pounds Sterling which is the Company's presentational currency.

2. Basis of preparation

The interim financial statements of Athol Gold 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 consistence with those set out in the Company's Annual Report and Accounts for the year ended 31 December 2012.

This interim financial information for the six months to 30 June 2013 was approved by the Board on 24 September 2013.

The unaudited interim financial information for the 6 months ended 30 June 2013 does not constitute statutory accounts. The comparative figures for the year ended 31 December 2012 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 30 June 2013 £'000	6 months to 30 June 2012 £'000	12 months to 31 December 2012 £'000
Weighted average number of shares for calculating basic and fully diluted earnings per share	11,435,062	**10,333,475	**10,870,865

** The comparative numbers of shares for 30 June 2012 and 31 December 2013 have been adjusted to reflect the one for one hundred share consolidation effective in March 2013.

The diluted loss per share is the same as the basic loss per share as the losses in each period have an anti-dilutive effect.