23 February 2016

MINERAL & FINANCIAL INVESTMENTS LIMITED
("Mineral & Financial", "MAFL", or the "Company")

NET ASSET VALUE UPDATE

MAFL, the AIM quoted resources investment specialist, today announces an NAV and operations update on its activities for the period ended 30 December 2015.

Net Asset Value of 6.48p per share (unaudited)

Continuing to seek further strategic investments

ETF portfolio holding its value

TH Crestgate signs option Agreement on Spanish Assets

CHAIRMAN'S STATEMENT

We believe that all financial markets are, as I write this comment, increasingly concerned about frail and weakening economic performance of the global economy. Additionally, we believe there is a small, but growing concern that deflation may be a longer-term phenomena than was initially believed. That the CBOE Volatility Index (VIX) has risen from 16.0 in January 2016 to 26.8 in six weeks is indicative of an increased volatility and therefore risk. We believe, there is a sudden and growing recognition of the economic and financial risks still prevalent in the world due in part to the slowing of the Chinese economy.

Administered US interest rates experienced their first rise in eight years when the US Federal Reserve ("Fed") increased the Fed Funds rate from 25 basis points to 50 basis points in December. However, simultaneously, market determined rates in the USA are not rising, but declining. US 10-year treasury yields have declined from 2.3% at the beginning of January 2016 to the current level, in mid February 2016 of 1.704%. This dichotomy is particularly concerning as the Federal Reserve has promised markets to increase its reference rates four times in 2016.

In the first two months of 2016, virtually all major global equity indices are trading down,. Despite all these external indicators, very few forecasters are predicting recessions, let alone anything more serious and disruptive. We believe the markets are displaying signs of something different being in the offing.

Within the world of commodities there are a few bright lights, within a fairly gloomy commodity universe. We believe the modest decline, to date, in 2016 of the trade weighted US dollar has helped some commodities and most precious metals to perform better.

Our strategic investment in TH Crestgate is progressing well. TH Crestgate is completing a petrographic study on its Lagoa Salgada property, in Portugal and has initiated a program to re-assay the core of hole LS-20. Hole LS-20 is a 500 meter hole that has only tested to 231 meters of depth, where past drilling intersected 15.55 m of mineralisation containing 3.81% copper 3.85% zinc and 3.82% lead, as well as 0.29 g/ton of gold. A further announcement will be made in due course when this work has completed.

Additionally, TH Crestgate is planning to initiate a structural study of the Lagoa Salgada deposit. All of these initiatives are low cost means to increase the value of the project.

TH Crestgate has signed an option, valid until July 31, 2016, which could lead to the to sale of the Spanish assets, conditional on certain matters being addressed. The purchaser of the option is Ferrum Crescent Limited, an Australian mining company with iron ore assets in South Africa, listed on the LSE/AIM exchange. The option agreement calls for the payment of £7,500 in cash and shares of Ferrum Crescent.

If certain conditions are met, the option calls for Ferrum Crescent to pay TH Crestgate £250,000, the re-payment of 50% or up to £93,000 of the short term debt in the Spanish subsidiary and the issuance of an additional 100 million shares of Ferrum Crescent.

Work is continuing to progress on these Spanish assets. TH Crestgate is working towards reconfirming mineral licenses with the local Spanish authorities, renegotiating a back-in agreement with Lundin Mining and repaying the outstanding short term debt of the acquired Spanish subsidiary.

We continue to estimate that the scene is being set for a recovery in the non-bulk metals and mining sectors. We also believe this recovery isn't due to expansion of demand for metals, but has more to do with an increasingly constricted supply due to a lack of capital availability to the industry. This dearth of new capital to the mining industry is resulting in reduced exploration activity for most metals. The recovery, we believe, will be led by the precious metals sector, and followed closely by the base model sectors which have received little or no exploration capital, in particular zinc and lead.

Jacques Vaillancourt

CHIEF INVESTMENT OFFICER'S STATEMENT

We believe market conditions continued to mitigate against commodities in the quarter to December, as the gold price hit five year lows and other metals suffered comparable weakness. The oil price too went into a tailspin, and many market commentators began talking openly about capitulation across the board in commodities.

Such an environment presents Mineral & Financial Investment with both challenges and opportunities.

During the quarter under review our investment in Cap Energy was marked down significantly as it de-listed from ISDX and as the oil price fell.. It was this that was the principal cause in the disappointing drop in the Company's Net Asset Value to 6.48p. Nevertheless, the assets of Cap are indirectly benefitting from very significant exploration discoveries on the offshore blocks adjacent to its properties.

But elsewhere in the portfolio, many of our positions held their own against strong headwinds, and indeed since the period end gold has since enjoyed something of a bounce, touching US$1,200 per ounce earlier this month.

That this is a reflection of a wider global economic uncertainty is a mixed blessing.

On the one hand, gold is a key bellwether for the mining sector, and we believe strength in gold will, if sustained,begin to attract capital back into a sector that requires more investment. On the other hand, we believe that same economic uncertainty is likely to dampen down any efforts at optimism in regards to the base or industrial metals.

Chinese growth is now expected to run a little above 6% per annum, a rate that keeps overall global growth positive. Even so, historical data shows Chinese growth is still running slower than it has been for more than a decade, and those with a bearish disposition might well point out that it's almost back to the levels it was running at in the period 1960-1978, according to data compiled by the Madison Project Database. What's often forgotten though is that the overall scale of the Chinese economy has grown significantly since the 1960s . Chinese growth, as estimated by the Congressional Research Service, ran at an average of 5.3% when Mao Tse-Tung was at the height of his power. But since the Cultural Revolution and the Great Leap Forward overall Chinese economic output has doubled by at least a factor of 200.

That means that whereas in the 1960s, 5.3% growth had little overall impact on the global economy, nowadays growth at 6% means that the country is adding the equivalent economic capacity of Switzerland to its output each year.

It's with this in mind that Mineral & Financial continues to hold a long-term bullish view on commodities, including the base metals to which we have direct exposure through our investment in TH Crestgate and its assets on the ground in Iberia.

Our strategy in the current market remains unchanged. We remain heavily weighted to cash, but we do retain exposure to commodities and mining equities in anticipation of better times ahead.

As such, our ETF position in zinc held its value fairly well over the previous quarter as the zinc price bottomed out and currency effects came into play.

The values of our uranium, platinum and gold ETFs likewise remained fairly steady quarter-on-quarter, while our position in rhodium was slightly weaker, as the entire platinum group metals complex continues to come under severe pressure.

The valuation of our equity holdings in Glencore and Anglo Pacific were both lower as equity investors continued to head for the exits, though since the end of the quarter there has been a modest improvement in the share prices of both.

Alastair Ford

<u>For more information:</u>

Katy Mitchell, WH Ireland +44 161 832 2174

Laurence Read, Director +44 20 3289 9923

Notes: The net asset value calculation is subject to audit and is made on the basis that the Company has 14,034562 shares in issue. All listed investments, including investments on ISDX, are valued at the closing bid price as at 31st December 2015. The Company has an investment in one unquoted gold company which is currently valued at the price at which the gold company in question last raised money, although this is subject to review. The Company also has an investment in one unquoted zinc and base metals company, the valuation of which is subject to quarterly review.