

RNS Number : 2339U
Mineral & Financial Invest. Limited
28 November 2013

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

Result of General Meeting

The Company announces that at the Extraordinary General Meeting ("EGM") of the Company held today all resolutions were duly passed. Consequently the following have, inter alia, been approved:

- the new investing policy and the associated change of articles;
- a capital reorganisation increasing the authorized ordinary share capital and decreasing by the same amount the deferred share capital;
- the authority to issue and allot such newly authorised ordinary shares; and
- the disapplication of pre-emption rights regarding the issue and allotment of any such new ordinary shares against contribution in cash.

At the meeting, Mineral & Financial's chairman Jacques Vaillancourt made the following statement:

"I want to use this meeting as an opportunity to briefly outline what we have achieved in the last four months, the current market setting as we see it, our plans for Mineral & Financial Investments, and how we expect this will create value for you, our shareholders.

Since August, when I joined the board of M&FI we have done the following: completed a private placement to raise some capital; increased our cash holdings by selling some of our investments; disposed of many of the problem investments; made some changes to the board; decided to focus our tactical investments on strong liquid companies; and refined our business plan.

We have done this because we wanted to draw a line under our recent past, to tidy up the investment portfolio and balance sheet and because we needed the necessary experience on the board and sufficient capital to execute our business plan and make your capital work productively.

Your support in approving changes to our investment policy and allowing us to expand our equity base will help us to move swiftly to seize opportunities when they arise.

As most of you will be aware, current market conditions represent a significant departure from the past. The efforts of western central bankers are all focused on increasing capital liquidity by creating

additional monetary supply and keeping the cost of this still strangely scarce capital low. Yet, despite their coordinated efforts today there is less risk capital available particularly for mining companies, than we have seen for years.

Metal demand is growing, propelled largely by the emerging economies. Supply has grown slightly less quickly than demand in the recent past, and in the near future is likely, with constricted capital availability, to be flat and or possibly even to shrink. This will create the ideal setting for another rise in commodity prices.

Imagine the markets as a spectrum: at one end there are the mining assets and companies. Here, for many years, mediocre assets were financed, mediocre managements tolerated and generously rewarded, and mediocre governance increasingly became the norm. This allowed company assets to generate unacceptably low, if any, returns. All this was accepted in the belief that rising commodity prices would mask all of these defects.

At the other end of the spectrum the pools of capital, hurt by lower than expected returns have found themselves unable to deploy capital as they once did. These funds are experiencing low returns and above average redemptions. The combination of these factors is forcing these funds to keep their liquidity high, and their risk tolerance low, despite knowing that this is a highly attractive time to invest in mining.

Lastly, in the middle, between the markets and the investors, the conduits between the pools of capital and the corporations in need of capital - the investment banks - have, due to competitive market pressures, been subjected to reduced revenues, increased regulation and increased costs, forcing them to retrench. This, coupled with investors' inability to invest, has created a very difficult financing environment for mining companies.

In this dysfunctional financial landscape it has become obvious that there is an opportunity for Mineral and Financial Investments. If you have permanent capital and can invest and finance when no one else can, you can create value. If before you invest, your evaluation of the opportunities is more thorough than the evaluations undertaken by investment funds, you can create value. If, once you have invested you ensure that the capital is deployed with discipline and with active oversight, you can create shareholder value. If you can help a company move forward with its project through advice and oversight - you can create value.

The opportunity, which we see, is to provide capital to the mining industry in a disciplined, patient and demanding manner when there are few other sources of capital. This should allow us to enter into excellent assets at low prices at the low end of the cycle."

For further details please refer to the announcement released on 12 November 2013 regarding the posting of a circular to shareholders or the circular itself, both of which are available on the Company's website.

For further information please
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