

MINERAL AND FINANCIAL INVESTMENTS LIMITED

Investment Update: US\$2.5 Million Cash Payment Received from Ascendant Resources

George Town, Cayman Islands – 9 December 2022 – Mineral and Financial Investments Limited (LSE-AIM: MAFL) ("M&FI" "MAFL" or the "Company") is pleased to provide an update on the earn-in agreement made between its wholly owned subsidiary, Mineral and Financial Investments AG (previously known as TH Crestgate) ("M&FI AG") and Ascendant Resources ("Ascendant") in relation to Redcorp Empreendimentos Mineiros Lda (Redcorp) and its VMS polymetallic Lagoa Salgada deposit located in South Central Portugal (the "Project") (the "Earn In Agreement").

On 8 December 2022, in accordance with the terms of the Earn In Agreement announced on 2 August 2018 (as amended on 1 July 2020 and 15 July 2022) M&FI AG received a US\$2.5 million payment. This is the first of a two part obligation pursuant to which Ascendant can earn an additional 30% (totalling an 80% effective interest) in the Project. The second obligation, which remains outstanding, is that Ascendant is required to complete a feasibility study by 22 June 2023. This feasibility work is ongoing and further updates will be provided in due course as appropriate.

Background

On 25 May 2022, M&FI confirmed that Ascendant Resources had completed the first phase of the Earn In Agreement and had increased its effective ownership interest from 25% to 50% in the Project. As a final stage of the agreement, Ascendant had the option to earn an additional 30% interest in the Project (totaling an 80% effective interest in the Project) by both completing a feasibility study by December 22, 2022 and making a payment of US\$2.5m to M&FI AG. However on 15 July 2022, it was announced that all parties had agreed to extend the deadline by which the feasibility study on the Project was to be completed to June 22, 2023. It was also agreed that the payment date for the US\$2.5m was unchanged, and accordingly this has been paid today.

Original Announcement

The following is a summary of the earn-in agreement, as detailed originally when disclosed, in a press release dated August 2, 2018 ("Original Announcement") –

"In the first part of the transaction Ascendant acquired an initial effective 25% interest for an upfront payment of US\$2.45 million composed of US\$800,000 in cash (US\$400,000 on closing of the transaction and US\$400,000 on July 15, 2018) and US\$1.65 million in Ascendant shares. The second part of the Agreement is an Earn-in Option which has a minimum total value, if fully exercised, of US\$15.0 million. Earn-in transaction terms are as follows:

- *Ascendant has the right to earn a further effective 25% interest via staged payments and funding obligations as outlined below:*
 - *Investing a minimum of US\$9.0 million directly in the operating company, Redcorp within 48 months of the closing date, to fund exploration drilling, metallurgical test work, economic studies and other customary activities for exploration and development (Completed), and*
 - *Making payments totaling US\$3.5 million to M&FI AG according to the following schedule or earlier:*
 - *6 months after the closing date: US\$0.25 million (Dec 22, 2018 - Received)*
 - *12 months after the closing date: US\$0.25 million (June 22, 2019 - Received)*
 - *18 months after the closing date: US\$0.5 million (Dec. 22, 2019 - Received)*
 - *24 months after the closing date: US\$0.5 million (June 22, 2020 - Received)*
 - *36 months after the closing date: US\$1.0 million (June 22, 2021 - Received)*
 - *48 months after the closing date: US\$1.0 million (June 22, 2022 - Received)*
 - *54 Months after the closing date: US\$2.5 million (Dec. 22, 2022 - Received)*
- *Ascendant then has the option to earn an additional 30%, totaling an 80% interest in Redcorp, the operating subsidiary, by completing a Feasibility study on or before June 22, 2023 (as amended) – (Un-completed).*

- *Ascendant will fund all development and future construction costs and recoup Crestgate's share of investment through cash flow until repaid.*
- *First-Right of refusal, 'tag-along', 'drag-along' and other sale and exit provisions.*
- *Additional terms as standard in such transactions.*
- *The Redcorp board composition will be 50/50 to the full earn-in of 80%*
- *Redcorp's operations will be led by an operating committee composed by Ascendant Resources reporting to the Redcorp Board of Directors."*

FOR MORE INFORMATION:

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ABOUT MINERAL AND FINANCIAL INVESTMENTS LIMITED:

Mineral and Financial Investments Limited is a Cayman Island based investment company quoted on AIM, a market of the London Stock Exchange. M&FI has in excess of 31 investments in the natural resource sectors, the majority in the metals and minerals. M&FI's Net Asset Value per share (NAVPS) is 19.57p, as of March 30, 2021. M&FI's NAVPS has risen at a Compound Annual Growth Rate (CAGR) of 28.2% since March 31, 2018.