

MINERAL & FINANCIAL INVESTMENTS LIMITED

Investment Update: Ascendant Closes US\$15 Million Streaming Financing Agreement with Sprott Private Resource for the Lagoa Salgada Project

HIGHLIGHTS:

- Ascendant secures Sprott Funding To Fund the Completion of Feasibility Study
- Mine Construction Decision Expected to be made by Q2-2023
- Provides Funding for M&FI's US\$2.5M Earn-In Payment due in December 2022.
- M&FI Secures Option to Possibly Sell Interest in Project if in the best interest of shareholders.

GEORGE TOWN, CAYMAN ISLANDS, November 28, 2022 – Mineral and Financial Investments Limited (LSE-AIM: MAFL) ("M&FI" or the "Company") is pleased to report an investment update on a financing package for the Lagoa Salgada Project, Portugal (the "Project"). The Project is held jointly by MAFL wholly owned subsidiary Mineral and Financial Investments AG, Redcorp Empreendimentos Mineiros Lda. (Redcorp) and Ascendant Resources Inc ("Ascendant"), who are also operating the project.

Stream Financing Agreement and Associated Secured Convertible Loan Note

Ascendant has entered into a US\$15 million metals stream agreement (the "**Stream Agreement**") with Sprott Private Resource Streaming and Royalty (B) Corp. ("**Sprott**") for the benefit of the Lagoa Salgada VMS project located close to Lisbon Portugal (the "**Project**"). This obligation is undertaken by Ascendant and M&FI and Redcorp, are a party to the Stream Agreement **only insofar as to give effect of the undertaking by Ascendant.**

Ascendant intends to use the proceeds from the Stream Agreement to complete the ongoing 43-101 compliant feasibility study for the Project, advance permitting activities; and for Ascendant's general corporate and working capital purposes, which includes the fulfillment of the earn-in.

The Stream Agreement provides for the sale and delivery to Sprott of 1.75% of all metals produced from the Project at a rate of 15% of the market price for gold until the delivery of 45,000 gold equivalent ounces. At which point the rate will be increased to 75% of the market price. Ascendant also can buy down up to 50% of the stream on or before 2 years following the date of commencement of commercial production at the Project (as further set out in the Stream Agreement) for up to US\$10.5 million.

To facilitate funding in advance of commercial production, an affiliate of Sprott has also issued a US\$15 million secured note (the "**Note**") to Ascendant, which bears interest at a rate of 10% per annum, calculated and payable quarterly and which M&FI understands will mature on the earlier of: i) the achievement of commercial production at the Project together with certain other conditions; and ii) November 25, 2031.

Subject to the final approval of the TSX Exchange (the "**TSX**"), Ascendant may elect to satisfy the payment of any accrued and unpaid interest on the Note by the issuance of common shares of the Ascendant (the "**Common Shares**") at a price per Common Share equal to 95% of the volume weighted average price (the "**VWAP**") of the Common Shares for the 5 trading days immediately prior to the date payment of interest is due or any combination of cash and Common Shares in the Ascendant's sole discretion up to a maximum of 32,617,109 Common Shares (subject to customary adjustment). Pledges of shares and intercompany indebtedness were provided by Ascendant, its wholly owned subsidiary, Ascendant Resources Portugal, and Unipessoal LDA as security for the Note. In addition, Redcorp has agreed to honor any transfer of shares between Ascendant and Sprott should it occur. The Note security is intended to subordinate to future project financing for the Project.

Ascendant has provided Sprott a first right of approval to participate in any future stream or royalty type financing until certain delivery thresholds are met.

Variation to Shareholders Agreement

As part of this arrangement, M&FI and Ascendant have also amended the terms of the shareholders agreement made between (1) Ascendant; (ii) M&FI; and (iii) Redcorp in relation to the Project, to provide the following:

- (a) That Ascendant shall not transfer, in whole or in part, any of its rights or obligations under the Note or the Stream Agreement to Redcorp without the written consent of M&FI; and
- (b) M&FI shall have the right and option, but not the obligation, to exercise an option within 6 months (plus 10 business days) of the Stage Two Option Exercise Date (being the date when Ascendant has earned 80% of Redcorp and being no later than June 22, 2023) to require Ascendant to purchase all, but not less than all, of the shares in Redcorp at a defined price.
- (c) The price would be an amount in US dollars, payable in cash, equal to 5% of the post-tax net present value of the Project provided in the feasibility study completed prior to the date of exercise using a 10.5% discount rate (the “**Put Option**”).

Fundamental Changes of Business

It is possible that the exercise of the Put Option could trigger Rule 15 of the AIM Rule for Companies. This would require the exercise to be conditional on the consent of its shareholders being given in a general meeting, as well as a shareholder circular and an announcement. Further updates will be provided in due course if the Put Option is exercised.

Jacques Vaillancourt, Mineral and Financial Investment Limited’s President & CEO stated - *“We are thrilled to be see our partner – Ascendant, partnering with the very experienced team at Sprott Streaming and Royalty to fully finance the feasibility study at Lagoa Salgada. We believe Ascendant has made tremendous progress throughout its technical work and studies for the Feasibility Study at Lagoa Salgada which leads us to expect to see a very robust outcome. This should allow Ascendant to further advance the development of the project to a construction decision. A construction decision is expected to follow closely behind the completion of the Feasibility Study. Importantly for M&FI, this will allow Ascendant to fulfil one of its obligations under the earn-in Agreement, that of paying M&FI US\$2.5m on or before December 22, 2022. Additionally, we have negotiated and agreed a sale option agreement with Ascendant. Whilst we continue to explore and consider all opportunities for our interest in the project, nevertheless, this option provides M&FI the ability of monetizing our remaining interest at a value linked to the project Net Present Value (NPV) in the upcoming Feasibility Study”.*

FOR MORE INFORMATION:

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