BAKER STEEL RESOURCES TRUST LIMITED
(Incorporated in Guernsey with registered number 51576 under the provisions of The Companies (Guernsey) Law, 2008 as amended)

23 April 2021

BAKER STEEL RESOURCES TRUST LTD
(the "Company")

Annual Report and Audited Financial Statements
For the year ended 31 December 2020

The Company has today, in accordance with DTR 6.3.5, released its Annual Audited Financial Report for the year ended 31 December 2020. The Report is available via www.bakersteelresourcestrust.com and will shortly be submitted to the National Storage Mechanism.

Further details of the Company and its investments are available on the Company's website www.bakersteelresourcestrust.com

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MANAGEMENT AND ADMINISTRATION

DIRECTORS:	Howard Myles (Chairman) Charles Hansard Clive Newall (resigned 15 September 2020) Fiona Perrott-Humphrey (appointed 15 September 2020) David Staples *(all of whom are non-executive and independent)*
REGISTERED OFFICE:	Arnold House St. Julian's Avenue St. Peter Port Guernsey, GY1 3NF Channel Islands
MANAGER:	Baker Steel Capital Managers (Cayman) Limited PO Box 309 George Town Grand Cayman KY1-1104 Cayman Islands
INVESTMENT MANAGER:	Baker Steel Capital Managers LLP* 34 Dover Street London W1S 4NG United Kingdom
STOCK BROKERS:	Numis Securities Limited 10 Paternoster Square

	London EC4M 7LT United Kingdom
SOLICITORS TO THE COMPANY: (as to English law)	Norton Rose Fulbright LLP 3 More London Riverside London SE1 2AQ United Kingdom
ADVOCATES TO THE COMPANY: (as to Guernsey law)	Ogier Redwood House St. Julian's Avenue St. Peter Port Guernsey GY1 1WA Channel Islands
ADMINISTRATOR & COMPANY SECRETARY:	HSBC Securities Services (Guernsey) Limited Arnold House St. Julian's Avenue St. Peter Port Guernsey GY1 3NF Channel Islands

* The Investment Manager was authorised as an Alternative Investment Fund Manager ("AIFM") for the purpose of the Alternative Investment Fund Managers Directive ("AIFMD") on 22 July 2014.

SUB-ADMINISTRATOR TO THE COMPANY:	HSBC Securities Services (Ireland) DAC 1 Grand Canal Square Grand Canal Harbour Dublin 2 Ireland
CUSTODIAN TO THE COMPANY:	HSBC Continental Europe* 1 Grand Canal Square Grand Canal Harbour Dublin 2 Ireland
SAFEKEEPING AND MONITORING AGENT:	HSBC Continental Europe * 1 Grand Canal Square Grand Canal Harbour Dublin 2 Ireland
AUDITOR:	BDO Limited P O Box 180 Place du Pre Rue du Pre St. Peter Port Guernsey GY1 3LL Channel Islands
REGISTRAR:	Computershare Investor Services (Jersey) Limited Queensway House Hilgrove Street St Helier JE11ES Jersey
UK PAYING AGENT AND TRANSFER AGENT:	Computershare Investor Services (Jersey) Limited Queensway House Hilgrove Street St Helier JE11ES Jersey
RECEIVING AGENT:	Computershare Investor Services (Jersey) Limited Queensway House Hilgrove Street St Helier JE11ES Jersey
PRINCIPAL BANKER:	HSBC Bank plc 8 Canada Square London E14 5HQ United Kingdom

* HSBC France, Dublin Branch changed its name to HSBC Continental Europe with effect from 1 December 2020.

CHAIRMAN'S STATEMENT
For the year ended 31 December 2020.

2020 was a year of great uncertainty and market volatility as the world came to grips with the consequences of the Covid-19 pandemic. Initial investor reaction saw a sharp sell-off in global equity markets including metals and mining shares but this proved short lived as sentiment recovered when it became evident that governments would support economies with unprecedented fiscal measures. The future inflationary risk of this massive government borrowing propelled the gold price to all-time highs. This was then followed by increases in base metal prices with increased expected demand from government stimulus packages including resource intensive infrastructure projects to kick start their economies.

This backdrop has a been a positive one for the Company with the NAV rising 31.5% over the year to 31 December 2020 and the Company's share price increasing by 35.8%, while the EMIX Global Mining Index roby 22.2% in Sterling terms.

During the year the Company concentrated its resources on ensuring that our existing investee companies were able to progress their projects in the prevailing difficult operating and market conditions. To this end, supplemental investments were made in Futura Resources, Anglo Saxony Mining, Azarga Metals, Nussir, and Mines & Metals Peru PLC (MMTP). The market for junior mining development companies to raise funds then opened up in the final quarter of 2020 and MMTP was able to raise equity from new shareholders at the end of the year, following this up with a listing via a merger with TSX-V listed Oro X and raising a further C$14 million to create Silver X. Likewise since the year end Anglo Saxony has been able to raise £5 million at a higher price than we were carrying it at ahead of an anticipated IPO later this year. Futura continued to progress its coking coal projects towards production but decided to push back the planned start-up of operations until more stability and transparency in coking coal markets prevails. The investment in CEMOS was particularly rewarding, especially given initial Covid-related problems, as it ramped up production and sales to full capacity at its cement plant in Morocco and posted record financial results.

The Company is well placed to benefit from the improved investor sentiment towards metals and mining with several of our investee companies such as Bilboes, Futura, Tungsten West and Nussir having reached a stage where they need and are seeking significant amounts of capital to develop their mines. In the case of Bilboes a comprehensive process was undertaken during 2020 to investigate the options for financing the mine, including merging with another gold mining company or a sale for cash. In the end, it was decided that a sale for cash was the most attractive option and negotiations are continuing with a major gold company to sell the Company's interest in Bilboes for approximately £20 million subject to regulatory approvals. This would represent a return of around four times our investment in Bilboes. In accordance with our commitment to shareholders, at least 15% of realised gains will be distributed to shareholders. Further details of the size, method and timing of such distribution will be sent to shareholders following completion and once the consideration has been finalised and received.

Although the listed market has shown an increased willingness to finance mining projects, most institutional investors are unable or unwilling to invest in private companies. This provides a continuing opportunity for the Company, particularly as private companies are currently keen to raise finance to progress themselves to a sufficiently advanced stage to seek a stock exchange listing. The Company intends to reinvest a major portion of the proceeds from the sale of Bilboes into advanced pre-IPO opportunities and we are currently analysing a number of attractive propositions.

The mining industry has generally coped well with the Covid-19 pandemic as mines are usually in isolated locations and most mining companies have been able to put in place protocols which have enabled them to continue operating. Furthermore, most of the Company's investments are not yet in operation so they have been relatively less affected than some, other than through some slowing down of progress. The Company's policy of investing through convertible bonds has meant we have at least accrued interest on those loans during these delays, and our husbanding of our investments by ensuring they had sufficient working capital when times were most difficult, as mentioned above, means our investments are in a strong position as the world starts to emerge from the pandemic.

During the year we welcomed Fiona Perrott-Humphrey, who has over 30 years' experience in mining finance, to the Board. She replaced Clive Newall, whom I would like to thank for his invaluable insights on the mining industry and contribution to the Company since its formation.

Howard Myles
Chairman
22 April 2021

INVESTMENT MANAGER'S REPORT
For the year ended 31 December 2020

Financial Performance

The audited Net Asset Value per Ordinary Share ("NAV") as at 31 December 2020 was 97.2 pence, an increase of 31.5% in the year compared with the increase in the EMIX Global Mining Index of 22.2% in Sterling terms.

For the purpose of calculating the NAV per share, unquoted investments were carried at fair value as at 31 December 2020 as determined by the Directors and quoted investments were carried at their quoted prices as that date.

Net assets at 31 December 2020 comprised the following:

	£m	% net assets
Unquoted Investments	95.4	92.2
Quoted Investments	7.2	6.9
Cash and other net assets	0.9	0.9
	103.5	100.0

Investment Update

Largest 10 Holdings - 31 December 2020	% of NAV
Bilboes Gold Limited	19.5
Futura Resources Limited	16.2
Cemos Group Plc	14.5
Tungsten West Limited	13.2
Polar Acquisition Limited	8.9
Mines & Metals Trading (Peru) Plc	4.4
Anglo Saxony Mining Limited	3.9
Nussir ASA	3.4
Azarga Metals Corporation	2.7
Sarmin Minerals Exploration	2.7
	89.4
Other Investments	9.7
Cash and other net assets	0.9
	100.0

Largest 10 Holdings - 31 December 2019	% of NAV
Bilboes Gold Limited	15.9
Futura Resources Limited	15.0
Polar Acquisition Limited	11.3
Cemos Group Plc	10.0
Tungsten West Limited	8.0
Polymetal International Plc	6.1
Anglo Saxony Mining Limited	4.6
Mines & Metals Trading (Peru) Plc	4.4
Nussir ASA	4.1
Sarmin Minerals Exploration	3.7
	83.1
Other Investments	14.6
Cash and other net assets	2.3
	100.0

Review

At the year end the Company was fully invested, holding 28 investments of which the top 10 holdings comprised 90% of the portfolio by value. The portfolio is well diversified both in terms of commodity and the geographical location of the projects. In terms of commodity the portfolio has exposure to gold, silver, metallurgical coal, cement, tungsten, copper, tin, iron, lead and zinc. Its projects are located in Australia, Canada, Germany, Indonesia, Madagascar, Mongolia, Morocco, Norway, Peru, the Philippines, Republic of Congo, Russia, the UK and Zimbabwe.

During the year, the mining market continued the recovery which commenced in 2019 albeit with much greater volatility as a result of the Covid-19 pandemic, with the EMIX Global Mining Index ending the year up 22.2% in Sterling terms, despite being down at one point by around 30% in March 2020. The gains were initially led by precious metals with gold up 25% and silver up 48% in US Dollars but in the second half were followed by other commodities to which the Company is exposed, with iron ore up 74%, copper up 26%, tin up 20% and lead up 3% for the year (all in US dollars). The weakest performing commodity in which the Company is invested was coking coal which was down 31% due to an unofficial embargo on coal imports from Australia by China, although the price has recovered somewhat so far in 2021.

Whereas in 2019, the movements to the carrying values of the Company's portfolio were largely driven by general market movements (as represented by the Company's IndexVal models), the increased activity in the sector meant that at the end of 2020 the majority of the unlisted holdings were valued on the basis of recent events, being either external fund raises or transactions. In all cases the valuations reflect consideration as to whether there has been any changes since the transaction that would indicate the price is no longer fair value. During the year, the Company also reviewed the liquid portion (listed securities) of its portfolio in the light of volatile markets with the holdings in Polymetal International Plc and Ivanhoe Mines Ltd being diversified into a spread of listed precious metal shares.

The Company did not make any new core investments during the year, partly due to our inability to visit projects due to travel restrictions but also due to a decision to concentrate our resources on ensuring that our existing investments had sufficient working capital to survive the difficult trading conditions as a result of the Covid-19 pandemic. To this end follow-up investments were made in Futura Resources Ltd, Mines & Metals Trading Peru PLC, Anglo Saxony Mining Limited and Azarga Metals Corporation.

The Company's largest investment, Bilboes Gold Limited ("Bilboes") completed its Definitive Feasibility Study ("DFS") on its forecast 170,000 ounce per annum gold mine, Isabella-McCays-Bubi in Matabeleland, Zimbabwe, early in 2020. Bilboes shareholders undertook a formal process to examine the best way to realise the project's value with all options including an IPO, private development funding, a merger with another gold producer or outright sale considered. It was decided that the Company and the other financial investor would sell their shares for cash whilst the local management would retain their interest with the buyer committing to finance the development of the mine. The details of the transaction are still being negotiated and are subject to signing binding contracts and regulatory approvals but assuming it completes, the Company would realise approximately £20 million in cash which equates to approximately four times its investment.

Progress at Futura's Wilton and Fairhill coking coal projects was slow during 2020 partly due to the lengthy licencing processes which have now been worked through, and partly because the unofficial ban on Australian coal imports by China led to disruption of the market and as a result delayed Futura's financing of the mine. It is hoped Futura will be able to raise the necessary finance in the second quarter of 2021 and commence production in the second half of this year. This is an example of where the Company's structuring of its investments through convertibles has been important in mitigating risk. Due to the delays, Futura was unable to meet certain milestones in the convertible agreement and as a result the conversion price of the loan was reduced by 50%. Since the year end, the Company completed conversion of the loan so we now hold approximately 27% of the shares of Futura

During the second half of 2020, Cemos Group PLC achieved full production at its cement plant in Morocco and is now generating approximately €1 million per month in EBITDA. Therefore, it was moved from an indexation based valuation to a maintainable earnings multiple approach. At the year end Cemos was as a result revalued at €50 million of which the Company holds approximately 32.4% assuming conversion of all the Convertible

Unlisted Loan Securities. Following the year end Cemos made a decision to double its capacity by constructing a second production line, to be financed out of cashflow from current operations, which is expected to be in place at the end of 2021.

Towards the end of 2019, the Company invested £5 million in secured convertible loan notes in Tungsten West which owns the Hemerdon Tungsten Mine, 7 miles northeast of Plymouth in Devon, England. This was a previously producing mine which encountered processing problems at a time of low tungsten prices and was forced to close before being acquired by Tungsten West. During 2020 Tungsten West undertook extensive mineralogical and metallurgical test work and in March 2021 completed a Bankable Feasibility Study to reopen the mine. This showed a robust project operating for over 20 years with economics showing a post-tax NPV of £272 million and IRR of 33% on the basis of an upfront capital requirement for the restart of £45 million.

During the year, Polymetal International released details of a pre-feasibility study ("PFS") it completed on the Prognoz silver project in the Republic of Sakha (Yakutia), Russia over which Polar Acquisition Limited ("PAL") holds a 1.8% to 0.9% net smelter royalty. The PFS demonstrated the Prognoz project to be robust at a silver price of US$15 per ounce (Spot price US$24 per ounce as at 31 March 2021) based on an open pit mine producing 13.5 million ounces of payable silver per annum at an all-in-sustaining cost of US$8-9 /ounce of silver. This excluded a further 100 million ounces of silver in mineral resources which are likely to be more amenable to underground mining as well as by-product revenue in particular lead which is also the subject of PAL's royalty. Polymetal is expected to make a production decision on Prognoz in the fourth quarter of 2021.

The Company's investment most affected by the Covid-19 pandemic was Mines & Metals Trading (Peru) PLC (MMTP), which owns the Recuperada silver/lead/zinc mine in Peru, with the government of Peru closing down all mines in the middle of 2020. In the fourth quarter MMTP was able to move back into full production and since the year end, has announced an agreement to merge with TSX-V listed Peruvian explorer Oro-X and raise a minimum C$14 million. The combined company will be renamed Silver X to create a growth-focused listed producer well positioned to consolidate the fragmented Peruvian silver mining industry.

Anglo Saxony completed a PFS on its Tellerhauser tin project in Saxony, Germany, in April 2020. The study base case economics were positive although an IRR of 10.8% suggested that the project needed further optimisation or a higher tin price than the US$20,500/tonne used in the study, for it to be financeable. Tin has long been identified as one of the principal beneficiaries of the global move towards electrification due to its use as solder for electrical connections, and a tin mine in the heart of Europe is likely to be of strategic importance. Since the year end, the tin price has moved ahead strongly and closed at US$27,539 /tonne at 31 March 2021. The renewed interest in tin meant that Anglo Saxony was able to raise £6 million in March 2021 at an 87.5% premium to the Company's carrying value at 31 December 2020. This funding will allow Anglo Saxony to perform further resource drilling and optimisation work ahead of an IPO planned for later this year.

During 2020 Nussir completed the DFS on its Nussir/Ulveryggen copper project in northern Norway. Although this showed a robust project Nussir took the decision to revise the operating plan such that the whole operation is fully electric which will open up the opportunity for certain grants and reduce the cost of financing the development as a zero-carbon business. In addition, towards the end of 2020, Nussir raised a further NOK41 million in equity from northern Norwegian investors which has increased the local participation in the project. The revised DFS is due in the second half of 2021.

In September 2020, Sarmin Mineral Exploration completed a positive DFS on its Kanga Potash project in the Republic of Congo for a mine producing 600,000 tonnes per annum of Muriate of Phosphate ("MOP"). The Kanga project's key advantages (in addition to its exceptional geological characteristics) are its proximity to the coast, minimising the cost of product transport as well as access to long term, competitively priced natural gas. This results in both capital and operating costs in the lowest part of the industry cost curve making Kanga one of the most competitive MOP projects globally. It also has the potential to be expanded on a modular basis up to 2.4M tpa over 30 years. Sarmin is currently seeking partners to finance the construction of the project.

Amongst the smaller investments in the portfolio Azarga Metals Corp. completed a further drilling campaign on its Unkur copper/silver project in far eastern Russia and is currently undertaking a revised Preliminary Economic Assessment. Metals Exploration plc completed a debt restructuring and relisted on AIM in the fourth quarter and continued to improve the production rate from its Runruno gold mine in the Philippines. Black Pearl continued discussions with Chinese partners regarding the use of its mine as the basis for a new steel plant in Indonesia albeit that due to the continuing slow progress, the Company decided to reduce its carrying value of Black Pearl by a further 50%. Prism Diversified is currently in discussions which could lead to bringing in a new partner to acquire a majority stake in the company and Akora Resources Ltd (formerly Indian Pacific Resources Ltd), completed a successful IPO on the Australian Stock Exchange during December 2020.

We are cautiously optimistic on the outlook for mining and metals with some commentators suggesting the start of a new "supercycle" for commodities though we expect markets to remain volatile as the world continues to react to the implications of the Covid-19 pandemic. Should the sale of Bilboes complete, the consideration will provide the Company with the resources to invest in new projects at an opportune point in the cycle as well as fulfilling our commitment to return a portion of profits on disposals to shareholders.

Further details of each of these investments are provided below.

Bilboes Gold Limited ("Bilboes")
Bilboes is a private Zimbabwean based gold mining company which has a JORC compliant Proved and Probable Reserves containing 1.8 million ounces of gold out of a total Mineral Resource of 3.8 million ounces of gold. A positive definitive feasibility study into a mine producing an average of 170,000 ounces of gold per annum was completed in 2020.

Futura Resources Ltd ("Futura")
Futura owns the Wilton and Fairhill coking coal projects in the Bowen Basin in Queensland, Australia which hold Measured and Indicated resources of 843 million tonnes of coal. Production is targeted to commence during 2021, for a targeted combined sustainable level of 2.3 million tonnes per annum of saleable processed coal in 2022 for at least 25 years once in full production.

Cemos Group plc ("Cemos")
Cemos is a private cement producer at Tarfaya in Morocco. Cemos completed the construction of a cement plant at Tarfaya in December 2018 and reached full production rate of 270,000 tonnes cement per annum during 2020. It has announced plans to double its plant capacity by the end of 2021.

Tungsten West Limited ("Tungsten West")
Tungsten West is a private company which owns the Hemerdon Mine in Devon, United Kingdom. A feasibility study into a mine producing approximately 350,000 mtu tungsten per annum over 25 years was completed in March 2021.

Polar Acquisition Limited ("PAL")
PAL is a private company which holds a 0.9% to 1.8% royalty over the Prognoz silver project ("Prognoz"), 444km north of Yakutsk in Russia, owned by Polymetal. Prognoz has a 267-million-ounce silver equivalent Indicated and Inferred Mineral Resource at a grade of 755 g/t silver equivalent. A pre-feasibility study was undertaken by Polymetal International plc in 2020 and a development decision is expected to be taken in the second half of 2021.

Anglo Saxony ("Anglo Saxony")
Anglo Saxony is a private company which holds the Tellerhäuser, operations in Germany. Total mineral resources for the project have been estimated at 22.1 million tonnes of ore grading 0.46% tin. A pre-feasibility study was completed in March 2020.

Mines & Metals Trading Peru PLC ("MMTP")
MMTP is a private company with operations in Peru. Total mineral resources for the project have been estimated at 7,336,633 of ore grading 4.77oz silver per tonne, 3.91% lead, and 2.53% zinc for the 54 vein systems identified. It has announced an agreement to merge with TSX-V listed Peruvian explorer Oro-X.

Nussir ASA ("Nussir")
Nussir is a Norwegian private company whose key asset is the Nussir/Ulveryggen copper project in Northern NorwayA definitive feasibility study into a mine producing approximately 14,000 tonnes of copper per annum was completed in March 2020.

Azarga Metals Corp. ("Azarga")
Azarga is a TSX-V listed company which holds the Unkur copper/silver project in far eastern Russia with Inferred Mineral Resources estimated at 62 million tonnes at 0.53% copper and 38.6g/t silver, containing 328,600 tonnes of copper and 76.8 million troy ounces of silver (0.56 Mt of copper equivalent).

Sarmin Minerals Exploration Inc ("Sarmin")
Sarmin is private company which holds the Kanga potash project, in the Republic of the Congo. A feasibility study producing 600,000 tonnes per annum of Muriate of Phosphate was completed in September 2020.

Metals Exploration plc ("Metals Exploration")
Metals Exploration is an AIM listed company which owns the Runruno gold mine in the Philippines. The Runruno mine produced 67,552 ounces of gold in 2020.

Black Pearl Limited Partnership ("Black Pearl")
Black Pearl is a special purpose vehicle formed to invest in the Black Pearl beach placer iron sands project in West Java, Indonesia. Negotiations are ongoing for the Black Pearl project to form the base production for an integrated steel production facility.

PRISM Consolidated Limited ("PRISM")
PRISM is a private Canadian company which owns the Clear Hills Iron Ore/Vanadium Project ("Clear Hills") in Alberta, Canada. Clear Hills currently has Indicated Resources of 557.7 million tonnes at 33.3% iron and 0.2% vanadium and an Inferred Resource of 94.7 million tonnes at 34.1% iron.

Akora Resources Ltd (previously Indian Pacific Resources Ltd) ("Akora")
Akora is an Australian Stock Exchange Listed mineral exploration company with three prospective exploration target areas comprising some 308 km2 of iron ore tenements in Madagascar.

Baker Steel Capital Managers LLP
Investment Manager
April 2021

PORTFOLIO STATEMENT
AS AT 31 DECEMBER 2020

Shares /Warrants/ Nominal	Investments	Fair value £ equivalent	% of Net assets
	Listed equity shares		
	Australian Dollars		
5,091,910	Akora Resources Limited (formerly Indian Pacific Resources Limited)	1,006,887	0.97
1,705,000	Resolute Mining Limited	765,814	0.74
	Australian Dollars Total	**1,772,701**	**1.71**
	Canadian Dollars		
6,352,301	Azarga Metals Corporation	219,063	0.21
20,000	Endeavour Mining Corporation	340,488	0.33
	Canadian Dollars Total	**559,551**	**0.54**
	Great Britain Pounds		
31,000	Fresnillo Plc	350,145	0.34
122,760,000	Metals Exploration Plc	1,964,160	1.90
28,700	Polymetal International Plc	483,452	0.47
	Great Britain Pounds Total	**2,797,757**	**2.71**
	United States Dollars		
21,000	Anglo Gold Ashanti Limited	347,885	0.34
101,000	Coeur Mining Inc	765,572	0.74
104,000	Harmony Gold Mining Company Limited	356,454	0.34
218,000	Iamgold Corporation	585,931	0.57
	United States Dollars Total	**2,055,842**	**1.99**
	Total investment in listed equity shares	**7,185,851**	**6.95**
	Debt instruments		
	Australian Dollars		
1,000,200	Futura Resources Limited	10,406,905	10.05
	Australian Dollars Total	**10,406,905**	**10.05**
	Canadian Dollars		
305,000	PRISM Diversified Limited Loan Note 1	129,977	0.13
250,500	PRISM Diversified Limited Loan Note 2	414,138	0.40
	Canadian Dollars Total	**544,115**	**0.53**
	Euro		
1,045	Cemos Group Plc Convertible Unsecured Loan Security	7,697,632	7.44
460,603	Cemos Group Plc Loan Note	412,517	0.40

	Euro Total	**8,110,149**	**7.84**

Shares /Warrants/ Nominal	Investments	Fair value £ equivalent	% of Net assets
	Debt instruments (Continued)		
	Great Britain Pounds		
2,200,000	Anglo Saxony Mining Limited Convertible Loan Note	3,400,613	3.29
16,666,667	Tungsten West Limited Convertible Loan Note	10,074,837	9.73
	Great Britain Pounds Total	**13,475,450**	**13.02**
	United States Dollars		
3,500,000	Azarga Metals Secured Convertible Loan Note	2,508,890	2.42
440,000	Bilboes Holdings Loan Note 1	2,667,091	2.58
220,000	Bilboes Holdings Loan Note 2	516,689	0.50
7,009,332	Black Pearl Limited Partnership	1,281,629	1.24
4,000,000	Mines & Metals Trading (Peru) Plc Convertible Loan Note	3,683,307	3.56
1,000,000	Mines & Metals Trading (Peru) Plc	585,887	0.56
	United States Dollars Total	**11,243,493**	**10.86**
	Total investments in debt instruments	**43,780,112**	**42.30**
	Unlisted equity shares and warrants and royalties		
	Australian Dollars		
7,800,000	Futura Gross Revenue Royalty	5,316,448	5.14
1,018,030	Futura Resources Limited	1,006,539	0.97
	Australian Dollars Total	**6,322,987**	**6.11**
	Canadian Dollars		
13,490,414	Azarga Metals Convertible Loan Note Warrants 31/12/2022	104,502	0.10
13,083,936	PRISM Diversified Limited	1,000,026	0.97
1,000,000	PRISM Diversified Limited Warrants 31/12/2023	36,987	0.04
	Canadian Dollars Total	**1,141,515**	**1.11**
	Great Britain Pounds		
8,096,233	Anglo Saxony Mining Limited	647,699	0.62
1,594,646	Celadon Mining Limited	15,946	0.02
24,004,167	Cemos Group Plc	6,943,907	6.71
7,869,319	Tungsten West Limited	3,541,194	3.42
	Great Britain Pounds Total	**11,148,746**	**10.77**
	Norwegian Krone		
12,785,361	Nussir ASA	3,550,538	3.43
	Norwegian Krone Total	**3,550,538**	**3.43**

Shares /Warrants/ Nominal	Investments	Fair value £ equivalent	% of Net assets
	Unlisted equity shares and warrants and royalties (Continued)		
	United States Dollars		
451,445	Bilboes Gold Limited	17,009,886	16.43
4,244,550	Gobi Coal & Energy Limited	146,101	0.14
30,698	Mines & Metals Trading (Peru) Plc	334,981	0.32
16,352	Polar Acquisition Limited	9,196,314	8.89
56,042	Sarmin Minerals Exploration	2,790,916	2.70
	United States Dollars Total	**29,478,198**	**28.48**
	Total unlisted equity shares, warrants and royalties	**51,641,984**	**49.90**
	Financial assets held at fair value through profit or loss	**102,607,947**	**99.15**

Other Assets & Liabilities	**883,452**	**0.85**
Total Equity	**103,491,399**	**100.00**

STRATEGIC REPORT

Company Structure

The Company is a registered closed-ended investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended ("POI Law") and the Registered Collective Investment Scheme Rules 2018 issued by the Guernsey Financial Services Commission ("GFSC"). The Company is not authorised or regulated as a collective investment scheme by the Financial Conduct Authority. The Company is subject to the Listing Rules and the Disclosure and Transparency Rules of the UK Listing Authority. The Articles of the Company contain provisions as to the life of the Company. At the Annual General Meeting ("AGM") falling in 2018 and at each third AGM convened by the Board thereafter, the Board will propose a special resolution to discontinue (the Company) which if passed will require the Directors, within 6 months of the passing of the special resolution, to submit proposals to shareholders that will provide shareholders with an opportunity to realise the value of their Ordinary Shares. Shareholders voted against discontinuing the Company at the 2018 AGM, and the next discontinuation vote will be held at this year's AGM which is expected to be held in the third quarter of the year.

Company Purpose and Values

The purpose of the Company is to carry out business as an investment company and to provide returns to shareholders through achieving its investment objective as described on page 13.

The values of the Company are discussed and agreed upon by the Board. The Board seeks to run the Company with a culture of openness, high integrity and accountability. It aims to demonstrate these values through its behaviour both within itself and its dealings with its stakeholders. It seeks to act in the spirit of mutual respect, trust and fairness. The Board is robust in its challenge of the Investment Manager and other service providers but tries always to be constructive and collegiate. The Board expects its members to exhibit an independence of mind and not to be wary of asking difficult questions. Moreover, it expects and encourages its key service providers to exhibit similar values.

Role and Composition of the Board

The Board is the Company's governing body; it sets the Company's strategy and is collectively responsible for its long-term performance. The Board, which is comprised entirely of independent Non-Executive Directors, is responsible for appointing and subsequently monitoring the activities of the Manager and other service providers to ensure that the investment objectives of the Company continue to be met. The Board also ensures that the Manager adheres to the investment restrictions described in the Company's Prospectus and acts within the parameters set by it in any other respect. It also identifies and monitors the key risks facing the Company.

Investment activities are predominantly monitored through quarterly Board meetings at which the Board receives detailed reports and updates from the Investment Manager, who attends each Board meeting. Services from other key service providers are reviewed as appropriate. As travel bans resulting from the pandemic prevented physical meetings taking place, the Board have made use of video conference facilities to maintain engagement with service providers.

Subject to meeting solvency requirements, if the Ordinary Shares trade at a discount in excess of 15 per cent to their NAV, the Board will consider whether the Company should buy back its own Ordinary Shares, taking into account the Company's liquidity, conditions in the stock market and mining markets.

The Board continues to review the Company's ongoing expenditure to ensure that the total costs incurred in the running of the Company remain competitive. An analysis of the Company's costs, including management fees (which are based on the market capitalisation of the Company), Directors' fees and general expenses, is submitted to each Board meeting.

As at 31 December 2020, the Board comprised four Directors (2019: four).

Investment Management

The Manager was appointed pursuant to a management agreement with the Company dated 31 March 2010 (the Management Agreement). Under the Management Agreement, the Manager acts as manager of the Company, subject to the overall control and supervision of the Directors and was authorised to appoint the Investment Manager to manage and invest the assets of the Company. The Manager is responsible for the payment of the fees of the Investment Manager. The Manager is a company incorporated in the Cayman Islands on 10 April 2002 with registration number 117030 and is an affiliate of the Investment Manager.

Baker Steel Capital Managers LLP acts as Investment Manager of the Company and was incorporated in England and Wales on 19 December 2001. It is authorised and regulated by the Financial Conduct Authority in the United Kingdom. The Investment Manager is a limited liability partnership with registration number OC301191 and is an affiliate of the Manager. The Investment Manager has been appointed by the Company to act as its Alternative Investment Fund Manager ("AIFM") and is responsible for the portfolio management and investment risk management of the Company. The Investment Manager manages the Company in accordance with the Alternative Investment Fund Managers Directives ("AIFMD"). The Investment Manager is a specialist natural resources asset management and advisory firm operating from its head office in London and its branch office in Sydney. It has an experienced team of fund managers covering the precious metals, base metals and minerals sectors worldwide, both in relation to commodity equities and the commodities themselves.

The Directors formally review the performance of the Investment Manager on an annual basis and remain satisfied that the Investment Manager has the appropriate resources and expertise to manage the portfolio of the Company in the best interests of the Company and its shareholders.

Investment Objective

The Company's investment objective is to seek capital growth over the long-term through a focused, global portfolio consisting principally of the equities, loans or related instruments of natural resources companies. The Company invests predominantly in unlisted companies (i.e. those companies that have not yet made an initial public offering ("IPO") but also in listed securities (including special situations opportunities and less liquid securities) with a view to making attractive investment returns through the uplift in value resulting from the development progression of the investee companies' projects and through exploiting value inherent in market inefficiencies and pricing anomalies.

Investment Policy

The core of the Company's strategy is to invest in natural resources companies, predominantly unlisted, that the Investment Manager considers to be undervalued and that have strong fundamentals and attractive growth prospects. Natural resources companies, for the purposes of the investment policy, are those involved in the exploration for and production of base metals, precious metals, bulk commodities, thermal and metallurgical coals, industrial minerals, energy and uranium, and include single-asset as well as diversified natural resources companies.

It is intended that unlisted investments be realised through an IPO, trade sale, management repurchase or other methods.

The Company focuses primarily on making investments in companies with producing and/or tangible assets such as resources and reserves that have been verified under internationally recognised standards for reporting, such as those of the Australasian Joint Ore Reserves Committee ("JORC"). The Company may also invest from time to time in exploration companies whose activities are speculative by nature.

The Company has flexibility to invest in a wide range of investments in addition to unlisted and listed equities and equity-related securities, including but not limited to commodities, convertible bonds, debt securities, royalties, options, warrants and futures. Derivatives may be used for efficient portfolio management, hedging and for the purposes of obtaining investment exposure. The Company may also have exposure from time to time to other companies within the wider resources and materials sector, including services companies, transport and infrastructure companies, utilities and downstream processing companies.

The Company may take legal or management control of a company from time to time. The Company may invest in other investment funds or vehicles, including any managed by the Manager or Investment Manager, where such investment would be complementary to the Company's investment objective and policy.

Borrowing and Leverage
The Company may, at the discretion of the Investment Manager, and within limits set by the Board, incur leverage for liquidity purposes by borrowing funds from banks, broker-dealers or other financial institutions or entities. The costs and impact of leverage, positive and negative will affect the operating results of the Company.

During the current and prior year, no leverage was used by the Company.

Investment Restrictions

There are no fixed limits on the allocation between unlisted and listed equities or equity-related securities and cash although, as a guideline, typically the Investment Manager will aim for the Company to be invested over the long-term as follows:
- between 40 and 100 per cent of the value of its gross assets in unlisted equities or equity-related securities;
- up to 50 per cent of the value of its gross assets in listed equities or equity-related securities;
- up to 10 per cent of the value of its gross assets in cash or cash-like holdings; and
- in 10 to 20 core positions to provide adequate diversification whilst retaining a focused core approach. Core positions will be between 5 per cent and 15 per cent of NAV as at the date of acquisition.

The actual percentage of the Company's gross assets invested in listed and unlisted equities and equity-related securities and cash and cash-like holdings and the number of positions held may fall outside these ranges from time to time. The portfolio may become focussed on fewer holdings as certain investments mature and increase in value. Once such investments are realised it is intended that the consideration will be reinvested in several new investments thereby diversifying the portfolio. Listed securities might exceed the above guideline following a significant number of IPOs or in certain market conditions and likewise cash balances may exceed the above guideline following the realisation of one or more investments or following the issue of new equity in the Company, pending investment or distribution of the proceeds
Investment Restrictions (continued)
The investment policy has the following limits:

- Save in respect of cash and cash-like holdings awaiting investment, and except as set out below, the Company will invest or lend no more than 20 per cent in aggregate of the value of its gross assets in or to any one particular company or group of companies, as at the date of the relevant transaction.

- No more than 10 per cent in aggregate of the value of the gross assets of the Company may be invested in other listed closed-ended investment funds, except for those which themselves have stated investment strategies to invest no more than 15 per cent of their gross assets in other listed closed-ended investment funds.

Where derivatives are used for investment exposure, these limits will be applied in respect of the investment exposures so obtained.

The Company will avoid (a) cross-financing between the businesses forming part of its investment portfolio and (b) the operation of common treasury functions between it and the investee companies. When deemed appropriate, the Company may borrow up to 10 per cent of NAV for temporary purposes such as settlement of mis-matches. Borrowings will not however be incurred for the purposes of any Share repurchases. Any material change in the investment objective, investment policy or borrowing policy will only be made with the prior approval of holders of Ordinary Shares by Ordinary Resolution. In the event of any breach of the investment restrictions the Investment Manager would report the breach to the Board and shareholders would be informed of any corrective action required. No breaches of investment restrictions occurred during the year ended 31 December 2020.

Hedging
The Investment Manager will not normally hedge the exposure of the Company to currency fluctuations.

Performance
The Company monitors NAV against the EMIX Global Mining Index as a key performance indicator. Anoutline of performance, market background, investment activity and portfolio strategy during the year under review, as well as outlook, is provided in the Chairman's Statement on page 3 and the Investment Manager's Report on pages 4 to 8.

Principal risk and uncertainties
The Board is responsible for the Company's system of risk management and internal control and for reviewing its effectiveness.
The Board has adopted a detailed matrix of principal risks affecting the Company's business as an investment company and has established associated policies and processes designed to manage and, where possible, mitigate those risks, which are monitored by the Audit Committee on an ongoing basis. This system assists the board in determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives.

Although the Board believes that it has a robust framework of internal controls in place this can provide only reasonable, and not absolute, assurance against material financial misstatement or loss and is designed to manage, not eliminate, risk. Actions taken by the Board and, where appropriate, its committees, to manage and mitigate the Company's principal risks and uncertainties are discussed in more detail below.

Emerging Risks and Uncertainties
During the year, the Board also discussed and monitored a number of risks that could potentially impact the Company's ability
to meet its strategic objectives. The principal emerging risk was agreed to be climate change risk. Climate change risk includes how climate change could affect the Company's investments, and potentially shareholder returns. The Board has implemented an ESG policy which has been developed from the Managers own ESG policy. The Company's ESG policy is available on its website. The Board will continue to monitor the implications of growing ESG pressures as an emerging risk.

Market and financial risks
Market risk arises from volatility in the prices of the Company's underlying investments which, in view of the Company's investment policy, are in turn particularly sensitive to commodity prices. Market risk represents the potential loss the Company might suffer through holding investments in the face of negative market movements. The Board has set investment restrictions and guidelines to help mitigate this risk. These are monitored and reported on by the Investment Manager on a regular basis. Further details are disclosed in note 4 on pages 51 to 55.

The Company's investment activities also expose it to a variety of financial risks including in particular foreign currency risk. A sensitivity to foreign exchange is presented on pages 51 and 52.

The Coronavirus (Covid-19) has had a significant impact on financial markets since February 2020. While it cannot be predicted how long market conditions will remain volatile, the Board notes that commodities have performed strongly during the period of the pandemic due to the combined risks of inflation and the potential for commodity intensive recovery plans by governments.

Portfolio management and Performance risks
The Board is responsible for determining the investment strategy to allow the Company to fulfil its objectives and also for monitoring the performance of the Investment Manager to which has been delegated day to day discretionary management of the Company's portfolio. An inappropriate strategy may lead to poor performance. The investment policy of the Company allows for a highly focused portfolio which can lead to a concentration of risk. To manage this risk, the Investment Manager provides to the Board, on an ongoing basis, an explanation of the significant stock selection recommendations and the rationale for the composition of the investment portfolio. The Board mandates and monitors an adequate diversification of investments, both geographically and by commodity, in order to reduce the risks associated with particular sectors, based on the diversification requirements inherent in the Company's investment policy.

The Company invests in certain companies whose projects are located in emerging markets. In such countries governments can exercise substantial influence over the private sector and political risk can be a significant factor. In adverse social and political circumstances, governments have been involved in policies of expropriation, confiscatory taxation, nationalisation, intervention in the securities markets and imposition of foreign exchange controls and investment restrictions. The Investment Manager and the Board take into account specific political and other such risks when entering into an investment and seek to mitigate them by diversifying geographically.

The Company's ability to implement its investment policy depends on the Investment Manager's ability to identify, analyse and invest in investments that meet the Company's investment criteria. Failure by the Investment Manager to find additional investment opportunities meeting the Company's investment objectives and to manage investments effectively could have a material adverse effect on the Company's business, financial condition, and results of operations. The Company has no employees and, subject to oversight by the Board, is reliant on the Investment Manager, which has significant discretion as to the implementation of the Company's operating policies and strategies. The Company is subject to the risk that the Investment Manager or its key investment professionals will cease to be involved in the management of any part of the Company's assets and that no suitable replacement will be found. The Board regularly monitors the performance and capabilities of the Investment Manager and its key man risk plans.

There is the risk that the market capitalisation of the Company (on which the Investment Manager's fee is calculated) falls to such an extent that it will no longer be viable for the Investment Manager to provide the services that it currently provides. The Board monitors this possibility and, should it start to become an issue, would review it with the Investment Manager.

Risk of a vote to wind-up the Company
The Articles contain provisions for a special resolution of shareholders at the AGM in 2018 and every three years thereafter on whether to discontinue the Company. Should there be a catastrophic loss of value in the Company's assets, possibly as a result of the risks above, or merely a change in sentiment towards the mining sector generally by a sufficient proportion of investors, there is the risk of shareholders voting to wind-up the Company at that time. Because the Company's investments are largely unlisted it could then take a protracted amount of time to realise them or they may need to be sold at a discount to Fair Value if an accelerated timetable is required.

The Board has conducted sensitivity tests of future income and expenditure and the ability to realise assets should assets fall in value by over 50% over a three-year time period. The Board has concluded that, even in circumstances representing such a significant deterioration in markets, the Company can remain viable until the following discontinuation vote in 2024, on the basis that shareholders decide at this year's AGM to vote against discontinuation. To be passed the discontinuation vote would require a majority of 75% of those shareholders voting. The Company has canvassed major shareholders and indications are that the vote to discontinue will not be passed at the AGM in 2021.To understand the requirements of the Company's major shareholders, the Investment Manager regularly liaises with the Company's broker and meets major shareholders. The Chairman is also available to meet with shareholders as required.

In the event of a winding up of the Company, Shareholders will rank behind any creditors of the Company.

Viability Statement
In accordance with provision 31 of the UK Corporate Governance Code, published by the Financial Reporting Council ("FRC") in July 2018 (the "UK Code"), the Directors have assessed the prospects of the Company over 3 years, being the period until the discontinuation vote at the AGM in 2024. Following the consultation with major shareholders as noted above, for the purposes of assessing viability, the Directors have assumed that the Discontinuation resolution will not be passed at the AGM and therefore the Company will continue at least until the following Discontinuation Vote in 2024 and therefore consider that this is an appropriate timeframe to assess the viability of the Company as, in relation to the types of investments the Company makes, three years generally provides sufficient time for major milestones to be reached on mining projects together with some realisations and new investments to be made by the Company. Beyond three years, the Board considers the mining and minerals markets to be too difficult to predict to be sufficiently helpful.

The Directors have considered each of the principal risks and uncertainties detailed above individually and collectively and have taken into account in particular the impact of the shareholder discontinuation vote in 2021, which the Directors have assumed will not be passed, following consultation with major shareholders.

The Company has previously seen pressures from falls in commodity prices and a move by its share price to an increased discount to its NAV. The mining market is inherently cyclical and dependent on world economic output. Notwithstanding this, it is a feature of closed-ended investment companies such as BSRT that the greatest risk to viability is that the investments lose value to an extent where the expense ratio becomes excessive such that the Company becomes an unattractive investment proposition. In such conditions, it may also be a risk that liquidity (i.e. the ability to sell or realise cash from the portfolio, or raise borrowings should that be necessary) is insufficiently available to meet liabilities.

In the case of the Company, which has no gearing, the Investment Manager has conducted stress and sensitivity tests of future income and expenditure and the ability to realise assets, and has concluded that, even in circumstances representing a deterioration in value of 50% of net assets and a complete inability to sell any of the unlisted assets in the portfolio, the Company should remain viable over the period to the 2024 AGM. The key factor in this assessment is that currently the Company's greatest expense is the management fee which is calculated on the market capitalisation of the Company. Should net assets fall, market capitalisation would be expected to fall in line or at a higher rate, such that the costs of the Company would also fall. It is also assumed that the liquidity required over the three-year period and under the highly stressed conditions modelled, is largely provided by regular realisations of the Company's listed equities. The Directors believe this to be reasonable given that these equities are regularly traded at sufficient volumes in the context of the very minor positions the Company's holdings represent.

As a result, the Board of Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment.

Environmental, Social and Governance
The Company believes that monitoring environmental, social and governance ("ESG") factors is important not only to support sustainable and ethical investment but because ESG considerations are key for creating and maintaining shareholder value. The Company has developed an ESG Investment Policy which draws from international best practice and builds upon the principles and processes outlined in the United Nations Principles for Responsible Investment, of which the Investment Manager is a signatory. A copy of the Company's ESG policy is available on the Company's website.

ESG considerations are considered as an enhanced risk management tool and, as such, are incorporated into the Investment Manager's investment decision process at multiple levels during stock screening and company analysis, as well as being directly addressed with company management during meetings and on-site visits. The Company is an active investor and will use its voting rights to influence company direction in a sustainable way where deemed appropriate. The Company considers that social and environmental responsibility, along with good governance, are an integral element of running a successful mining company. For example the Nussir copper project in Norway aims to become the first zero carbon mine globally through being fully electric with the electricity generated from entirely renewable sources. The Company has used its representation on the Board of Nussir to actively promote this evolution to electrification.

Non-Mainstream Pooled Investment
The Directors intend to operate the Company in such a manner that its shares are not categorised as non-mainstream pooled investments.

Future Developments
The future performance of the Company depends upon the success of the Company's investment strategy and, as to its share price and market rating, partly on investors' view of mining related investments as an asset class. Further comments on the outlook for the Company can be found in the Chairman's Statement on page 3 and the Investment Manager's Report on pages 4 to 8.

Signed on behalf of the Board of Directors by:

David Staples
22 April 2021

BOARD OF DIRECTORS

The Board of Directors is listed below. In 2018 the Board put in place a succession plan to refresh its membership while maintaining a degree of continuity. Christopher Sherwell was the first director to retire as part of this plan and he resigned at the Company's AGM held on 28 May 2019. Clive Newall, who was the second director to retire as part of the plan, resigned at the Company's AGM on 15 September 2020. David Staples was appointed on 29 May 2019 and Fiona Perrot-Humphrey was appointed on 15 September 2020. Both the other Directors were appointed on 12 March 2010. No limit on the overall length of service of any of the Company's Directors, including the Chairman, has been imposed, as the Board believes that any decisions regarding tenure should consider the balance between the need for continuity of knowledge and experience, and the need periodically to refresh the Board's composition in terms of skills, diversity and length of service.

Howard Myles: Howard Myles currently acts as a non-executive director of a number of investment companies. Howard was a partner in Ernst & Young from 2001 until 2007 and was responsible for the Investment Funds Corporate Advisory team. He was previously with UBS Warburg from 1987 to 2001. Howard began his career in stockbroking in 1971 as an equity salesman and joined Touche Ross in 1975 where he qualified as a chartered accountant. In 1978 he joined W. Greenwell & Co. in the corporate broking team and in 1987 moved to SG Warburg Securities where he was involved in a wide range of commercial and industrial transactions in addition to leading UBS Warburg's corporate finance function for investment funds. He is a Fellow of the Institute of Chartered Accountants and of The Chartered Institute for Securities and Investments. Howard is a director of Aberdeen Latin American Income Fund Limited, Chelverton UK Dividend Trust plc and BBGI Global Infrastructure S.A. all of which are listed on the London Stock Exchange.

Howard is a member of the Company's Audit Committee. Notwithstanding that Howard's tenure extends beyond eleven years, the Board is satisfied that he continues to demonstrate independence of the Investment Manager.

Charles Hansard: Charles Hansard has over 40 years' experience in the investment industry as a professional and in a non-executive capacity. He currently serves as a non-executive director on a number of boards which include JJJ Moore part of the Moore Capital group of funds of which he was a director for 25 years. He is a director of NYSE listed Los Gatos Silver Inc and Electrum Ltd., a privately owned US gold exploration company. He formerly served as a director of Apex Silver Mines Ltd., where he chaired the finance committee during its capital raising phase and as chairman of the board of African Platinum Plc, which he led through reorganisation and feasibility prior to its sale to Impala Platinum. He commenced his career in South Africa with Anglo American Corporation and Fleming Martin as a mining analyst. He subsequently worked in New York as an investment banker for Hambros before returning to the UK to co-found IFM Ltd., one of the earliest European hedge fund managers. Charles holds a B.B.S. from Trinity College Dublin**.**

Notwithstanding that Charles's tenure extends beyond eleven years, the Board is satisfied that he continues to demonstrate independence of the Investment Manager.

Fiona Perrott-Humphrey: Fiona Perrott-Humphrey has over 30 years' experience in the mining finance industry in London. She moved to the UK in 1987 after a period in academia in South Africa, and over the next 15 years, was a rated mining analyst for a number of stockbroking firms including James Capel, Cazenove and Citigroup (the latter as head of European Mining Research). After leaving full time broking, Fiona has had a portfolio of roles drawing on her experience of covering the global mining sector. She is a founder of a mining strategic consulting business, and director of AIM Mining Research and in 2007 published a book entitled Understanding Junior Miners. In 2004, she was appointed Adviser to the Mining team at Rothschild and Co. Fiona was a non-executive director of Dominion Diamonds, located in northern Canada, for two years from 2014. She is invited to present regularly at global mining conferences.

Fiona is a member of the Company's audit committee.

David Staples: David Staples worked for PWC in London for 25 years, including 13 years as Partner. He has many years' experience serving on boards of listed and private companies as a non-executive director, including as chairman of listed investment companies. David has a BSc in Economics and Accounting, is a Fellow Chartered Accountant, a Chartered Tax Adviser and a holder of the Institute of Directors' Certificate in Company Direction. He is a Director of Ruffer Investment Company Limited and NB Global Monthly Income Fund, both of which are listed on the London Stock Exchange. He is also chairman of the general partner companies of private equity funds advised by Apax Partners.

David is the Chairman of the Audit Committee.

DIRECTOR'S REPORT
For the year ended 31 December 2020

The Directors of the Company present their eleventh annual report and the audited financial statements (the "Annual Report") for the year ended 31 December 2020.

The Directors' Report contains information that covers this period and the period up to the date of publication of this Report. Please note that more up to date information is available on the Company's website www.bakersteelresourcestrust.com.

Status

Baker Steel Resources Trust Limited (the "Company") is a closed-ended investment company with limited liability incorporated on 9 March 2010 in Guernsey under the Companies (Guernsey) Law, 2008 with registration number 51576. The Company is a registered closed-ended investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended ("POI Law") and the Registered Collective Investment Scheme Rules 2018 issued by the Guernsey Financial Services Commission ("GFSC"). On 28 April 2010 the Ordinary Shares and Subscription Shares of the Company were admitted to the Official List of the UK Listing Authority and to trading on the Main Market of the London Stock Exchange, Premium Segment.

Investment Objective

Details of the Company's investment objectives and policies are described in the Strategic Report on page 13.

Performance

In the year to 31 December 2020, the Company's NAV per Ordinary Share increased by 31.5% (2019: 29.9%). This compares with a rise in the EMIX Global Mining Index (capital return in Sterling terms) of 22.2% (2019: 18.1%). A more detailed explanation of the performance of the Company is provided within the Investment Manager's Report on pages 4 to 8.

The results for the year are shown in the Statement of Comprehensive Income on pages 37 and 38 and the Company's financial position at the end of the year is shown in the Statement of Financial Position on page 36.

Dividends and distribution policy

During the year ended 31 December 2015 the Board introduced a capital returns policy whereby, subject to applicable laws and regulations, it will allocate cash for distributions to shareholders. The amount to be distributed will be calculated and paid following publication of the Company's audited financial statements for each year and will be no less than 15% of the aggregate net realised cash gains (after deducting losses) in that financial year. The Board will retain discretion for determining the most appropriate manner to make such distribution which may include share buybacks, tender offers and dividend payments. In the longer term the Board intends to formulate a more regular dividend policy once it starts to receive income from its royalty interests.

Directors and their interests

The Directors of the Company who served during the year and up until the date of signing of the financial statements are:

Howard Myles (Chairman)
Charles Hansard
Clive Newall (Resigned 15 September 2020)

Fiona Perrott-Humphrey (Appointed 15 September 2020)
David Staples

Biographical details of each of the Directors who were on the Board of the Company at the time of signing The Annual Report are presented on page 17 of the Annual Report.

Each of the Directors is considered to be independent in character and judgement.

Each Director is asked to declare his interests at each Board Meeting. No Director has any material interest in any other contract which is significant to the Company's business. None of the Directors hold any shares in the Company.

Authorised Share Capital

The share capital of the Company on incorporation was represented by an unlimited number of Ordinary Shares of no par value. The Company may issue an unlimited number of shares of a nominal or par value and/or of no par value or a combination of both.

Shares in issue

The Company was admitted to trading on the London Stock Exchange on 28 April 2010. On that date, 30,468,865 Ordinary Shares and 6,093,772 Subscription Shares were issued pursuant to a placing and offer for subscription and 35,554,224 Ordinary Shares and 7,110,822 Subscription Shares were issued pursuant to a Scheme of Reorganisation of Genus Capital Fund.

In addition, 10,000 Management Ordinary Shares were issued.

In May 2019, the Company enacted a tender offer for 9,677,478 Ordinary Shares at 51 pence per share. The repurchased shares were cancelled.

The Company had a total of 106,453,335 Ordinary and 9,167 Management Ordinary Shares in issue as at 31 December 2020, of which 700,000 Ordinary Shares were held in Treasury.

Significant Shareholdings

As at 31 December 2020, the Company had received notifications in accordance with the FCA's Disclosure and Transparency Rule 5.1.2 R of the following interests in 3% or more of the voting rights attaching to the Company's issued share capital.

Ordinary Shareholder	**Number of Ordinary Shares 000's**	**% of Total Shares in issue**
Overseas Asset Management	13,681	12.85
The Sonya Trust	12,722	11.95
RIT Capital Partners	12,517	11.76
Northcliffe Holdings Pty Ltd	12,452	11.70
Premier Miton Investors	11,045	10.38
Armstrong Investments	5,100	4.79
Baker Steel Capital Managers	4,923	4.62

The Investment Manager, Baker Steel Capital Managers LLP had an interest in 9,167 Management Ordinary Shares at 31 December 2020 (31 December 2019: 9,167).

Baker Steel Global Funds SICAV - Precious Metals Fund ("Precious Metals Fund") had an interest in 4,922,877 Ordinary Shares in the Company at 31 December 2020 (2019: 5,622,877). Precious Metals Fund has the same Investment Manager as the Company.

David Baker and Trevor Steel, Directors of the Manager, are interested in the shares held by Northcliffe Holdings Limited and The Sonya Trust respectively.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual report and financial statements in accordance with applicable Guernsey law, Listing Rules, Disclosures and Transparency Rules, UK Corporate Governance Code and generally accepted accounting principles.

Guernsey company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements the Directors should:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable the Directors to ensure that the financial statements comply with the Companies (Guernsey) Law, 2008. The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that to the best of their knowledge:

- the financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and give a true and fair view of the assets, liabilities and financial position and profit or loss of the Company;
- the Annual Report includes a fair review of the position and performance of the business of the Company together with the description of the principal risks and uncertainties that the Company faces, as required by the Disclosure and Transparency Rules of the UK Listing Authority;
- the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy; and
- they have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity.

Auditor Information

The Directors at the date of approval of this Report confirm that, so far as each of the Directors is aware, there is no relevant audit information of which the Company's auditor is unaware and each Director has taken all the reasonable steps he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Going Concern

The Directors have made an assessment of the Company's ability to continue as a going concern and consider it appropriate to adopt the going concern basis of accounting. There will be a discontinuation vote at the AGM in June 2021, however following consultation with major shareholders, the Board consider it likely that the discontinuation vote will not be passed and the Company will continue following the AGM. The Board are satisfied that it has the resources to continue in business for at least 12 months following the signing of these financial statements. As at 31 December 2020, approximately 8% of the Company's assets were represented by cash and unrestricted listed and quoted investments which are readily realisable. The Directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

Related party transactions

Transactions with related parties are based on terms equivalent to those that prevail in an arm's length transaction and are disclosed in Note 12.

Corporate Governance Compliance

The Guernsey Financial Services Commission's Finance Sector Code of Corporate Governance (the "GFSC Code") provides a framework which applies to all companies in the regulated finance sector in Guernsey. The Company reports against the UK Corporate Governance Code (the "Code"), which meets the requirements of the GFSC Code. The Board is committed to high standards of corporate governance and has implemented a framework for corporate governance that it considers to be appropriate for an investment company in order to comply with the principles of the Code. The Code is available on the FRC's website www.frc.org.uk and the Company has made its corporate governance practices publicly available and these can be found at www.bakersteelresourcestrust.com. The disclosures in this statement report against the provisions of the Code, as revised in 2018 effective for periods commencing on or after 1 January 2019.

Throughout the year ended 31 December 2020, the Company has complied with the recommendations of the Code except as set out below.

The Code includes provisions relating to:

- The role of the Chief Executive
- Executive Directors' remuneration
- The requirement for a senior Independent Director
- Nomination and Remuneration Committees
- The requirement for an internal audit function

The Board considers these provisions are not relevant for the Company as it is an externally managed investment entity. The Company has therefore not reported further in respect of these provisions. The Directors are all independent and non-executive and the Company does not have employees, hence no Chief Executive is required for the Company. The Board is satisfied that any relevant issues can be properly considered by the Board as explained further on the following pages.

There have been no other instances of non-compliance, other than those noted above.

Operation and composition of the Board

- Composition

  The Board has no executive directors and has contractually delegated responsibility to service providers for the management of the Company's investment portfolio, the arrangement of custodial and cash flow monitoring and oversight services and the provision of accounting and company secretarial services. The Company has no employees.

- Independence

  The Board consists entirely of independent non-executive Directors, of whom Howard Myles is the Chairman. Each of the Directors confirms that they have no other significant commitments that adversely impact on their ability to act for the Company and its shareholders, and that they have sufficient time to fulfil their obligations to the Company.

- Senior Independent Director

  In view of its non-executive nature and small size, the Board considers that it is not necessary for a Senior Independent Director to be appointed.

- Appointment and re-election

  The Company has a transparent procedure for the appointment and re-election of the Directors. There are no service contracts in place for the Directors.

  The Directors are not required to retire by rotation. Instead each director puts himself forward for re-election on an annual basis at the AGM. The AGM also includes a resolution whereby shareholders are able to approve the maximum cumulative remuneration for the Board.

  All the Directors are responsible for reviewing the size, structure and skills of the Board and considering whether any changes are required or new appointments are necessary to meet the requirements of the Company's business or to maintain a balanced Board.

  Howard Myles and Charles Hansard have now served as Directors for more than 9 years. The Board believes that both these directors continue to demonstrate independence of the Manager and to make a valuable contribution to the Company, and therefore recommends that shareholders vote in favour of their reappointment. The Board has a succession plan under which its membership will be refreshed over time. In 2019 Chris Sherwell retired and was replaced by David Staples, and in 2020 Clive Newall retired and was replaced by Fiona Perrott-Humphrey. It is intended that further new appointments will be made in the course of the next two years. An executive search firm with specialism in the financial sector was engaged to assist with the identification and appointment of Ms Perrott-Humphrey. Specialists will continue to be engaged as the Board consider necessary to assist with future appointments.

- Information

  The Board receives full details of the Company's assets, liabilities and other relevant information in advance of Board meetings, including information on regulatory and accounting developments.

- Performance appraisal

  The performance of the Board and the Audit Committee is evaluated through a formal and rigorous assessment process led by the Chairman. The performance of the Chairman is evaluated by the other Directors.

- Investment Manager assessment

  The Investment Manager was appointed pursuant to an investment management agreement with the Manager dated 31 March 2010 and which was amended and restated, with the Company joining as a party, on 14 November 2014 (the Investment Management Agreement). The Investment Manager is paid by the Manager and is not separately remunerated by the Company. The Investment Management Agreement pursuant to which the Company and the Manager have appointed the Investment Manager is terminable by any party giving the other parties not less than 12 months' written notice.

  The Investment Manager prepares regular reports to the Board to allow it to review and assess the Company's activities and performance on an ongoing basis. The Board and the Investment Manager have agreed clearly defined investment criteria, exposure limits and specified levels of authority. The Board completes a formal assessment of the Investment Manager on an annual basis. The assessment covers such matters as the performance of the Company relative to its peers and sector, the management of investor relations and the reasonableness of fee arrangements. Based on its assessment it is the opinion of the Board that the continuation of the appointment of the Investment Manager is in the best interests of shareholders of the Company.

- Board meetings

  The Board generally meets at least four times a year, at which time the Directors review the management and performance of the Company's assets and all other significant matters so as to ensure that the Directors maintain overall control and supervision of the Company's affairs. The Board is responsible for the appointment and monitoring of all service providers to the Company. Between these quarterly meetings there is regular contact with the Investment Manager and Company Secretary. The Directors are kept fully informed of investment and financial controls and other matters which are relevant to the business of the Company and which should be brought to the attention of the Directors. The Directors also have direct access to the Company Secretary (through its appointed representatives who are responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with) and, where necessary in the furtherance of their duties, to independent professional advice at the expense of the Company.

Attendance at the Board and Audit Committee meetings during the year was as follows:

	Board Meetings		Audit Committee Meetings	
	Held	Attended	Held	Attended
Howard Myles	4	4	4	4
Charles Hansard	4	4	4	N/A
Clive Newall*	4	3	4	3
Fiona Perrott-Humphrey*	4	2	4	2
David Staples	4	4	4	4

* Clive Newall resigned from the Board on 15 September 2020 and Fiona Perrott-Humphrey was appointed to the Board on 15 September 2020. Since this date to the end of the year there has been one quarterly Board meeting and one Audit Committee meeting.

In addition to the quarterly meetings, adhoc Board and committee meetings are convened as required. All Directors contribute to a significant exchange of views with the Investment Manager on specific matters, in particular in relation to developments in the portfolio.

- Relations with Shareholders
  The Board believes that the maintenance of good relations with shareholders is vital for the long-term prospects of the Company. The Company's stockbrokers, Numis Securities Limited, and the Investment Manager are responsible for managing relationships with shareholders and each provides the Board with feedback on a regular basis that includes a shareholder contact report and any concerns the shareholder has raised. The Chairman and the Board are also available to meet with shareholders at the Company's Annual General Meeting or otherwise.

- Engagement with key Stakeholders
  The Board considers its key stakeholders to be the Company's Investment Manager, Administrator, Company Secretary and Stockbroker. Engagement with each Stakeholder is formalised by quarterly reporting at the Board Meetings but outside of the formal meetings, is continuous as required by the operations of the Company. The Board is very aware of the importance to the success of the Company of these key stakeholders and encourages open and frequent dialogue to facilitate improvements to the way that the Company functions. For example, the Board has actively engaged with the Investment Manager on the level of information it requires to assess new investments. Through an iterative process of consultation, a mutually agreed package of information, including ESG considerations, has been developed.

- Principal and Emerging Risks
  The Board has delegated responsibility for the assessment of its risk matrix to the Audit Committee. The Audit Committee meets on a quarterly basis and assesses the adequacy of the controls documented in the matrix as well as the completeness. As the Audit Committee identifies changes that affect the risk profile of the Company it will recommend to the Board that the matrix is updated to reflect the risk and an assessment of the controls will take place so that a residual risk assessment is documented. More details on the Principal and Emerging Risks is presented in the Strategic Report.

Committees

The Committees of the Board have formal Terms of Reference which are available on the Company's webpage http://bakersteelresourcestrust.com/corporate-governance/.

- Audit Committee
  The Board has established an Audit Committee. The Audit Committee meets at least three times a year and is responsible for ensuring that the financial performance of the Company is properly reported on and monitored and provides a forum through which the Company's external auditor may report to the Board. The Audit Committee operates within established terms of reference. The Directors consider there is no need for an internal audit function because the Company operates through service providers and the Directors receive control reports on its key service providers.

  David Staples is Chairman of the Audit Committee with Fiona Perrott-Humphrey and Howard Myles as the other members.

- Nomination, Remuneration and Management Engagement Committees
  Given the size and nature of the Company and the fact that all the Directors are independent and non-executive it is not deemed necessary to form separate Nomination, Remuneration, and Management Engagement Committees. The Board, as a whole, considers new Board appointments, remuneration and the engagement of service providers.

Internal Controls

The Board has delegated to service providers the day to day responsibilities for the management of the Company's investment portfolio, the provision of depositary services and administration, registrar and corporate secretarial functions including the independent calculation of the Company's NAV and the production of the Annual Report and Financial Statements which are independently audited.

Formal contractual agreements have been put in place between the Company and providers of these services.

Even though the Board has delegated responsibility for these functions, it retains accountability for them and is responsible for the systems of internal control. However, it has delegated the regular review and oversight of the systems of internal control to the Audit Committee which reports back to the Board following each Audit Committee meeting. At each quarterly Board meeting, compliance reports are provided by the Administrator and Investment Manager.

The Company's risk matrix continues to be the core element of the Company's risk management process in establishing the Company's system of internal financial and reporting control. The risk matrix is prepared and maintained by the Investment Manager and reviewed regularly by the Audit Committee which initially identifies the risks facing the Company and then collectively assesses the likelihood of each risk, the impact of those risks and the strength of the controls mitigating each risk. The system of internal financial and operating control is designed to manage rather than to eliminate the risk of failure to achieve business objectives and by its nature can only provide reasonable and not absolute assurance against misstatement and loss. These controls aim to ensure that assets of the Company are safeguarded, proper accounting records are maintained and the financial information for publication is reliable. The Audit Committee confirms to the Board that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company.

This process has been in place for the year under review and up to the date of approval of this Annual Report and Audited Financial Statements and is reviewed by the Board by way of reporting from the Audit Committee and is in accordance with the Guidance on Risk Management Internal Control and Related Financial Reporting and Business Reporting issued by the FRC.

The Board therefore believes that the Company has adequate and effective systems in place to identify, mitigate and manage the risks to which it is exposed.

Director's Remuneration Policy

All Directors are non-executive and in view of the relatively small size of the Board a Remuneration Committee has not been established. The Board as a whole considers matters relating to the Directors' remuneration. No advice or services were provided by any external person in respect of its consideration of the Directors' remuneration.

The Company's policy is that the fees payable to the Directors should reflect the time spent by the Directors on the Company's affairs and the responsibilities borne by the Directors and be sufficient to attract, retain and motivate directors of a quality required to run the Company successfully. The Chairs of the Board and the Audit Committee are paid a higher fee in recognition of their additional responsibilities. The fee levels are reviewed annually.

There are no long term incentive schemes provided by the Company and no performance fees are paid to Directors. No Director has a service contract with the Company but each of the Directors is appointed by a letter of appointment which sets out the main terms of their appointment. Directors hold office until they retire or cease to be a director in accordance with the Articles of Incorporation or by operation of law.

The Directors recognise the benefits of diversity in terms of gender and ethnicity and will take these into account when considering future appointments to the Board. However, their principal criteria will remain the skills and experience of new directors and the Board will select the candidates whom it believes will add most value.

The Directors are remunerated for their services at such rate as the Directors determine provided that the aggregate amount of such fees may not exceed £200,000 per annum (or such sum as the Company in general meeting shall from time to time determine).

For the year ended 31 December 2020, the total remuneration of the Directors was £115,136 (2019: £115,000), with £28,750 (2019: £28,750) payable at the year end.

Directors are remunerated in the form of fees, payable quarterly in arrears, to the Director personally. The fees paid to each Director in respect of the years ended 31 December 2020 and 31 December 2019 are shown below.

	2020	**2019**
	£	**£**
Howard Myles	35,000	35,000
David Staples	30,000	17,733
Charles Hansard	25,000	25,000
Clive Newall	17,731	25,000
Fiona Perrott-Humphrey	7,405	n/a
Christopher Sherwell	n/a	12,267

Independent Auditors

The auditors, BDO Limited, have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

Subsequent Events

Please refer to Note 16 of the financial statements.

Signed on behalf of the Board of Directors by:

David Staples
22 April 2021

REPORT OF THE AUDIT COMMITTEE
For the year ended 31 December 2020

The function of the Audit Committee as described in its Terms of Reference is to ensure that the Company maintains high standards of integrity in its financial reporting and internal controls. David Staples is Chairman of the Audit Committee with Fiona Perrott-Humphrey and Howard Myles as the other members.

The Audit Committee is appointed by the Board and all members are considered to be independent both of the Investment Manager and the external auditor. The Audit Committee meets a minimum of three times a year to discuss the Interim and Annual Report and Audited Financial Statements, the audit plan and engagement letter, and the Company's risks, via discussion of its risk matrix. The Board is satisfied that the Audit Committee is properly constituted with members having recent and relevant financial experience, including two members who are chartered accountants.

The Board as a whole as advised by the Audit Committee considers the nature and extent of the Company's risk management framework and the risk profile that is acceptable in order to achieve the Company's strategic objectives. As a result, it is considered that the Board has fulfilled its obligations under the UK Code.

The Audit Committee continues to be responsible for reviewing the adequacy and effectiveness of the Company's on-going risk management systems and processes. The Company's system of internal controls, along with its design and operating effectiveness, is subject to review by the Audit Committee through reports received from all key service providers.

In the event of any deficiencies or breaches being reported, the Board would consider the actions required to remedy and prevent significant failings or weaknesses. During the year ended 31 December 2020, no significant weaknesses or failings were identified.

Fraud, Bribery and Corruption

The Audit Committee continues to monitor the fraud, bribery and corruption policies of the Company. The Board receives a confirmation from all service providers that they are not aware of any instances of fraud or bribery.

The Audit Committee considers the adequacy and security of the arrangements for the employees of its service providers to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Audit Committee is satisfied it has the ability and resources to investigate any matters that are brought to its attention and to follow up on any conclusion reached by such investigation.

Primary Areas of Judgement

As part of its review of the Company's financial statements, the Audit Committee takes account of the most significant issues and risks, both operational and financial, likely to impact on the financial statements and the mitigating controls to address these risks. The Audit Committee has determined that the key risk of misstatement is the valuation of investments for which there is no readily observable market price. Such investments are recorded at fair value which is the price that would be expected to be received to sell an asset in an orderly transaction between market participants at the measurement date. Significant judgements are required in respect of the valuation of the Company's investments for which there is no observable market price. Further information on the Company's methodologies is provided in Note 3 to the financial statements.

The risk is mitigated through the review by the Board of detailed reports prepared by the Investment Manager on portfolio valuation including valuation methodology, the underlying assumptions and the valuation process.

The Investment Manager also provides information to the Board on relevant market indices, recent transactions in similar assets and other relevant information to allow an assessment of appropriate carrying value having regard to the relevant factors.

The responsibility for ensuring that investments are carried at fair value lies with the Board.

Through its meetings during the year ended 31 December 2020 and its review of the Company's Annual Report and Audited Financial Statements, the Audit Committee considered the following significant risks as well as the principal risks and uncertainties described on pages 14 and 15.

Risk Considered	**How addressed**
The accuracy of the Company's Annual Report and Financial Statements	Review of the Annual Report and Audited Financial Statements, discussions with the external auditor and meetings with the auditor to understand the audit approach and findings having regard to the level of materiality agreed with it.
Adequacy of the Company's accounting and internal controls systems	Consideration of the Company's risk matrix, taking account of the relevant risks, the potential impact to the Company and the mitigating controls in place. The Committee also reviews control and compliance reports in this respect and receives explanations of any breaches and how any control weaknesses have been addressed.
Valuation of the Company's investments, in particular the valuation of unquoted investments	Reports received from and discussed in depth with the Investment Manager providing support for the investment valuations. The Investment Manager reporting is then challenged and reconciled to the independent auditor's review of the investment valuations.
The effectiveness and independence of the external audit process	The Audit Committee has regular dialogue with the external auditor both before and during the audit process. The auditor presents to the Audit Committee at both the planning and audit review stage, and confirms its independence at each stage. The Audit Committee receives feedback from the Investment Manager on the audit process and any concerns or challenges faced.
Emerging risks	The Audit Committee discusses the Company's risk matrix each time it meets. Through these discussions emerging short term risks such as those caused by the Covid-19 virus are assessed. The matrix also documents long term implications for the sector from secular trends such as climate change.

The Audit Committee also provides a forum through which the Company's auditor reports to the Board. The Board, advised by the Audit Committee, approves all non-audit work carried out by the auditor in advance and the fees paid to the auditor in this respect.

External Audit
The Company's external auditor is BDO Limited ("BDO").

The fees due to the auditor during the year were as follows:

		2020	**2019**
		£	**£**
Audit fees	Audit Fees	54,000	49,000
Non-audit fees	Agreed Upon Procedures relating to the review of the Company's half year report	8,000	7,650
Total Fees		62,000	56,650

The external auditor provides an audit planning report in advance of the annual audit. The Audit Committee has the opportunity to question and challenge the auditor in respect of their work. Based on levels of interaction with the auditor, and the assessment of auditor reporting, the audit planning, adherence to audit standards, competence of the audit team and feedback from the Investment Manager, the Audit Committee and the Board are satisfied that the reappointment of the external auditor should be proposed at the Annual General Meeting of the Company.

Internal Audit

The Audit Committee believes that the Company does not require an internal audit function because it delegates its day to day functions to third party service providers, although the Audit Committee oversees these operations and receives regular reports in this respect.

Risk Management and Internal Controls

The Board is responsible for the Company's system of internal controls and risk management. The Audit Committee has been delegated the responsibility for reviewing the ongoing effectiveness of the Company's internal controls and it discharges its duties in this area by assessing the nature and extent of the significant risks the Company is willing to accept in achieving the Company's objectives, and ensuring that effective systems of risk identification, assessment and mitigation have been implemented. The Strategic Report on pages 12 to 16 outlines the principal risks and uncertainties affecting the Company and the section on Internal Controls in the Directors Report on pages 18 to 25 gives details of the work performed by the Audit Committee in this area.

By their nature, the control mechanisms can only provide reasonable rather than absolute assurance against misstatement or loss. The Audit Committee seeks continual improvement in the Company's internal control mechanisms. The Audit Committee is not aware of any significant failings or weaknesses in the Company's internal controls in the year under review nor up to the date of this report.

Financial Reporting

The primary role of the Audit Committee in relation to financial reporting is to review the Annual Report and Financial Statements and the Half Year Report with the Administrator and the Investment Manager and assess their appropriateness. It focuses in this respect, amongst other matters, on:

- the clarity of the disclosures in the financial reporting and compliance with statutory, regulatory and other financial reporting requirements;
- the quality and acceptability of accounting policies and practices;
- material areas where significant judgements and estimates have been applied or where there has been discussion with the auditor; and
- taken as a whole, whether the financial statements are fair, balanced and understandable and provide shareholders with the necessary information to assess the Company's performance and strategy, reporting to the Board in this respect.

Going Concern

The Audit Committee has made an assessment of the Company's ability to continue as a going concern. There will be a discontinuation vote at the AGM in June 2021, however following consultation with major shareholders, the Audit Committee considers that the discontinuation vote will not be passed and the Company will continue following the AGM. Particular regard has been given to the fact that the Company holds listed securities that can if necessary be realised to meet liabilities as they become due. As at 31 December 2020, approximately 8.0% of the Company's assets were represented by cash and unrestricted quoted investments.

On the basis of its review, the Audit Committee is satisfied that the Company has the resources to continue in business for at least 12 months from the date of signing these financial statements and therefore is of the opinion that the financial statements should be prepared on a going concern basis and has accordingly recommended this opinion to the Board.

David Staples
Audit Committee Chairman
22 April 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BAKER STEEL RESOURCES TRUST LIMITED

Opinion on the financial statements

In our opinion, the financial statements of Baker Steel Resources Trust Limited ("the Company"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRSs"); and
- have been properly prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

We have audited the financial statements of the Company for the year ended 31 December 2020 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes In Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit committee.

Independence

We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining the paper prepared by those charged with governance and management in respect of going concern, which includes consideration of the viability statement included within the Annual Report, and discussing this with both the Company's Directors and management;
- Obtaining management's assessment of and support for their conclusion that the shareholder discontinuation vote in June 2021 will not be passed;
- Examining management's cash flow forecasts for the 3-year period to June 2024 and their stress tests of future income and expenditure and the ability to realise the Company's liquid assets;
- Reviewing the key inputs into the cashflow forecasts to ensure that these were consistent with our understanding and the historical results of the company; and
- Reviewing the minutes of the Board Meetings and the Company's RNS announcements and the compliance reports for any indicators of concerns in respect of going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Basis of materiality	*1.75% (2019: 1.75%) of total assets.*
Key audit matters (2020 and 2019)	*Investment valuation and existence.*
Materiality	Financial statements as a whole:- £1.815m (2019:£1.38m) based on 1.75% (2019: 1.75%) of total assets.

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

We tailored the scope of our audit taking into account the nature of the Company's investments, involvement of the Manager and the company Administrator, the accounting and reporting environment and the industry in which the Company operates.

In designing our overall audit approach, we determined materiality and assessed the risk of material misstatement in the financial statements.

This assessment took into account the likelihood, nature and potential magnitude of any misstatement. As part of this risk assessment we considered the Company's interaction with the Manager and the Company's Administrator. We considered the control environment in place at the Manager and the Company's Administrator to the extent that it was relevant to our audit. Following this assessment, we applied professional judgement to determine the extent of testing required over each balance in the financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the scope of our audit addressed the key audit matter
Valuation of and existence of unlisted investments including unrealised gains/(losses). Refer to the accounting policies on pages 41 to 45 and Note 3 to the Financial Statements. 92.06% (2019: 84.7%) of the carrying value of the investments relates to the Company's holdings in unlisted investments, which are valued using different valuation techniques as explained in Note 3 and pages 47 to 50. The valuations are subjective, with a high level of judgment	For all unlisted investments we agreed the number of warrants to the warrant instrument and obtained direct confirmation from the underlying investee for the holdings of other unlisted investments. For all investments: · We considered the processes, policies and methodologies used by management for fair valuing unlisted investments held by the Company including reviewing the hierarchy of application of valuation principles; · Agreed the Manager's application of valuation techniques as appropriate to the circumstances of the investment and the accounting policies applied; and

and estimation linked to the determination of fair value with limited market information available. As a result of the subjectivity, there is a risk of an inappropriate valuation model being applied, together with the risk of inappropriate inputs to the model being used. The valuation of the unlisted investments is a key driver of the Company's net asset value and total return. Incorrect valuations could have a significant impact on the net asset value of the Company and therefore the return generated for shareholders.	· Agreed the valuation per the models to the financial statements. In respect of the investments using a valuation model we:- · Obtained and challenged management's model based on our understanding of the investment. · Agreed the inputs, for example volatility, resource prices, tax rates etc. into the models to independent sources; · Evaluated whether all key terms of the underlying agreements had been considered within the models; · Performed an independent sensitivity analysis of certain inputs to identify and challenge in more detail, those which have the largest impact on the valuation; and · Checked the mathematical accuracy of the models. For investments valued on an index valuation we recalculated management's applied basket of indices for each investment. For those investments which used recent Investment as a basis for recalibrating inputs to the valuation model, we considered if there were any material changes in the market or changes in the performance of the investee company affecting the fair value of the investment at year end. For those investments based on sales price we obtained management rationale, underlying supporting documentation and considered the stage of sale and whether this was reasonable to indicate fair value. We reviewed and challenged the level of disclosures around investment valuations on pages 47 to 50. **Key observation:** Based on the procedures performed we are satisfied that judgements applied in valuing the unlisted investments are appropriate and the Company has valid ownership of these investments.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Company financial statements	
	2020 £	2019 £
Materiality	1,815,000	1,380,000
Basis for determining materiality	1.75% of total assets	
Rationale for the benchmark applied	Due to it being an investment fund with the objective of long-term capital growth with investment values being a key focus of users of the financial statements.	
Performance materiality	1,179,000	897,000
Basis for determining performance materiality	65% of materiality. This was determined using our professional judgement and took into account the complexity and our knowledge of the engagement together with history of minimal historical errors and adjustments.	

Specific materiality

We also determined that for investment income and sensitive fees which include management fees, administration fees director's fees and custodian fees, a misstatement of less than materiality for the financial statements as a whole, specific materiality, could influence the economic decisions of users. As a result, we determined materiality for these items based on 10% of materiality being £181,500 (2019: £138,000). We further applied a performance materiality level of 65% of specific materiality to ensure that the risk of errors exceeding specific materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £54,000 (2019: £69,000) and for items audited to specific materiality differences above £5,400 (2019: £6,900). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Audited Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Statement specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability	· The Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 20; and · The Directors' explanation as to its assessment of the entity's prospects, the period this assessment covers and why the period is appropriate set out on page 15 and 16.
Other Code provisions	· Directors' statement on fair, balanced and understandable set out on page 20; · Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 14; · The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 28; and · The section describing the work of the audit committee set out on page 23 and pages 26 to 28.

Other Companies (Guernsey) Law, 2008 reporting

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Company; or
- the financial statements are not in agreement with the accounting records; or
- we have failed to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities within the Directors' Report, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, includingfraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and have a direct impact on the preparation of the financial statements. We determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework such as IFRSs and the Companies (Guernsey) Law, 2008. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls), and determined that the principal risks were related to revenue recognition on the Company's investments, the management bias and judgement involved in accounting estimates, specifically in relation to the valuation of investments (the response to which is detailed in our key audit matter above).

Audit procedures performed by the engagement team to respond to the risks identified included:

- Discussion with and enquiry of management and those charged with governance concerning known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading minutes of meetings of those charged with governance, correspondence with the Guernsey Financial Services Commission, internal compliance reports, and breach registers to identify and consider any known or suspected instances of non-compliance with laws and regulations and fraud;
- Recalculating investment income and realised and unrealised gains and losses in full for listed investments based on external source information;
- For unquoted investments, recalculating realised and unrealised gains and losses in full. For investment income the amounts were recalculated where based on an agreement. Where not agreement based, we obtained direct confirmation from the underlying unquoted investee companies in relation to investment income; and
- Performing analytics on the mid-year NAVs with a focus on reviewing and corroborating movements over a set threshold.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at:https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

The engagement director on the audit resulting in this independent auditor's opinion is Justin Hallett.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

For and on behalf of BDO Limited
Chartered Accountants and Recognised Auditor
Place du Pré
Rue du Pré
St Peter Port
Guernsey

Date

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Notes	2020 £	2019 £
Assets			
Cash and cash equivalents	9	424,140	659,757
Interest receivable	2(j)	684,184	1,266,886
Other receivables		19,628	17,284
Financial assets held at fair value through profit or loss	3	102,607,947	76,932,117
Total assets		**103,735,899**	**78,876,044**
Equity and Liabilities			
Liabilities			
Directors' fees payable	12	28,750	28,750
Management fees payable	7,12	110,825	85,447
Administration fees payable	6	35,000	42,447
Audit fees payable		54,000	49,000
Custodian fees payable		7,587	6,338
Other payables		8,338	752
Total liabilities		**244,500**	**212,734**
Equity			
Management Ordinary Shares	10	9,167	9,167
Ordinary Shares	10	75,972,688	75,972,688
Revenue Reserves		10,971,969	10,808,636
Capital Reserves		16,537,575	(8,127,181)
Total equity		**103,491,399**	**78,663,310**
Total equity and liabilities		**103,735,899**	**78,876,044**
Net Asset Value per Ordinary Share (in Pence) - Basic and Diluted	13	97.2	73.9

The financial statements on pages 36 to 61 were approved and authorised for issue by the Board of Directors on
22 April 2021 and signed on its behalf by:

David Staples

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Year ended 2020 Revenue £	Year ended 2020 Capital £	Year ended 2020 Total £
Income				
Interest income	2(j)	1,703,620	-	1,703,620
Dividend income		138,129	-	138,129
Net gain on financial assets at fair value through profit or loss	3	-	24,674,768	24,674,768
Net foreign exchange loss		-	(10,012)	(10,012)
Net income		**1,841,749**	**24,664,756**	**26,506,505**
Expenses				
Management fees	7,12	1,104,344	-	1,104,344
Directors' fees	12	115,136	-	115,136
Administration fees	6	114,250	-	114,250
Other expenses	8	123,918	-	123,918
Custody fees		84,592	-	84,592
Broker fees		35,000	-	35,000
Audit fees		62,000	-	62,000
Directors' insurance and expenses		12,670	-	12,670
Legal fees		26,506	-	26,506
Total expenses		**1,678,416**	-	**1,678,416**
Net gain for the year		**163,333**	**24,664,756**	**24,828,089**
Net gain for the year per Ordinary Share:				
Basic and Diluted (in pence)	13	0.15	23.17	23.32

In the year ended 31 December 2020 there were no gains or losses other than those recognised above.

The Directors consider all results to derive from continuing activities.

The format of the Statement of Comprehensive Income follows the recommendations of the AIC Statement of Recommended Practice and is provided for information purposes.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Year ended 2019 Revenue £	Year ended 2019 Capital £	Year ended 2019 Total £
Income				
Loan guarantee income	2(i)	193,577	-	193,577
Interest income	2(j)	1,457,593	-	1,457,593
Dividend income		538,787	-	538,787
Net gain on financial assets at fair value through profit or loss	3	-	17,088,162	17,088,162
Net foreign exchange loss		-	(104,193)	(104,193)
Net income		**2,189,957**	**16,983,969**	**19,173,926**
Expenses				
Management fees	7,12	965,402	-	965,402
Directors' fees	12	115,000	-	115,000
Administration fees	6	103,938	-	103,938

Other expenses	8	95,648	-	95,648
Custody fees		77,521	-	77,521
Audit fees		56,650	-	56,650
Broker fees		40,972	-	40,972
Directors' insurance and expenses		18,979	-	18,979
Legal fees		11,620	-	11,620
Total expenses		**1,485,730**	**-**	**1,485,730**
Net gain for the year		**704,227**	**16,983,969**	**17,688,196**
Net gain for the year per Ordinary Share:				
Basic and Diluted (in pence)	13	0.6	15.5	16.1

In the year ended 31 December 2019 there were no gains or losses other than those recognised above.

The Directors consider all results to derive from continuing activities.

The format of the Statement of Comprehensive Income follows the recommendations of the AIC Statement of Recommended Practice and is provided for information purposes.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Management Ordinary Shares £	Ordinary Shares £	Treasury Shares £	Revenue reserves £	Capital reserves £	Total equity £
Balance as at 1 January 2019	10,000	81,165,017	(140,492)	10,104,409	(25,111,150)	66,027,784
Redemption of Ordinary Shares	(833)	(4,934,681)	-	-	-	(4,935,514)
Expenses related to Tender offer	-	(117,156)	-	-	-	(117,156)
Net gain for the year	-	-	-	704,227	16,983,969	17,688,196
Balance as at 31 December 2019	**9,167**	**76,113,180**	**(140,492)**	**10,808,636**	**(8,127,181)**	**78,663,310**
Net gain for the year	-	-	-	163,333	24,664,756	24,828,089
Balance as at 31 December 2020	**9,167**	**76,113,180**	**(140,492)**	**10,971,969**	**16,537,575**	**103,491,399**
Note	10	10	10			

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Year ended 2020 £	Year ended 2019 £
Cash flows from operating activities			
Net gain for the year		24,828,089	17,688,196
Adjustments to reconcile gain for the year to net cash used in operating activities:			
Interest income		(1,703,620)	(1,457,593)
Dividend income		(138,129)	(538,787)
Net gain on financial assets at fair value through profit or loss	3	(24,674,768)	(17,088,162)
Net (increase)/decrease in receivables		(2,344)	5,286

	Note	2020	2019
Net increase in payables		31,766	22,998
		(1,659,006)	**(1,368,062)**
Interest received		615,510	553,796
Dividend received		138,129	538,787
Net cash used in operating activities		**(905,367)**	**(275,479)**
Cash flows from investing activities			
Purchase of financial assets at fair value through profit or loss		(11,200,266)	(16,601,793)
Sale of financial assets at fair value through profit or loss		11,870,016	18,777,778
Net cash provided by investing activities		**669,750**	**2,175,985**
Cash flows from financing activities			
Expenses related to the tender offer		-	(117,156)
Payments for redemption of shares		-	(4,935,514)
Net cash used in financing activities		**-**	**(5,052,670)**
Net decrease in cash and cash equivalents		(235,617)	(3,152,164)
Cash and cash equivalents at the beginning of the year		659,757	3,811,921
Cash and cash equivalents at the end of the year	9	**424,140**	**659,757**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. GENERAL INFORMATION

Baker Steel Resources Trust Limited (the "Company") is a closed-ended investment company with limited liability incorporated and domiciled on 9 March 2010 in Guernsey under the Companies (Guernsey) Law, 2008 with registration number 51576. The Company is a registered closed-ended investment scheme registered pursuant to the Protection of Investors Law and the Registered Collective Investment Scheme Rules 2018 issued by the Guernsey Financial Services Commission ("GFSC"). On 28 April 2010 the Ordinary Shares and Subscription Shares of the Company were admitted to the Official List of the UK Listing Authority and to trading on the Main Market of the London Stock Exchange. The Company's Ordinary and Subscription Shares were admitted to the Premium Listing Segment of the Official List on 28 April 2010.

The final exercise date for the Subscription Shares was 2 April 2013. No Subscription Shares were exercised at this time and all residual/unexercised Subscription Shares were subsequently cancelled.

The Company's portfolio is managed by Baker Steel Capital Managers (Cayman) Limited (the "Manager"). The Manager has appointed Baker Steel Capital Managers LLP (the "Investment Manager") as the Investment Manager to carry out certain duties. The Company's investment objective is to seek capital growth over the long-term through a focused, global portfolio consisting principally of the equities, or related instruments, of natural resources companies. The Company invests predominantly in unlisted companies (i.e. those companies which have not yet made an Initial Public Offering ("IPO")) and also in listed securities (including special situations opportunities and less liquid securities) with a view to exploiting value inherent in market inefficiencies and pricing anomalies.

Baker Steel Capital Managers LLP was authorised to act as an Alternative Investment Fund Manager ("AIFM") of Alternative Investment Funds ("AIFs") on 22 July 2014. On 14 November 2014, the Investment Manager signed an amended Investment Management Agreement with the Company, to take into account AIFM regulations. AIFMD focuses on regulating the AIFM rather than the AIFs themselves, so the impact on the Company is limited.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared on a historical cost basis except for Financial Instruments at Fair Value Through Profit or Loss ("FVTPL") in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The financial statements have been prepared on a going concern basis.

The Company's functional currency is the Great Britain pound Sterling ("£"), being the currency in which its Ordinary Shares are issued and in which returns are made to shareholders. The presentation currency is the same as the functional currency. The financial statements have been rounded to the nearest £. The Company invests in companies around the world whose shares are denominated in various currencies.

Income encompasses both revenue and capital gains/losses. For a listed investment company, it is best practice to distinguish revenue from capital. Revenue includes items such as dividends, interest, fees and other equivalent items. Capital is the return, positive or negative, from holding investments other than that part of the return that is revenue. The format of the Statement of Comprehensive Income follows the recommendations of the AIC Statement of Recommended Practice and is provided for information purposes.

Assets and liabilities are presented in order of liquidity. Their maturities are disclosed in Note 4(c).

New standards, amendments and interpretations to existing standards which are not yet effective for the current year

A number of new standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted, however the Company has not early adopted the new or amended standards in preparing these financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Company's financial statements:

- IFRS 17 Insurance Contracts (effective for periods starting on or after 1 January 2023)
- Classification of Liabilities as Current or Non-current - Amendments to IAS 1 (effective for periods starting on or after 1 January 2023).
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28 (effective date is not

available until IASB completes the broader review on the standard)
- Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) (effective for periods starting on or after 1 January 2021).

New standards, amendments and interpretations to existing standards which are effective for the current year

There are a number of new standards, amendments to standards and interpretations that are effective for annual periods beginning after 1 January 2020 and were adopted from their effective date. These amendments did not have a significant impact on the Company's financial statements.

Amendment to IFRS 3: Definition of Business

On 22 October 2018, the IFRS Interpretations Committee of the International Accounting Standards Board ("IASB") issued a narrow-scope amendment to the definition of business in IFRS 3 Business combinations. The amendments are intended to assist entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The IASB provided guidance on the option to use a concentration test which is a simplified assessment that results in an asset acquisition, if substantially all of the fair value of the gross assets is concentrated in a single identifiable asset or a group of similar identifiable assets.

The amendment applies to annual reporting periods beginning on or after 1 January 2020. Earlier application of the amendment is permitted. The amendment did not have a significant impact on the Company's financial statements.

Amendments to IAS 1 and IAS 8: Definition of Material

On 31 October 2018, the International Accounting Standards Board ("IASB") issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The amendment applies to annual reporting periods beginning on or after 1 January 2020. Earlier application of the amendment is permitted. The amendment did not have a significant impact on the Company's financial statements.

b) IFRS 9 Financial Instruments

IFRS 9 sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

Classification and measurement of financial assets and financial liabilities

A financial asset or liability is measured at amortised cost if it meets both of the following conditions and are not designated as at FVTPL:
- Ø it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Ø its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets of the Company are measured at FVTPL, except for cash and cash equivalents which are measured at amortised cost.

All financial liabilities of the Company are measured at amortised cost.

Impairment of financial assets
Under IFRS 9 for trade receivables the Company has applied the simplified model. Under the simplified approach the requirement is to always recognise lifetime expected credit loss ("ECL"). Under the simplified approach there is no need to monitor significant increases in credit risk and measure lifetime ECLs at all times. The interest receivable is in respect of the Convertible loan notes, a list of which is presented in Note 4(c) on Page 55 of the Annual Report, and no provision has been made for credit losses. This is on the basis that the fair value of the underlying asset supports the convertible receivable.

For other receivables, the Directors have concluded that any ECL on these receivables would be highly immaterial.

c) Significant accounting judgements and estimates
The preparation of the Company's financial statements requires the Directors to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements and disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in future periods.

(i) Judgements
In the process of applying the Company's accounting policies, the Directors have made the following judgements, which have had the most significant effect on the amounts recognised in the financial statements:

Assessment as Investment Entity
As per IFRS 10, an entity shall determine whether it is an investment entity. An investment entity is an entity that fulfils the following criteria:

Ø It obtains funds from one or more investors for the purpose of providing those investors with investment services.
Ø It commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both.
Ø It measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Company meets the above criteria and is therefore considered to be an investment entity and therefore does not consolidate its subsidiaries.

Going Concern
As described in the Directors' Report, the Directors have made an assessment of the Company's ability to continue as a going concern and considered it appropriate to adopt the going concern basis of accounting. There will be a discontinuation vote proposed at the AGM in June 2021. To be passed the discontinuation vote requires a majority of 75% of those shareholders voting to vote in favour of discontinuing the Company. The Company has canvassed major shareholders following which the Board consider that the vote to discontinue will not be passed at the AGM in 2021 and therefore the Company will be able to continue until at least the subsequent discontinuation vote in 2024.The Board is satisfied that it has the resources to continue in business for at least 12 months following the signing of these financial statements. As at 31 December 2020, approximately 8% of the Company's assets were represented by cash and unrestricted listed and quoted investments which are readily realisable. The Directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

(i) Estimates and assumptions
The key assumptions concerning the future and other key sources of uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur. Please refer to Note 3 for further information.

(ii) Fair value of financial instruments
When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, their fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models

are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. The estimates include considerations of liquidity and model inputs related to items such as credit risk, correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the instruments are disclosed in the fair value hierarchy. To assess the significance of a particular input to the entire measurement, the Company performs sensitivity analysis or stress testing techniques. Please refer to Note 3 for further information. Investments in associates are carried at fair value as they are held as part of the investment portfolio which is valued on a fair value basis.

d) Interest income and expense

Bank interest income and interest expense are recognised on an accruals basis using the effective interest method.

e) Expenses

All expenses are recognised on an accruals basis.

f) Translation of foreign currencies

Foreign currency transactions during the year are translated into Sterling at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into Sterling at the rate of exchange ruling at the Statement of Financial Position date. Exchange differences including those arising from adjustment to fair value of financial instruments during the year, are included in the Statement of Comprehensive Income. The foreign exchange movements relating to financial assets form part of the fair value movement in the Statement of Comprehensive Income.

g) Segment information

The Directors are of the opinion that the Company is engaged in a single segment of business: investing in natural resources companies.

h) Net asset value per share

Net Asset Value per Ordinary Share disclosed on the face of the Statement of Financial Position is calculated in accordance with the Company's Prospectus by dividing the net assets of the Company on the Statement of Financial Position date by the number of Ordinary Shares (including the Management Ordinary Shares) outstanding at that date. Treasury Shares are excluded from the Net Asset Value per Ordinary Share calculation.

i) Interest on investments

These comprise of interest accrued and interest received from convertible loans where interest is payable throughout the life of the instrument which are accounted for on an accruals basis and recognised in the Statement of Comprehensive Income.

j) Dividend income

Dividend income is accrued on an ex-dividend basis and recognised in the Statement of Comprehensive Income and is presented net of withholding tax.

3. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Investment Summary:	Year ended 2020	Year ended 2019
	£	£
Opening book cost	74,539,152	70,753,693
Purchases at cost	12,871,078	16,601,793
Proceeds on sale of investments	(11,870,016)	(18,777,778)
Net realised gains	5,462,827	5,961,444
Closing cost	81,003,041	74,539,152
Net unrealised gains	21,604,906	2,392,965
Financial assets held at fair value through profit or loss	**102,607,947**	**76,932,117**

The following table analyses net gains on financial assets at fair value through profit or loss for the years ended 31 December 2020 and 31 December 2019.

	Year ended 2020	Year ended 2019
	£	£
Financial assets at fair value through profit or loss		
Realised gains on:		
- Listed equity shares	5,462,245	6,135,349
- Debt instruments	582	(173,905)
	5,462,827	5,961,444
Movement in unrealised (losses)/gains on:		
- Listed equity shares	(2,924,836)	250,838
- Unlisted equity shares	10,821,831	5,134,808
- Royalties	(428,348)	4,373,836
- Debt instruments	11,731,267	1,280,943
- Warrants	12,027	86,293
	19,211,941	11,126,718
Net gain on financial assets at fair value through profit or loss	**24,674,768**	**17,088,162**

The following table analyses investments by type and by level within the fair valuation hierarchy at 31 December 2020.

	Quoted prices in active markets Level 1	Quoted market based observables Level 2	Unobservable inputs Level 3	Total
	£	£	£	£
Financial assets at fair value through profit or loss				
Listed equity shares	7,185,851	-	-	7,185,851
Unlisted equity shares	-	-	36,987,733	36,978,733
Royalties	-	-	14,512,762	14,512,762
Warrants	-	-	141,489	141,489
Debt instruments	-	-	43,780,112	43,780,112
	7,185,851	-	95,422,096	102,607,947

The following table analyses investments by type and by level within the fair valuation hierarchy at 31 December 2019.

	Quoted prices in active markets	Quoted market based observables	Unobservable inputs

	Level 1	Level 2	Level 3	Total
	£	£	£	£
Financial assets at fair value through profit or loss				
Listed equity shares	8,722,030	-	-	8,722,030
Unlisted equity shares	-	-	24,780,551	24,780,551
Royalties	-	-	14,019,975	14,019,975
Warrants	-	-	116,337	116,337
Debt instruments	-	-	29,293,224	29,293,224
	8,722,030	-	68,210,087	76,932,117

The table below shows a reconciliation of beginning to ending fair value balances for Level 3 investments and the amount of total gains or losses for the year included in net gain on financial assets and liabilities at fair value through profit or loss held at 31 December 2020.

31 December 2020	**Unlisted Equities**	**Royalties**	**Debt instruments**	**Warrants**	**Total**
	£	**£**	**£**	**£**	**£**
Opening balance 1 January 2020	24,780,551	14,019,975	29,293,224	116,337	68,210,087
Purchases of investments	1,519,012	921,135	2,818,227	13,125	5,271,499
Sales of investments	-	-	(63,188)	-	(63,188)
Transfer to Level 1	(133,661)	-	-	-	(133,661)
Change in net unrealised gains	10,821,831	(428,348)	11,731,267	12,027	22,136,777
Realised gains	-	-	582	-	582
Closing balance 31 December 2020	36,987,733	14,512,762	43,780,112	141,489	95,422,0963,633,558
Unrealised gains on investments still held at 31 December 2020	9,366,113	2,745,785	13,105,480	128,364	25,345,742

The table below shows a reconciliation of beginning to ending fair value balances for Level 3 investments and the amount of total gains or losses for the year included in net gain on financial assets and liabilities at fair value through profit or loss held at 31 December 2019.

31 December 2019	**Unlisted Equities**	**Royalties**	**Debt instruments**	**Warrants**	**Total**
	£	**£**	**£**	**£**	**£**
Opening balance 1 January 2019	18,894,281	6,163,793	15,818,201	30,044	40,906,319
Purchases of investments	751,462	3,482,346	12,367,985	-	16,601,793
Change in net unrealised gains	5,134,808	4,373,836	1,280,943	86,293	10,875,880
Realised losses	-	-	(173,905)	-	(173,905)
Closing balance 31 December 2019	24,780,551	14,019,975	29,293,224	116,337	68,210,087
Unrealised (losses)/gains on investments still held at 31 December 2019	(1,455,715)	3,174,130	1,421,092	116,337	3,255,844

It is the Company's policy to recognise a change in hierarchy level when there is a change in the status of the investment, for example when a listed company delists or vice versa, or when shares previously subject to a restriction have that restriction released. The transfers between levels are recorded either on the value of the investment immediately after the event or the carrying value of the investment at the beginning of the financial year.

In determining an investment's position within the fair value hierarchy, the Directors take into consideration the following factors:

Investments whose values are based on quoted market prices in active markets are classified within Level 1. These include listed equities with observable market prices. The Directors do not adjust the quoted price for such instruments, even in situations where the Company holds a large position and a sale could reasonably impact the quoted price. The Company does not hold a sufficiently large position in any listed company that it could impact the quoted price via a sale of its investment.

Investments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs, are classified within Level 2. These include certain less-liquid listed equities. Level 2 investments are valued with reference to the listed price of the shares should they be freely tradable after applying a discount for liquidity if relevant. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Company held no Level 2 investments at 31 December 2020 (31 December 2019: none).

Investments classified within Level 3 have significant unobservable inputs. They include unlisted debt instruments, unlisted equity shares and warrants. Level 3 investments are valued using valuation techniques explained below. The inputs used by the Directors in estimating the value of Level 3 investments include the original transaction price, recent transactions in the same or similar instruments if representative in volume and nature, completed or pending third-party transactions in the underlying investment of comparable issuers, subsequent rounds of financing, recapitalisations and other transactions across the capital structure, offerings in the equity or debt capital markets, and changes in financial ratios or cash flows. Level 3 investments may also be adjusted with a discount to reflect illiquidity and/or non-transferability in the absence of market information.

Valuation methodology of Level 3 investments

The primary valuation technique is of "Latest Recent Transaction" being either recent external fund raises or transactions. In all cases the valuation considers whether there has been any change since the transaction that would indicate the price is no longer fair value. Where an unquoted investment has been acquired or where there has been a material arm's length transaction during the past six months it will be carried at transaction value, having taken into account any change in market conditions and the performance of the investee company between the transaction date and the valuation date. Where there has been no Latest Recent Transaction the primary valuation driver is IndexVal. For each core unlisted investment, the Company maintains a weighted average basket of listed companies which are comparable to the investment in terms of commodity, stage of development and location ("IndexVal"). IndexVal is used as an indication of how an investment's share price might have moved had it been listed. Movements in commodity prices are deemed to have been taken into account by the movement of IndexVal.

A secondary tool used by Management to evaluate potential investments as well as to provide underlying valuation references for the Fair Value already established is Development Risk Adjusted Value ("DRAV"). DRAVs are not a primary determinant of Fair Value. The Investment Manager prepares discounted cash flow models for the Company's core investments annually taking into account significant new information, and for decision making purposes when required. From these, DRAVs are derived. The computations are based on consensus forecasts for long term commodity prices and investee company management estimates of operating and capital costs. The Investment Manager takes account of market, country and development risks in its discount factors. Some market analysts incorporate development risk into the discount rate in arriving at a net present value ("NPV") rather than establishing an NPV discounted purely for cost of capital and country risk and then applying a further overall discount to the project economics dependent on where such project sits on the development curve per the DRAV calculations.

The valuation technique for Level 3 investments can be divided into six groups:

i. Transactions & Offers

Where there have been transactions within the past 6 months either through a capital raising by the investee company or known secondary market transactions, representative in volume and nature and conducted on an arm's length basis, this is taken as the primary driver for valuing Level 3 investments, having taken into account of any change in market conditions and the performance of the investee company between the transaction date and the valuation date. This includes offers, binding or otherwise from third parties around the year end which may not have completed prior to the year end but have a high chance of success and are considered to represent the situation at year end.

ii. IndexVal

Where there have been no known transactions for 6 months, at the Company's half year and year end, movements in IndexVal will generally be taken into account in assessing Fair Value where there has been at least a 10% movement in IndexVal over at least a six-month period. The IndexVal results are used as an indication of trend and are viewed in the context of investee company progress and any requirement for finance in the short term for further progression.

iii. Royalty Valuation Model

Royalties are valued on projected cashflows taking into account expected time to production and development risk and adjusted for movement in commodity prices.

iv. EBITDA Multiple

In the case of Cemos Group plc, which moved to full production during 2020 and so could reflect maintainable earnings, it is a cement plant with no defined life like a mining project and therefore has been valued on the basis of a multiple of historical and forecast earnings before interest, tax, depreciation and amortisation when compared to listed comparable cement producers. Previously, given the stage of development of the investment, this was valued under IndexVal.

v. Warrants

Warrants are valued using a simplified Black Scholes model taking into account time to expiry, exercise price and volatility. Where there is no established market for the underlying shares the average volatility of the companies in that investment's basket of IndexVal comparables is utilised in the Black Scholes model.

vi. Convertible loans

Convertible loans are valued at fair value through profit or loss, taking into account credit risk and the value of the conversion aspect.

Quantitative information of significant unobservable inputs - Level 3

Description	**2020 £**	**Valuation technique**	**Unobservable input**	**Range of unobservable input (weighted average)**
Unlisted Equity	27,236,964	Transactions	Private transactions	n/a
Unlisted Equity	2,790,916	IndexVal	Change in index	n/a
Unlisted Equity	6,943,907	EBITDA Multiple	EBITDA Multiple	n/a
Royalties	14,512,762	Royalty Valuation model	Commodity price and discount rate risk	n/a
Unlisted Equity	15,946	Other	Exploration results, study results, financing	n/a
Debt Instruments				
Black Pearl Limited Partnership	1,281,629	Valued at mean estimated recovery	Estimated recovery range	+/-50%
Other Convertible Debentures/Loans	13,070,904	Transactions	Private transactions	n/a

Other Convertible Debentures/Loans	29,427,579	Valued at fair value with reference to credit risk	Rate of Credit Risk	20%-40%
Warrants	141,489	Simplified Black Scholes Model	Volatilities	50%

Description	**2019 £**	**Valuation technique**	**Unobservable input**	**Range of unobservable input (weighted average)**
Unlisted Equity	5,661,710	Transaction	Private transactions	n/a
Unlisted Equity	19,102,895	IndexVal	Change in index	n/a
Royalties	14,019,975	Royalty Valuation model	Commodity price and discount rate risk	n/a
Unlisted Equity	15,946	Other	Exploration results, study results, financings	n/a
Debt Instruments				
Black Pearl Limited Partnership	2,643,205	Valued at mean estimated recovery	Estimated recovery range	+/- 50%
Other Convertible Debentures/Loans	26,650,019	Valued at fair value with reference to credit risk and value of embedded derivative	Rate of Credit Risk	20%-40%
Warrants	116,337	Simplified Black Scholes Model	Volatilities	50%

Information on third party transactions in unlisted equities is derived from the Investment Manager's market contacts. The change in IndexVal for each particular unlisted equity is derived from the weighted average movements of the individual baskets for that equity so it is not possible to quantify the range of such inputs.

Sensitivity analysis to significant changes in unobservable inputs within Level 3 investments
The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 December 2020 are as shown below:

Description	**Input**	**Sensitivity used**	**Effect on Fair Value (£)**
Unlisted Equity	Transactions & Expected Transactions	+/- 10%	+/-2,723,696
Unlisted Equity	Change in IndexVal	+82/-42%*	+2,288,551/-1,172,185
Unlisted Equity	EBITDA Multiple	+/- 20%	+/-1,388,781
Royalties	Commodity Price	+/-20%	+/-2,862,119
Royalties	Discount Rate	+/-20%	-2,732,511/+2,223,695
Debt Instruments			
Black Pearl Limited Partnership	Probability weighting	+/-33%	+/-422,938
Others/Loans	Risk discount rate	+/-20%	-4,272,633/+1,996,328
Others/ Loans	Volatility of Index Basket	+/-40%	+2,109,175/-2,346,725
Others/ Loans	Transactions and expected transactions	+/-10%	+/-1,307,090
Warrants	Volatility of Index Basket	+/-40%	+87,968/-92,079

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 December 2019 are as shown below:

Description	**Input**	**Sensitivity used**	**Effect on Fair Value (£)**
Unlisted Equity	Change in IndexVal	+/-43.5%*	+/-8,309,760
Royalties	Royalty valuation models	+/-20%	+/-2,803,995
Debt Instruments			
Black Pearl Limited Partnership	Probability weighting	+/-33%	+/-872,258
Others/Loans	Risk discount rate	+/-20%	+/-4,747,375
Warrants	Volatility of Index Basket	+/-40%	+100,833/--61,601

** The sensitivity analysis refers to a percentage amount added or deducted from the input and the effect this has on the fair value. The +82%/-42% sensitivity was used as this was the range of movements of the constituents in the IndexVal basket for Sarmin, the only investment valued on the basis of IndexVal in the year (2019:43.5%).*

The Company has not disclosed the fair value for financial assets such as cash and cash equivalents and short-term receivables and payables, because their carrying amounts are a reasonable approximation of fair values.

4. RISK MANAGEMENT POLICIES AND DISCLOSURES

The Company's principal financial instruments comprise financial assets, primarily unlisted equity investments and loans in natural resources companies. The portfolio is concentrated on projects on the large liquid commodity markets and diversified in terms of geography. These investments reflect the core of the Company's investment strategy.

The Company manages its exposure to key financial risks primarily through diversification of geography and commodity, and through technical and legal due diligence. The objective of the policy is to support the delivery of the Company's core investment objective whilst maintaining future financial security. The main risks that could adversely affect the Company's financial assets or future cash flows are market risk (comprising market price risk, currency risk and interest rate risk), commodity price risk, liquidity risk, concentration risk and credit risk.

The Company's financial liabilities principally comprise fees payable to various parties and arise directly from its operations.

Risk exposures and responses

The Company's Board of Directors oversees the management of financial risks, each of which is summarised below.

a) Market risk

Market risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: market price risk, currency risk and interest rate risk.

i. Market price risk

Market price risk is the risk that the fair value of future cash flows will fluctuate because of changes in the market prices of the Company's investment portfolio.

The sensitivity analysis on the previous page illustrates the sensitivity of the key inputs into the market valuation and the resulting impact of the fair values. The level of change is considered to be reasonably possible. The sensitivity analysis assumes all other variables are held constant.

ii. Currency risk

At 31 December 2020, the largest non-Sterling portion of the Company's financial assets and liabilities was denominated in US Dollars. The functional currency of the Company is Sterling. Currency risk is the risk that the value of non-Sterling denominated financial instruments will fluctuate due to changes in foreign exchange rates. The tables below shows the currencies and amounts the Company was exposed to at 31 December 2020 and 31 December 2019.

31 December 2020

Currency	Amount in local currency	Conversion rate (based on £)	Value £	% of net assets
AUD	33,258,402	0.5650	18,790,284	18.16%
CAD	3,906,292	0.5748	2,245,181	2.17%
EUR	9,115,280	0.8956	8,163,664	7.89%
GBP	27,672,415	1.0000	27,672,415	26.74%
NOK	41,552,423	0.0854	3,550,538	3.43%
USD	58,809,001	0.7324	43,069,317	41.61%
			103,491,399	**100.00%**

31 December 2019

Currency	Amount in local currency	Conversion rate (based on £)	Value £	% of net assets
AUD	24,918,433	0.5306	13,220,893	16.81%
CAD	8,239,132	0.5823	4,797,382	6.10%
EUR	5,402,335	0.8475	4,578,409	5.82%
GBP	20,324,844	1.0000	20,324,844	25.84%
NOK	37,302,882	0.0859	3,204,604	4.07%
USD	43,084,105	0.7552	32,537,178	41.36%
			78,663,310	**100.00%**

ii. Currency risk (continued)

Analysis has been completed to assess what movements in currency rates are reasonably possible. This analysis has considered the variance between the highest and lowest conversion rates in 2020 and 2019 for each of the currencies in the table below. The table shows the potential movements in the Company's net assets as a result of such foreign exchange movements.

Currency	Reasonably possible move	2020 Value £	2019 Value £
AUD	10%	1,879,028	1,344,200
CAD	11%	246,970	527,712
EUR	13%	1,061,276	595,193
NOK	20%	710,108	640,921
USD	16%	6,891,091	5,197,578
		10,788,473	**8,305,604**

The estimated movement is based on management's determination of a reasonably possible change in foreign exchange rates. In practice, the actual results may differ from the sensitivity analysis above and the difference could be material.

iii. Interest rate risk

Although the Company's financial assets and liabilities expose it indirectly to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and fair value, it is subject to little direct exposure to interest rate fluctuations as the majority of the financial assets are equity investments or similar investments which do not pay interest. For valuation purposes convertible loans all have fixed interest rates and are treated more like quasi equity albeit with higher ranking than equity. As such they are not directly exposed to interest rates from a cash flow perspective. Any excess cash and cash equivalents are invested at short-term market interest rates which expose the Company, to a limited extent, to interest rate risk and corresponding gains/losses from a change in the fair value of these financial instruments.

The table below summarises the Company's exposure to interest rate risk. It includes the Company's assets and liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity dates.

At 31 December 2020	Less than 6 months	More than 6 months	Non-interest bearing	Total
Assets	**£**	**£**	**£**	**£**
Cash and cash equivalents	424,140	-	-	424,140
Financial assets held at fair value through profit or loss*	585,887	28,983,181	73,038,879	102,607,947
Other receivables	-	-	19,628	19,628
Interest receivable*	684,184	-	-	684,184
Total Assets	1,694,211	28,983,181	73,058,607	103,735,899
Liabilities				
Other liabilities	-	-	244,500	244,500
Total Liabilities	-	-	244,500	244,500
Interest rate sensitivity gap	1,694,211	28,983,181		

**The interest rate risks on these items are considered as part of overall price risk in valuing the convertibles.*

The table below summarises the Company's exposure to interest rate risk. It includes the Company's assets and liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity dates.

At 31 December 2019	Less than 6 months	More than 6 months	Non-interest bearing	Total
Assets	**£**	**£**	**£**	**£**
Cash and cash equivalents	659,757	-	-	659,757
Financial assets held at fair value through profit or loss*	-	18,196,540	58,735,577	76,932,117
Other receivables	-	-	17,284	17,284
Interest receivable*	1,266,886	-	-	1,266,886
Total Assets	1,926,643	76,932,117	17,284	78,876,044
Liabilities				
Other liabilities	-	-	212,734	212,734
Total Liabilities	-	-	212,734	212,734
Interest rate sensitivity gap	1,926,643	76,932,117		

**The interest rate risks on these items are considered as part of overall price risk in valuing the convertibles.*

Interest rate sensitivity

It is the opinion of the Directors that the Company is not materially exposed to interest rate risk and accordingly no interest rate sensitivity calculation has been provided in these financial statements.

b) Liquidity risk

Liquidity risk is defined as the risk that the Company may not be able to settle or meet its obligations as they fall due. The Company invests in unlisted equities for which there may not be an immediate market. The Company seeks to mitigate this risk by maintaining cash and readily realisable listed equity positions which will cover its ongoing operational expenses.

The Company has the ability to incur borrowings of up to 10% of its NAV but the Company's policy is to restrict any such borrowings to temporary purposes only, such as settlement mis-matches.

The table below analyses the Company's financial assets and liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position date to the contractual maturity date. The amounts in the table are the contractual cash flows.

At 31 December 2020	Less than 1 month	1-3 months	3-12 months	More than 12 months	No contractual maturity	Total
Assets	**£**	**£**	**£**	**£**	**£**	**£**
Cash and cash equivalents	424,140	-	-	-	-	424,140
Financial assets held at fair value through profit or loss	-	-	9,759,932	19,809,136	73,038,879	102,607,947
Receivables	684,184	15,878	3,750	-	-	703,812
Total Assets	1,108,324	15,878	9,763,682	19,809,136	73,038,979	103,735,899

	Less than 1 month	1-3 months	3-12 months	More than 12 months	No contractual maturity	Total
Liabilities	**£**	**£**	**£**	**£**	**£**	**£**
Other payables and accrued						

expenses	149,575	15,925	79,000	-	-	244,500
Total Liabilities	149,575	15,925	79,000	-	-	244,500
Net assets attributable to shareholders						103,491,339

The table below analyses the Company's financial assets and liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position date to the contractual maturity date. The amounts in the table are the contractual cash flows.

At 31 December 2019	**Less than 1 month**	**1-3 months**	**3-12 months**	**More than 12 months**	**No contractual maturity**	**Total**
Assets	**£**	**£**	**£**	**£**	**£**	**£**
Cash and cash equivalents	659,757	-	-	-	-	659,757
Financial assets held at fair value through profit or loss	-	-	-	18,196,540	58,735,577	76,932,117
Receivables	1,284,170	-	-	-	-	1,284,170
Total Assets	1,943,927	-	-	18,196,540	58,745,577	78,876,044

	Less than 1 month	**1-3 months**	**3-12 months**	**More than 12 months**	**No contractual maturity**	**Total**
Liabilities	**£**	**£**	**£**	**£**	**£**	**£**
Other payables and accrued expenses	28,750	97,463	86,521	-	-	212,734
Total Liabilities	28,750	97,463	86,521	-	-	212,734
Net assets attributable to shareholders						78,663,310

The value of the cash and listed equity positions held by the Company at the year end was £5,645,831 (2019: £9,381,787) with the total liabilities at the year end at £240,603 (2019: £212,734).

c) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full as they fall due. The Company has exposure to credit risk in relation to its cash balances, debt instruments, loan and loan notes as stated in the Statement of Financial Position.

The Company seeks to mitigate this risk by lending to companies with projects which have significant value over and above the value of the debt in such company so that there is a significant equity "buffer". The maximum credit risk on debt instruments for the Company is £43,018,741 (2019: £29,952,981).

The Company's financial assets are exposed to credit risk, which amounted to the following at the Statement of Financial Position date:

	2020	**2019**
	£	**£**
Assets		
Cash and cash equivalents	424,140	659,757
Interest receivable	684,184	1,266,886
Other receivables	19,628	17,284
Financial assets held at fair value through profit or loss	102,607,947	76,932,117
Total assets	**103,735,899**	**78,876,044**

As at 31 December 2020, the Company's non-equity financial assets exposed to credit risk were held with the following ratings:

Financial Assets	**Counterparty**	****Credit Rating**	**2020 % of net assets**
-Convertible Loan & Loan Note	Anglo Saxony Mining Limited	NR*	3.29
-Convertible Loan & Loan Note	Azarga Metals	NR*	2.42
-Convertible Loan & Loan Note	Bilboes Holdings Loan Note 1	NR*	2.58
-Convertible Loan & Loan Note	Bilboes Holdings Loan Note 2	NR*	0.50
-Convertible Loan & Loan Note	Mines & Metals Trading (Peru) Plc	NR*	4.12
-Convertible Loan & Loan Note	Tungsten West Limited	NR*	9.73
-Convertible Loan Note	Black Pearl Limited Partnership	NR*	1.24
-Convertible Loan Note	Futura Resources Limited	NR*	10.05
-Convertible Unsecured Loan	Cemos Group Plc	NR*	7.44
-Loan Note	Cemos Group Plc Loan Note	NR*	0.40
-Loan Note	PRISM Diversified Limited Loan Note 1	NR*	0.13
-Loan Note	PRISM Diversified Limited Loan Note 2	NR*	0.40
Cash and cash equivalents	HSBC Bank plc	AA-	0.41
Total			42.71

As at 31 December 2019, the Company's non-equity financial assets exposed to credit risk were held with the following ratings:

Financial Assets	**Counterparty**	****Credit Rating**	**2019 % of net assets**
-Convertible Loan & Loan Note	Anglo Saxony Mining Limited	NR*	3.96

-Convertible Loan & Loan Note	Azarga Metals	NR*	2.59
-Convertible Loan & Loan Note	Bilboes Holdings	NR*	2.04
-Convertible Loan & Loan Note	Tungsten West Limited	NR*	6.40
-Convertible Loan & Loan Note	Mines & Metals Trading (Peru) Plc	NR*	4.35
-Convertible Loan Note	Black Pearl Limited Partnership	NR*	3.36
-Convertible Loan Note	Futura Resources Limited	NR*	8.55
-Loan Note	Cemos Group Plc	NR*	5.23
-Loan Note	PRISM Diversified Limited Loan Note 1	NR*	0.14
-Loan Note	PRISM Diversified Limited Loan Note 2	NR*	0.48
Cash and cash equivalents	HSBC Bank plc	AA-	0.84
Total			37.94

* No rating available
**As per S&P

d) Concentration risk

The Company's investment policy is to invest in natural resources companies, both listed and unlisted, that the Investment Manager considers to be undervalued and that have strong fundamentals and attractive growth prospects which means that the Company has significant concentration risk relating to natural resources companies.

Concentration risks include, but are not limited to natural resources asset category (such as gold) and geography. The Company may at certain times hold relatively few investments. The Company could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including by the default of the issuer. Such risks potentially could have a material adverse effect on the Company's financial position, results of operations, business prospects and returns to investors. The Company's investments are geographically diverse reducing this aspect of concentration risk. In terms of commodity, the portfolio is likewise diversified in the large liquid markets of silver, gold, iron ore, coal, copper, platinum group metals, nickel and oil to mitigate this aspect of concentration risk.

4. TAXATION

The Company is a Guernsey Exempt Company and is therefore not subject to taxation in Guernsey on its income under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989. An annual exemption fee of £1,200 (2019: £1,200) has been paid. The Company may, however, be exposed to taxes in certain other territories in which it invests such as withholding taxes on interest payments and dividends and on realisations of investments.

5. ADMINISTRATION FEES

The Administrator, HSBC Securities Services (Guernsey) Limited, is paid fees for acting as administrator of the Company at the rate of 7 basis points of gross asset value up to US$250 million; the rate reduces to 5 basis points of gross asset value above US$250 million. The Administrator is also reimbursed by the Company for reasonable out-of-pocket expenses. These fees are calculated and accrued as at the last business day of each month and paid monthly in arrears.

The Administrator is also entitled to a fee for its provision of corporate secretarial services provided to the Company on a time spent basis and subject to a minimum annual fee of £40,000. The Company is also responsible for any sub-administration fees as agreed in writing from time to time, and reasonable out-of-pocket expenses. The Administrator is also entitled to fees of €5,000 for preparation of the financial statements of the Company.

The administration fees payable for the year ended 31 December 2020 were £114,250 (2019: £103,938) of which £35,000 (2019: £42,447) was payable at 31 December 2020. HSBC Securities Services (Ireland) DAC, the sub-Administrator, is paid a portion of these fees by the Administrator.

6. MANAGEMENT AND PERFORMANCE FEES

The Manager was appointed pursuant to a management agreement with the Company dated 31 March 2010 (the "Management Agreement"). The Company pays to the Manager a management fee which is equal to 1/12th of 1.75 per cent of the total average market capitalisation of the Company during each month. The management fee is calculated and accrued as at the last business day of each month and is paid monthly in arrears. The Investment Manager's fees are paid by the Manager.

The management fee for the year ended 31 December 2020 was £1,104,344 (2019: £965,402) of which £110,825 (2019: £85,447) was outstanding at the year end.

The Manager is also entitled to a performance fee. The Performance Period is each 12-month period ending on 31 December (the "Performance Period"). The amount of the performance fee is 15 per cent of the total increase in the NAV, if the Hurdle has been met, at the end of the relevant Performance Period, over the highest previously recorded NAV as at the end of a Performance Period in respect of which a performance fee was last accrued, having made adjustments for numbers of Ordinary Shares issued and/or repurchased ("Highwater Mark"). In addition, the performance fee will only become payable if there have been sufficient net realised gains. As at 31 December 2020, the Highwater Mark was the equivalent of approximately 94 pence per share with the relevant Hurdle being the equivalent of approximately 140 pence per share.

There were no earned performance fees payable for the current or prior year.

If the Company wishes to terminate the Management Agreement without cause it is required to give the Manager 12 months prior notice or pay to the Manager an amount equal to: (a) the aggregate investment management fee which would otherwise have been payable during the 12 months following the date of such notice (such amount to be calculated for the whole of such period by reference to the Market Capitalisation prevailing on the Valuation Day on or immediately prior to the date of such notice); and (b) any performance fee accrued at the end of any Performance Period which ended on or prior to termination and which remains unpaid at the date of termination which shall be payable as soon as, and to the extent that, sufficient cash or other liquid assets are available to the Company (as determined in good faith by the Directors), provided that such accrued performance fee shall be paid prior to the Company making any new investment or settling any other liabilities; and (c) where termination does not occur at 31 December in any year, any performance fee accrued at the date of termination shall be payable as soon as and to the extent that sufficient cash or other liquid assets are available to the Company (as determined in good faith by the Directors), provided that such accrued performance fee shall be paid prior to the Company making any new investment or settling any other liabilities.

8. OTHER EXPENSES

	2020 TOTAL £	2019 TOTAL £
Public relations fees	7,500	10,800
Listing fees	11,670	10,295
Regulatory fees	10,374	6,009
Registrar fees	23,138	28,684

	2020	2019
Website expenses	1,000	1,000
Income tax exemption fee	1,200	1,200
Research fees	31,199	12,000
Board recruitment fees	10,000	-
FATCA Review	13,500	-
Miscellaneous	14,337	25,660
	123,918	**95,648**

9. CASH AND CASH EQUIVALENTS

	2020	2019
	£	£
Cash at HSBC Bank plc	**424,140**	**659,757**

10. SHARE CAPITAL

The share capital of the Company on incorporation was represented by an unlimited number of Ordinary Shares of no par value. The Company may issue an unlimited number of shares of a nominal or par value and/or of no par value or a combination of both.

The Company has a total of 106,453,335 (2019: 106,453,335) Ordinary Shares in issue with an additional 700,000 (2019: 700,000) held in treasury. The Company has 9,167 (2019: 9,167) Management Ordinary Shares in issue, which are held by the Investment Manager.

The Ordinary Shares are admitted to the Premium Listing segment of the Official List of the London Stock Exchange. Holders of Ordinary Shares have the right to receive notice of and to attend and vote at general meetings of the Company.

Each holder of Ordinary Shares being present in person or by proxy at a meeting will, upon a show of hands, have one vote and upon a poll each such holder of Ordinary Shares present in person or by proxy will have one vote for each Ordinary Share held by him.

Holders of Management Ordinary Shares have the right to receive notice of and to attend and vote at general meetings of the Company, except that the holders of Management Ordinary Shares are not entitled to vote on any resolution relating to certain specific matters, including a material change to the Company's investment objective, investment policy or borrowing policy. Each holder of Management Ordinary Shares being present in person or by proxy at a meeting will, upon a show of hands, have one vote and upon a poll each such holder of Management Ordinary Shares present in person or by proxy will have one vote for each Management Ordinary Share held by him. Holders of Ordinary Shares and Management Ordinary Shares are entitled to receive, and participate in, any dividends or other distributions out of the profits of the Company available for dividend and resolved to be distributed in respect of any accounting period or other income or right to participate therein.

The details of issued share capital of the Company are as follows:

	2020		2019	
	Amount	No. of shares**	Amount	No. of shares**
	£		£	
Issued and fully paid share capital				
Ordinary Shares of no par value*/*** (including Management Ordinary Shares)	76,122,347	107,162,502	76,122,347	107,162,502
Treasury Shares	(140,492)	(700,000)	(140,492)	(700,000)
Total Share Capital	75,981,855		75,981,855	

The outstanding Ordinary Shares as at the year ended 31 December 2020 are as follows:

	Ordinary Shares		Treasury Shares	
	Amount	No. of shares**	Amount	No. of shares
	£		£	
Balance at 1 January 2020 & 31 December 2020	76,122,347	106,462,502	140,492	700,000

The outstanding Ordinary Shares as at the year ended 31 December 2019 were as follows:

	Ordinary Shares		Treasury Shares	
	Amount	No. of shares**	Amount	No. of shares
	£		£	
Balance at 31 December 2019	76,122,347	106,462,502	140,492	700,000

** During 2019, 9,677,478 shares were repurchased and cancelled following a tender offer totalling £4,935,514 excluding expenses.*
*** Includes 9,167 (2019: 9,167) Management Ordinary Shares.*
**** The amount reported for the ordinary shares represents the net of subscriptions and redemptions (including any associated expenses)*

Capital Management

The Company regards capital as comprising its issued Ordinary Shares. The Company does not have any debt that might be regarded as capital. The Company's objectives in managing capital are:

- To safeguard its ability to continue as a going concern and provide returns to shareholders in the form of capital growth over the long-term through a focused, global portfolio consisting principally of the equities or related instruments of natural resources companies;
- To allocate capital to those assets that the Directors consider are most likely to provide the above returns; and
- To manage, so far as is reasonably possible and when desirable, any discount or premium between the Company's share price and its NAV per Ordinary Share.

The Company has continued to hold sufficient cash and liquid listed assets to enable it to meet its obligations as they arise and the Investment Manager provides the Directors with reporting on the activities of the investments of the Company such that they can be satisfied with the allocation of capital.

As discussed in the Strategic Report, in August 2015, the Company introduced a share buyback programme with the objective of managing the discount the Company's shares trade at compared with its NAV. The Company has repurchased 700,000 shares at an average price of 20 pence per share through this programme and the repurchased shares are held in Treasury.

The Company has authority to make market purchases of up to 14.99 Per Cent of its own Ordinary Shares in issue. A renewal of such authority is sought from Shareholders at each Annual General Meeting of the Company or at a General Meeting of the Company, if required. Any purchases of Ordinary Shares will be made within internal guidelines established from time to time by the Board and within applicable regulations.

As described in the Directors' Report on page 18, the Company has a policy to distribute at least 15 per cent of net realised cash gains after deducting losses during the financial year through dividends, tender offers or otherwise.

The Company enacted a tender offer for 9,677,478 Ordinary Shares at 51 pence per share in May 2019. The repurchased shares were cancelled. This was undertaken as a result of the reorganisation of Polar Acquisition Limited during 2018, for which the Company received cash and share dividends of Polymetal International Plc ("Polymetal") shares totalling £20.4 million. The Board considered the Polymetal shares to be sufficiently liquid so as to be considered in the calculation of net realised cash gains in the spirit of the policy

The Company had a realised net gain per the Statement of Comprehensive Income and realised an aggregate cash gain for the year ended 31 December 2020. However, the majority of this related to the remaining sale of Polymetal shares which had been taken into account in the calculation of the distribution made in May 2019. Accordingly, no distribution is proposed in respect of 2020. However, should the sale of Bilboes Gold be confirmed and completed in a timely fashion in 2021, the Board will consider a distribution in line with the policy.

The Company is not subject to any externally imposed capital requirements.

Reserves
As at the year- end the Company had Revenue Reserves of £10,971,969 (2019: £10,808,636) and Capital Reserves of £16,537,575 (2019: deficit of £8,127,181).

Under the Companies (Guernsey) Law 2008, the Company may buy back its own shares, or pay dividends, out of any reserves, subject to passing a solvency test. This test considers whether, immediately after the payment, the Company's assets exceed its liabilities and whether it will be able to pay its debts when they fall due.

11. COMMITMENTS

The Company has provided a letter of comfort regarding a €1.35 million overdraft facility for Cemos with the Bank of Morocco. No liability is expected to arise on this commitment.

12. RELATED PARTY TRANSACTIONS

The Investment Manager, Baker Steel Capital Managers LLP, had an interest in 9,167 Management Ordinary Shares at 31 December 2020 (31 December 2019: 9,167).

Baker Steel Global Funds SICAV - Precious Metals Fund ("Precious Metals Fund") had an interest in 4,922,877 Ordinary Shares in the Company at 31 December 2020 (2019: 5,622,877). These shares are held in a custodian account with Citibank N.A. London. Precious Metals Fund shares a common Investment Manager with the Company.

David Baker and Trevor Steel, Directors of the Manager, are interested in the shares held by Northcliffe Holdings Limited and The Sonya Trust respectively, which are therefore considered to be Related Parties. Northcliffe Holdings Limited holds 12,452,177 shares (2019: 12,452,177) and The Sonya Trust holds 12,722,129 shares (2019: 12,673,350).

The Company's Associates are described in Note 14 to these financial statements.

The Management fees and Directors' fees paid and accrued for the year were:

	2020 £	2019 £
Management fees	1,104,344	965,402
Directors' fees	115,136	115,000

The Management fees and Directors' fees outstanding at the year-end were:

	2020 £	2019 £
Management fees	110,825	85,447
Directors' fees	28,750	28,750

12. NET ASSET VALUE PER SHARE AND GAIN PER SHARE

Net asset value per share is based on the net assets of £103,491,399 (31 December 2019: £78,663,310) and 106,462,502 (31 December 2019: 106,462,502) Ordinary Shares, being the number of shares in issue at the year end. The calculation for basic and diluted NAV per share is as below:

	31 December 2020 Ordinary Shares	31 December 2019 Ordinary Shares
Net assets at the year end (£)	103,491,399	78,663,310
Number of shares	106,462,502	106,462,502
Net asset value per share (in pence) basic and diluted	97.2	73.9
Weighted average number of shares	106,462,502	109,688,328

The basic and diluted gain per share for 2020 is based on the net gain for the year of the Company of £24,828,089 and on 106,462,502 Ordinary Shares, being the weighted average number of Ordinary Shares in issue during the year.

The basic and diluted gain per share for 2019 is based on the net gain for the year of the Company of £17,688,196 and on 109,688,328 Ordinary Shares, being the weighted average number of Ordinary Shares in issue during the year.

There are no outstanding instruments which could result in the issue of new shares or dilute the issued share capital.

13. INVESTMENT IN ASSOCIATES

The interests in the below companies are for investment purposes and they are deemed associates by virtue of the Company having appointed a non-executive director ("NED") and/or holding in excess of 20% of the voting rights of the relevant company. Investments in associates are carried at fair value as they are held as part of the investment portfolio which is valued on a fair value basis.

Investment	Country of Incorporation	Voting Rights held	NED Appointed
Cemos Group Limited	Jersey	25.70%	Yes
Bilboes Gold Limited	Mauritius	24.2%	Yes
PRISM Diversified Limited	Canada	16.40%	Yes
Nussir ASA	Norway	12.2%	Yes
Akora Resources Limited	Australia	8.5%	Yes
Futura Resources	Australia	Convertible Loan	Yes

Tungsten West Limited	England and Wales	13.2%	Yes
Anglo Saxony Mining Limited	England and Wales	Convertible Loan	Yes
Polar Acquisition Limited	British Virgin Islands	49.99%	Yes
Azarga	Canada	Convertible Loan	Yes

Various Baker Steel representatives and their associates received fees and incentives for their role as directors to these companies. These fees are received in addition to the management fees charged.

14. SIGNIFICANT EVENTS

COVID-19 has had a significant impact on financial markets since February 2020. While it cannot be predicted how long market conditions will remain volatile, the Board notes that commodities have performed strongly during the period of the pandemic due to the combined risks of inflation and the potential for commodity intensive recovery plans by governments.

In February 2020, the Company exercised its option to acquire a further 0.25% gross royalty interest in Futura Resources' Wilton and Fairhill metallurgical coal mines for A$1.8 million.

During the year ended 31 December 2020, the Company made purchases of listed equities for £7,599,581 and sales of listed equities for £11,806,829 as part of the Board's decision to diversify the liquid part of the portfolio.

During the year, the Company entered into a further US$1 million loan with Mines and Metals Trading (Peru) Limited, a A$1 million loan to Futura Resources Limited, and a further US$500,000 loan to Azarga and renegotiated the terms of its convertible loan.

15. SUBSEQUENT EVENTS

There were no events subsequent to the period end that materially impacted on the Company that require disclosure or adjustment to these financial statements.

16. APPROVAL OF ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

The Annual Report and Audited Financial Statements for the year-ended 31 December 2020 were approved by the Board of Directors on 15 April 2021.

APPENDIX - ADDITIONAL INFORMATION (UNAUDITED)

REMUNERATION DETAILS FOR INVESTMENT MANAGER'S STAFF

As noted earlier, under AIFMD, the Investment Manager received approval to act as a full scope UK AIFM to the Company as of 22 July 2014. Pursuant to Article 22(2)9e) and (f) of AIFMD, an AIFM must, where appropriate for each AIF it manages, make an annual report available to the AIF investors. The annual report must contain, amongst other items, the total amount of remuneration paid by the AIFM to its staff for the financial year, split into fixed and variable remuneration including, where relevant, any carried interest paid by the AIF, along with the aggregate remuneration awarded to senior management and members of staff whose actions have a material impact on the risk profile of the AIF.

For the year ended 31 December 2020 the LLP as Investment Manager paid fixed remuneration to members and those identified as AIF code staff of £336,201. Variable remuneration amounted to £1,349,568. No carried interest was paid by the Company. These figures represent the aggregate remuneration paid to members and those identified as AIF code staff of the LLP as Investment Manager for the year ended 31 December 2020. The total remuneration of the individuals whose actions have a material impact upon the risk profile of the AIF managed by the AIFM amounted to £1,685,769.

The total AIFM remuneration attributable to senior management was £1,685,769. No other staff were identified as material risk takers in the year. The remuneration figures reflect an approximation of the portion of AIFM remuneration reasonably attributable to the AIF.

GLOSSARY OF TERMS

AIF - Alternative Investment Fund

AIFM - Alternative Investment Fund Manager

AIFMD - Alternative Investment Fund Managers Directive

BSRT - Baker Steel Resources Trust Limited

Commission - Guernsey Financial Services Commission

DRAVs - Development Risk Adjusted Values

DFS - A Definitive Feasibility Study is an evaluation of a proposed mining project to determine whether the mineral resource can be mined economically. A DFS is the basis for detailed design and construction of a project and determines definitively whether to proceed with the project. Detailed feasibility studies require a significant amount of formal engineering work, with costings accurate to within 10-15%. The definitive feasibility study will be based on indicated and measured mineral resources.

EU - European Union

EGM - Extraordinary General Meeting

FCA - Financial Conduct Authority

FRC - Financial Reporting Council

FVO - Fair value option

FVOCI- Fair value through other comprehensive income

FVTPL - Fair value through profit or loss

GFSC - Guernsey Financial Services Commission

GFSC Code - Guernsey Financial Services Commission Code of Corporate Governance

g/t - Grams per tonne

IAS - International Accounting Standards

ITG - IFRS Transition Resource Group of Impairment of Financial Instruments

IFRS - International Financial Reporting Standards as adopted by the European Union

IndexVal - Where there have been no known transactions for 6 months, at the Company's half year and year-end, movements in IndexVal will generally be taken into account in assessing Fair Value where there has been at least a 10% movement in IndexVal over at least a six month period. The IndexVal results are used as an indication of trend and are viewed in the context of investee company progress.

IPO - Initial Public Offering (stock market launch)

JORC - **AUSTRALASIAN JOINT ORE RESERVES COMMITTEE**
The Code for Reporting of Mineral Resources and Ore Reserves (the JORC Code) of the Australasian Joint Ore Reserves Committee (JORC) is widely accepted as a standard for professional reporting of mineral resources and ore reserves. Mineral resources are classified as 'Inferred', 'Indicated' or 'Measured', while ore reserves are either 'Probable' or 'Proven'.

Mt - million tonnes

NAV - Net Asset Value

GLOSSARY OF TERMS (CONTINUED)

NI 43-101 - **CANADIAN NATIONAL INSTRUMENT 43-101**
Canadian National Instrument 43-101 is a mineral resource classification instrument which dictates reporting and public disclosure of information in Canada relating to mineral properties.

NAV Discount - NAV to market price discount The Net Asset Value ("NAV") per share is the value of all the investment company's assets, less any liabilities it has, divided by the number of shares. However, because the Company's Ordinary Shares are traded on the London Stock Exchange's Main Market, the share price may be higher or lower than the NAV. The difference is known as a discount or premium.

OCI - Other comprehensive income

PEA - Preliminary Economic Assessment

SORP - Statement of Recommended Practice issued by The Association of Investment Companies dated November 2014

UK Code - UK Corporate Governance Code published by the Financial Reporting Council in July 2018.