



## **BAKER STEEL RESOURCES TRUST LIMITED**

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

9 July 2024

### **30 June 2024 Unaudited NAV Statement**

#### **Net Asset Value**

Baker Steel Resources Trust Limited (the "Company") announces its unaudited net asset value per share at 30 June 2024.

Net asset value per Ordinary Share: 81.0 pence.

The NAV per share at 30 June 2024 increased by 1.8% versus the unaudited NAV at 31 May 2024 largely due to increases in the carrying values of Cemos Group plc and the Bilboes royalty as a result of the half year review of unlisted holdings summarised below. These increases outweighed falls in the listed prices of Caledonia Mining and Silver X and a reduction in the carrying value of Kanga Investments.

The Company had a total of 106,462,502 Ordinary Shares in issue with a further 700,000 shares held in treasury as at 30 June 2024.

#### **Investment Update**

The Company's top 10 investments were as follows as a percentage of NAV:

	30 June 2024	31 December 2023
Futura Resources Ltd	34.2%	36.3%
Cemos Group plc	30.6%	29.3%
Bilboes Royalty	7.9%	7.2%
Tungsten West Plc	4.4%	1.7%
Caledonia Mining Corporation Plc	4.1%	5.4%
Nussir ASA	3.8%	4.1%
Metals Exploration Plc	3.5%	3.0%
Silver X Mining Corporation	3.4%	3.5%
First Tin PLC	2.1%	2.1%
Kanga Investments Ltd	1.5%	3.6%
Other Investments	2.7%	3.4%
Net Cash, Equivalents and Accruals	1.8%	0.4%

#### **Half Year Review of Unlisted Investments**

The Company has carried out its usual half yearly review of general market movements in mining equities, taking into consideration company-specific factors, as well as an assessment of whether these should impact the carrying values of its unlisted holdings.

The Investment Manager maintains an index of comparable listed companies for each unlisted investment for comparison purposes and as a benchmark against which the valuation of a particular unlisted stock might have moved during the period had it been listed which it terms "IndexVal". In addition, the Investment Manager has updated its royalty models for the royalty

has been used when it comes to certain valuations, the investment manager has updated its royalty models for the royalty interests it owns in Futura Resources, Bilboes Holdings and Polar Acquisition Limited to take account of the latest estimated production profiles of the underlying projects and consensus commodity prices. The net present values produced by these royalty models are then discounted for development risk to arrive at a valuation.

### **Cemos Group plc ("Cemos")**

The shares in Cemos are valued on the basis of a multiple of EBITDA when compared to listed Moroccan cement producers, suitably discounted. Sales in 2023 were down largely due to decreased economic activity in the area that Cemos operates. 2024 has seen a recovery in sales and together with Cemos being well underway in constructing its own compact calcination unit (CCU), has resulted in an 11% increase in the carrying value of Cemos.

The CCU will enable Cemos to produce its own clinker and supplementary cementitious materials, the principal raw materials in cement production. This will not only provide security of supply of clinker but should materially reduce costs as well as lowering the carbon footprint associated with cement production. Commissioning of the calcination plant is expected to take place in the fourth quarter of 2024 with the full benefit realised from 2025 onwards.

### **Futura Resources Ltd ("Futura")**

Futura commenced production from its Wilton mine in March 2024. Results on steel making coal quality and recoveries have been encouraging but more data is required before reducing the development risk discounts applied to the models can be considered. Accordingly, the valuations of both the equity and royalty for Futura have been left unchanged.

Subsequent to the period end, Futura has agreed an A\$35 million offtake finance arrangement with an international trading company. This will enable Futura to start the development of its second mine, Fairhill, which is expected to be in production in the fourth quarter of 2024. As this agreement was signed after the end of June 2024, it was not taken into account in the mid-year valuation which will be reviewed once more at the year-end in anticipation of both mines reaching full production in 2025.

### **Other**

The model for the Bilboes net smelter gold royalty has been updated to reflect the revised gold production profile announced by Caledonia Mining at the beginning of June 2024 as well as the increase in the gold price during the year. This resulted in a 16% increase in the carrying value of the Bilboes royalty. Kanga Investments has continued to have good interest in attracting potential partners to acquire or finance the Kanga potash project but has struggled to attract short term financing to fund working capital and as a result the carrying value has been reduced by 46% until such time as a definitive transaction is achieved.

Further details of the Company and its investments are available on the Baker Steel website [www.bakersteelcap.com](http://www.bakersteelcap.com)

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*The Net Asset Value ("NAV") figure stated is based on unaudited estimated valuations of the underlying investments and not necessarily based on observable inputs. Such estimates are not subject to any independent verification or other due diligence and may not comply with generally accepted accounting practices or other generally accepted valuation principles. In addition, some estimated valuations are based on the latest available information which may relate to some time before the date set out above.*

*Accordingly, no reliance should be placed on such estimated valuations and they should only be taken as an indicative guide. Other risk factors which may be relevant to the NAV figure are set out in the Company's Prospectus dated 26 January 2015.*

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