



Golden Prospect Precious Metals Limited

Monthly Investor Report - January 2025

The full monthly factsheet is now available on the Company's website and a summary can be found below.

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Fund Description

The objective of the Golden Prospect Precious Metals Fund is to provide investors with capital growth from a group of companies in the precious metals sector.

Portfolio Managers

Keith Watson and Robert Crayfound.

Key Advantages for the Investor

- Access to under-researched mid and smaller companies in the precious metals sector
- Potential inflation protection from precious metals assets
- Low correlation to major asset classes

Key Fund Facts¹

Total Gross Assets:	£53.89m
Reference Currency:	GBP
Ordinary Shares:	93,248,499
Net Asset Value:	53.61p
Mid-Market Price:	41.50p
Net gearing:	7.5%
Discount:	(22.59%)

Ordinary Share and NAV Performance²

	One Month	Three Months	One Year	Three Years	Five Years
	(%)	(%)	(%)	(%)	(%)
NAV	20.93	(1.16)	58.80	12.82	28.65
Share Price	16.90	(5.68)	53.70	2.47	32.17

Commentary³

Notwithstanding the tariffs imposed on goods imported from Mexico, Canada and China, President Trump's use of geopolitics as a negotiating tool extended to talk of increasing US influence over Greenland and the Panama Canal. This added to broader market uncertainty that benefitted the precious metal sector. "Safe haven" assets benefitted from the increased global uncertainty and, after retracing into the year-end, gold's upward momentum returned with the price ending the month up 6.6% at 2,798/oz.

The outlook for "stagflationary" pressures, with sluggish economic growth combining with stubbornly high inflation, has worsened as US trade tariffs are introduced. This comes against a backdrop of elevated and rising government indebtedness, all of which means gold remains well supported.

The Company's NAV rose 20.9% during the month. This compared to sterling returns of 14.0% registered by the GDXJ equity ETF and Arca Gold Bugs Index and 12.3% for the Philadelphia Gold and Silver Index. Notable performance contributions were made by Emerald Resources, whose share price rose of over 33% following strong operational performance. Explorer TDG Resources also made a robust contribution with the share price more than quadrupling after a positive resource update, a strategic investment by gold producer Skeena Resources and strong drill results reported by Amarc at the group's adjacent deposit.

With regards to physical trading, Swiss exports of gold to the US in December were ~20x higher year-on-year (rising from 3.3t to 64.2t). This represented the highest monthly gold flow from Switzerland to the US since March 2022 in the wake of the start of the Russian invasion of Ukraine. Elsewhere, demand for gold has seen the minimum waiting time to load gold out of the Bank of England rising from just a few days to up to four weeks according to Reuters. Meanwhile People's Bank of China data showed that the country continued to expand gold reserves with the addition of 10t of gold in December. This was its second consecutive monthly purchase, lifting official gold holdings to 2,280t, representing 5.5% of its total foreign exchange reserves.

The more volatile silver price ended January up over 10%. The Silver Institute's most recent market update indicates that the global silver market is expected to remain in a sizeable deficit of 149 Moz in 2025. However, this represents a 19% decline from the estimated prior year deficit of 200Moz. Demand is projected to hit a new record high of 1.20Bn ozs in 2025, with industrial production demand growth of +3% year-on-year. This is more than offsetting a weaker jewellery market which is projected to fall -6% over the year, with an expected sharp fall in Indian jewellery demand. On the supply side, total global silver availability for 2025 is forecast to grow by 3% to an 11-year high of 1.05bn ozs, with recycling supply contributing 200 Moz to this figure.

Elsewhere, Russian metal producer Nor Nickel, which produces around 40% of global palladium and a lesser 10% of global platinum, announced that its lower full-year nickel production was accompanied by a reduction in palladium output. Palladium Q4 output was down 10% year-on-year to 606koz, while platinum output fell 11% to 146koz. The Q4 trend compared to overall 2024 palladium/platinum production of 2.76Moz/667koz respectively (+3%/+0.5% year-on-year). This contributed to a robust performance by platinum-group metals (PGMs) with palladium and platinum prices ending January up 11% and 8% respectively.

	Gross Leverage ⁵ (%)	Commitment Leverage ⁶ (%)
Golden Prospect Precious Metals Limited	107	107

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Sources: ^{1,2} CQS as at the last business day of the month indicated at the top of this report. Performance is net of fees and expenses. New City Investment Managers took over the investment management function on 15 September 2008. These include historic returns and past performance is not a reliable indicator of future results. The value of investments can go down as well as up. Please read the Important Information section at the end of this document. ³ All market data is sourced from Bloomberg unless otherwise stated. The Fund may since have exited some / all the positions detailed in the commentary. ⁵ For methodology details see Article 4(3) of Directive 2011/61/EU (AIFMD) and Articles 6, 7, 9 and 10 of Delegated Regulation 231/2013. ⁶ For methodology details see Article 4(3) of Directive 2011/61/EU (AIFMD) and Articles 6, 8, 9, 10 and 11 of Delegated Regulation 231/2013.

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