RNS Number : 3299G
Baker Steel Resources Trust Ltd
28 April 2025

BAKER STEEL RESOURCES TRUST LIMITED

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

28 April 2025

BAKER STEEL RESOURCES TRUST LIMITED
(the "Company")

LEI: 213800JUXEVF1QLKCC27

Annual Report and Audited Financial Statements
For the year ended 31 December 2024

The Company has today, in accordance with DTR 6.3.5, released its Annual Report and Audited Financial Statements for the year ended 31 December 2024. The Report is available via www.bakersteelcap.com/baker-steel-resources-trust/ and the National Storage Mechanism.

Further details of the Company and its investments are available on the Baker Steel Capital Managers website www.bakersteelcap.com

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BAKER STEEL RESOURCES TRUST LIMITED

Annual Report and Audited Financial Statements

For the year ended 31 December 2024

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Dear Shareholders,

I would like to start my first statement as your new Chair by paying tribute to Howard Myles, who stepped down as Chairman of BSRT on 31 December 2024. The Board would like to express its gratitude for his wise and steady leadership since the inception of the Company in 2010, during which time he steered it through a number of commodity cycles and challenges.

It is worth noting that 2024 was not a year, like some, when the rising tide lifted all the boats. Instead, somewhat unusually, there was significant divergence in price performance between the precious metals (gold and silver both up by more than 20%); the base metals (copper up 2%, tin by 14%, tungsten by 11%); and the steel making minerals (benchmark prices for iron ore down 27% and coking coal down by 40%). Precious metals were buoyed up by falling interest rates and, in the latter part of the year, increasing geopolitical uncertainties arising from the US elections. Bulk commodity prices, on the other hand, were hurt by weaker demand and shifting trade flows from China (the largest customer for the seaborne products).

Company Strategy

It is perhaps worthwhile restating our strategy which is focussed on offering unique exposure to high alpha opportunities in the Mining sector amongst both public and private companies. Our investment manager, Baker Steel, is a specialist natural resources asset manager and the experienced team of fund managers running this portfolio benefit from the broader activities, and expert knowledge, in the wider Baker Steel Capital Group.

Our strategy has always been to have a globally diverse portfolio of investments. Currently, it contains exposure to a number of commodities likely to be the focus of future government and industry spending on the energy transition, critical mineral supply chains and defence capabilities. These, such as copper, tin, tungsten, silver and potash, represent a small percentage at present, but should offer promising future optionality.

We are also mindful that Futura Resources and CEMOS Group represent a higher concentration in our portfolio than is ideal, largely due to their success having grown 83% and 90% since the time of investment. Over time we aim to see a better balance achieved, both through disposals and successful future growth of some of the smaller investments.

Over the medium term, we will seek to grow the net asset value of the Company to create a broader portfolio, with critical mass, to attract an increased level of investor interest and to provide stronger cash flows to allow distributions to shareholders. We will continue to prioritise lower risk structures, such as royalties and convertibles, and develop selective and profitable exposure to future facing commodities. More detail on our strategy and activities is to be found in the Investment Manager's Report.

Company Performance

The Company's NAV rose by 16.2% over the year, from 77.2p to 89.7p. Detailed progress reviews on all the investments are set out in the Investment Manager's Report. The rise in NAV was primarily driven by increased carrying values at Nussir (copper in Norway), the Bilboes Gold Royalty, Futura Resources (metallurgical coal in Australia) and CEMOS Group (cement production in Morocco) - these latter two largest holdings now represent 65% of the asset value. Their continued success in sourcing funding and progressing production helped to offset falls in the values of the holdings in Kanga Investments, First Tin and Azarga Metals Corp.

We are pleased that CEMOS Group and Futura Resources will be moving towards a free cash generative phase. 2025 is expected to be a further ramp up year at both, with the full benefits to the Company's cash flow profile thus expected to be in the years 2026/27 and beyond.

Futura Resources continued to ramp up production at its Wilton mine in Queensland, Australia, following a successful raising of A 30m in September 2023, and reached run of mine annualised production of c.1Mtpa in Q3 2024. In the wake of securing a further US 24m in offtake financing from a major trading company in July 2024, it gained access to its second mine, Fairhill, in December 2024. Whilst subject to a 6-month delay, first coal was mined at Fairhill in April 2025, with a combined saleable coal target of approximately 900,000 tonnes in 2025. In recent months, coking coal prices have deteriorated further to lows of around US 170/tonne which has put pressure on the entire global metallurgical coal industry. It has also negatively impacted Futura's margins and cashflows making its ramp up stage more challenging. Despite this, the outlook for the price of coking coal looks well supported by long term supply-demand fundamentals.

CEMOS Group aims to complete the installation of its own clinker plant during the second quarter of 2025, enhancing profit margins as it becomes an integrated cement producer. In 2026, production capacity is forecast to double as a second grinding plant is put in place, of similar scale to the current line at Tarfaya. Morocco's buoyant economy remains a positive environment in which to operate. Representatives of the Board spent a week in Morocco last Autumn and saw first-hand the quality of the executive team and the staff, the sites, and the scale of the opportunity available to the Company.

Share Price Performance and Discount

Share Price Performance and Discount

Following a challenging year in 2023, we saw a pleasing 43% rise in the BSRT share price during 2024, from 39.5p to 56.5p. Although the Company does not have a formal benchmark, it is worth noting that over the same period, the MSCI Metals and Mining Index fell by 13.5%. This is not an ideal comparison given that the index is dominated by large cap mining groups, with typically heavy exposure to the so-called bulk commodities, but at least it provides some kind of external benchmark.

Despite the positive share price performance, the shares ended the year at a 37% discount to NAV. This is clearly disappointing, and it is no solace that similar scale discounts are to be found across the investment trust sector. We monitor closely the actions taken by other companies to address this issue, and the extent to which they are successful.

I would like to assure our shareholders that we are keenly focussed on strategies and actions which we believe should ensure the share price reflects the underlying value of our assets more accurately, notwithstanding the illiquid nature of a number of our investments.

Capital Allocation

As we look towards growing forecast dividend income and royalty flows, we aim to supplement these with selected asset disposals, either where we see an attractive opportunity to realise good returns, or where we perceive a development project could be more attractive to another industry player. Evidence of the Investment Management team's ability to execute creative exits for such assets can be seen in the successful vending of the Nussir copper project into the Canadian listed company, Blue Moon, over the year end.

As a Board, we are fully committed to a capital allocation policy that will reward our shareholders with the fruits of this more predictable future cash flow. We would like to be in a position to announce a distribution with the release of our 2025 accounts, which will reflect the extent of the income or capital receipts during the year. This could be in the form of a dividend, share buybacks and / or tender offers, in order to best satisfy the different requirements of our diverse shareholder base.

Board and Advisers

As mentioned above, Howard Myles retired from the Board on 31 December 2024 after 14 years' service.

We were pleased to welcome Patrick Meier to the Board in June. He recently stepped down as Chairman of Ecora Resources plc, the leading royalty and streaming business listed on the London Stock Exchange. He also acted as Chairman of Firestone Diamonds plc, which was traded on the Alternative Investment Market of the London Stock Exchange. Additionally, he brings over 30 years of valuable experience in investment banking at RBC Capital Markets with specialist knowledge of the mining sector.

We were also pleased to announce the appointment of Shore Capital as the Company's broker in October 2024. We look forward to working with them to improve the liquidity in BSRT shares, and to take appropriate steps to reduce the share price discount to NAV.

Outlook

The immediate outlook for commodities demand from slower economic growth in China had already become a concern in the second half of 2024. Since the change of administration in the US at year end, the multiple and variable tariff measures imposed on America's trading partners have introduced another level of uncertainty into the outlook for global economic growth. While precious metals continue to be beneficiaries of investment flows seeking a safe haven from the upheaval in the global geopolitical context, the demand and pricing impact on base metals and bulk commodities is less clear.

The impact of disrupted global trade flows and tariffs on the inflation outlook (and hence mining costs) is particularly difficult to forecast. What is already becoming clear, however, is that the current environment of uncertainty is causing many companies to slow investment decisions. It has also increased the volatility in exchange rates and borrowing costs, making financial forecasting significantly more challenging.

Despite this backdrop of heightened macro-economic uncertainty, we will continue to focus on harvesting the value of our investment portfolio. With our two largest assets likely to move into a free cash generative phase, we see an exciting few years ahead during which we expect to reward our shareholders with the returns they deserve.

Fiona Perrott-Humphrey

Chairman

25 April 2025

Financial Performance

The audited Net Asset Value per Ordinary Share ("NAV") as at 31 December 2024 was 89.7 pence, an increase of 16.2% in the year compared with the decrease in the MSCI World Metals and Mining Index of 13.5% in Sterling terms.

For the purpose of calculating the NAV per share, unquoted investments were carried at fair value as at 31 December 2024 as determined by the Directors and quoted investments were carried at their quoted prices as at that date.

Net assets at 31 December 2024 comprised the following:

	£m	**% net assets**
Unquoted Investments	82.2	86.1
Quoted Investments	13.0	13.6
Cash and other net assets	0.3	0.3
	95.5	100.0

Investment Update

Largest 10 Holdings - 31 December 2024	**£m**	**% of NAV**
Futura Resources Ltd	31.9	33.4
CEMOS Group Plc	30.0	31.4
Bilboes Gold Royalty	8.4	8.8
Nussir ASA	6.9	7.2
Metals Exploration Plc	3.3	3.5
Caledonia Mining Corporation Plc	3.2	3.4
Tungsten West Plc	3.2	3.3
First Tin plc	2.6	2.8
Silver X Mining Corporation	2.1	2.3
Kanga Investments Ltd	1.4	1.6
	93.0	97.7
Other Investments		2.0
Cash and other net assets		0.3
		100.0

Largest 10 Holdings - 31 December 2023	**£m**	**% of NAV**
Futura Resources Ltd	29.8	36.3
CEMOS Group Plc	24.0	29.3
Bilboes Gold Royalty	5.9	7.2
Caledonia Mining Corporation Plc	4.4	5.4
Nussir ASA	3.4	4.1
Kanga Investments Ltd	3.0	3.6
Silver X Mining Corporation	2.9	3.5
Metals Exploration Plc	2.5	3.0
First Tin plc	1.7	2.1
Tungsten West Plc	1.4	1.7
	79.0	96.2
Other Investments		3.4
Cash and other net assets		0.4
		100.0

Review

At the year end, the Company was fully invested, holding 15 investments of which the top 10 holdings comprised 97.7% of the portfolio by value. In terms of commodity, the portfolio has exposure to cement, copper, gold, iron, lead, lithium, potash, silver, steel making coal, tin, tungsten, vanadium, and zinc. Its projects were located in Australia, Canada, Germany, Indonesia, Madagascar, Morocco, Norway, Peru, the Philippines, Republic of Congo, Russia, the UK and Zimbabwe.

During the year, mining market performance showed diversity by commodity and particularly with stage of development. It remained difficult for junior companies to raise funds to continue exploration and those looking to develop new projects found risk capital difficult to source. The MSCI World Metals and Mining Index composed of large and mid-cap companies fell 13.5% in Sterling terms. The Company's NAV rose 16.2% during the year.

In 2024, gold rose by 27.2% and silver increased by 21.5%. Base metals prices remained reasonably strong, with copper up 2.2%, In 2024, gold rose by 27.2% and silver increased by 21.5%. Base metals prices remained reasonably strong, with copper up 2.2%, tin up 14.6%, and tungsten up 10.6%. However, steel-making mineral prices declined due to weaker economic output in China, with iron ore falling by 27.7% and metallurgical coal decreasing by 40.4% (all expressed in US dollar terms).

The Company's NAV rose 16.2% in Sterling terms during the year largely due to rises in the carrying values of Futura and CEMOS notwithstanding reductions in the quoted prices of First Tin and Azarga Metals Corporation together with a reduction in the valuation of Kanga Investments. Several of the companies in the portfolio including Futura and Cemos are moving towards positive free cashflow which should provide significant royalties and dividends to the Company in the coming years and also provide opportunities to realise some part of our investments.

The Company's main investments at the year-end:

Futura Resources Ltd ("Futura")

Futura owns the Wilton and Fairhill steel making coal projects in the Bowen Basin in Queensland, Australia which hold Measured and Indicated resources of 843 million tonnes of coal.

Investment: 11,309,005 ordinary shares (26.9%) valued at £12.4 million
1.5% Gross Revenue Royalty valued at £16.8 million
A 4.7 million convertible loan valued at £2.7 million

Following a A 30 million financing package in September 2023 Futura successfully commissioned its Wilton open pit mine in Queensland, Australia with first coal delivered to the Gregory Crinum wash plant in February 2024. Run of Mine production was ramped up to full planned rates of 80,000 tonnes per month or an annualised c.1Mtpa by Q3 2024.

In July 2024, Futura secured US 24m (A 36.4m) in an offtake financing arrangement with a major trading company, which has funded the development of Futura's second mine, the Fairhill mine immediately to the North of Wilton. Futura moved on to the Fairhill property in December 2024 and first coal was mined in April 2025. The Run of Mine ("ROM") production is planned to be ramped up to a rate of around 145,000 tonnes per month or an annualised production rate of around 1.7Mtpa during the third quarter 2025. ROM production from both mines is expected to be around 2.1Mtpa in 2025 aiming to build up to 4Mtpa by 2030 based on the current mine plan. Saleable product coal in CY 2025 is expected to be 0.9 Mtpa building up to 1.9Mtpa by 2030.

The coking coal market remains subdued due primarily to on-going economic weakness in China which is the world's largest steel producer. Coking coal prices have declined further during 2024 from around US 320 per tonne at the end of 2023 to around US 200 per tonne at the end of the year, slightly below long-term consensus prices of US 200-225 per tonne. Since then coking coal prices have deteriorated further to lows of around US 170/tonne which has put increasing strain on the whole metallurgical coal industry including Futura. Accordingly Futura plans to seek further short-term working capital during its ramp up stage. This weakness in the market is currently viewed as temporary and does not impact the longer-term positive outlook for coking coal with medium-term supply constraints coupled with expected strong demand increases anticipated for seaborne imports, most notably from India. It should be recognised that since the imposition of a new tariff-based world order brought in by the Trump administration, this has introduced a heightened level of uncertainty especially regarding trade with China in which the circumstances appear to change on a daily basis.

CEMOS Group Plc ("CEMOS")

CEMOS is a private cement producer with production operations at Tarfaya in Morocco.

Investment: 50,129,247 ordinary shares (31.3%) valued at £30.0 million

The cement market in CEMOS's southern area of Morocco was stable in 2024, with sales for the year totalling 209,000 tonnes, approximately 15% higher than the 182,000 tonnes achieved in 2023. As a result, the unaudited EBITDA for the year was estimated at around €9 million (2023: €6 million).

During 2024, CEMOS commenced the construction of a Compact Calcination Unit at the Tarfaya cement plant site to produce its own clinker and supplementary cementitious materials, the principal raw materials in cement production and representing approximately 70% of cost of the cement. 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 May 2025 with the full benefit realised from the second half of 2025.

During 2024, CEMOS identified a site and commenced the permitting process for its second grinding plant acquired in 2022, essentially identical to the existing plant at Tarfaya. CEMOS plans to start construction of this second plant around the middle of 2025 which will allow it to double its production rate from 2026 onwards.

2025 which will allow it to double its production rate from 2026 onwards.

Major Moroccan Government and foreign investment and development initiatives including the football World Cup in 2030 are expected to provide a boost to the Moroccan cement market over the coming years. CEMOS expects increased profitability in 2025 following the commencement of production from the clinker plant and thereafter once the second grinding line is installed.

Bilboes Gold Royalty

The Company holds a 1% Net Smelter Royalty ("NSR") over future production from the Bilboes' gold project in Zimbabwe owned by Caledonia Mining Corporation Plc ("Caledonia"), see below

Investment: 1% NSR valued at £8.4 million

The Bilboes properties host a JORC compliant Proved and Probable Reserve containing 1.8 million ounces of gold out of a total Mineral Resource of 3.8 million ounces of gold.

In June 2024, Caledonia released the results of the Preliminary Economic Assessment ("PEA") for the Bilboes project, indicating production of 1.5 million ounces of gold over a 10-year period. Caledonia concluded that a single-phase development of the project would provide the best economic return, having considered alternative development options, including multi-phase development and changes to certain other aspects of the project. At a gold price of US 1,884 per ounce used in the PEA, the economic model calculated a Net Present Value ("NPV") with a 10% discount rate of US 309 million and an Internal Rate of Return ("IRR") of 34%. During March 2025 Caledonia also announced that whilst it had been making good progress on the Feasibility Study for the Bilboes project, (initially targeted for completion in Q1 2025), it had decided to extend the timeline to fully explore several material optimisation opportunities. This includes engaging with the authorities to explore the potential for selling concentrate directly which could potentially reduce up-front capital expenditures significantly by deferring capital expenditure on a BIOX (Biological Oxidation) processing circuit, at least for the first few years of production.

At the current gold price of US 3,000 per ounce, the Company should receive around US 4 million per annum after withholding tax from its 1% Net Smelter Royalty on the Bilboes mine. Caledonia are yet to suggest a date for commencement of the mine but should development commence in 2026, production could commence in 2028.

Nussir ASA ("Nussir")

Nussir is a Norwegian private company whose key asset is the Nussir copper project in northern Norway.

Investment: 31,385,361 ordinary shares (21.6%) valued at £6.9 million

In 2023, Nussir completed the update of the Definitive Feasibility Study ("DFS") on its Nussir copper project in northern Norway changing the operations from diesel based to one based on a fully electrified mine producing around 14,000 tonnes of copper per year over a 14 year mine life. The updated DFS economics gave an NPV of US 191 million at an 8% discount rate, with an IRR of 22% based on a copper price of US 8,000 per tonne.

Nussir ASA ("Nussir") (continued)

In December 2024, over 99% of shareholders of Nussir agreed to sell their shares in Nussir to Blue Moon Metals Inc. ("Blue Moon"), a company listed on the TSX-V stock exchange, in return for shares in Blue Moon. The transaction valued Nussir at US 55.3 million based on the price at which Blue Moon raised C 30 million of new equity capital as part of the transaction. Blue Moon shares were suspended until the completion of the transaction on 27 February 2025, following approval by the TSX. As a result, the Company holds 11.3% of the shares of Blue Moon. The Company's shares in Blue Moon are subject to gradual lock-up arrangements as prescribed by the TSX and therefore, in accordance with the Company's valuation policy, are held at a discount to the listed price. In addition, at the year-end, a further discount had been applied to allow for transaction risk, giving a total discount to the fundraising price of 28.6% at the year-end. The value of the investment in Nussir increased by 77% in Sterling terms during 2024.

Metals Exploration plc ("Metals Ex")

Metals Ex is an AIM listed company which owns the Runruno gold mine in the Philippines.

Investment: 62,460,000 ordinary shares (3.6%) valued at £3.3 million

During 2024, Metals Ex produced annual gold sales of 83,897 ounces from its Runruno gold mine in the Philippines generating record annual positive free cash flow of US 96.7 million. This strong performance allowed it to pay down the remainder of its debt and to buy back all the shares of its second largest shareholder. Metals Ex has forecast production for 2025 of 70,000-75,000 ounces of gold at an AISC of between US 1,225 and US 1,325 per ounce of gold. Metals Ex has identified an exploration target called Dupax located approximately 20km SW of the Runruno mine site. With a target of 10Mt to 20Mt of potential ore according to Metals Ex, this could extend Runruno operations by several years beyond the currently modelled depletion of the existing Runruno mine in 2027.

In January 2025, Metals Ex completed the acquisition of Condor Gold plc, whose main project is the La India gold project in Nicaragua. Metals Ex's internal studies have suggested that La India could produce an average of 145,000 ounces of gold per annum from open pit and underground over a 12.4 year period. Initial capex of US 122 million can be covered by projected cashflow from Runruno with first production targeted by the end of 2026. Given that Metals Ex expects to be able to put La India into production without incurring debt, once in production in 2027, Metals Ex should be in a position to start paying dividends.

Caledonia Mining Corporation Plc ("Caledonia")
Caledonia is a NYSE, AIM and Victoria Falls Exchange listed gold producer whose primary assets are the producing Blanket Mine and the Bilboes gold project (outlined above) both in Zimbabwe.

Investment: 425,000 ordinary shares (2.4%) valued at £3.2 million

Caledonia reported annual gold production at its Blanket gold mine in Zimbabwe of 76,656 oz in 2024, in line with guidance. Production guidance for 2025 is similar to 2024 at 73,500 to 77,500 with all-in sustaining cost ("AISC") is expected to be in the range of 1,690/oz to 1,790/oz.

The higher gold price in the year resulted in operating profit for the full year of US 77.0 million (2023 US 44.5 million).

Caledonia currently pays a dividend of US 0.14 per quarter. It is expected that at least this level of dividend will continue until the Bilboes project can be brought into production.

Tungsten West Plc ("Tungsten West")
Tungsten West owns the Hemerdon Tungsten Mine in Devon, United Kingdom and is quoted on the AIM market of the London Stock Exchange.

Investment: 28,846,515 ordinary shares (15.4%) valued at £1.08 million
£1,200,000 convertible loan valued at £2.06 million
1,657,195 second options valued at £0.03 million
1,657,195 third options valued at £0.02 million

Tungsten West Plc ("Tungsten West") (continued)
On 16 January 2023 Tungsten West announced the results of its updated feasibility study on the Hemerdon tungsten and tin mine in Devon. The feasibility study detailed a mine with average annual production of 2,900 tonnes of tungsten (WO_3) and 310 tonnes of tin in concentrate over 27 years. The economics showed a post-tax NPV5% of £297 million with an Internal Rate of Return (IRR) of 25%. It also highlighted an upside case post-tax NPV5% of £416 million with an IRR of 32%. Total pre-production capex, corporate commitments and working capital was estimated at £54.9 million.

During 2024 Tungsten West received the two remaining major licences to be able to commence production: a revised Section 73 authority, to vary the tonnage cap associated with the existing permission for 50 truck movements per day from the site which will enable the production of secondary aggregates and the permit to operate the Mineral Processing Facility. Tungsten West is currently updating the feasibility study which is expected to be complete in the first half of 2025 with a view to raising the capital for redevelopment later in 2025. This will enable it to recommence production of tungsten and tin in 2026.

First Tin PLC ("First Tin")
First Tin is a company listed on the London Stock Exchange which owns the Taronga tin project in Australia and the Tellerhäuser and Gottesburg tin projects in Germany.

Investment: 46,628,014 ordinary shares (10.3%) valued at £2.6 million

On 2 May 2024, First Tin PLC announced the results of the DFS for its 100% owned Taronga open pit tin project located in New South Wales, Australia. The DFS outlines an open pit mine mining 5 million tonnes of ore per annum followed by a crushing and a gravity processing facility. This is forecast to produce an average of 3,600 tonnes of tin per annum at an All-In-Sustaining costs of US 15,843 per tonne of tin sold. Pre-production capex is estimated at US 116 million with the economic model based on

US 30,000 per tonne of tin showing an NPV8% of 120 million and an IRR of 28%.

First Tin has planned a 10,000m drilling programme at Taronga to convert the in-pit Inferred resource to Indicated and Measured status and to outline the other interpreted lode structures and is scheduled to be undertaken in early 2025 which should translate to additional ore reserves and ultimately a longer life of mine. This will form the basis of a revised, optimised and value enhanced update to the feasibility study, planned to be completed during 2025.

In addition, an exploration review has shown a large pipeline of tin projects close to Taronga. First Tin intends to advance these projects concurrently with the development of Taronga. This strategy could ultimately position the proposed processing facility at Taronga as a central processing hub.

Whilst the main focus of First Tin is on Taronga, it also continues to make progress on its second project, the Tellerhäuser tin project in Saxony, Germany. The review of a large amount of additional historic drilling data discovered in the Saxony archives closed gaps in the mineral resource statement and provided additional resource volume, without additional cost. This led to a 35% increase in total Indicated plus Inferred Mineral Resources in April 2024 to 138,600 tonnes of contained tin.

Silver X Mining Corporation ("Silver X")

Silver X is a TSX-V listed company whose Recuperada silver/lead/zinc project in Peru comprises 11,261 Ha of mining concessions centred around a 600 tonne per day processing plant.

Investment: 19,502,695 ordinary shares (9.7%) valued at £2.1 million

In February 2023 Silver X released the results of a PEA under Canadian National Instrument 43-101 Standards for the expansion of the Tangana Mining Unit at Nueva Recuperada. The PEA outlined the potential to increase annual production to 4.2 million ounces silver equivalent by constructing an additional recovery plant at a capital cost of US 61 million to give a post-tax NPV10% of US 175 million. On 26 February 2025 Silver X announced a significant upgrade to its NI 43-101 mineral resource estimate at its Nueva Recuperada Property in Huancavelica, Peru. Overall measured and indicated resources grew from 3.60 million tonnes to 4.26 million tonnes, a +18% increase, and inferred resources increased from 11.89 million tonnes to 17.18 million tonnes, a +45% increase. The updated resource estimate included the nearby Plata Mining Unit for the first time which contains 5.81 million ounces of silver in the indicated category and 26 million ounces of silver in the inferred category. Silver X is currently updating the PEA to incorporate additional mining areas such as Plata and further expanding processing capacity and is planned to be completed by the middle of 2025.

Kanga Investments Ltd ("Kanga")

Kanga is a private company which holds the Kanga potash project, in the Republic of the Congo.

Investment: 56,042 ordinary shares (7.8%) valued at £1.4 million

Kanga completed a positive Feasibility Study in 2020 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 DFS economic model gave a NPV at a 10% discount rate of US 511 million with an IRR of 22% based on an MOP price of US 282 per tonne compared to the current price of around US 300 per tonne. There has continued to be good interest in attracting potential partners to acquire or finance the Kanga potash project but negotiations have been protracted and in the meantime, Kanga has struggled to attract short term financing to fund working capital and as a result the carrying value was reduced by 53% in 2024 until such time as a definitive transaction is achieved.

Polar Acquisition Limited ("PAL")

PAL is a private company which holds a 1.8% to 0.9% (reducing over 10 years) net smelter royalty over the Prognoz silver project ("Prognoz"), 444km north of Yakutsk in Russia, from Solidicore Resources. Prognoz has a 267-million-ounce silver equivalent Indicated and Inferred Mineral Resource at a grade of 755 g/t silver equivalent.

Investment: 16,352 ordinary shares (49.99%) valued at £1.0 million

In March 2024 Solidcore, sold off its Russia business which included the Prognoz silver project. However, the liability to pay the net smelter royalty to PAL remains with Soldicore (which is now domiciled in Kazakstan) and the royalty contract has no Russian entities as parties to the Agreement. Ore was transported and processed at the Nezhda mine concentrator in the second half of 2024, although the level of sales and therefore royalty is yet to be ascertained, which would trigger commencement of the payment obligation. We are considering the potential for a sale of the royalty whilst at the same time evaluating the contractual rights to payment under our Agreement with Solidcore.

rights to payment under our Agreement with Solidcore.

Baker Steel Capital Managers LLP
Investment Manager
25 April 2025

Shares /Warrants/ Nominal	Investments	Fair value £ equivalent	% of Net Assets
	Listed equity shares		
	Australian Dollars		
4,091,910	Akora Resources Limited	212,515	0.22
	Australian Dollars Total	**212,515**	**0.22**
	Canadian Dollars		
19,502,695	Silver X Mining Corporation	2,114,165	2.21
6,519,395	Azarga Metals Corp	68,136	0.07
216,667	Blue Moon Metals Inc.	361,347	0.38
	Canadian Dollars Total	**2,543,648**	**2.66**
	Great Britain Pounds		
46,628,014	First Tin Plc	2,634,483	2.76
62,460,000	Metals Exploration plc	3,329,118	3.49
28,846,515	Tungsten West Plc	1,078,860	1.13
	Great Britain Pounds Total	**7,042,461**	**7.38**
	United States Dollars		
425,000	Caledonia Mining Corp Plc	3,195,681	3.35
	United States Dollars Total	**3,195,681**	**3.35**
	Total investment in listed equity shares	**12,994,305**	**13.61**
	Debt instruments		
	Australian Dollars		
94	Futura Resources Limited Convertible Loan	2,717,757	3.85
	Australian Dollars Total	**2,717,757**	**3.85**
	Canadian Dollars		
305,000	PRISM Diversified Limited Loan Note 1	83,811	0.09
250,500	PRISM Diversified Limited Loan Note 2	267,040	0.28
	Canadian Dollars Total	**350,851**	**0.37**
	Great Britain Pounds		
1,200,000	Tungsten West Convertible Loan	2,064,720	2.16
		2,064,720	**2.16**
	Total investments in debt instruments	**5,133,328**	**5.38**

**See accompanying notes to the financial statements on Page 46*

Shares /Warrants/ Nominal	Investments	Fair value £ equivalent	% of Net Assets
	Unlisted equity shares, warrants and royalties		
	Australian Dollars		
10,100,000	Futura Gross Revenue Royalty	16,807,522	17.60

11,309,005	Futura Resources Limited	12,362,074	12.95
	Australian Dollars Total	**29,169,596**	**30.55**
	Canadian Dollars		
666,667	Azarga Metals Warrants 09/15/2025	-	-
20,578,027	PRISM Diversified Limited	126,980	0.13
40,000	PRISM Diversified Limited - Royalty	22,237	0.02
324,000	Unkur Contingent Interest	45,029	0.05
	Canadian Dollars Total	**194,246**	**0.20**
	Great Britain Pounds		
50,129,247	CEMOS Group Plc	30,002,354	31.42
1,657,195	Tungsten West Plc Second Option Share Warrants 18/10/2026	27,178	0.03
1,657,195	Tungsten West Plc Third Option Share Warrants 18/10/2026	16,572	0.02
	Great Britain Pounds Total	**30,046,104**	**31.47**
	United States Dollars		
100	Bilboes Holdings (Private) Limited - Royalty	8,425,046	8.82
56,042	Kanga Investments Limited	1,406,139	1.47
16,352	Polar Acquisition Limited - Royalty	993,324	1.04
	United States Dollars Total	**10,824,509**	**11.33**
	Norwegian Krone		
31,385,361	Nussir ASA	6,861,803	7.19
	Norwegian Krone Total	**6,861,803**	**7.19**
	Total Unlisted equity shares, warrants and royalties	**77,096,258**	**80.74**
	Financial assets held at fair value through profit or loss	**95,223,891**	**99.73**
	Other Assets & Liabilities	**252,483**	**0.27**
	Total Equity	**95,476,374**	**100.00**

Company Structure

The Company is a registered closed-ended investment scheme pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 2020 ("POI Law") and the Registered Collective Investment Scheme Rules and Guidance, 2021 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 Guidance 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. At the recent AGM held on 12 September 2024, the vote to discontinue the Company was not passed and therefore a vote with regard to continuation will not be proposed by the Board until the AGM in three years' time as is required by the Company's Articles.

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 12.

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.

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. At the year end the Company's Ordinary Shares traded at a discount to NAV of 37%, as stated in the Chairman's Statement, the Board will actively assess share buy backs and other forms of distributions as liquidity and opportunities arise.

The Board continues to review the Company's 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 2024, the Board comprised four Directors (2023: four).

Investment Management

The Manager, Baker Steel Capital Managers (Cayman) Limited, is a company incorporated in the Cayman Islands on 10 April 2002 with registration number 117030 and is an affiliate of the Investment Manager.

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.

Baker Steel Capital Managers LLP acts as Investment Manager of the Company and was constituted 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.

Investment Management (continued)

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.

Amendments have been made to the Management Agreement and Investment Management Agreements with the Manager and Investment Manager respectively, such that, that proportion of the Management Fee associated with discretionary fund management is now paid directly to the Investment Manager i.e. the Manager now receives no income from its appointment as a discretionary fund manager pursuant to the Management Agreement, and this is paid directly to the Investment Manager. There is no impact whatsoever on the overall Management Fee paid by the Company. The amendments are effective from 1 July 2024.

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 and energy, 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 focused 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.

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.

- The Company's investment in Futura Resources Limited ("Futura") may exceed the limit set out above provided that the

- The Company's investment in Futura Resources Limited ("Futura") may exceed the limit set out above provided that the Company will not invest or lend more than 35 per cent in aggregate of the value of its gross assets in Futura 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 2024.

Hedging

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

Performance

The Company monitors NAV against the MSCI World Metals and Mining Index, whilst this is not a benchmark, it is used as a reference for general mining share performance. An outline 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 pages 1 to 2 and the Investment Manager's Report on pages 3 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 continues to be climate change. Climate change risk includes how climate change could affect the Company's investments, and potentially shareholder returns.

The Board has implemented an environmental, social and governance ("ESG") policy which has been developed from the Investment Manager's own ESG policy. The Company's ESG policy is available on its website. Despite the need for many metals to enable the global move away from fossil fuels, mining is perceived to be harmful to the environment which can result in delays to licences being awarded by government bodies.

The Board will continue to monitor the growing risks identified by ESG and the resulting pressures on its investments.

Fund Concentration Risk

As at reporting date, the two largest investments that now comprise some 65% of the Company's net assets are CEMOS (31.4%) and Futura (33.4%). Although these are above the 20% of NAV investment limits, these have increased as a result of relative performance and were compliant at the time of investments, in the case of Futura, subsequent approval from shareholders to increase its limit to 35%. The Investment Manager reviews top holdings on an ongoing basis and the Board reviews concentration risk at each Board meeting. The Board has reasonable expectation of some significant dividends and royalty payments in the coming years which will support both distributions to our shareholders as well as enabling the Company to diversify its portfolio when attractive opportunities arise.

Geopolitical Risk

The recent US election results have introduced additional geopolitical uncertainty. Market turmoil following recent policy changes by the United States, such as higher tariffs on imported goods, has led to significant stock market declines, inflation concerns, and fear of potential recession. These tariffs could lead to reciprocal measures by other countries potentially slowing global growth and affecting commodity prices.

Additionally, the invasion of Ukraine and resulting sanctions on Russia, increased the risk of investing in companies with interests in Russia. It has also increased the uncertainty around previous projections made by those companies, in the face of growing financial and operational constraints. As a result in 2022, the Company reduced its carrying values of PAL to reflect the risk that Polymetal may not be able to pay the royalty over the Prognoz silver project in Russia when due and the question of whether PAL is able to receive payments either due to the risk of potential sanctions, or the lack of willingness of participants in the banking system to deal with relevant counterparties. In 2024 Polymetal, sold off its Russian business which included Prognoz, changed its name to Solidcore and its domicile to Kazakhstan. However, the liability to pay the net smelter royalty to PAL remains with Soldicore and the royalty contract has no Russian entities as parties to the Agreement.

Inflation Risk

Notwithstanding the improved inflationary position, there remains a risk that geopolitical tensions may again cause rising energy prices and disrupt supply chains causing further inflationary pressures. This, plus monetary tightening undertaken by central banks to curb inflation, raises the risk of a global recession which would be negative for commodity prices.

There is a growing risk that measures imposed by governments in response to cost-of-living challenges will impact on the Company's investments, specifically increased taxes or royalties imposed by governments may have implications on net sales prices received by investee companies. To mitigate this the Company uses real term models in its valuations using consensus long term commodity prices.

Principal risk and uncertainties (continued)

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 50 to 54.

The Company's investment activities also expose it to a variety of financial risks including in particular foreign currency risk. An analysis of sensitivity to foreign exchange is presented on pages 50 to 51.

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 nature of the investment strategy means that portfolio diversification cannot be rebalanced on a short-term basis.

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 through its approach to pricing 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

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 to be proposed to shareholders at the AGM in 2018 and every three years thereafter on whether to discontinue the Company. The Board tabled such resolutions in previous AGMs held in 2018 and 2021 and on each occasion, the resolution was not passed. At the recent AGM held on 12 September 2024, the vote to discontinue the Company was not passed and therefore a vote with regard to continuation will not be proposed by the Board until the AGM in three years' time as is required by the Company's Articles. 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. As 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.

To be passed, the discontinuation vote requires a majority of 75% of those shareholders voting. 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 January 2024 (the "UK Code"), the Directors, as advised by the Audit Committee, have assessed the prospects of the Company over 3 years. The Board considers 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 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 it and the Board have concluded that, even in circumstances representing a deterioration in value of 50% of net assets over the three-year period and a complete inability to sell any of the unlisted assets in the portfolio, the Company should remain viable. 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 expected income from interest, royalties and dividends is projected to cover budgeted expenses over the three-year period. In addition over the three-year period and under the highly stressed conditions modelled, regular realisations of the Company's listed equities could replace expected income if required. The Directors believe this to be reasonable given that the majority of these equities are traded at sufficient volumes in the context of the positions the

Company's holdings represent.

As a result, the Board has 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. CEMOS, with the support of the Company as its largest shareholder, is constructing a calcination unit at its Morocco operations which it is aimed will allow production of cement with an associated lower carbon footprint and the offer of 'greener' cement products to customers.

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.

Stakeholder Engagement

During the year ending 31 December 2024, the Board sought to voluntarily comply with the requirements of Section 172 of the Companies Act 2006 to promote the success of the Company for the benefit of its members as a whole, having regard to the interests of all stakeholders.

Identification of key stakeholders

As an externally managed investment company, the Company has no employees, operations or premises. The Board has identified its key stakeholders as the Company's shareholders, the Investment Manager, other service providers and the Investee Companies.

Engagement with stakeholders

The table below explains how the Board have engaged with all stakeholders.

Stakeholder	Engagement
Shareholders	The Board seeks an open and constructive engagement with shareholders who have the opportunity to vote at and to attend the Company's AGM. Following the announcement of the results of the Company's Annual General Meeting ("AGM") held on Thursday 12 September 2024 and in line with the AIC Code of Corporate Governance, the Board have investigated the outcome of the two special resolutions that failed to pass with the required majority of 75%. Said special resolutions related to authority to allot and issue up to 20% (in aggregate) of the total number of ordinary shares in issue in the Company for cash and both received votes of 72% in favour. Following engagement with the relevant shareholders, the Board notes that an administrative issue appears to have led to the vote falling short (with 28% voting against) and will engage with said shareholders early in the voting process in the lead up to the 2025 AGM. Additional narrative within the 2025 Notice of AGM is also proposed to ensure that the Board's intention in relation to similar resolutions (should they be proposed) is clearly understood by shareholders. The annual and half year results are available on the Company's website with the results and monthly updates also announced via a regulatory news service. The Board receives regular updates on the shareholder register and any trading activity and feedback received from investor meetings and briefings conducted by the Investment Manager, the Broker and research analysts.

Investment Manager	Open and collaborative dialogue is maintained between the Board and the Investment Manager. The Investment Manager is invited to all Board and Audit Committee meetings and provides regular reports on the performance of the investments and any potential issues the Board needs to be aware of.
Other Service Providers	The Board receive reports from all service providers at each meeting. The Administrator attends all Board and Audit Committee meetings.
Investee Companies	The Board receives detailed updates on operating performance of material investee companies provided at each meeting. Additionally, the Board receives details of projects being undertaken by the investee companies, including where these may require the Company to consider providing financial support. Through its investments and board positions on investee companies, the Company seeks to promote good ESG practice, with particular attention to Health and Safety of employees at investee companies.

Key Decisions

Key decisions are those that are material or of strategic importance to any of the Company's key stakeholders as described above. An example of a key decisions made during the year were the conversion of the convertible loan notes in CEMOS into equity and the subscription for new shares in Nussir at NOK 0.5 per share which allowed Nussir the working capital to continue marketing its project which led to Blue Moon's offer to acquire Nussir at the equivalent of NOK 4.25 per share. It is anticipated that the acquisition of Nussir by Blue Moon will enable the financing of the Nussir project into production.

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 pages 1 and 2 and the Investment Manager's Report on pages 3 to 8.

Signed on behalf of the Board of Directors by:

Fiona Perrott-Humphrey

25 April 2025

BOARD OF DIRECTORS

The Board of Directors is listed below. In 2018, the Board implemented a succession plan to refresh its membership while maintaining continuity. Since then, the Board has successfully integrated new members, ensuring a balance between continuity of knowledge and experience, and refreshing the Board's composition in terms of skills, diversity, and length of service. In 2019, David Staples joined the Board, bringing extensive experience and contributing to the ongoing renewal process, followed by Fiona Perrott-Humphrey in 2020 and John Falla in 2022. Additionally, Patrick Meier joined the Board in 2024, further enhancing the diversity and expertise of the Board.

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 was appointed in 2020 as a non-executive director and is a member of the Company's Audit Committee. Fiona was appointed as Chair of the Company with effect from 31 December 2024, succeeding Howard Myles.

Charles Hansard: Charles Hansard has over 40 years' experience in the investment industry as a professional and in a non-

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 14 years, the Board is satisfied that he continues to demonstrate independence from the Investment Manager.

John Falla: John qualified as a chartered accountant with Ernst and Young in London, before transferring to its Corporate Finance Department, specialising in the valuation of unquoted shares and securities. On his return to Guernsey in 1996 he worked for an international bank before joining The International Stock Exchange (formerly the Channel Islands Stock Exchange) on its launch in 1998 as a member of the Market Authority. In 2000 Mr Falla joined the Edmond de Rothschild Group, where he provided corporate finance advice to international clients including open and closed-ended funds, and institutions with significant property interests. He was a director of a number of Edmond de Rothschild operating and investment entities, retiring in 2015.

John has been a non-executive director of London listed companies for over 10 years and is an experienced audit committee chair. He is currently a director and audit committee chair of NB Private Equity Partners Limited.

John was appointed as a non-executive director in 2022 and has been the Chairman of the Audit Committee since 31 December 2022.

Patrick Meier: Patrick has over 30 years of experience in investment banking with specialist knowledge of the mining sector. He headed up the investment banking activities for RBC Capital Markets in Europe and Asia and drove a major expansion of RBC's European presence. Prior to this role, he headed up RBC's activities in the Metals and Mining sector in Europe, Africa and Asia for many years, and continues to enjoy strong relationships within the sector. Mr. Meier also served as a Director on the Board of RBC's main operating subsidiary in Europe. In May 2024, Patrick stepped down as Chairman of Ecora Resources plc, the metals streaming business listed on the London Stock Exchange. Mr. Meier was instrumental in leading Ecora's growth and transformation. He also previously acted as Chairman of AIM-Listed Firestone Diamonds plc.

Patrick Meier was appointed as a non-executive director with effect from 25 June 2024.

The Directors of the Company present their fifteenth annual report and the audited financial statements (the "Annual Report") for the year ended 31 December 2024.

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.bakersteelcap.com/baker-steel-resources-trust/.

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 pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 2020, ("POI Law") and the Registered Collective Investment Scheme Rules and Guidance, 2021 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.

Investment Objective

Details of the Company's investment objectives and policies are described in the Strategic Report on page 12.

Performance

In the year to 31 December 2024, the Company's NAV per Ordinary Share increased by 16.2% (2023: decreased by 2.8%). This

In the year to 31 December 2024, the Company's NAV per Ordinary Share increased by 10.2% (2023: decreased by 2.8%). This compares with a decrease in the MSCI World Metals and Mining Index (capital return in Sterling terms) of 13.5% (2023: +13.8%). A more detailed explanation of the performance of the Company is provided within the Investment Manager's Report on pages 3 to 8.

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

Critical accounting judgements and key sources of estimation uncertainty

The Directors makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

Significant estimates and assumptions arise in the valuation of investments. The variety of valuation bases to be adopted and the quality of management information provided by the underlying investee companies means there are inherent difficulties in determining the value of these investments. Amounts realised on the sale of those investments will inevitably differ from the values reflected in the underlying funds holding the investee and the difference may be significant.

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. The Board also intends to formulate a more regular dividend policy once it starts to receive significant income from its investments by way of dividends and royalty interests. As there was no net realised cash gain during the year, the Board has determined that there will not be any distribution in respect of the year ended 31 December 2024.

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:

Fiona Perrott-Humphrey (Chairman)
Howard Myles (resigned 31 December 2024)
Charles Hansard
John Falla
Patrick Meier (appointed 25 June 2024)

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 18 of the Annual Report.

Directors and their interests (continued)

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

Each Director is asked to declare his or her interests at each Board meeting. No Director has any material interest in any other contract which is significant to the Company's business.

As of 31 December 2024, John Falla held 100,000 (2023: 100,000) shares in the Company. Patrick Meier held 82,261 shares in the Company. No other Director has a beneficial interest in the Company or any of its investee companies.

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 has a total of 106,453,335 (2023: 106,453,335) Ordinary Shares outstanding with an additional 700,000 (2023: 700,000) held in treasury. The Company has 9,167 (2023: 9,167) Management Ordinary Shares in issue, which are held by the Investment Manager.

The Ordinary Shares are admitted to the Official List of the London Stock Exchange.

Significant Shareholdings

As at 31 December 2024, the Company had received notifications in accordance with the FCA's Disclosure Guidance 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	% of Total Shares in issue
The Sonya Trust	12,637,350	11.87
Northcliffe Holdings Pty Limited	12,452,177	11.71
Overseas Asset Management	12,265,915	11.52
First Equity	10,734,150	10.08
Asset Value Investors	8,493,000	7.98
RIT Capital Partners	7,766,803	7.30
Raymond James Investment Services	6,148,518	5.78
Hargreaves Lansdown Asset Management	4,834,283	4.54
A J Bell Securities	3,332,123	3.13
Interactive Investor	3,267,386	3.07

The Investment Manager, Baker Steel Capital Managers LLP had an interest in 9,167 Management Ordinary Shares at 31 December 2024 (31 December 2023: 9,167).

David Baker and Trevor Steel, Directors of the Manager, are interested in the shares held by Northcliffe Holdings Pty 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, Disclosure Guidance 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 Guidance 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 position and performance, business 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 or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Going Concern

The Directors, as advised by the Audit Committee, have made an assessment to satisfy themselves that it is reasonable to assume that the Company is a going concern and considered it appropriate to adopt the going concern basis of accounting. The Directors have considered carefully the liquidity of the Company's investments and the level of cash. As at 31 December 2024, approximately 13.7% of the Company's assets were represented by cash and unrestricted listed and quoted investments which are readily realisable. The Board are satisfied that the Company has the resources to continue in business for at least 12 months following the signing of these financial statements.

At the AGM in 2024, the vote to discontinue the Company was not passed and therefore a vote with regard to continuation will not be proposed by the Board until the AGM in 2027 as is required by the Company's Articles.

The Directors are not aware of any other 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 10.

Corporate Governance Compliance

The Company is a member of the Association of Investment Companies.

The Board has therefore considered the Principles and Provisions of the AIC Code of Corporate Governance ("AIC Code"). The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code (the "UK Code"), as well as setting out additional Provisions on issues that are of specific relevance to the Company.

The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council and the Guernsey Financial Services Commission, provides more relevant information to shareholders.

The Company has complied with the Principles and Provisions of the AIC Code and therefore the UK Code except as where explained in the Annual Report on pages 22 to 29 relating to:

- The requirement for a Senior Independent Director
- Nomination and Remuneration Committees
- The requirement for an internal audit function

The AIC Code is available on the AIC website (www.theaic.co.uk). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

The Code includes provisions relating to:

- The role of the Chief Executive
- Executive Directors' remuneration

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 and Independence

  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.

  The Board consists entirely of independent non-executive Directors, of whom Fiona Perrott-Humphrey 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.

  There is no formal policy in respect of the tenure of the Chairman. The Board have initiated a process of refreshing its membership with new appointments made in recent years. Howard Myles also stepped down from the Board on 31 December 2024 retiring as Chairman after 14 years as part of this succession programme.

- 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 and independent recruitment consultants may be used where appropriate as was the case in 2024 when OSA assisted in the recruitment of Mr. Meier. There are no service contracts in place for the Directors. The Directors are not required to retire by rotation. Instead each director puts himself or herself 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.

Operation and composition of the Board (continued)

- Appointment and re-election (continued)

  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 and to maintain a balanced Board. The Board will seek the assistance of recruitment specialists to identify suitable candidates for the Board to consider.

  Charles Hansard has served as a Director for 14 years. The Board believes that Mr Hansard continues to demonstrate independence from the Manager and to make a valuable contribution to the Company. Mr Myles stepped down at the end of the year and Patrick Meier was appointed as an independent non-executive director with effect from 25 June 2024. The Board sought assistance from OSA, Guernsey to assist with identifying a diverse list of suitable candidates as part of the selection process. The Board has a succession plan under which its membership will be refreshed over time. Specialists will be engaged as the Board consider necessary to assist with future appointments.

- Information

  The Board receives full details of the Company's performance, 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 each year through a formal and annual rigorous assessment process led by the Chairman and facilitated by the Company Secretary. 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 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.

months' written notice.

Amendments have been made to the Management Agreement and Investment Management Agreements with the Manager and Investment Manager respectively, such that, that proportion of the Management Fee associated with discretionary fund management is now paid directly to the Investment Manager i.e. the Manager now receives no income from its appointment as a discretionary fund manager pursuant to the Management Agreement, and this is paid directly to the Investment Manager. There is no impact whatsoever on the overall Management Fee paid by the Company. The amendments are effective from 1 July 2024.

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.

Corporate Governance Compliance (continued)

Operation and composition of the Board (continued)

- Board Meetings (continued)
  Attendance at the quarterly Board and Audit Committee meetings during the year was as follows:

	Board Meetings		Audit Committee Meetings	
	Held	Attended	Held	Attended
Fiona Perrott-Humphrey	4	4	4	4
Charles Hansard	4	4	n/a	n/a
John Falla	4	4	4	4
Patrick Meier**	3	3	3	3
Howard Myles*	4	4	4	4

**Howard Myles stepped down from the Board on 31 December 2024.*
***Patrick Meier was appointed as an independent non-executive director effective 25 June 2024 and therefore eligible to attend only three meetings.*

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, Shore Capital, 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, along with its shareholders, to be the Company's Investment Manager, Administrator, Company Secretary, Stockbroker and Investee Companies. 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. The engagement with stakeholders is covered in more detail in the Strategic Report on pages 16 to 17.

- Principal and Emerging Risks
  The Board has delegated responsibility for the assessment of its key risks to the Audit Committee. The Audit Committee has documented the key risks and controls in a detailed risk matrix and meets on a quarterly basis to update it and to assesses the adequacy and completeness of the controls. As the Audit Committee identifies changes that affect the risk profile of the Company it will recommend to the Board any actions required to effectively manage risk. More details on the Principal and Emerging Risks are presented in the Strategic Report.

- Diversity
  The Board has no formal policy on diversity but is cognizant of the importance of diversity and the need to maintain a Board with a spectrum of backgrounds and skills appropriate for the specifics of the Company which helps create an environment for successful and effective decision-making. The Board now consists of four directors, and is led by the Chair, Fiona Perrott-Humphrey of British Nationality. The remaining directors are men of British Nationality. Due to the small size of the Board, specific targets on diversity are currently not met and the plans to address these targets for diversity metrics are currently under regular review and will be taken into account when appointing further board members in the future. Recruitment agencies who assist with identifying candidates for Board appointments are also instructed to do so with diversity in mind.

Corporate Governance Compliance (continued)

Committees

The Audit Committee is the sole committee of the Board. Terms of Reference for the Audit Committee are available on the Company's webpage www.bakersteelcap.com/baker-steel-resources-trust/.

- Audit Committee
  The Board has established an Audit Committee. The Audit Committee meets at least four 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 regulated service providers and the Directors receive control reports on its key service providers.

  John Falla is the Chairman of the Audit Committee with Fiona Perrott-Humphrey and Patrick Meier as the other members. As Chairman of the Board, Fiona Perrott-Humphrey will not Chair the Audit Committee but is considered independent and therefore sits as a committee member.

- 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 itself 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.

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.

Corporate Governance Compliance (continued)

Director's Remuneration Policy (continued)

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 who have the experience and qualities 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. Effective 1 October 2022 the Board, recognising the Board remuneration was below market rates having not changed since the Company's flotation in 2010, resolved to increase their remuneration to £32,500 per annum for each Director. The Chairman receives a supplement of £10,000 per annum and the Chairman of the Audit Committee a supplement of £5,000 per annum.

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 2024, the total remuneration of the Directors was £162,229 (2023: £145,000).

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 2024 and 31 December 2023 are shown below.

	2024	**2023**
	£	**£**
Fiona Perrott-Humphrey*	32,500	32,500
Howard Myles*	42,500	42,500
Charles Hansard	32,500	26,875
John Falla	37,500	37,500
Patrick Meier**	17,229	-

**Howard Myles stepped down from the Board on 31 December 2024 after 14 years as Chairman. Fiona Perrott-Humphrey was appointed as Chair of the Company with effect from 31 December 2024.*
*** Patrick Meier was appointed as an independent non-executive director with effect from 25 June 2024.*

Independent Auditors

The independent auditor, BDO Limited, has 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 13 of the financial statements on page 59.

Signed on behalf of the Board of Directors by:

Fiona Perrott-Humphrey
25 April 2025

REPORT OF THE AUDIT COMMITTEE
For the year ended 31 December 2024

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. John Falla is the Chairman of the Audit Committee. Fiona Perrott-Humphrey and Patrick Meier are the other members of the Audit Committee. The Chair of the Board, will not Chair the Audit Committee but is considered independent and therefore sits as a committee member.

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 typically meets four times a year, aligned to Board meeting dates, to discuss the Interim and Annual Report and Audited Financial Statements, the audit plan and engagement letter, and the Company's risks and controls, 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 one member who is a Chartered Accountant.

The Board, 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 AIC Code and 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 2024, 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 Audit Committee and 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 Audit Committee and 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 ultimate responsibility for ensuring that investments are carried at fair value lies with the Board.

Through its meetings during the year ended 31 December 2024 and its review of the Company's Annual Report and Audited Financial Statements, the Audit Committee considered the principal risks and uncertainties described on pages 14-15 which were its primary area of focus as well as the following significant risks.

Significant Risks 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

	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 risks such as the discontinuation vote, which took place at the AGM on 12 September 2024 were considered. 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 external 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:

		2024	2023
		£	£
Audit fees	Audit Fees	79,500	75,000
Non-audit fees	Agreed Upon Procedures relating to the review of the Company's half year report	10,975	10,500
Total Fees		**90,475**	**85,500**

External Audit (continued)

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.

The Audit Committee has reviewed the effectiveness of the auditor including:

- **Independence:** The auditor discusses with the Audit Committee, at least annually, the steps it takes to ensure independence and confirms the same to the Audit Committee. The audit fees paid to BDO are presented on Page 28 of the Annual Report. The only non-audit fees paid to BDO are in relation to the Agreed Upon Procedures work completed on the Interim Report and Accounts. The audit director will rotate after 5 years; this is the fifth year of the current audit director.

- **Quality of Audit Work:** The Audit Committee assess the completion of the audit versus the plan and will seek feedback from the Investment Manager and the Administrator on any issues experienced through the Audit. The Chairman of the Audit Committee will separately engage with the audit director to discuss progress and issues with the audit.

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 market leading regulated third party service providers, although the Audit Committee oversees these operations and receives regular control 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 11 to 17 outlines the principal risks and uncertainties affecting the Company and the section on Internal Controls in the Directors Report on pages 19 to 26 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 position and performance, business and strategy, reporting to the Board in this respect.

Going Concern and Viability

The Audit Committee has made an assessment of the Company's ability to continue as a going concern and of its viability, see pages 16 and 21, and has advised the Board accordingly.

John Falla
Audit Committee Chairman
25 April 2025

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 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as endorsed by the European Union; and
- have been 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 2024 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 the material accounting policy information.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as endorsed by the European Union ("IFRS").

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. 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 and discussing this with both the Directors and management;

- Challenging the Directors' cash flow forecasts for the twelve months from the authorisation of these financial statements by stress testing future income and expenditure, the ability to realise the Company's assets and the impact on the going concern assessment;

- Challenging the key inputs into the cash flow forecasts by comparing these with historic results of the Company and whether they were consistent with our understanding of the Company; and

- Reviewing the minutes of the Board meetings, the 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

		2024	**2023**
Key audit matters	Valuation of unlisted investments	Yes	Yes
Materiality	Financial statements as a whole £1.50m (2023:£1.44m) based on 1.75% (2023: 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 investment portfolio, involvement of the Investment Manager and the Company's Administrators, the accounting and reporting environment and the industry in which the Company operates.

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 Investment Manager and the Company's Administrators. We considered the control environment in place at the Investment Manager and the Company Administrators 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 unlisted investments	Refer to the accounting policy information set out in Note 2 and also Note 3 to the Financial Statements. The valuations are subjective, with a high level of judgment and estimation linked to the determination of fair value, with limited third-party pricing 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, which could significantly impact the valuation output.	Our procedures included the following: For all unlisted investments: • We considered the processes, policies and methodologies used by management for determining the fair value of unlisted investments held by the Company; • Considered whether the Investment Manager's application of valuation techniques were appropriate to the circumstances of the investment and the accounting policies applied; and • Agreed the valuation per the models to the financial statements. In respect of the investments using a valuation model, we: • Obtained and challenged, through discussion and corroboration to external sources, the inputs and assumptions used in management's model based on our understanding of the investment;
Key audit matter (continued)		**How the scope of our audit addressed the key audit matter (continued)**
Valuation of unlisted investments	The valuation of these investments is a key driver of the Company's net asset value and total return. Accordingly, incorrect valuations of these investments could have a significant impact on the net asset value of the Company and therefore the return generated for shareholders. We therefore consider this to be a key audit matter.	• Agreed the inputs, for example volatility, resource prices, and tax rates, 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, through discussion and corroboration to third party sources, in more detail, those which have the largest impact on the valuation; and • Tested the mathematical accuracy of the models. For investments valued on an index valuation, we recalculated, using independently obtained information, management's applied basket of indices for each investment. For those investments which used recent Investment as a basis, 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.

		Key observation: Based on the procedures performed, we are satisfied that judgements applied in valuing the unlisted investments are appropriate.

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	
	2024 £m	2023 £m
Materiality	1.50m	1.44m
Basis for determining materiality	1.75% of total assets	
Rationale for the benchmark applied	Due to the Company 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	1.13m	1.08m
Basis for determining performance materiality	75% of materiality This was determined using our professional judgement and considered the complexity and our knowledge of the engagement, together with history of minimal historical errors and adjustments. There is also a willingness to rectify through adjustments when needed.	

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £45,000 (2023: £43,000). 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, 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 parent 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 21; and • The Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why this period is appropriate set out on page 16.
Other Code provisions	• Directors' statement on fair, balanced and understandable set out on page 21; • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 14 to 15 and 24; • The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 29; and • The section describing the work of the Audit Committee set out on page 25 and pages 27 to 29.

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, including fraud

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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining an understanding of the Company's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be the International Financial Reporting Standard as adopted by the European Union and the Companies (Guernsey) Law, 2008.
The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigation. We identified such laws and regulations to be The Protection of Investors (Bailiwick of Guernsey) Law, 2020.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with the Guernsey Financial Services Commission, internal compliance reports, complaint registers and breach registers to identify and consider any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Auditor's responsibilities for the audit of the financial statements (continued)

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and valuation of unquoted investments.

Our procedures in respect of the above included those detail in key audit matter above and also:-

- Considering whether there are any journal entries throughout the year, which may not be covered by testing of material financial statements class of transactions or balances; and
- A review of estimates and judgements applied by Management in the financial statements to assess their appropriateness and the existence of any systematic bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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
Plaza House
2nd Floor, Admiral Park
St Peter Port
Guernsey

	Notes	2024 £	2023 £
Assets			
Cash and cash equivalents		123,608	277,694
Interest and other receivable		338,156	220,604
Financial assets held at fair value through profit or loss	3	95,223,891	81,870,016
Total assets		**95,685,655**	**82,368,314**
Equity and Liabilities			
Liabilities			
Directors' fees and expenses payable	10	9,619	36,250
Management fees payable	7,10	89,312	57,735
Administration fees payable	6	51,250	37,083
Audit fees payable		59,100	75,000
Other payables		-	2,667
Total liabilities		**209,281**	**208,735**
Equity			
Management Ordinary Shares	9	9,167	9,167
Ordinary Shares	9	75,972,688	75,972,688
Revenue Reserves		7,791,310	8,235,802
Capital Reserves		11,703,209	(2,058,078)
Total equity		**95,476,374**	**82,159,579**
Total equity and liabilities		**95,685,655**	**82,368,314**
Net Asset Value per Ordinary Share (in Pence)	11	89.7	77.2

The financial statements on pages 36 to 59 were approved and authorised for issue by the Board of Directors on 25 April 2025 and signed on its behalf by:

Fiona Perrott-Humphrey
Director

John Falla
Director

	Notes	Year ended 2024 Revenue £	Year ended 2024 Capital £	Year ended 2024 Total £
Income				
Interest income	2(e)	849,161	-	849,161
Royalty income	2(f)	190,655	-	190,655
Dividend income	2(g)	200,531	-	200,531
Net gain on financial assets at fair value through profit or loss	3	-	13,769,797	13,769,797
Net foreign exchange loss		-	(8,510)	(8,510)
Net income / (loss)		**1,240,347**	**13,761,287**	**15,001,634**
Expenses				
Management fees	7,10	937,153	-	937,153
Directors' fees	10	162,229	-	162,229
Administration fees	6	205,950	-	205,950
Audit fees		86,065	-	86,065
Depositary fees		33,000	-	33,000
Custody fees		57,954	-	57,954
Broker fees		40,931	-	40,931
Legal fees		8,008	-	8,008
Other expenses	8	153,549	-	153,549
Total expenses		**1,684,839**	**-**	**1,684,839**
Net (loss) / gain for the year		**(444,492)**	**13,761,287**	**13,316,795**
Net (loss) / gain for the year per Ordinary Share:				
Basic and Diluted (in pence)	11	(0.42)	12.93	12.51

In the year ended 31 December 2024 there were no other 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.

	Notes	Year ended 2023 Revenue £	Year ended 2023 Capital £	Year ended 2023 Total £
Income				
Interest income	2(e)	599,973	-	599,973
Dividend income	2(g)	315,211	-	315,211
Net loss on financial assets at fair value through profit or loss	3	-	(1,786,066)	(1,786,066)
Net foreign exchange loss		-	(1,819)	(1,819)
Net income		**915,184**	**(1,787,885)**	**(872,701)**
Expenses				
Management fees	7,10	795,890	-	795,890
Directors' fees	10	145,000	-	145,000
Administration fees	6	108,190	-	108,190
Other expenses	8	205,377	-	205,377
Depositary fees		31,679	-	31,679
Custody fees		52,765	-	52,765
Broker fees		36,667	-	36,667
Audit fees		75,000	-	75,000
Total expenses		**1,450,568**	**-**	**1,450,568**
Net loss for the year		**(535,384)**	**(1,787,885)**	**(2,323,269)**
Net loss for the year per Ordinary Share:				
Basic and Diluted (in pence)	11	(0.50)	(1.68)	(2.18)

In the year ended 31 December 2023 there were no other 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.

	Management Ordinary Shares £	Ordinary Shares £	Treasury Shares £	Revenue reserves £	Capital reserves £	Total equity £
Balance as at 1 January 2023	9,167	76,113,180	(140,492)	8,771,186	(270,193)	84,482,848
Net loss for the year	-	-	-	(535,384)	(1,787,885)	(2,323,269)
Balance as at 31 December 2023	**9,167**	**76,113,180**	**(140,492)**	**8,235,802**	**(2,058,078)**	**82,159,579**
Net (loss) / gain for the year	-	-	-	(444,492)	13,761,287	13,316,795
Balance as at 31 December 2024	**9,167**	**76,113,180**	**(140,492)**	**7,791,310**	**11,703,209**	**95,476,374**

	Notes	Year ended 2024 £	Year ended 2023 £
Cash flows from operating activities			
Net income / (loss) for the year		13,316,795	(2,323,269)
Adjustments to reconcile net income / (loss) for the year to net cash used in operating activities:			
Interest income		(849,161)	(442,719)
Royalty income		(190,655)	-
Dividend income		(200,531)	(315,211)
Net (gain) / loss on financial assets at fair value through profit or loss		(13,769,797)	1,786,066
Net foreign exchange loss		8,510	1,819
Net decrease / (increase) in other receivables		4,619	(14,275)
Net increase in payables		546	49,672
		(1,679,674)	**(1,415,171)**
Interest income received		840,590	467,641
Royalty income received		68,465	-
Dividend received		200,531	315,211
Net cash used in operating activities		**(570,088)**	**(632,319)**
Cash flows from investing activities*			
Purchase of financial assets at fair value through profit or loss		(4,845,176)	(7,871,359)
Sale of financial assets at fair value through profit or loss		5,261,178	8,527,232
Net cash generated from investing activities		**416,002**	**655,873**
Net (decrease)/increase in cash and cash equivalents		(154,086)	23,554
Cash and cash equivalents at the beginning of the year		277,694	254,140
Cash and cash equivalents at the end of the year		**123,608**	**277,694**

* As permitted under IFRS, purchases and sales of financial assets at fair value through profit or loss are classified as investing activities due the nature and intention to generate future income and cash flows from these investments.

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 pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 2020 and the Registered Collective Investment Scheme Rules and Guidance, 2021 issued by the Guernsey Financial Services Commission ("GFSC"). On 28 April 2010, the Ordinary 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 under Equity shares category.

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. MATERIAL ACCOUNTING POLICY INFORMATION

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.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

a) Basis of preparation (continued)

New standards, interpretations and amendments adopted from 1 January 2024

The following amendments are effective for the period beginning 1 January 2024:

- Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1);and
- Non-current Liabilities with Covenants (Amendments to IAS 1).

These amendments to various IFRS Accounting Standards are mandatorily effective for reporting periods beginning on or after 1 January 2024. These amendments were adopted and have been applied consistently throughout the year. The adoption of these did not have a material impact on the financial statements.

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

There are a number of new standards, amendments to standards and interpretations that are effective for the annual period beginning on or after 1 January 2025 which were not adopted early and are not expected to have a material impact on the Company's financial statements.

The following amendments are effective for the annual reporting period beginning 1 January 2025:

- Lack of Exchangeability (Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates);

b) 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:

Going Concern

The Directors, as advised by the Audit Committee, have made an assessment to satisfy themselves that it is reasonable to assume that the Company is a going concern and considered it appropriate to adopt the going concern basis of accounting. The Directors have considered carefully the liquidity of the Company's investments and the level of cash. As at 31 December 2024, approximately 13.7% of the Company's assets were represented by cash and unrestricted listed and quoted investments which are readily realisable. The Board are satisfied that the Company has the resources to continue in business for at least 12 months following the signing of these financial statements.

At the AGM in 2024, the vote to discontinue the Company was not passed and therefore a vote with regard to continuation will not be proposed by the Board until the AGM in 2027 as is required by the Company's Articles.

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.

(ii) 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.

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.

c) 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.

d) Segment information

The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors as a whole. The key measure of performance used by the Directors to assess the Company's performance and to allocate resources is the Company's NAV, as calculated under IFRS, and therefore no reconciliation is required between the measure of profit or loss used by the Board and that contained in the Annual Report.

The Directors are of the opinion that the Company is engaged in a single segment of business: investing in natural resources companies and therefore no aggregation of segments.

e) 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.

f) Royalty income

Royalty income is recognised on an accruals basis in accordance with the substance of the relevant agreements. It is measured at the fair value of the consideration received or receivable and is recognised in the Statement of Comprehensive Income when the right to receive payment is established.

g) 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. No withholding taxes were suffered during the year (2023: £Nil).

3. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Investment Summary:	**Year ended 2024 £**	**Year ended 2023 £**
Opening book cost	80,839,379	75,709,282
Purchases at cost	9,455,694	7,871,359
Proceeds on sale of investments	(9,871,696)	(8,527,232)
Net realised (losses)/gains	(193,386)	5,785,970
Closing cost	80,229,991	80,839,379
Net unrealised gains	14,993,900	1,030,637
Financial assets held at fair value through profit or loss	**95,223,891**	**81,870,016**

3. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

The following table analyses net losses on financial assets at fair value through profit or loss for the years ended 31 December 2024 and 31 December 2023.

	Year ended 2024 £	**Year ended 2023 £**
Financial assets at fair value through profit or loss		
Realised (losses)/gains on:		
- Listed equity shares	(193,386)	(1,338,513)
- Unlisted equity shares	-	7,123,472
- Debt instruments	-	1,011
- Warrants	-	-
	(193,386)	5,785,970
Movement in unrealised gains/(losses) on:		
- Listed equity shares	1,766,917	(5,927,825)
- Unlisted equity shares	15,999,171	(5,665,664)
- Royalties	3,627,062	2,028,559
- Debt instruments	(7,469,052)	2,384,592
- Warrants	39,085	(391,698)
	13,963,183	(7,572,036)
Net Income/(losses) on financial assets at fair value through profit or loss	**13,769,797**	**(1,786,066)**

Net income/(losses) on financial assets at fair value through profit or loss	[illegible]	[illegible]

The following table analyses investments by type and by level within the fair valuation hierarchy at 31 December 2024.

	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	12,564,823	68,136	-	12,632,959
Unlisted equity shares	-	-	51,120,696	51,120,696
Royalties	-	-	26,248,129	26,248,129
Warrants	-	-	88,779	88,779
Debt instruments	-	-	5,133,328	5,133,328
	12,564,823	68,136	82,590,932	95,223,891

The following table analyses investments by type and by level within the fair valuation hierarchy at 31 December 2023.

	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	12,170,931	188,483	-	12,359,414
Unlisted equity shares	-	-	29,480,067	29,480,067
Royalties	-	-	22,621,067	22,621,067
Warrants	-	-	49,773	49,773
Debt instruments	-	-	17,359,695	17,359,695
	12,170,931	188,483	69,510,602	81,870,016

3. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

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 2024.

31 December 2024	Unlisted Equities £	Royalties £	Debt instruments £	Warrants £	Total £
Opening balance 1 January 2024	29,480,068	22,621,067	17,359,694	49,694	69,510,523
Purchases of investments	1,030,941	-	117,067	-	1,148,008
Conversion	4,610,518	-	(4,610,518)	-	-
Sales of investments	-	-	(263,864)	-	(263,864)
Movement in net unrealised (losses)/gains	15,999,169	3,627,062	(7,469,052)	39,085	12,196,265
Realised gains	-	-	-	-	-
Closing balance 31 December 2024	51,120,696	26,248,129	5,133,327	88,779	82,590,932
Unrealised gains/(losses) on investments still held at 31 December 2024	20,883,117	7,580,841	(3,401,429)	88,779	25,151,308

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.

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 2023.

31 December 2023	Unlisted Equities £	Royalties £	Debt instruments £	Warrants £	Total £
Opening balance 1 January 2023	41,514,956	14,808,689	11,364,120	441,471	68,129,236

Opening balance 1 January 2023	41,514,956	14,808,689	11,364,120	441,471	68,129,236
Purchases of investments	-	5,783,819	3,973,519	-	9,757,338
Sales of investments	(13,492,696)	-	(363,548)	-	(13,856,244)
Transfer out of Level 3	-	-	-	-	-
Movement in net unrealised (losses)/gains	(5,665,664)	2,028,559	2,384,592	(391,698)	(1,644,211)
Realised losses	7,123,472	-	1,011	-	7,124,483
Closing balance 31 December 2023	29,480,068	22,621,067	17,359,694	49,773	69,510,602
Unrealised gains on investments still held at 31 December 2023	4,883,945	3,953,779	4,060,311	49,773	12,947,808

The following activities have taken place during the year ended 31 December 2024:

During the year ended 31 December 2024, Baker Steel Resources Trust Limited converted its unsecured loan notes in Cemos Group Limited at the end of their term. As of 31 December 2024, Cemos Group constituted 31.4% of the Company's net asset value. The decision to convert was taken as the value of the shares was considered to be significantly above the conversion price.

3. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

During the year ended 31 December 2024, the Company and the other three main shareholders of Nussir ASA, together representing 70.8% of Nussir's issued share capital, agreed to sell their shares in Nussir to Blue Moon, a company listed on the TSX-V stock exchange. The transaction values Nussir at US 55.3 million. The two key conditions of the transaction, being the raising by Blue Moon of at least C 30 million of new equity capital and acceptance of the transaction by over 90% of Nussir shareholders, were both satisfied during December 2024. Completion occurred on 27 February 2025 once approval was granted by the TSX-V stock exchange. Consequently, the investment in Nussir ASA is maintained as Level 3, based on the valuation inputs derived from Blue Moon shares. The Company's Blue Moon shares are subject to certain phased lock-up arrangements. Upon lifting of the suspension and the lock-ups, the shares of Blue Moon will be classified as Level 1.

At 31 December 2024, the Company applied a 28.6% discount to the transaction's ascribed value to account for the initial lock-up arrangements on the Company's shares in Blue Moon and transaction risk. As a result the investment is classified as Level 3. Overall, the value of the investment in Nussir increased by 77% in Sterling terms during 2024.

The Company supported the transaction with a subscription in the Blue Moon placing. As at 31 December 2024, Blue Moon was listed on TSX-V, but its shares were suspended. Therefore, the investment in Blue Moon was classified as Level 3 in the fair value hierarchy.

During the year ended 31 December 2022, the Company's investment in First Tin Plc was classified as Level 2 on the fair value hierarchy due to the shares being locked up despite being listed on the London Stock Exchange (LSE). The lock-up expired on 8 April 2023, and consequently, the shares were reclassified to Level 1. As of 31 December 2024, the shares remain classified as Level 1, as being freely tradable on the LSE.

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. Other than Azarga Metals Corporation which is listed on the TSX-V exchange, due to the size of the Company's holding and the liquidity of shares and therefore categorised as Level 2. The Company does not currently hold a sufficiently large position in any listed company that it could impact the quoted price via a sale of its investment.

As at 31 December 2024, the Investment Manager prepared the valuations and considered whether there were any changes to performance or the circumstances of the underlying investments which would affect the fair values. Methods, assumptions, and data were consistently applied year on year except for certain private equity investments where a change in assumption is deemed appropriate to reflect the change in the market conditions or investment-specific factors. The Investment Manager then made recommendations to the Board of the fair values as at 31 December 2024.

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 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 illiquidity 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 two Level 2 investments at 31 December 2024 (31 December 2023: one).

Investments classified within Level 3 have significant unobservable inputs. They include unlisted debt instruments, royalty rights, 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.

3. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

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. If it is assessed that a recent transaction is not at an arm's length or there are other indicators that it has not been executed at a price that is representative of fair value then the transaction value will not be used as the carrying value of the investment. 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 techniques for Level 3 investments can be divided into seven 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

iii. Royalty Valuation Model

The rights to receive 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, its main asset is a cement plant with no defined life like a mining project and therefore has been valued on the basis of a multiple of a blend of historical and forecast earnings before interest, tax, depreciation and amortisation ("EBITDA") when compared to listed comparable cement producers.

v. Market Comparison

In the case of Futura Resources Ltd which commenced production from its Wilton mine in March 2024, it is valued with reference to comparable listed coal producers both in terms of EBITDA multiple and NPV duly discounted for its stage of development.

3. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Valuation methodology of Level 3 investments (continued)

vi. 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.

vii. Convertible loans

Convertible loans are valued taking into account the value of the conversion option based on a binomial model along with the associated credit risk of the instrument.

Quantitative information of significant unobservable inputs - Level 3

Description	**2024 £**	**Valuation technique**	**Unobservable input**	**Range of unobservable input (weighted average)**
Unlisted Equity	8,756,268	Transactions	Private transactions	n/a
Unlisted Equity	42,364,428	EBITDA Multiple	EBITDA Multiple	4x - 14x
Royalties	26,248,129	Royalty Valuation model	Commodity price and discount rate risk	15% - 75%
Debt Instruments				
Other Convertible Debentures/Loans	5,133,327	Valued at fair value with reference to credit risk	Rate of Credit Risk	10% - 60%
Warrants	43,750	Discount factors to achieve milestones	Discount	20% - 40%
Contingent Interest	45,029	Discounted External valuation	Discount	+/-75%

Description	**2023 £**	**Valuation technique**	**Unobservable input**	**Range of unobservable input (weighted average)**
Unlisted Equity	3,773,733	Transactions	Private transactions	n/a
Unlisted Equity	3,206,973	IndexVal	Change in index	+38%/-53%
Unlisted Equity	22,499,362	EBITDA Multiple	EBITDA Multiple	4x - 14x
Royalties	22,621,067	Royalty Valuation model	Commodity price and discount rate risk	10% - 70%
Unlisted Equity	-	Other	Exploration results, study results, financing	n/a
Debt Instruments				
Black Pearl Limited Partnership	343,388	Valued at mean estimated recovery	Estimated recovery range	+/-50%
Other Convertible Debentures/Loans	17,016,306	Valued at fair value with reference to credit risk	Rate of Credit Risk	20%-40%
Warrants	1,736	Simplified Black Scholes Model	Volatilities	50%
Contingent Interest	48,037	External valuation	Discount	+/-75%

3. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Quantitative information of significant unobservable inputs - Level 3 (continued)

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 2024 are as shown below:

Description	**Input**	**Sensitivity used**	**Effect on Fair Value (£)**
Unlisted Equity	Transactions & Expected Transactions	+/-20%	+/-1,751,254
Unlisted Equity	EBITDA Multiple	+/-20%	+/- 8,472,886
Royalties	Commodity Price	+/-20%	+/-5,249,626
Royalties	Discount Rate	+/-20%	-3,047,666/+3,546,959
Debt Instruments			
Others/Loans	Risk discount rate	+/-20%	-998,527 /+586,938
Convertibles /Loans	Volatility of Index Basket	+/-40%	+437,674/-439,332
Warrants	Risk of milestones being achieved	+/-20%	-18,163/+21,795
Contingent Interest	Risk discount rate	+/-20%	-/+17,500

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 2023 are as shown below:

Description	**Input**	**Sensitivity used**	**Effect on Fair Value (£)**
Unlisted Equity	Transactions & Expected Transactions	+/-20%	+/-754,747
Unlisted Equity	Change in IndexVal	+38%/-53%*	+ 1,218,650/-1,699,695
Unlisted Equity	EBITDA Multiple	+/-20%	+/-4,499,872
Royalties	Commodity Price	+/-20%	+/-4,524,213
Royalties	Discount Rate	+/-20%	-2,708,225/+3,299,807
Debt Instruments			
Black Pearl Limited Partnership	Probability weighting	+/-50%	+/-171,825
Others/Loans	Risk discount rate	+/-20%	-1,890,967/+700,781
Convertibles /Loans	Volatility of Index Basket	+/-40%	+549,500/-492,756
Warrants	Volatility of Index Basket	+/-40%	+1,326/-79
	Risk of milestones being achieved	+/-20%	+795/-662
Contingent Interest	Risk discount rate	+/-20%	+/-19,215

** The sensitivity analysis refers to a percentage amount added or deducted from the input and the effect this has on the fair value. The +38%/-53% sensitivity was used as this was the range of movements of the constituents in the IndexVal baskets for Nussir*

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.

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 or future cash flows 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 pages 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 2024, the largest non-Sterling portion of the Company's financial assets and liabilities was denominated in Australian 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 show the currencies and amounts the Company was exposed to at 31 December 2024 and 31 December 2023.

31 December 2024

Currency	Amount in local currency	Conversion rate (based on £)	Value £	% of net assets
AUD	65,222,046	0.4946	32,260,585	33.79%
CAD	5,556,265	0.5449	3,027,714	3.17%
EUR	148,816	0.8267	123,028	0.13%
GBP	39,153,110	1.0000	39,153,110	41.01%
NOK	97,756,868	0.0702	6,862,532	7.19%
USD	17,581,536	0.7991	14,049,405	14.72%
			95,476,374	**100%**

31 December 2023

Currency	Amount in local currency	Conversion rate (based on £)	Value £	% of net assets
AUD	56,505,616	0.5351	30,234,045	36.80%
CAD	7,254,141	0.5930	4,302,065	5.24%
EUR	14,618,301	0.8670	12,673,336	15.42%
GBP	20,451,487	1.0000	20,446,487	24.89%
NOK	43,673,623	0.0772	3,370,685	4.10%
USD	14,173,268	0.7855	11,132,961	13.55%
			82,159,579	**100%**

4. RISK MANAGEMENT POLICIES AND DISCLOSURES (CONTINUED)

a) Market risk (continued)

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 2024 and 2023 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	2024 Reasonably possible move	2023 Reasonably possible move	2024 Value £	2023 Value £
AUD	14%	13%	4,536,944	3,930,426
CAD	8%	7%	230,341	301,145
EUR	4%	4%	6,202	506,933
NOK	2%	12%	168,526	404,482
USD	5%	10%	540,943	1,113,296

	5,482,956	6,256,282

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 2024	Less than 6 months	More than 6 months	Non-interest bearing	Total
Assets	£	£	£	£
Cash and cash equivalents	123,608	-	-	123,608
Financial assets held at fair value through profit or loss*	350,851	2,175,736	92,697,304	95,223,891
Interest and other receivable*	312,420	-	25,736	338,156
Total Assets	786,879	2,175,736	92,723,040	95,685,655
Liabilities				
Other liabilities	-	-	209,281	209,281
Total Liabilities	-	-	209,281	209,281
Interest rate sensitivity gap	786,879	2,175,736		

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

4. RISK MANAGEMENT POLICIES AND DISCLOSURES (CONTINUED)

a) Market risk (continued)

iii. Interest rate risk (continued)

At 31 December 2023	Less than 6 months	More than 6 months	Non-interest bearing	Total
Assets	£	£	£	£
Cash and cash equivalents	277,694	-	-	277,694
Financial assets held at fair value through profit or loss*	3,187,203	14,172,493	64,510,320	81,870,016
Other receivables	-	-	30,355	30,355
Interest receivable*	190,249	-	-	190,249
Total Assets	3,655,146	14,172,493	64,540,675	82,368,314
Liabilities				
Other liabilities	-	-	208,735	208,735
Total Liabilities	-	-	208,735	208,735
Interest rate sensitivity gap	3,655,146	14,172,493		

**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 2024	**Less than 1 month**	**1-3 months**	**3-12 months**	**More than 12 months**	**No contractual maturity**	**Total**
Assets	**£**	**£**	**£**	**£**	**£**	**£**
Cash and cash equivalents	123,608	-	-	-	-	123,608
Financial assets held at fair value through profit or loss	-	350,851	2,064,720	111,016	92,697,304	95,223,891
Receivables	3,000	5,801	329,355	-	-	338,156
Total Assets	126,608	356,652	2,394,075	111,016	92,697,304	95,685,655

	Less than 1 month	**1-3 months**	**3-12 months**	**More than 12 months**	**No contractual maturity**	**Total**
Liabilities	**£**	**£**	**£**	**£**	**£**	**£**
Other payables and accrued expenses	98,931	81,250	29,100	-	-	209,281
Total Liabilities	98,931	81,250	29,100	-	-	209,281
Net assets attributable to shareholders						95,476,374

4. **RISK MANAGEMENT POLICIES AND DISCLOSURES (CONTINUED)**

b) **Liquidity risk (continued)**

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 2023	**Less than 1 month**	**1-3 months**	**3-12 months**	**More than 12 months**	**No contractual maturity**	**Total**
Assets	**£**	**£**	**£**	**£**	**£**	**£**
Cash and cash equivalents	277,694	-	-	-	-	277,694
Financial assets held at fair value through profit or loss	-	3,235,240	12,616,713	7,483,043	58,535,020	81,870,016
Receivables	2,700	16,540	201,364	-	-	220,604
Total Assets	280,394	3,251,780	12,818,077	7,483,043	58,535,020	82,368,314

	Less than 1 month	**1-3 months**	**3-12 months**	**More than 12 months**	**No contractual maturity**	**Total**
Liabilities	**£**	**£**	**£**	**£**	**£**	**£**
Other payables and accrued expenses	36,250	127,485	45,000	-	-	208,735
Total Liabilities	36,250	127,485	45,000	-	-	208,735
Net assets attributable to shareholders						82,159,579

The value of the cash and level 1 listed equity positions held by the Company at the year-end was £12,926,120 (2023: £12,448,625) with the total liabilities at the year-end at £209,281 (2023: £208,735).

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 and royalty instruments for the Company is £31,470,236 (2023: £40,030,535).

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

	2024	2023
	£	£
Assets		
Cash and cash equivalents	123,608	277,694
Interest and other receivable	338,156	220,604
Financial assets held at fair value through profit or loss	31,470,236	40,030,535
Total assets	**31,932,000**	**40,528,833**

4. RISK MANAGEMENT POLICIES AND DISCLOSURES (CONTINUED)

c) Credit risk (continued)

As at 31 December 2024, the Company's non-equity financial assets exposed to credit risk were held with the following ratings:

Financial Assets	**Counterparty**	****Credit Rating**	**2024 % of net assets**
-Loan Note	Tungsten West	NR*	2.16
-Convertible Loan Note	Futura Resources Limited	NR*	2.85
-Loan Note	PRISM Diversified Limited Loan Note 1	NR*	0.09
-Loan Note	PRISM Diversified Limited Loan Note 2	NR*	0.28
Cash and cash equivalents	HSBC Bank plc	A+	0.13
Total			5.51

As at 31 December 2023, the Company's non-equity financial assets exposed to credit risk were held with the following ratings:

Financial Assets	**Counterparty**	****Credit Rating**	**2023 % of net assets**
-Loan Note	Bilboes Gold Limited	NR*	1.28
-Convertible Loan Note	Black Pearl Limited Partnership	NR*	0.42
-Convertible Loan Note	Futura Resources Limited	NR*	3.42
-Loan Note	CEMOS Group Plc	NR*	15.36
-Loan Note	PRISM Diversified Limited Loan Note 1	NR*	0.11
-Loan Note	PRISM Diversified Limited Loan Note 2	NR*	0.35
-Loan Note	Nussir ASA	NR*	0.20
Cash and cash equivalents	HSBC Bank plc	A+	0.34
Total			21.48

* 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 and copper to mitigate this aspect of concentration risk.

As at reporting date, two largest investments now comprise some 65% of the Company's net assets are CEMOS and Futura. The Board has reasonable expectation of some significant dividends and royalty payments in the coming years which will support both distributions to our shareholders as well as enabling the Company to diversify its portfolio when attractive opportunities arise.

5. 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 £1,600 (2023: £1,600) 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.

6. ADMINISTRATION FEES

The Board appointed Aztec Financial Services (Guernsey) Limited ("Aztec Group") as the Administrator of the Company on 1 December 2023 and Liberum Wealth Limited ("Liberum Wealth") to provide custody and depositary services on 1 November 2023.

Aztec Group is entitled to a fixed fee of £205,000 for the provision of accounting, administration and company secretarial services and Liberum Wealth is entitled to custody fees which are calculated on a daily basis on the last published or available price of assets held in custody and are charged quarterly in arears. A minimum charge of £2,500 per quarter for each account applies. An introductory discounted custody fee of 0.065% applies during the first year of the account. Liberum Wealth is also entitled to depositary fees which are payable quarterly in advance and are subject to a time cap of 35 hours per quarter. Additional time spent is chargeable at their usual hourly rates. An introductory discount of 10% applies to their depository fee during the first year.

The previous Administrator, HSBC Securities Services (Guernsey) Limited ("HSBC"), was paid 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 reduced to 5 basis points of gross asset value above US 250 million. HSBC was also reimbursed by the Company for reasonable out-of-pocket expenses. These fees were calculated and accrued as at the last business day of each month and paid monthly in arrears.

HSBC was 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 was also responsible for any sub-administration fees as agreed in writing from time to time, and reasonable out-of-pocket expenses. HSBC was also entitled to fees of €5,000 for preparation of the financial statements of the Company

The administration fees charged for the year ended 31 December 2024 were £205,950 (2023: £108,190) of which £51,250 (2023: £37,083) was payable at 31 December 2024. HSBC Securities Services (Ireland) DAC, the previous sub-Administrator, was paid a portion of these fees by HSBC.

7. 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 2024 was £937,153 (2023: £795,890) of which £89,312 (2023: £57,735) 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 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"). The Hurdle is the Issue Price multiplied by the shares in issue, increased at a rate of 8% per annum compounded to the end of the relevant Performance Period. In addition, the performance fee will only become payable if there has been sufficient net realised gains. As at 31 December 2024, the Highwater Mark was the equivalent of approximately 94 pence (31 December 2023: 94 pence) per share with the relevant Hurdle being the equivalent of approximately 191 pence (31 December 2023: 177 pence) per share.

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

7. MANAGEMENT AND PERFORMANCE FEES (CONTINUED)

Amendments have been made to the Management Agreement and Investment Management Agreements with the Manager and Investment Manager respectively, such that, that the proportion of the Management Fee associated with discretionary fund management is now paid directly to the Investment Manager with the remainder paid to the Manager. There is no impact whatsoever on the overall Management Fee paid by the Company. The amendments were effective from 1 July 2024.

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

	2024 £	2023 £
Investor services fees	24,260	46,224
Public relation fees	37,438	26,190
Regulatory fees	29,175	20,405
Research fees	25,141	41,844
Directors' insurance fees	16,845	27,314
Directors' expenses	16,151	1,813
Miscellaneous expenses	39	27,948
Legal fees	-	13,639
Compliance fee	4,500	-
	153,549	**205,377**

9. 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 (2023: 106,453,335) Ordinary Shares outstanding with an additional 700,000 (2023: 700,000) held in treasury. The Company has 9,167 (2023: 9,167) Management Ordinary Shares in issue, which are held by the Investment Manager.

The Ordinary Shares are admitted to 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.

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. 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.

9. SHARE CAPITAL (CONTINUED)

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

	2024		2023	
	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	106,462,502	75,981,855	106,462,502

The outstanding Ordinary Shares as at the year ended 31 December 2024 are as follows:

	Ordinary Shares		Treasury Shares	
	Amount* £	No. of shares*	Amount £	No. of shares
Balance at 31 December 2024	76,122,347	106,462,502	140,492	700,000

The outstanding Ordinary Shares as at the year ended 31 December 2023 were as follows:

	Ordinary Shares		Treasury Shares	
	Amount* £	No. of shares*	Amount £	No. of shares
Balance at 31 December 2023	76,122,347	106,462,502	140,492	700,000

** Includes 9,167 (2023: 9,167) Management Ordinary Shares.*

*** The value 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;
- 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; and
- To make distributions to shareholders when circumstances permit in accordance with the Company's distribution policy.

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

The Company has authority to make market purchases of up to 14.99 per cent of its own Ordinary Shares in issue. 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.

9. SHARE CAPITAL (CONTINUED)

Capital Management (continued)

As described in the Directors' Report on page 19, 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 is not subject to any externally imposed capital requirements.

Reserves

As at the year-end the Company had Revenue Reserves of £7,791,310 (2023: £8,235,802) and Capital Reserves of £11,703,209 (2023: £2,058,078).

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.

10. RELATED PARTY AND INVESTMENT MANAGER TRANSACTIONS

The Investment Manager, Baker Steel Capital Managers LLP, had an interest in 9,167 Management Ordinary Shares at 31 December 2024 (31 December 2023: 9,167).

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. As at 31 December 2024, Northcliffe Holdings Pty Limited holds 12,452,177 shares (2023: 12,452,177) and The Sonya Trust holds 12,637,350 shares (2023: 12,637,350).

John Falla held 100,000 shares in the Company at 31 December 2024 (2023: 100,000). Patrick Meier held 82,261 shares in the Company at 31 December 2024.

The Company's associates are described in Note 12 to these financial statements.

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

	2024 £	2023 £
Management fees	937,153	795,890
Directors' fees*	162,229	145,000
Directors' expenses	16,151	1,813

** Mr. Patrick Meier was appointed as an independent non-executive director on 25 June 2024 with an annual remuneration of £32,500.*

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

	2024 £	2023 £
Management fees	89,312	57,735
Directors' fees	-	36,250
Directors' expenses	9,619	-

11. NET ASSET VALUE PER SHARE AND LOSS PER SHARE

Net asset value per share is based on the net assets of £95,476,374 (31 December 2023: £82,159,579) and 106,462,502 (31 December 2023: 106,462,502) Ordinary Shares, being the number of shares in issue at the year-end excluding 700,000 shares which are held in treasury. The calculation for basic and diluted NAV per share is as below:

	31 December 2024 Ordinary Shares	**31 December 2023 Ordinary Shares**
Net assets at the year-end (£)	95,476,374	82,159,579
Number of shares	106,462,502	106,462,502
Net asset value per share (in pence) basic and diluted	89.7	77.2
Weighted average number of shares	106,462,502	106,462,502

The basic and diluted earnings per share for 2024 is based on the net profit for the year of the Company of £13,316,795 and on 106,462,502 Ordinary Shares, being the weighted average number of Ordinary Shares in issue during the year.

The basic and diluted loss per share for 2023 is based on the net loss for the year of the Company of £2,323,269 and on 106,462,502 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.

12. 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 but less than 50%. 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	31.28%	Yes
Nussir ASA	Norway	21.57%	Yes
Futura Resources Limited	Australia	26.94%	Yes
Silver X Mining Corporation	Canada	9.72%	Yes
Polar Acquisition Limited	Mauritius	49.99%	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.

13. SUBSEQUENT EVENTS

On 16 April 2025, the Company has provided an unsecured loan facility to Futura Resources Limited amounting to AU 1.4m repayable within 3 months at a rate of 2% per month as well as 200,000 warrants over Futura's ordinary share at AU 2.0 per share exercisable within 12 months.

There were no other events subsequent to the year and to the date of audit report, not already disclosed in the Annual Report and Accounts, that materially impacted on the Company that require disclosure or adjustment to these financial statements.

14. APPROVAL OF ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

The Annual Report and Audited Financial Statements for the year ended 31 December 2024 were approved by the Board of Directors on 25 April 2025.

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 2024 the LLP as Investment Manager paid fixed remuneration to members and those identified as AIF code staff of £441,909. Variable remuneration amounted to £47,021. 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 2024. 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 £488,929.

The total AIFM remuneration attributable to senior management was £488,929. 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.

MANAGEMENT AND ADMINISTRATION

DIRECTORS:	Fiona Perrott-Humphrey (Chairman) Charles Hansard John Falla Patrick Meier (appointed 25 June 2024) *(all of whom are non-executive and independent)*
REGISTERED OFFICE:	East Wing, Trafalgar Court Les Banques St. Peter Port Guernsey, GY1 3PP 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
STOCKBROKERS:	Shore Capital Stockbrokers Limited Cassini House, 57 St James's Street London, SW1A 1LD 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)	Mourant Ozanne Royal Chambers St Julian's Avenue St. Peter Port Guernsey, GY1 4HP Channel Islands
ADMINISTRATOR & COMPANY SECRETARY:	Aztec Financial Services (Guernsey) Limited East Wing, Trafalgar Court Les Banques St. Peter Port Guernsey, GY1 3PP Channel Islands

MANAGEMENT AND ADMINISTRATION (CONTINUED)

CUSTODIAN TO THE COMPANY:	Liberum Wealth Limited 1st Floor, Royal Chambers St Julian's Avenue St. Peter Port Guernsey, GY1 2HH Channel Islands
SAFEKEEPING AND MONITORING AGENT:	Liberum Wealth Limited 1st Floor, Royal Chambers St Julian's Avenue St. Peter Port Guernsey, GY1 2HH Channel Islands

INDEPENDENT AUDITOR:	BDO Limited P.O. Box 180 Plaza House 2nd Floor, Admiral Park St. Peter Port Guernsey, GY1 3LL Channel Islands
REGISTRAR:	Computershare Investor Services (Guernsey) Limited 2nd Floor, Lefebvre Place Lefebvre Street St Peter Port Guernsey GY1 2JP
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 Arnold House St Julian's Avenue St. Peter Port Guernsey, GY1 3NF Channel Islands

GLOSSARY OF TERMS

AIF - Alternative Investment Fund

AIFM - Alternative Investment Fund Manager

AIFMD - Alternative Investment Fund Managers Directive

Aztec Financial Services (Guernsey) Limited - (the "Aztec Group")

BSRT - Baker Steel Resources Trust Limited

Company - 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

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

HSBC Securities Services (Guernsey) Limited - HSBC

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)

Liberum Wealth Limited - Liberum Wealth

GLOSSARY OF TERMS (CONTINUED)

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

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.

NPV - Net Present Value

OCI - Other comprehensive income

PEA - Preliminary Economic Assessment

SORP - Statement of Recommended Practice issued by The Association of Investment Companies dated July 2022

UK Code - UK Corporate Governance Code published by the Financial Reporting Council in January 2024

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