

12 September 2025

**Golden Prospect Precious Metals Limited
(the "Company")**

Interim Report and Financial Statements

The Company is pleased to announce its half year results for the period ended 30 June 2025.
For the full report, please click the link below:

Key highlights:

- Share price rose from 35.5p to 58.2p, gaining 63.9%
- NAV rose by 53.6% from 43.10p to 66.18p with a peak value of 75.7p in early June
- Strong outperformance of the gold price, which rose 25.7% in dollars and 14.7% in sterling
- Considerable outperformance versus equivalent ETF peers - GDX and GDXJ
- The next annual subscription right exercise opportunity will take place at the end of November, at a subscription price of 48p

http://www.ms-pdf.londonstockexchange.com/ms/0416Z_1-2025-9-11.pdf

Chairman's Statement

Recent market developments

We began our previous review by highlighting the decoupling of the US bond market with precious metals which had not been witnessed since the 1970's. Having broken out decisively last year, the gold price pushed even higher, to finish 2024 at 2,610. By the end of June 2025, it had settled at 3,264 after hitting record highs close to the 3,500 level.

In a landmark development, gold has overtaken the Euro to become central banks' second most widely held asset. Some 20% of their reserves are now in gold, versus 16% in Euros. Ten years ago, the proportion was 10%. It appears to be re-emerging as a core global holding and has been a beneficial hedge against currency weakness, given that the Dollar Index fell by 10.7% in the last six months. On that note, the share of US Dollars held by central banks has fallen below 50% for the first time since the mid-1990's. Doubtless the combined effect of tariffs and sanctions is driving the trend toward de-dollarisation.

Central bank activity contrasts sharply with the action in Exchange Traded Funds (ETFs). One would expect that after a big rally, the best-known gold mining ETF would see greater uptake. Instead, the shares outstanding in the VanEck Gold Miners ETF (or GDX index) have dwindled for the best part of 18 months. Meanwhile gold miners have become cash flow machines with many trading at cheap valuations yet remain overlooked by mainstream investors.

This appears to be a classic stealth bull market where an upward trend in an unloved sector gains little attention. While so-called smart money has made an early move, professional investors are barely participating, as can be seen by the lack of ETF demand. This is good news for Golden Prospect Precious Metals Limited (the "Company") as it implies that there is some way to go in terms of potential upside.

We are far from the typical exuberance and speculative frenzy that is the hallmark of a bubble, where the proverbial taxi driver tips the latest gold stock story. Perhaps the best sign that this bull market still has momentum, and is widening, is that the next tier of precious metals, such as silver and platinum, have only recently broken out of their trading range. For now, commentators remain mesmerised by the Magnificent 7 US technology names despite their two-month slump and subsequent recovery. Unlike the miners, they are priced for perfection.

Performance

I am pleased to report on a very positive first half of the year for the Company. Over the course of the period the NAV rose by 53.6% from 43.10p to 66.18p with a peak value of 75.7p in early June. The share price rose from 35.5p to 58.2p, gaining 63.9%, with highs in mid-June at 64.4p. The performance was even more satisfying as we are at last seeing mining shares outstrip the gains in precious metals.

Compared with equivalent ETFs, performance was well ahead of the VanEck Gold Miners ETF (GDX) which rose 40.2% in Sterling terms. It also outperformed the VanEck Junior Gold Miners ETF (GDXJ) which was up by 44.3% in Sterling. The returns ranked very well against open-ended funds in the precious metals sector. Although the share price retrenched a little towards the end of the second quarter, it was well supported.

Over the six months under review gold has risen by 25.7% in Dollars and 14.7% in Sterling terms. The drop in the Dollar is traditionally positive for precious metals and commodities alike due to their inverse correlation. As for UK-based investors, the asset gains have more than offset the currency loss. This is characteristic of how precious metals and related mining stocks performed in the past.

Subscription Rights

In November, under the Company's annual subscription rights programme, shareholders will have the right to

subscribe for 1 new share for every 5 shares held at a price of 48p (being the Net Asset Value of the Company on November 2024 subscription date). While there are still some months to go, it is encouraging to see the theoretical position well 'in the money'. Hopefully the full 20% allotment will be taken up, which, in addition to the organic net assets rise, will add further assets for the fund managers to grow.

Saba Standstill Agreement

Shareholders may be aware of Saba Capital, a high-profile US activist investor which has targeted the UK closed-end fund sector in recent months. Although the Board is not aware of Saba Capital ever being on its share register, as announced on 1 July 2025, the Company had the opportunity to negotiate and enter into a standstill agreement with Saba, which will be in effect until the Company's AGM in 2028. Under the terms of the agreement, Saba has agreed not to call any general meetings or vote against the recommendation of the Board on specified ordinary course resolutions proposed at a general meeting of the Company.

Discount and marketing

Up until the end of May the share price matched the upward move in the NAV, the discount remaining stubbornly wide, averaging 22.7% over the period under review. However, at the beginning of June, the share price came to life and the discount narrowed significantly. It ended the period at 12.1% but at one point came in below 10%. Since the period end the discount has narrowed further, at its narrowest reaching 6.2%. This is a good indication that interest in this specialist sector is reviving.

We have continued fresh marketing initiatives to reach an extended audience, outside of traditional wealth managers, to generate further demand for the Company's shares. Tavistock, a leading London-based press and investor relations firm, are well known for their role in financial public relations for the mining sector. Thus far in 2025 with the rising gold price, the Company has managed to capture media attention in multiple publications, as well as deserved recognition through various awards.

The Company was again featured in Joanne Hart's MIDAS column in The Sunday Times. Read by well over a million people, the column reviewed performance since her previous tip in September 2024. We were also recognised on the Interactive Investor platform as the best performing fund in the gold and gold mining sector, beating the likes of BlackRock and Ruffer. The Company also won the award of Best Investment Trust for Growth at the Online Money Awards 2025, in conjunction with The Armchair Trader. The award recognises investment trusts that demonstrate outstanding performance. More than 9,000 people participated in the voting process, providing significant endorsement from the wider investment community.

Gearing

Given the strong portfolio return over the period, gearing has served its purpose and contributed 3.09% to NAV returns in the first half of the year. At the close of the period under review, the gearing level stood at 8.7% of NAV, while the maximum permissible is 20%.

Ongoing Charges Ratio (OCR)

The Company uses the AIC's methodology for calculating the Ongoing Charges Ratio (OCR). In 2024 this was 2.20% and in the first half of 2025 it was significantly lower at 1.66% as a result of the strong rise in NAV. While the annual subscription rights did not raise as much equity as hoped, we are grateful for the extra funds which the managers have subsequently invested.

Board changes

Having been with the Company since the launch of the fund, Robert King stepped down at the Annual General Meeting in May. His presence and experience have been much appreciated over the years, and we wish him well in the future. Graeme Ross likewise decided to step down from the board due to family commitments, having joined in 2018. We would also like to thank him for his diligence as Chair of the Audit Committee.

We had already strengthened the Board with the appointment of Monica Tepes in 2024, who has a wealth of expertise in closed-end funds built up over the past 20 years. She has worked tirelessly to improve technical aspects of the board's reporting along with our marketing and investor relations. The board also selected Guernsey-based Chartered Accountant Helen Green for the role of Audit Chair in which she has extensive experience over the course of decades. During a distinguished career at Saffery Trust Company, she has been a Non-Executive Director and Chair of a variety of listed funds with an emphasis on Resources.

We will continue to search for appropriate directors as part of the Company's succession planning. I intend to continue as Chairman until the next AGM in 2026, after which a replacement will be selected from new or current directors.

Outlook and closing remarks

Despite the best efforts of the investment managers, there have been times in the last 10 years that were reminiscent of the motionless ship in Samuel Taylor Coleridge's "Rime of the Ancient Mariner". It now feels like the curse on miners has been lifted, with the NAV rallying back to levels last seen in 2020. Given the backdrop, we believe that this is not the end of the bull market, but it may be the end of the beginning. The next phase we believe will involve wealth manager participation, which is why we think it is so important to build the fund to a critical mass.

There will doubtless be setbacks and exogenous geopolitical shocks along the way. However, the economic situation appears ideal for continued gains in precious metals and the companies that mine them. In closing, we thank shareholders for their continued support and invite them to study the Investment Manager's report for their economic assessment and coverage of the portfolio holdings.

Toby Birch
Chairman
11 September 2025

Investment Manager's Report

Performance

The Company's NAV surged 53.6% over the first six months of 2025. This was even more remarkable given the currency headwind - AUD, CAD and USD, the predominant portfolio currencies, depreciated 3.4%, 3.8% and 9.4% respectively versus sterling over the period.

Golden Prospect NAV (black), Gold (orange) GPM NAV, NYSE Gold Bugs Index (yellow) all GBP, normalized to 100.



Performance contributors were broad, but notable contributions came from the Australian producers such as Greatland Gold (+159%) and latterly the silver producers (eg MAG +59%, Americas Silver +100%). The early-stage holdings in the fund were mixed, with some like TDG Gold up 350%, but others we think are just as promising seeing limited gains. We continue to focus on value with catalysts and are optimistic that catalyst driven news flow can be supportive for many of our holdings.

Portfolio activity

Following some profit taking in Ora Banda earlier in the year, Equinox (prior to the official takeover of Calibre), Gold Standard Ventures, Robex, MagSilver (following performance after the approach by PanAmerican Silver) and some smaller investments such as Serabi and Newcore saw profit taking. The Fund has latterly reinvested proceeds back into Ora Banda, a plating by Polymetals (a promising high silver content mine restart located in Australia) and explorer Tolu (which is pushing on with exploration of a very high grade deposit next to K92 in PNG).

Elsewhere, we note a possible relisting of Leo Lithium next year, having delisted in September 2023 following the forced sale of their working interest in the Gou lamina lithium mine in Mali, by the government to Chinese lithium producer and JV partner Gangfeng. This may include a possible cash distribution, whilst a new asset purchase is being considered using proceeds from Gangfeng, which would also feed into the look-through value of our Firefinch holding which is based on its holding in Leo Lithium.

Period review

The period was most impacted by Donald Trump's 'Liberation Day', on the 2nd of April, in which he stated the US would look to apply tariffs to the majority of its global trading partners. This upended global markets as the scale of tariff threats shocked versus expectations. After the initial weakness in global markets, they bottomed on the 8th of April before rebounding strongly and ending higher by the end of June than they were before the announcement.

Market perceptions shifted to the belief that the US economy would be able to continue and Trump would dial back ultimate tariff levels. One journalist labelled it the TACO (Trump Always Chickens Out) trade, whilst high levels of front loading of imports have so far dampened the impact of tariffs on the real economy. Ultimately these tariffs are a consumer tax and will in the majority be passed directly through to the US consumer.

On the back of this uncertainty precious metals were the standout performer over the six-month period, with gold and silver up 26% and 25% respectively, benefiting the Company's large exposure to precious metals.

Toward the end of the period, at the start of June, we saw other precious metals, silver and PGM's platinum and palladium outperform. Despite multiple year deficits in silver and platinum, the move higher felt more speculatively driven than fundamental given the way all three moved in unison. This coincided with an increase of retail chat board commentary, especially in the US, thus we have taken a cautious approach. The fund retains a meaningful exposure to silver miners, with an allocation of 9.2%, but has taken more of a focused bottom-up approach on valuation as we don't believe the material premium at which silver miners can trade is necessarily justified, despite our positive view on the metal longer term. The PGM rally followed the World Platinum Investment Council forecast continuing deficit for the platinum market of 966koz in 2025, similar to the last few years. WPIC estimates that above ground stocks will reach a low of only three months of demand by the end of this year, which helped lift platinum prices. Nevertheless, we remain wary of the PGM rally, given chrome credits remain supportive with little prospect of meaningful curtailment of PGM supply.

Macro

Geopolitical uncertainty remains elevated as US led tariff pauses come to an end. With Trump's 'Big Beautiful Bill' having now passed through the House, his focus appears to be returning to tariffs.

These policies are clearly disruptive to global trade, inward looking and negative for growth, whilst ultimately inflationary. It is a consumer tax in a way that was saleable to his voter base, with the intension of raising additional tax revenues to try and offset the budget deficit. Whilst the policies aimed at driving more domestic industry may see some benefit at the margin, businesses are unlikely to make 5-10 year strategic decisions on policy decisions that

imp up weekly.

Trump's 'Big Beautiful Bill' is likely to be stimulative but some measures won't feed through till beyond 2025.

US debt sustainability remains a key focus of ours, but as ever the timing of this remains uncertain. We believe a combination of a higher rate environment, Trump's policies leading to less foreign buyers of US Treasuries and ultimately demographics, with US boomers near peak savings, create a difficult backdrop under which to continue to run a 2-3tm/year deficit. The timing of when this is called into question is impossible to pinpoint, as is part dependent on when the market shifts to pricing in this risk, but increasingly we believe it should lead generalists to add to gold for protection. Trump's focus on the US Fed reducing interest rates has shifted to open calls for Fed Chair Powell to step down, which could add to volatility ahead of his official exit next year.

With this backdrop, we still believe gold remains one of, if not the most attractive asset to protect against this uncertainty. This seems well understood by Central Banks, who have been the primary drivers of demand that have seen it repeatedly make new all-time highs over the last 12 months. Financial market investors have largely been relatively on the sidelines, only adding 7Moz since February. The backdrop of US debt uncertainty should see more financial market allocation to gold over the coming quarters, even if the bond vigilantes don't see a US version of the Liz Truss moment. We also believe Central Banks are likely to add more, not less gold from here, as the US led trade war has added concern on the US influence over US Treasury holdings that started after the Russian invasion of Ukraine.

Outlook

The outlook for gold continues to appear well supported with the One Big Beautiful Bill in the US being the latest government program to add to the already over-extended levels of government borrowing. Other economies are in the same if not worse position and a consequence of this has been increased investor scrutiny over the sustainability of such indebtedness. Gold remains a beneficiary of this together with risks from geopolitical and trade friction. In contrast, as a result of its weaponisation, the US dollar has fallen out of favour as a safe haven, especially for non-US aligned nations.

These remain the most significant factors driving central bank demand for gold as per the latest WGC survey in which a record number of respondents indicated expectations that the trend for dollar holdings to be reduced in favour of gold, would continue. A survey by the Official Monetary and Financial Institutions Forum published an industry survey of 75 central banks and 15 public pension and sovereign funds, which similarly flagged expectations for strong gold purchasing expected in the coming months.

While the latest data to May showed central bank gold buying remained strong in May, gold ETF holdings also increased through June and into July, sustaining the recent recovery in financial sector demand since the mid-2024 low, suggesting continued financial players are seeking to diversify as well.

Physical gold ETF holdings



At 91.2Moz or 300bn, this is only 0.1% of global financial assets. As the most common way generalists would own physical gold, we believe this highlights the low relative weighting directly to gold versus to history, leaving significant upside if we saw weightings return to more normalized historic levels. The gold strength so far has been mostly driven by Central Banks with minimal participation from financial markets.

Whilst we are constructive on the gold price, it is the valuations of the miners that truly excite us. We believe the operational leverage that mining companies are capable of delivering has yet to be fully appreciated, with the precious metal mining sector showing a 1:1 relation with gold year to date, rather than the normal ~2:1 seen historically due to operational leverage. This sets up for a catch up from the miners to the move in the gold price.

Keith Watson and Robert Crayford
New City Investment Managers
Investment Manager
11 September 2025

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About Golden Prospect Precious Metals

Golden Prospect Precious Metals Limited is a closed-ended investment company incorporated with limited liability in Guernsey on 16 October 2006. The Company's investment objective is to provide Shareholders with capital growth from a portfolio of companies involved in the precious metals mining sector.

For the latest factsheet and other information, click [here](#).

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