Golden Prospect Precious Metals Limited

Interim Report and Financial Statements

for the period ended 30 June 2022

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Shareholders will appreciate how difficult it is to comment on matters relating to the current global financial and economic macro climate and general political disorder. I have rarely seen so much punditry expressing such divergence of opinions continuingly sowing the seeds of doubt and confusion among most investors. The truth is that none of them know the answers to the severity of the problems challenging all of us in these dramatic times.

Being a conviction investor however, I am keeping faith with gold as a safe haven during recessions and periods of monetary debasement. Arguably both scenarios are clearly visible in markets today. However, the US dollars parabolic rise has been inflicting a lot of pain on US gold prices over the summer months. It has been much better to be a Sterling Pound holder of gold which is up by approximate 10%, year to date not far off its all-time high. In fact, gold has doubled in the last 8 years in Sterling terms and remains in a clear long term upward trend. As a UK investor, gold has therefore done its job so far as the best insurance hedge in bad times. Gold equities on the other hand have been extremely disappointing even to those most risk tolerant mining investors and I will further discuss the outlook for mining shares later.

The US dollars substantial assent against practically all currencies and commodities plus Fed hawkism remains the chief driving forces currently playing out and there has been much collateral damage to asset prices as a result. Pension funds have lost up to 20% of their values this year alone and unfunded schemes could deliver quake like shocks sometime in 2023. The fallout from the major US corporations and their unfunded pension fund liabilities could be a ticking time bomb and lower equity values remain widely predicted as the global recession gathers pace (although as we have seen before gold does well following stock market crashes).

The bond market has been giving too many different indicators to signal any real positive clue as to the medium-term direction of rates or how deep the recession will go. In a long career I have not seen a macro or micro backcloth so difficult to read. There is speculation that we have now entered a period of currency wars since the US dollar looks to have been weaponised by the Russian sanctions. Will this lead to a reshaping of the international system? or so the argument runs. With China, Russia, and Eurasia allegedly still plotting a de-dollarisation alternative to the petrodollar by introducing a basket of their own currencies (to include gold) central banks have been selling billions of US treasuries (particularly Japan). A belief is taking hold that the US dollar lifeboat may no longer offer safe occupancy over the next few years. In the long term the US debt mountain could steadily worsen – for example, debt servicing of $716bn has been added to the latest 12-month interest rate bill.

In another observation, after 20 years of relentless accumulation recent estimates put the Chinese gold holding several times what they officially declare and to reveal their markedly larger holdings could arguably cause a surge in the gold price whether wanted or not. China is clearly out to limit its vulnerability to a banking system run by the West following sanctions on Russia as a result of the Ukraine war. Additionally, implosion in the Chinese property market and the associated contagion effect means that the China growth story that has been propping up western economies is now over, and the Chinese authorities may now concentrate on geopolitical issues such as its declared intentions over Taiwan.

Against this background, trying to navigate a path through so many imponderables makes it almost impossible for almost every investor both professional and retail to make financial decisions. Many will build up their cash reserves but hedging one's portfolio with some gold must be a sound strategy. At last, we may see some of the larger family offices and wealth managers enter the sector which they have traditionally shunned and stayed well clear of being so exceptionally risk adverse. Inflation may come down a bit as weaker oil and metal prices filter through, and we can anticipate a fed pivot which will also be a pivotal point for gold which we believe remains in a longer-term secular bullish trend acting as a quasi-hedge. It is no coincidence that US Mint gold coin sales are at a 22 year high!

Turning to mining equities they are trading at multi year lows relative to both gold and the broader share indices. Overall, they still represent an extremely attractive investment opportunity. Their valuations on a relative and absolute basis are rock bottom, and contrarian and conviction investors alike may soon be rewarded for their patience whilst at the same time enjoying increased dividends. By and large producers have been adding material cash to their balance sheets but still need to augment their portfolios through acquisitions.

Volatility in the gold price and the poor performance of mining shares has reduced the availability of risk capital for exploration but strong management teams with solid prospective projects are still getting funded although perhaps not to the levels they would like to see. Exploration is a higher risk endeavour with economic discoveries coming very infrequently and extraordinary share price gains when they do. Headwinds for the miners remain high energy costs, ESG compliance and rising labour bills but good companies must now be on the radar screens of the majors who will be running the numbers and sharpening pencils in readiness for a bigger wave of M&A. I believe the developers are genuinely undervalued and therefore I maintain there is a strong floor underneath their current market capitalisations. Changes in sentiment may also bring opportunity as the better managed underfunded smaller caps may raise equity via heavily discounted placements with warrants attached. This also applies to silver miners.

As usual silver will rise on the back of gold, but it has so many additional advantages with new industrial applications which now include the drive towards EVs and the green economy. Our investment managers still have over a 20% weighting in the silver sector. The fund also has approximately 9% in platinum shares where the metal is strong physically and where hydrogen represents a growing share of platinum demand.

In conclusion I recommend shareholders examine the investment managers report and as always, I complement our highly experienced team, remaining confident it will do its best to keep a firm grip on the tiller and steer us steadily as we navigate through the storms now raging and maybe further still into uncharted territories.

Malcolm Burne
Chairman

The Directors have overall responsibility for the Company's activities including the review of its activities and performance.

The Directors of the Company at the date of signing the accounts, all of whom are non-executive, are listed below:

Malcolm Burne, is a former stockbroker and financial journalist with The Financial Times. He has controlled and managed fund management, venture capital and investment banking companies in London, Australia, Hong Kong and North America. He has been a director of more than 20 companies, many of which have been in the mineral resource and Gold exploration fields. In 1997, he founded Golden Prospect plc and was executive chairman until 2007 when the company changed its name to Ambrian Capital plc. In addition, he was executive chairman of the Australian Bullion Company (Pty) Limited, which at the time was Australia's leading Gold dealer and member of the Sydney Futures Exchange.

Robert King, is a non-executive director of a number of open and closed ended investment funds and companies including Tufton Oceanic Assets Limited. He was a director of Cannon Asset Management Limited and its associated companies from October 2007 to February 2011. Prior to this, he was a Director of Northern Trust International Fund Administration Services (Guernsey) Limited (formerly Guernsey International Fund Managers Limited) where he had worked from 1990 to 2007. He has been in the offshore finance industry since 1986 specialising in administration and structuring of offshore open and closed ended investment funds. Rob is British and resident in Guernsey.

Toby Birch, is an investment manager. Prior to founding Guernsey Gold (which merged with Bullionrock in 2014) he was the senior investment manager at the local branch of Bank Julius Baer. He then worked for Blackfish Capital Holdings, the private investment arm of a single-family office where he was lead manager of the Blackfish Capital Exodus Fund, trading in precious metals and commodities. He was also a director of the Blackfish-Investec Resources Special Situations Fund, investing in mining companies. Toby is a Chartered Wealth Manager and Fellow of the Chartered Institute for Securities and Investments. He is a regular speaker on the conference circuit covering financial megatrends, precious metals and monetary reform. He holds the HSK3 Intermediate level exam in Mandarin.

Graeme Ross, was educated at Perth Academy and Dundee College of Technology in Scotland and qualified as a Chartered Accountant with Arthur Young McClelland-Moores in 1984. He then moved to Jersey in the Channel Islands and spent two years with KPMG on financial services audits before joining the embryonic fund administration arm of Rawlinson & Hunter, Jersey in 1986. He was admitted to the Partnership of Rawlinson & Hunter, Jersey in 1995 and was the Managing Director of the fund administration division from then until his retiral at the end of 2016. Graeme has significant experience of the management, administration and oversight of all types of collective investment vehicles and has served as a Director on open ended, closed ended and limited partnership vehicles investing in a wide variety of asset classes and sectors including many listed funds. Graeme is a resident of Jersey. Graeme was appointed to the Board on 17 April 2018 as both a Director and Chairman of the Audit Committee.

Performance

Global events have had a huge impact across all asset classes including gold. All have been volatile. Coming into the year gold initially performed extremely well as energy led inflationary pressures led increasing investor allocations into gold. Russia's invasion of Ukraine provided a significant additional boost to this momentum. The gold price rose sharply, gaining over 12% by early March. The Trust similarly performed very well with the NAV rising to 63p, up nearly 20% by mid-April, mirroring investment flows into physically backed ETFs over that period.

However, such was the move in energy prices that sentiment subsequent shifted to anticipate significant hawkish rate tightening as central banks sought to control inflation, compounding rising risk of recession. As result, the gold price gave back all its gains to end the half year down 1.2% while equities were more severely affected as reflected by the Fund NAV which fell back to end the half year down 20%, similar to the 16% sterling decline registered by the GDXJ. At the time of writing sentiment remains weak and the Fund NAV has slipped a further 15%.

While conscious that further rate hikes, which are almost certain to occur, may still act as a drag on investor sentiment for the precious metal sector in the near term. Going forward we believe inflation and recessionary risks will increasingly become the primary drivers that will support the precious metal sector.

Mining equities broadly have also felt the effects of cost inflation pressures, whilst the headline gold price has struggled against a stronger dollar and a general level of apathy to the precious metal miners given lack of positive directional moves. That said, the sector is generating strong returns at these gold prices, remains highly fragmented and well placed for M&A. While the stock market does not yet seem supportive of such actions, punishing acquirers when they do announce deals.

Market commentary

A war in Europe, a global energy crisis, runaway inflation and looming global recession would normally be considered a bullish backdrop for precious metals, but higher expectations for interest rate hikes and a strong Us dollar has weighed.

Slowing global growth and inflation pressures are looking increasingly pointing to stagflation, normally a positive environment for precious metals. We continue to believe the big issue here is that this is supply led inflation, whilst Central Bank policy is a blunt tool, using interest rates to dampen demand. Rates need to be higher than CPI (or arguably RPI) to defer spending, otherwise you incentivise spending todays as it will be higher cost in a year, and you can borrow today for less than expected inflation.

In commodities more supply is needed to lower prices, but producers are still cautious of adding new supply. We aren't seeing it and this can extend the cycle. This is primarily due to shareholder pressure for dividends and buy backs, ESG driven emission targets and ESG driven selling of resource names and higher commodity prices leaving equities cheap vs earnings, thus supporting buybacks. The inflationary and regulatory backdrop discourages new spending, as it costs are higher and returns are less certain: whilst there is no confidence that even if they take that risk they wont then incur a windfall tax, a situation faced by the UK oil and gas sector.

Increasingly this is looking more like the 70's inflationary period. It was supply led rather than demand led and the energy shock which was focussed on oil today also includes gas and coal. As then, central bankers narrative indicates they think inflation is transitory. Markets in the 70's were primarily hit by a lack of conviction on the future value of assets.

Tight labour and ESG pressures limiting demand are the primary differences, but these arguably only increase the risk of supply-led inflationary pressures. The other key difference was that interest rates were much higher and real rates only actually went negative when rates were cut in 74/75'. This suggests central bankers may have to increase rates a lot further to dampen current inflation, which would almost certainly cause a recession.

On the outbreak of the Yom Kippur War in October 1973, the OPEC oil cartel imposed an oil embargo on the West, followed by a production cut, serial price hikes, then another embargo in 1979. From being fixed at just $1.80 a barrel, oil under its new masters rose to $25.80 by 1980. Gold meanwhile rose from $35 per ounce to $512. In other words, the world's two most important commodities – gold and oil – both rose 15-fold over the decade (delivering average returns of 31% a year). After US inflation expectations became de-anchored in 1973, gold began to trade inline with inflation momentum

Portfolio positioning

The Fund has increased its proportional weighting to producers, primarily due to not adding developers, due to capex inflation concerns, so this will continue to decline. Our focus on value and earnings should be defensive, but smaller cap names have underperformed and this could continue to weigh in the near term if the market apathy toward precious metals continue.

Going forward we are shifting more towards to a bar bell approach, with a focus on producers and increasingly also adding some smaller explorers when valuations look extremely discounted. Though this can be uncomfortable, should they continue to trade lower, through the cycle their recovery can generate outsized share price moves given the extent of distress discounted. Regarding developers, we continue to look to be opportunistic, potentially adding to these names if/when they fall short on capex spending due to inflation pressures on costs. We would want to see the construction materially de-risked, with what looks like the final equity raise priced at a meaningful discount.

Stocks

The Fund is focused on low-cost producers with strong management teams, but with a degree of tolerance for jurisdiction risk given the current significant valuation discounts applied in certain regions. We believe this also provides greater protection against inflation risk due to margin compression as non-dollar cost typically cushion the cost of production.

The Fund sold out if its holding in Newcrest, inherited following its acquisition of Pretium, in April having made a useful contribution to return prior to the negative shift in sentiment. Against the backdrop of the subsequent shift market sentiment precious metal miners struggled to attract investors.

Despite a successful construction period at Calidus the group latterly suffered some belated covid related staff disruptions in Australia having avoided the early waves, and this has impacted the pace of the initial ramp-up.

Firefinch span out its Lithium assets in Leo Lithium. The shares received constituted 70% of the valuation at the point of spin out resulting in a positive outcome for the fund, being worth more than the average purchase price. The remaining Firefinch business's valuation is underpinned by the remaining 20% of Leo Lithium the company holds and cash on the balance sheet. The future of the ex-Barrick gold mine Morila looks less certain at this point.

Elsewhere, West African Resources has delivered operationally on its Sanbrado mine. After bolting-on additional assets in Burkina Faso from B2 Gold, it has a sizeable 11.6M oz of reserves giving it extensive future expansion runway. The company is net cash and can fund any growth from cash flow.

The country, along with others in West Africa, remains in a period of uncertainty after two consecutive coups this year, leaving it trading at a large discount to its peers. It should be noted that the previous coup did not have any impact on operations. This geopolitical risk has always been implicit within the valuation, and appears particularly extreme in the context of the previous prior experience.

Emerald resources brought its mine in Cambodia into production on time and under budget and is already close to reaching a net cash position. This is a tier 1 mine building team having previously built seven mines for the likes of Regis in Australia. They have also acquired a gold asset in Australia, which will be their next growth leg and the diversification could also help close the region valuation discount currently implied in the stock.

Calibre is net cash and continues to expand its current resource in Nicargua, whilst adding an asset in Nevada. This is a highly cash generative producer trading at a sizeable discount to its NAV.

MAG silver brought its tier-1 silver mine, in a JV with Fresnillo, into production after the June year end, after a delay getting approval to connect to the grid.

New City Investment Managers

28 October 2022

Unaudited Interim Statement of Comprehensive Income

For the period ended 30 June 2022

	Notes	Revenue £	Capital £	Period to June 2022 Total £	Period to June 2021 Total £
Income					
Income from investments held at fair value through profit or loss	7	39,107	-	39,107	50,599
Net capital losses on investments held at fair value through profit or loss	7	-	(8,927,602)	(8,927,602)	(8,768,580)
Net (losses)/gain on foreign exchange		-	(18,061)	(18,061)	16,173
Net income/(loss)		**39,107**	**(8,945,663)**	**(8,906,556)**	**(8,701,808)**
Expenses					
Investment management fees	5	(251,813)	-	(251,813)	(275,361)
Administration fees	5	(41,920)	-	(41,920)	(40,500)
Directors' fees	5	(40,000)	-	(40,000)	(40,000)
Financial advisers fees	5	(19,968)	-	(19,968)	(26,555)
Audit fees		(13,520)	-	(13,520)	(12,438)
Custodian fees	5	(11,564)	-	(11,564)	(13,675)
Registrar's fees	5	(8,846)	-	(8,846)	(9,247)
Listing fees		(8,812)	-	(8,812)	(14,893)
Depositary fees	5	(8,400)	-	(8,400)	(8,400)
Research fees		(8,150)	-	(8,150)	(8,320)
Directors' insurance		(3,171)	-	(3,171)	(2,778)
Legal and professional fees		(2,826)	-	(2,826)	(4,009)
Other fees		(10,632)	-	(10,632)	(2,972)
Total operating expenses		**(429,622)**	**-**	**(429,622)**	**(459,148)**
Net loss on ordinary activities before financing and taxation		**(390,515)**	**(8,945,663)**	**(9,336,178)**	**(9,160,956)**
Finance cost					
Overdraft interest	8	(58,467)	-	(58,467)	(33,884)
Net loss on ordinary activities before taxation		**(448,982)**	**(8,945,663)**	**(9,394,645)**	**(9,194,840)**
Taxation	3	(6,785)	-	(6,785)	(12,651)
Total comprehensive loss for the period		**(455,767)**	**(8,945,663)**	**(9,401,430)**	**(9,207,491)**
Per share ordinary shares:					
Basic earnings per Ordinary share (pence)	6			**(11.00)**	**(10.77)**
Diluted earnings per Ordinary share (pence)	6			**(11.00)**	**(10.77)**

The "Total" column of this statement represents the Company's Statement of Comprehensive Income, prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union. The supplementary revenue and capital columns are both prepared for information purposes only. No operations were acquired or disposed of during the year. All income is attributable to the equity holders of the Company.

All the items in the above statement are derived from continuing operations.

The notes on pages 12 to 33 form part of these Unaudited Interim Financial Statements.

Unaudited Interim Statement of Changes in Equity

For the period ended 30 June 2022

	Notes	Share capital £	Revenue reserve £	Distributable reserve £	Realised capital reserve £	Unrealised capital reserve £	Total equity £
Balance as at 1 January 2022		**85,503**	**(7,868,371)**	**56,991,016**	**(8,674,762)**	**4,151,969**	**44,685,355**
Total comprehensive loss for the period		-	(455,767)	-	(707,404)	(8,238,259)	(9,401,430)
Balance as at 30 June 2022		**85,503**	**(8,324,138)**	**56,991,016**	**(9,382,166)**	**(4,086,290)**	**35,283,925**
Balance as at 1 January 2021		**85,503**	**(6,963,062)**	**56,991,016**	**(9,328,336)**	**15,113,560**	**55,898,681**
Total comprehensive (loss)/income for the period		-	(455,084)	-	1,908,826	(10,661,233)	(9,207,491)
Balance as at 30 June 2021		**85,503**	**(7,418,146)**	**56,991,016**	**(7,419,510)**	**4,452,327**	**46,691,190**

The notes on pages 12 to 33 form an integral part of these Unaudited Financial Statements

Unaudited Interim Statement of Financial Position

As at 30 June 2022

	Notes	(Unaudited) 30 June 2022 £	(Audited) 31 December 2021 £
Non-current assets			
Investments at fair value through profit or loss	7	40,932,250	50,112,467
Current assets			
Receivables and prepayments	9	968,204	8,611
Cash and cash equivalents	8	966,462	9,609
Total Assets		**42,866,916**	**50,130,687**
Current liabilities			
Payables and accruals	10	(1,071,021)	(158,924)
Bank overdraft	8	(6,511,970)	(5,286,408)
Total Liabilities		**(7,582,991)**	**(5,445,332)**
Net Assets		**35,283,925**	**44,685,355**
Equity			
Share capital	11	85,503	85,503
Revenue reserve	12	(8,324,138)	(7,868,371)
Distributable reserve	12	56,991,016	56,991,016
Realised capital reserve	12	(9,382,166)	(8,674,762)
Unrealised capital reserve	12	(4,086,290)	4,151,969
Total Equity		**35,283,925**	**44,685,355**
Number of ordinary shares in issue	11	**85,503,021**	**85,503,021**
Net Asset Value per ordinary share (pence)	16	**41.27**	**52.26**

The Financial Statements on pages 8 to 33 were approved by the Board of Directors and authorised for issue and signed on 28 October 2022 on its behalf by:

Robert King

Toby Birch

The notes on pages 12 to 33 form part of these Unaudited Financial Statements.

Unaudited Interim Statement of Cash Flows

For the period ended 30 June 2022

	Notes	Period to 30 June 2022 £	Period to 30 June 2021 £
Cash flows from operating activities			
Total comprehensive loss for the period		(9,401,430)	(9,207,491)
Adjustments for:			
Net capital losses on investments held at fair value through profit or loss		8,927,602	8,768,580
(Increase)/Decrease in receivables and prepayments		(959,593)	2,343
Increase in payables and accruals		912,097	4,861
Purchase of investments	7	(11,155,308)	(10,503,790)
Proceeds from settlement of investments	7	11,407,923	7,642,816
Net cash used in operating activities		**(268,709)**	**(3,292,681)**
Net decrease in cash and cash equivalents		**(268,709)**	**(3,292,681)**
Cash and cash equivalents at the beginning of the period		(5,276,799)	(1,953,888)
Cash and cash equivalents at end of period	8	**(5,545,508)**	**(5,246,569)**

Cash and cash equivalents at the end of the period:		
Cash and cash equivalents	966,462	36,221
Bank overdraft	(6,511,970)	(5,282,790)
	(5,545,508)	**(5,246,569)**

Supplementary cash flow information

	£	£
Net cash used in operating activities include:		
Interest paid on cash balances	(58,467)	(33,884)
Income received from investments	39,107	50,599

The notes on pages 12 to 33 form part of these Unaudited Financial Statements.

1. COMPANY INFORMATION

Golden Prospect Precious Metals Limited (the 'Company') was incorporated in Guernsey on 16 October 2006 as an authorised closed-ended investment scheme under the Protection of Investors (Bailiwick of Guernsey) Law 2020, as amended. The Company's registered office is shown on page 37.

The Company's Ordinary Shares are traded on London Stock Exchange SETS QX with code GPM.

The Company's Ordinary Shares were admitted to the Official List of the Channel Islands Stock Exchange which subsequently transferred to The Channel Islands Securities Exchange Limited on 24 June 2008. The Channel Islands Securities Exchange rebranded to The International Securities Exchange ('TISE') on 6 March 2017.

The Company's investment objective is to generate above average returns for Shareholders primarily through the capital appreciation of its investments. The Directors believe that such returns can be obtained by investing in a selective portfolio of securities and other instruments in the precious metals, other metals, minerals and commodities sectors.

2. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered to be material in relation to the Company's Financial Statements:

Basis of preparation

The Interim Financial Statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as endorsed by the European Union which comprise standards and interpretations as issued and approved by the International Accounting Standards Board ('IASB'), and IFRS Interpretations Committee ('IFRIC's') that remain in effect, and to the extent that they have been adopted by the European Union, and reflect the following policies, which have been adopted and applied consistently.

Items included in the Company's Interim Financial Statements are measured using the currency of the primary economic environment in which it operates (the 'functional currency'). The currency in which the Company's shares are denominated, and in which its operating expenses are incurred, is Sterling. The Company's investments are denominated in many different currencies. Accordingly, the Directors regard Sterling as the functional currency. The Company has also adopted Sterling as its presentational currency.

The Interim Financial Statements have been prepared on a historical cost basis except for the measurement of certain financial assets at fair value through profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Going concern

In assessing the going concern basis of accounting, and bearing in mind the nature of the Company's business and assets, the Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future.

The fair value of the Company's investments had decreased since the year end as detailed in the Investment Manager's Report. The Directors reviewed the Company's collateral position. The Company holds an excess of £971,263 with Credit Suisse AG Dublin Branch ('CSAGDB') and £9,123,678 with BNP Paribas, London Branch over the margin requirement as at the date of signing these interim financial statements and therefore the Directors consider that the Company will be able to meet its liabilities as they fall due.

Accounting judgements and estimates

The preparation of the Interim Financial Statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

The most significant accounting judgements made by management are deemed to be the fair value estimation of non-listed investments described below.

The valuation techniques used by the Company include inputs that are not based on the observable market data to estimate the fair value of unlisted investments. Significant judgement has been applied by the Directors when valuing these investments.

The Directors believe that the applied valuation techniques and assumptions used are appropriate in determining the fair value of unlisted investments. Further details are provided in Note 7.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Standards and interpretations in issue and not yet effective

At the date of authorisation of these Interim Financial Statements no updates to standards and interpretations have become relevant to the Company.

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The Directors have considered the impact of IFRS 9. It includes revised guidance on the classification and measurement of financial instruments based on the Company's business model. All of the existing investments were already fair valued, using either listed prices or Black-Scholes model, in accordance with IAS 39 and the Company does not issue any debt. On this basis there was no impact on the carrying values of such financial assets in the financial statements with the adoption of IFRS 9. Under IAS 39 receivables, trade receivables and cash and cash equivalents were classified as loans and receivables, these items under IFRS 9 are classified as financial assets measured at amortised cost.

Financial instruments

Financial assets and financial liabilities are recognised in the Interim Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are only offset and the net amount reported in the Interim Statement of Financial Position and Interim Statement of Comprehensive Income when there is a currently enforceable legal right to offset the recognised amounts and the Company intends to settle on a net basis or realise the asset and liability simultaneously.

Financial assets

The Company's financial assets are classified in the following measurement categories:
- those to be measured subsequently at fair value through profit or loss; and
- those to be measured subsequently at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flow. At initial recognition, the Company measures a financial asset at its fair value, plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets at amortised cost

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They principally comprise of other receivables and cash balances held with financial institutions. These are subsequently measured at amortised cost using the effective interest method, less provisions for impairment. The effect of discounting is immaterial. The Company assesses on a forward-looking basis the expected credit loss associated with its financial assets held at amortised cost. The Company has elected to apply the simplified approach permitted by IFRS 9 in respect of receivables as they have a maturity of less than one year and do not contain a significant financing component. Under the simplified approach the requirement is to always recognise lifetime Expected credit loss ('ECL'). Under the simplified approach practical expedients are available to measure lifetime ECL but forward-looking information must still be incorporated. Under the simplified approach there is no need to monitor significant increases in credit risk and entities will be required to measure lifetime ECLs at all times. The directors have concluded that any ECL on receivables would be highly immaterial to the financial statements due to the low credit risk of the relevant counterparties and the historical payment history.

Cash and cash equivalents

Cash and cash equivalents comprise current accounts, bank overdrafts and demand deposits and other short-term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the Interim Statement of Cash Flows.

Financial assets at fair value

All financial assets not classified as measured at amortised cost are measured at fair value through profit or loss. Financial assets designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Company's documented investment strategy. The Company's policy is for the Investment Manager and the Board of Directors to evaluate the information about these financial assets on a fair value basis together with other related financial information.

Recognition

Purchases and sales of investments are recognised on the trade date, the date on which the Company commits to purchase or sell the investment.

Derecognition of financial assets

A financial asset (in whole or in part) is derecognised either (i) when the Company has transferred substantially all the risks and rewards of ownership; or (ii) when it has neither transferred nor retained substantially all the risks and rewards and when it no longer has control over the assets or a portion of the asset; or (iii) when the contractual right to receive cash flow has expired. Any gain or loss on derecognition is recognised in the Interim Statement of Comprehensive Income as appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value estimation
The fair value of financial assets traded in active markets is based on quoted market prices at the Interim Statement of Financial Position date. The quoted market price used for the financial assets held by the Company is the bid price at the close of the respective market at the Interim Statement of Financial Position date. Warrants are carried at fair value using standard Black-Scholes valuation model. Further details are disclosed in Note 7. Unlisted investments are carried at such fair value as the Directors consider appropriate given the performance of each investee company and after considering the financial position of the entity, latest news and developments.

Fair value measurement hierarchy
IFRS 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:
- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the financial asset or financial liability is categorised is determined on the basis of the lowest input that is significant to the fair value measurement as a whole. Financial assets and financial liabilities are classified in their entirety into one of the three levels.

For financial instruments that are recognised at fair value on a recurring basis, the Board determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Financial liabilities
The classification of financial liabilities at initial recognition depends on the purpose for which the financial liability was issued and its characteristics. All financial liabilities are initially recognised at fair value net of transaction costs incurred. The Company's financial liabilities only consist of financial liabilities measured at amortised cost.

Financial liabilities measured at amortised cost
These include payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method. Bank borrowings are initially recognised at fair value net of attributable transactions costs incurred. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities
A financial liability (in whole or in part) is derecognised when the Company has extinguished its contractual obligations, it expires or is cancelled. Any gain or loss on derecognition is recognised in the Interim Statement of Comprehensive Income.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Interest income and expense

Interest income and interest expense are recognised within the Interim Statement of Comprehensive Income using the effective interest method.

Income

All other income is accounted for on an accruals basis and is recognised in the Interim Statement of Comprehensive Income.

Expenses

Expenses are accounted for on an accruals basis and are recognised in the Interim Statement of Comprehensive Income. Expenses in relation to share issues are treated as a component of equity within the Distributable Reserve.

Capital reserves

Gains and losses recorded on the realisation of investments are accounted for in the Realised Capital Reserve. Unrealised gains and losses recorded on the revaluation of investments held at the period end and unrealised exchange differences on investments are accounted for in the Unrealised Capital Reserve.

Revenue reserves

All income and expenses are accounted for in the Revenue Reserve.

Translation of foreign currency

Transactions in currencies other than the functional currency are recorded using the exchange rate prevailing at the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions and those from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Interim Statement of Comprehensive Income.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board. 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 of the Company.

For management purposes, the Company is organised into one main operating segment, which invests in precious metals securities which are principally listed on the stock exchanges of London, Toronto and Sydney.

All of the Company's activities are interrelated, and each activity is based upon analysis of the Company as one segment.

On a day-to-day basis investment decisions have been delegated to the Investment Manager, New City Investment Managers.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Segmental reporting (continued)

The Company does not hold any non-current assets which required disclosure under IFRS 8. The Company also does not have any external customers and therefore the disclosure of customers geographically required under IFRS 8 is not applicable. However, for additional information, the fair value of each geographical base and the respective percentages of the total value of the Company can be found in the Portfolio Statement on pages 34 to 36.

3. TAXATION

The Company has been granted exemption from Guernsey taxation and has paid an annual exemption fee for the year of £1,200 (2021: £1,200). It should be noted, however, that interest and dividend income accruing from the Company's investments may be subject to irrecoverable withholding tax in the country of origin.

The Company has suffered irrecoverable withholdings tax in the period under review of £6,785 (30 June 2021: £12,651).

4. DISTRIBUTION TO SHAREHOLDERS

The Directors do not expect income (net of expenses) to be significant and do not currently expect to declare any cash dividends. In the event that net income is significant, the Directors may consider the distribution of net income in the form of cash dividends. To the extent that any cash dividends are paid, they will be paid in accordance with any applicable laws and the regulations of the TISE.

5. RELATED PARTY TRANSACTIONS AND OTHER SIGNIFICANT AGREEMENTS

Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Directors' Interests

The Directors held the following interests in the share capital of the Company either directly or beneficially as at 30 June 2022, and as at the date of signing these Interim Financial Statements:

	Ordinary Shares Period ended 30 June 2022	**Ordinary Shares Year ended 31 December 2021**
Director		
M Burne	1,056,250	1,056,250
R King	50,000	30,000
T Birch	125,000	125,000

5. RELATED PARTY TRANSACTIONS AND OTHER SIGNIFICANT AGREEMENTS (CONTINUED)

Directors' Fees

The Directors are responsible for the determination of the investment policy of the Company and have overall responsibility for the Company's activities. With effect from 1 January 2021, the annual remuneration for each director is £20,000 per annum (31 December 2021: £20,000 per annum per director). During the period Directors' fees of £40,000 were charged to the Company (30 June 2021: £40,000) and £nil was payable at the period end (31 December 2021: £nil). All Directors are non-executive.

Other significant agreements

Investment Manager

Under the Investment Management Agreement, the Investment Manager, New City Investment Managers (a trading name of CQS (UK) LLP, previously CQS Asset Management Limited), is entitled to an annual management fee, payable monthly in arrears, of 1.25% of the Company's Net Asset Value up to (and including) £20,000,000 and 1% of the Company's Net Asset Value in excess of £20,000,000. The Investment Manager is also entitled to reimbursement of certain expenses incurred by it in connection with its duties.

During the period investment management fees of £251,813 were charged to the Company (30 June 2021: £275,361) and £38,699 was payable at the period end (31 December 2021: £85,903).

The Investment Manager has also received £nil (30 June 2021: £nil) in relation to the reimbursement of third-party research fees incurred on behalf of the Company in this financial accounting period.

Administrator

The Company's Administrator is Maitland Administration (Guernsey) Limited. In consideration for the services provided by the Administrator under the Administration Agreement, the Administrator is entitled to receive from the Company a minimum annual fee of £80,000 per annum which will increase annually in line with the inflation in Guernsey, if the NAV is under £100,000,000, payable quarterly in arrears. During the period administration fees of £41,920 were charged to the Company (30 June 2021: £40,500) and £20,960 was payable at the period end (31 December 2021: £20,460).

Custodian

The Company's Custodians are CSAGDB and BNP Paribas, London Branch. Credit Suisse AG Dublin Branch, custodian fees are charged monthly at 5 basis points and based on the Company's assets under management. During the period custodian fees of £11,564 were charged to the Company (30 June 2021: £13,675) and £1,605 was payable at the period end (31 December 2021: £2,277). BNP Paribas, London Branch does not charge a basis point fee on assets under management.

Depositary

The Company's Depositary is INDOS Financial Limited. In consideration for the services provided by the Depositary under the Depositary Agreement, the Depositary is entitled to receive from the Company an annual fee of 0.02% of the Company's Net Asset Value up to £150 million; 0.015% up to £300 million; 0.0125% up to £450 million and 0.01% thereafter, subject to a minimum fee of £1,400 per month. During the period depositary fees of £8,400 were charged to the Company (30 June 2021: £8,400) and £1,400 was payable at the period end (31 December 2021: £1,400).

5. RELATED PARTY TRANSACTIONS AND OTHER SIGNIFICANT AGREEMENTS (CONTINUED)

Financial Adviser and Corporate Broker

As at 8 February 2019 the Company appointed finnCap Ltd as Financial Adviser and Corporate Broker ('Financial Adviser') Under this agreement, the Financial Adviser is entitled to receive from the Company an annual fee of £40,000 per annum payable quarterly in advance. During the period financial adviser fees of £19,968 (30 June 2021: £26,555) were charged to the Company. At period end £19,387 (31 December 2021: £ 17,565) was payable for financial adviser fees.

Registrar

The Company's Registrar is Computershare Investor Services (Guernsey) Limited. In consideration for the services provided by the Registrar under the Registrars Agreement, the Registrar is entitled to receive from the Company an annual fee of £8,300 per annum payable monthly in arrears as well as all reasonable out-of-pocket expenses. During the period registrar fees of £8,846 were charged to the Company (30 June 2021: £9,247) and £5,444 was payable at period end (31 December 2021: £4,201).

6. BASIC AND DILUTED (LOSS)/EARNINGS PER ORDINARY SHARE

Basic (loss)/earnings per Ordinary Share is calculated by dividing the total comprehensive loss for the period of £9,401,430 (30 June 2021: loss of £9,207,491) by the weighted average number of Ordinary Shares outstanding during the period. The weighted average number of Ordinary Shares for the period is 85,503,021 (31 December 2021: 85,503,021).

7. INVESTMENTS AT FAIR VALUE

Details of the significant accounting policies and methods adopted by the Company, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of its financial assets and liabilities are disclosed in Note 2. The following table analyses the fair value of the Company's financial assets and liabilities by category, as defined in IFRS 13.

	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Fair Value Total
	£	£	£	£
Opening fair value at 1 January 2022	50,066,794	45,673	-	50,112,467
Purchases	11,155,308	-	-	11,155,308
Sales	(11,407,923)	-	-	(11,407,923)
(Loss)/gain				
- realised	(682,393)	-	-	(682,393)
- unrealised	(8,580,941)	335,732	-	(8,245,209)
Closing fair value at 30 June 2022	**40,550,845**	**381,405**	**-**	**40,932,250**

7. INVESTMENTS AT FAIR VALUE (CONTINUED)

30 June 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
	£	**£**	**£**	**£**
Split by:				
Listed equities	40,550,845	-	-	40,550,845
Warrants	-	381,405	-	381,405
	40,550,845	**381,405**	**-**	**40,932,250**

During the period there were no transfers between Level 1, Level 2 and Level 3 fair value measurements. There are two investments held at Level 3 with £nil value.

Please refer to pages 34 to 36 for an analysis of financial assets at fair value through profit or loss which are disclosed above.

	Fair Value Level 1	**Fair Value Level 2**	**Fair Value Level 3**	**Fair Value Total**
	£	**£**	**£**	**£**
Opening fair value at 1 January 2021	57,398,433	549,036	-	57,947,469
Purchases	16,624,242	-	-	16,624,242
Sales	(14,135,172)	-	-	(14,135,172)
Gain/(loss)				
- realised	631,110	-	-	631,110
- unrealised	(10,451,819)	(503,363)	-	(10,955,182)
Closing fair value at 31 December 2021	**50,066,794**	**45,673**	**-**	**50,112,467**

31 December 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
	£	**£**	**£**	**£**
Split by:				
Listed equities	50,066,794	-	-	50,066,794
Warrants	-	45,673	-	45,673
	50,066,794	**45,673**	**-**	**50,112,467**

During the period there were no transfers between Level 1, Level 2 and Level 3 fair value measurements. There were three investments held at Level 3 with £nil value.

7. INVESTMENTS AT FAIR VALUE (CONTINUED)

Net (loss)/gain on financial assets at fair value through profit or loss:

	Period to 30 June 2022 £	Period to 30 June 2021 £
Net realised (loss)/gain on investments held at fair value through profit or loss	(682,393)	1,886,653
Net unrealised loss on investments held at fair value through profit or loss	(8,245,209)	(10,655,233)
Net capital losses on investments held at fair value through profit or loss	**(8,927,602)**	**(8,768,580)**
Dividend income	39,107	50,599
Net loss on investments held at fair value through profit or loss	**(8,888,495)**	**(8,717,981)**

Valuation techniques used in the determination of fair values, including the key inputs used, are as follows:

Item	Fair value hierarchy level	Valuation techniques
Financial assets at fair value through profit or loss – Listed equity securities	Level 1	Fair value is the quoted bid price.

Item	Fair value hierarchy level	Valuation techniques
Financial assets at fair value through profit or loss – Warrants	Level 2	The fair value of Warrants has been calculated using the underlying listed prices, expiry dates and observable future volatility using the Black-Scholes method.
Financial assets at fair value through profit or loss – Forward currency contracts.	Level 2	The fair value of forward currency contracts have been calculated using the underlying exchange rates.

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of the following:

	Period to 30 June 2022 £	Period to 30 June 2021 £
Cash at bank	966,462	9,609
Bank overdraft	(6,511,970)	(5,286,408)
Total cash and cash equivalents	**(5,545,508)**	**(5,276,799)**

CSAGDB and BNP Paribas, London Branch may determine from time to time the overdraft limit it will provide to the Company and may provide reasonable notice in writing of such an amount.

CSAGDB overdraft interest is calculated on a daily basis using the one month Libor rate plus 175 basis points and is charged to the Company on a monthly basis. In order to satisfy CSAGDB of liquidity, a margin requirement is calculated to establish a net equity and cash position that must be maintained as collateral. If the Company falls into deficit then more funds are called. If the margin calls are not met then CSAGDB can call in all outstanding funds. At no point during the period did the Company fall into deficit and at the period end the Company held an excess over the margin requirement of £971,263 (31 December 2021: £23,032,296).

BNP Paribas, London Branch, overdraft Interest is calculated on a daily basis using SONIA overnight rate plus 83 basis points. In order to satisfy BNP Paribas, London Branch of liquidity, a margin requirement is calculated to establish a net equity and cash position that must be maintained as collateral. If the Company falls into deficit then more funds are called. If the margin calls are not met then BNP Paribas, London Branch can call in all outstanding funds. At no point during the period did the Company fall into deficit and at the period end the Company held an excess over the margin requirement of £9,123,678 (31 December 2021: £nil).

The overdraft interest during the period of £58,467 (30 June 2021: £33,884) represents the only gain or loss on financial liabilities measured at amortised cost.

In addition to the above there is a provision for an event of default where the NAV changes from the previous highest NAV by more than 50% of the previous calendar year, 40% for the previous 3 months and 20% for the previous month. These are monitored on a monthly basis and the Directors confirm there were no breaches in the period.

9. RECEIVABLES AND PREPAYMENTS

	Period ended 30 June 2022 £	Year ended 31 December 2021 £
Forward exchange receivable	955,390	-
Prepayments	12,814	8,611
Total Receivables and Prepayments	**968,204**	**8,611**

The Directors consider that the carrying amount of receivables approximates their fair value due to their short term nature.

10. PAYABLES AND ACCRUALS

	Period ended 30 June 2022	Year ended 31 December 2021
	£	£
Forward exchange payable	957,232	-
Investment management fees (note 5)	38,699	85,903
Administration fees (note 5)	20,960	20,460
Financial advisers fees	19,387	17,565
Audit fee	12,335	23,690
Research fees	8,717	-
Registrar fee payable (note 5)	5,444	4,201
Legal and professional fees	4,242	2,428
Custodian fees (note 5)	1,605	2,277
Depositary fees (note 5)	1,400	1,400
Other fees	1,000	1,000
Total Payables and Accruals	**1,071,021**	**158,924**

The Directors consider that the carrying amount of payables and accruals approximates their fair value due to their short term nature.

11. SHARE CAPITAL

Authorised Share Capital as at 30 June 2022 and 31 December 2021

	Number of shares	£
Ordinary shares of £0.001 par value	200,000,000	200,000

	No. of shares		Share Capital	
	2022	2021	2022	2021
Shares				
Ordinary shares of £0.001 each at inception			£	£
As at 1 January and 30 June/ 31 December	85,503,021	85,503,021	85,503	85,503

11. SHARE CAPITAL (CONTINUED)

Ordinary Shareholders are entitled to one vote for each Ordinary Share held and are entitled to receive any distributions declared by the Company. On winding-up, the Ordinary Shareholders shall be entitled, pro rata to their holdings, to all the assets of the Company available for distribution to Shareholders.

12. RESERVES

Revenue Reserve
Any surplus/(deficit) arising from total comprehensive income is taken to this reserve, which may be utilised for the buy-back of shares and payments of dividends.

Distributable Reserve
The Distributable Reserve can be used for all purposes permitted under Guernsey Company law, including the buy-back of shares and payment of dividends.

Realised Capital Reserve
The Realised Capital Reserve contains realised gains and losses on the disposal of investments, together with any expenses allocated to capital.

Unrealised Capital Reserve
The Unrealised Capital Reserve contains unrealised increases and decreases in the fair value of the Company's investment portfolio.

13. FINANCIAL RISK MANAGEMENT

The Company is exposed to a variety of financial risks as a result of its activities. These risks include credit risk, liquidity risk and market risk (including currency risk, fair value interest rate risk and price risk). The Company's risk management policies, approved by the Board of Directors, seek to minimise the potential adverse effects of these risks on the Company's financial performance.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

As at the date of the Interim Statement of Financial Position, financial assets exposed to credit risk comprise bank balances and receivables. It is in the opinion of the Board of Directors that the carrying amount of these financial assets represents the maximum credit risk exposure as at the date of the Interim Statement of Financial Position.

As at 30 June 2022 there were no financial assets which were past due or impaired (31 December 2021: none).

13. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

The Board of Directors are satisfied that the Company's transactions are concluded with a suitably approved counterparty with an appropriate credit quality, CSAGDB currently has a Standard and Poor's credit rating of A/A-1 (31 December 2021: A-1/A+) and BNP Paribas has a Standard and Poor's credit rating of A+. The Investment Manager carefully selects debt securities with counterparties displaying the necessary experience and financial stability. The Company's exposures to these counterparties, and their credit rating or financial results, are monitored by management. The following table illustrates the credit concentration by category:

	Period ended 30 June 2022	Year ended 31 December 2021
Cash and cash equivalents:	**£**	**£**
Credit Suisse AG Dublin Branch	960,428	9,609
BNP Paribas, London Branch	6,034	-
Total assets with credit risk	**966,462**	**9,609**

Liquidity risk

Liquidity risk is the risk that the Company will encounter in realising assets or otherwise raising funds to meet financial commitments.

Whilst most of the Company's financial assets are listed securities which are considered readily realisable as they are listed on major recognised stock exchanges, some of the financial assets held by the Company may not be listed on recognised stock exchanges and so will not be readily realisable and their marketability may be restricted. The Company might only be able to liquidate these positions at disadvantageous prices, should the Investment Manager determine, or it become necessary, to do so. The fair value of these financial assets as at 30 June 2022 amounts to £381,405 (31 December 2021: £45,673).

The following table details the Company's liquidity analysis for its financial liabilities. The table has been drawn up based on the undiscounted net cash flows on the financial liabilities that settle on a net basis and the undiscounted gross cash flows on those financial liabilities that require gross settlement.

13. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

30 June 2022	Less than 1 month £	1-3 months £	3 months to 1 year £	1 - 5 years £	Total £
Bank overdraft	6,511,970	-	-	-	6,511,970
Forward exchange - payable	957,232	-	-	-	957,232
Investment mangement fees	38,699	-	-	-	38,699
Administration fees	20,960	-	-	-	20,960
Financial advisers fees	19,387	-	-	-	19,387
Registrar fees	5,444	-	-	-	5,444
Legal and professional fees	4,242	-	-	-	4,242
Custodian fees	1,605	-	-	-	1,605
Depositary fees	1,400	-	-	-	1,400
Other fees	1,000	-	-	-	1,000
Audit fees	-	-	12,335	-	12,335
Research fees	-	-	8,717	-	8,717
	7,561,939	**-**	**21,052**	**-**	**7,582,991**

31 December 2021	Less than 1 month £	1-3 months £	3 months to 1 year £	1 - 5 years £	Total £
Bank overdraft	5,286,408	-	-	-	5,286,408
Investment management fees	85,902	-	-	-	85,902
Financial advisers fees	20,851	-	-	-	20,851
Administration fees	20,460	-	-	-	20,460
Legal and professional fees	2,428	-	-	-	2,428
Custodian fees	2,277	-	-	-	2,277
Depositary fees	1,400	-	-	-	1,400
Other fees	1,000	-	-	-	1,000
Registrar fees	916	-	-	-	916
Audit fees	-	-	23,690	-	23,690
	5,421,642	**-**	**23,690**	-	**5,445,332**

CSAGDB and BNP Paribas, London Branch as Custodians have a fixed charge on all the Company's cash held by Credit Suisse and BNP, and all its assets, in return for services provided including execution of transactions, custody of investments and cash and financing. As per Note 8, CSAGDB and BNP Paribas, London Branch also calculates a margin requirement to establish a net cash and equity position that must be maintained as collateral. As at the period end the Company had a significant excess over this margin requirement. Should there be a deficit at any point CSAGDB and BNP Paribas, London Branch are entitled to call in all outstanding funds.

13. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

The Investment Manager manages liquidity and margin on a daily basis. The Company's overall exposure to liquidity risk is monitored by the Board of Directors on a quarterly basis.

Market risk

The Company's activities expose it primarily to the market risks for changes in market prices, interest rates and foreign currency exchange rates.

Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will adversely fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

The Company is exposed to market price risk arising from its financial assets designated as at fair value through profit or loss. The performance of these financial assets will be affected by the performance of the investee companies. The exploration, development and production of metal and mineral deposits involve significant uncertainties and the investee companies will be subject to all the hazards and risks normally encountered in such activities. Many of these are difficult to predict and are outside the control of the investee companies.

They include, amongst others, issues relating to the environment, the climate, the geographical environment, local and international regulatory requirements, licensing terms, planning permission, unexpected geological formations, rock falls, flooding, pollution, legal liabilities, the availability and reliability of plant and equipment, the scaling-up of operations, the reliance on key individuals, local finance and tax regimes, foreign currency repatriation, capital and budget constraints, contractors and suppliers, local employment regulations and practices, employment unions and the availability of suitable labour.

In addition, there is often no guarantee that the estimates of quantities and grades of metals and minerals disclosed by investee companies will be available for extraction.

The Company's financial assets are exposed to market price fluctuations which are monitored by the Investment Manager in pursuance of the Company's investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers set out in the Placing and Offer for Subscription document mitigates the risk of excessive exposure to any particular type of security or issuer. However, in respect to the investment strategy utilised by the Company there is always some, and occasionally some significant, degree of market risk.

Price sensitivity

The value of the Company's financial assets had a sensitivity of £12,279,675 (31 December 2021: £15,033,740) to a 30% (31 December 2021: 30%) increase or decrease in the market prices with other variables being held constant as at 30 June 2022. A 30% change is the sensitivity rate currently used when reporting price risk internally to key management personnel.

13. FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is directly exposed to interest rate risk as it holds cash and cash equivalents which are invested at short term rates and on the bank overdraft. The Investment Manager manages the Company's exposure to interest rate risk on a daily basis in accordance with the Company's investment objectives and policies. The Company's overall exposure to interest rate risk is monitored on a quarterly basis by the Board of Directors.

The following table analyses the Company's interest rate risk exposure. The Company's assets and liabilities are included at fair value and categorised by the earlier of contractual re-pricing or maturity dates. There are no assets and liabilities maturing within four to twelve months of the period end.

	0-3 Months	**1-5 Years**	**Total**
As at 30 June 2022	**£**	**£**	**£**
Variable rate assets			
Cash and cash equivalents	966,462	-	966,462
	966,462	**-**	**966,462**
Variable rate liabilities			
Bank overdraft	(6,511,970)	-	(6,511,970)
	(6,511,970)	**-**	**(6,511,970)**

	0-3 Months	**1-5 Years**	**Total**
As at 31 December 2021	**£**	**£**	**£**
Variable rate assets			
Cash and cash equivalents	9,609	-	9,609
	9,609	**-**	**9,609**
Variable rate liabilities			
Bank overdraft	(5,286,408)	-	(5,286,408)
	(5,286,408)	**-**	**(5,286,408)**

13. FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rate risk (continued)

	0-3 Months	1-5 Years	Total
As at 30 June 2022	**£**	**£**	**£**
Variable rate assets			
Cash and cash equivalents	966,462	-	966,462
	966,462	**-**	**966,462**
Variable rate liabilities			
Bank overdraft	(6,511,970)	-	(6,511,970)
	(6,511,970)	**-**	**(6,511,970)**

	0-3 Months	1-5 Years	Total
As at 31 December 2021	**£**	**£**	**£**
Variable rate assets			
Cash and cash equivalents	9,609	-	9,609
	9,609	**-**	**9,609**
Variable rate liabilities			
Bank overdraft	(5,286,408)	-	(5,286,408)
	(5,286,408)	**-**	**(5,286,408)**

All other assets and liabilities of the Company are non-interest bearing.

Interest rate sensitivity
The sensitivity analysis has been determined based on the Company’s exposure to interest rates for interest bearing assets and liabilities at the date of the Interim Statement of Financial Position and the stipulated change taking place at the beginning of the interim financial period and held constant throughout the interim reporting period in the case of instruments that have floating rates.

If interest rates had been 25 basis points higher or lower and all other variables had been held constant, the Company’s net assets attributable to holders of Ordinary Shares for the period would have been £146 (31 December 2021: £214) higher or lower due to the change in the interest payable on the bank overdraft and the interest receivable on cash and cash equivalents.

13. FINANCIAL RISK MANAGEMENT (CONTINUED)

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. The presentation currency of the Company is Sterling. The majority of the Company's financial assets are currently denominated in various currencies other than Sterling and the Company may hold other financial instruments, the price of which may be determined with reference to currencies other than Sterling.

To the extent that these financial instruments are unhedged, or are not adequately hedged, the value of the Company's financial instruments may fluctuate with exchange rates as well as with price changes in various local markets and currencies. The value of the financial assets may therefore be affected unfavourably by fluctuations in currency rates and exchange control regulations. The Investment Manager has the power to manage exposure to currency movements by using hedging instruments.

The carrying amounts of the Company's foreign currency denominated financial assets and financial liabilities at the date of the Interim Statement of Financial Position were as follows:

	30 June 2022		31 December 2021	
	Assets	Liabilities	Assets	Liabilities
Currency	£	£	£	£
Australian Dollar (AUD)	19,503,751	(207,377)	22,057,908	-
Canadian Dollar (CAD)	19,622,135	(957,232)	22,846,678	(8,491)
Mexican Peso (MXN)	182,519	-	204,305	-
United Stated Dollar (USD)	2,004,463	(8,717)	4,567,483	-
	41,312,868	(1,173,326)	49,676,374	(8,491)

Foreign currency sensitivity

The Company is mainly exposed to AUD, CAD, USD and MXN.

The following table details the Company's sensitivity to a 15% (2021: 15%) increase or decrease in Sterling against the relevant foreign currencies. A 15% change is the sensitivity rate currently used when reporting foreign currency risk internally to key management personnel. A positive number indicates an increase in net assets attributable to holders of Ordinary Shares where Sterling weakens against the relevant currency and a negative number indicates a decrease in net assets where Sterling strengthens against the relevant currency.

13. FINANCIAL RISK MANAGEMENT (CONTINUED)

Foreign currency sensitivity (continued)

Change in net assets in response to a 15% change in foreign currency rates:

	AUD	CAD	USD	MXN
30 June 2022	**£**	**£**	**£**	**£**
Appreciation	3,405,242	3,293,806	352,190	32,209
Depreciation	(2,516,918)	(2,434,553)	(260,315)	(23,807)
31 December 2021				
Appreciation	3,892,572	4,030,268	806,026	36,054
Depreciation	(2,877,118)	(2,978,894)	(595,759)	(26,648)

Capital management

The primary objective of the Company's capital management is to ensure that it maintains shareholder value and that it is able to continue as a going concern. The Company manages its capital structure and, where necessary, makes adjustments to it in light of changes in economic conditions. The Company's overall strategy remains unchanged from the prior period.

The capital structure of the Company consists of net debt, as disclosed in Note 8 and equity as per Note 11. The Company is not exposed to any externally imposed capital requirements. The Company expects to meet its other obligations for operating cash flows at the Interim Statement of Financial Position date.

14. CONTINGENT LIABILITIES

There were no contingent liabilities at the Interim Statement of Financial Position date.

15. CONTROLLING PARTY

The issued Ordinary Shares of the Company are owned by numerous parties and therefore, in the opinion of the Directors, there is no immediate or ultimate controlling party of the Company.

16. NAV RECONCILIATION

	Period ended 30 June 2022 £	Year ended 31 December 2021 £
Net asset value per financial statements	35,283,925	44,685,355
Number of ordinary shares in issue	85,503,021	85,503,021
IFRS NAV per ordinary share (pence)	41.27	52.26
Issued NAV per ordinary share (pence)	41.98	52.83

The major difference between the IFRS NAV per Ordinary Share and the Issued NAV per Ordinary Share relates to the pricing of the Investment Portfolio which is valued at a bid price for accounting purposes under IFRS and mid-price for the daily Issued NAV purposes.

17. SUBSEQUENT EVENTS

There has not been any matter or circumstance occurring subsequent to the end of the interim reporting period that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future reporting periods.

Portfolio Statement

As at 30 June 2022

Description	Holding no.	Fair value £	% of Total net assets
Equities			
Australia			
West African Resources	8,568,700	5,846,418	16.57
Calidus Resources	10,530,232	3,517,854	9.97
Emerald Resources	3,629,543	2,168,165	6.14
Westgold Resources	2,061,162	1,377,150	3.90
Firefinch	9,920,002	1,123,388	3.18
Leo Lithium	3,092,847	954,427	2.70
Red 5	6,599,668	934,222	2.65
Rox Resources	4,277,778	581,323	1.65
Horizon Minerals	13,285,720	504,020	1.43
Cannon Resources	2,603,330	479,072	1.36
Silver Lake Resources	686,715	470,489	1.33
Oklo Resources	5,928,751	402,840	1.14
Castile Resources	4,514,715	370,669	1.05
Antipa Minerals	15,714,286	284,730	0.81
Horizon Minerals	5,222,222	198,113	0.56
Los Cerros	7,625,000	120,889	0.34
Metals x	551,618	104,634	0.30
Ora Banda Mining	2,860,259	43,728	0.12
Nico Resources	51,422	20,964	0.06
		19,503,095	55.26
Canada			
Fortuna Silver Mines	1,291,959	2,993,662	8.48
Oceanagold	1,221,429	1,902,416	5.39
Calibre Mining	2,791,275	1,728,311	4.90
Mag Silver	155,700	1,553,442	4.40
Silvercrest Metals	297,000	1,478,763	4.19
Sabina Gold & Silver	1,741,177	1,167,024	3.31
Pure Gold Mining	10,000,000	1,021,333	2.89
Adventus Mining	3,402,790	999,172	2.83
Palladium One Mining	11,620,218	853,021	2.42
B2gold	272,000	755,276	2.14
Pan American Silver	32,546	523,535	1.48
Americas Silver	931,185	505,245	1.43
Integra Resources	555,146	460,679	1.31
Bluestone Resources	696,215	359,978	1.02
Gold Standard Ventures	1,359,500	351,465	1.00
Ascendant Resources	2,254,238	294,986	0.84
Liberty Gold	851,000	293,340	0.83
Galiano Gold	919,496	281,734	0.80
Silver Mountain Resou	1,870,000	268,579	0.76
Pure Gold Mining	1,500,000	153,200	0.43
Ascendant Resources	1,043,107	136,499	0.39
Newcore Gold	500,000	87,771	0.25
Osisko Development	16,666	61,703	0.17
Trevali Mining	101,838	29,903	0.08
Orea Mining	717,000	22,884	0.06
Pan America Silver *	168,700	-	-
		18,283,921	51.80

Portfolio Statement (Continued)
As at 30 June 2022

Description	Holding no.	Fair value £	% of Total net assets
Mexico			
Industrias Penoles	24,000	182,519	0.52
		182,519	0.52
United Kingdom			
Thor Explorations	2,400,000	372,000	1.05
Tharisa	195,000	214,500	0.61
		586,500	1.66
United States of America			
MAG Silver	104,000	1,042,184	2.95
Platinum Group Metals	449,795	481,480	1.36
Sibanye-Stillwater	35,000	287,044	0.81
First Majestic Silver	31,140	184,104	0.52
Pan America Silver *	50,000	-	-
		1,994,812	5.640
Total equities		**40,550,847**	**114.88**
Warrants			
Canada			
Pure Gold Mining May 22**	10,000,000	322,231	0.91
Osisko 12 Jan 23**	25,000	41,193	0.12
Ascendant Resources 27 Oct 23 **	202,826	7,893	0.02
Pall 1 PLCM Warr 23 Feb 23**	1,687,500	6,982	0.02
Aurcana Silver Corp WT 08**	357,143	2,987	0.06
Pure Gold Mining July 22 **	500,000	114	0.00
Silver MTN-CW24 Equity**	935,000	3	0.00
		381,403	**1.13**
Total warrants		**381,403**	**1.13**
Total Investments at fair value through profit and loss		**40,932,250**	**116.01**
Net receivables and payables		(102,817)	(0.29)
Net cash and cash equivalents and bank overdraft		(5,545,508)	(15.72)
Total Net Assets		**35,283,925**	**100.00**

* Level 3 unlisted equities

**Level 2 unlisted warrants

Summary of Investments:	Fair value £	% of Total net assets
Equities		
Australia	19,503,095	55.26
Canada	18,283,921	51.80
United States of America	1,994,812	5.64
United Kingdom	586,500	1.66
Mexico	182,519	0.52
Total equities	**40,550,847**	**114.88**
Warrants		
Canada	381,403	1.13
Total warrants	**381,403**	**1.13**
Net receivables and payables	**(102,817)**	**(0.29)**
Net cash and cash equivalents and bank overdraft	**(5,545,508)**	**(15.72)**
Total Net Assets	**35,283,925**	**100.00**

Management and Administration
As at 30 June 2022

Directors
Malcolm Burne
Toby Birch
Robert King
Graeme Ross

Details available at – www.ncim.co.uk

Secretary and Administrator
Maitland Administration (Guernsey) Limited
3rd Floor, 1 Le Truchot
St Peter Port
Guernsey
GY1 1WD

Registered office
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3rd Floor, 1 Le Truchot
St Peter Port
Guernsey
GY1 1WD

Investment Manager
CQS (UK) LLP
4th Floor
1 Strand
London
WC2N 5HR
Note: The Company has appointed CQS as its Investment Manager. However, CQS has, with the agreement of the Board, delegated that function to NCIM.

New City Investment Managers ("NCIM")
(a trading name of CQS (UK) LLP, previously CQS Asset Management Limited)
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London
WC2N 5HR

AIFM
CQS (UK) LLP
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Depositary
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BNP Paribas, London Branch
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EC2M 1JJ

Management and Administration (continued)

As at 30 June 2022

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