



Gold and Precious Metals Limited

# **Schedule of Investments and Financial Statements For the Three Months Ended February 29, 2020 (Unaudited)**

A Closed-End Fund  
Specializing in Gold and Other  
Precious Metals Investments

Beginning on January 1, 2021, as permitted by regulations adopted by the U.S. Securities and Exchange Commission, paper copies of the Company's annual and semi-annual shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Company's website [www.asaltd.com](http://www.asaltd.com), and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Company electronically anytime by contacting your financial intermediary (such as a broker-dealer or bank) or, if you are a direct investor, by calling 1-800-432-3378 or by sending an e-mail request to [info@asaltd.com](mailto:info@asaltd.com).

Beginning on January 1, 2019, you may elect to receive all future reports in paper free of charge. If you invest through a financial intermediary, you can contact your financial intermediary to request that you continue to receive paper copies of your shareholder reports. If you invest directly with the Company, you can call 1-800-432-3378 or send an email request to [info@asaltd.com](mailto:info@asaltd.com) to inform the Company that you wish to continue receiving paper copies of your shareholder reports.

## Schedule of Investments (Unaudited)

February 29, 2020

Name of Company	Shares	Value	% of Net Assets
<b>Common Shares</b>			
<i>Australia</i>			
Bellevue Gold, Ltd. <sup>(1)</sup>	6,000,000	\$ 2,345,220	0.9%
Dacian Gold, Ltd. <sup>(1)</sup>	5,000,000	4,560,151	1.6
Emerald Resources NL <sup>(1)</sup>	72,130,500	1,879,577	0.7
Northern Star Resources, Ltd.	1,333,333	11,691,355	4.2
Pantoro, Ltd. <sup>(1)</sup>	16,000,000	844,279	0.3
Perseus Mining, Ltd. <sup>(1)</sup>	11,000,000	7,416,760	2.7
Prodigy Gold NL <sup>(1)</sup>	38,750,000	1,363,159	0.5
Westgold Resources, Ltd. <sup>(1)</sup>	3,000,000	3,967,331	1.4
		<u>34,067,832</u>	<u>12.3</u>
<i>Canada</i>			
Adventus Mining Corp. <sup>(1)</sup>	2,298,000	1,403,881	0.5
Adventus Mining Corp. 144A <sup>(1)(2)</sup>	1,300,000	794,189	0.3
Agnico Eagle Mines, Ltd.	400,000	19,012,000	6.9
Alacer Gold Corp. <sup>(1)</sup>	2,500,000	11,305,644	4.1
Alamos Gold, Inc.	1,750,000	10,202,500	3.7
B2Gold Corp.	3,000,000	11,979,885	4.3
Barrick Gold Corp.	900,000	17,136,000	6.2
Calibre Mining Corp. <sup>(1)</sup>	11,083,000	6,853,336	2.5
Centerra Gold, Inc. <sup>(1)</sup>	875,000	5,528,031	2.0
Corvus Gold, Inc. <sup>(1)</sup>	2,000,000	2,890,669	1.0
GoGold Resources, Inc. <sup>(1)</sup>	1,904,760	823,066	0.3
Golden Star Resources, Ltd. <sup>(1)</sup>	1,850,000	5,032,000	1.8
HighGold Mining, Inc. <sup>(1)</sup>	1,600,000	1,072,825	0.4
Integra Resources Corp. <sup>(1)</sup>	4,955,814	3,802,934	1.4
Integra Resources Corp. <sup>(1)(3)</sup>	1,744,186	1,338,433	0.5
K92 Mining, Inc. <sup>(1)</sup>	1,725,000	4,292,419	1.5
Kirkland Lake Gold, Ltd.	195,435	6,303,134	2.3
Liberty Gold Corp. <sup>(1)</sup>	9,256,000	7,585,472	2.7
Marathon Gold Corp. <sup>(1)</sup>	1,675,000	1,572,360	0.6
Maverix Metals, Inc.	1,500,000	5,956,416	2.1
OceanaGold Corp.	2,154,013	3,145,365	1.1
Orla Mining, Ltd. <sup>(1)</sup>	6,500,000	11,234,867	4.1
Osino Resources Corp. <sup>(1)</sup>	2,000,000	998,324	0.4
Pretium Resources, Inc. <sup>(1)</sup>	500,000	3,550,000	1.3
Probe Metals, Inc. <sup>(1)</sup>	4,725,000	3,308,996	1.2
Pure Gold Mining, Inc. <sup>(1)</sup>	3,000,000	1,452,785	0.5
Roxgold, Inc. <sup>(1)</sup>	7,200,000	4,613,150	1.7
SEMAFO, Inc. <sup>(1)</sup>	1,750,000	3,468,057	1.2
SilverCrest Metals, Inc. <sup>(1)</sup>	425,000	2,726,206	1.0
SSR Mining, Inc. <sup>(1)</sup>	600,000	9,498,000	3.4
Teranga Gold Corp. <sup>(1)</sup>	405,000	2,036,692	0.7
Torex Gold Resources, Inc. <sup>(1)</sup>	330,000	4,371,317	1.6
Torex Gold Resources, Inc. 144A <sup>(1)(2)</sup>	130,000	1,722,034	0.6
		<u>177,010,987</u>	<u>63.9</u>
<i>Cayman Islands</i>			
Endeavour Mining Corp. <sup>(1)</sup>	550,000	9,711,306	3.5
<i>South Africa</i>			
AngloGold Ashanti, Ltd.	898,420	15,997,059	5.8
Gold Fields, Ltd.	1,029,577	6,086,384	2.2
Gold Fields, Ltd. ADR	670,423	3,975,608	1.4

## Schedule of Investments (Unaudited) (continued)

February 29, 2020

Name of Company	Shares	Value	% of Net Assets
<b>Common Shares (continued)</b>			
<i>South Africa (continued)</i>			
Sibanye Stillwater, Ltd. <sup>(1)</sup>	1,092,174	\$ 2,203,251	0.8%
		28,262,302	10.2
<i>United States</i>			
Newmont Corp.	150,000	6,694,500	2.4
Total gold mining, exploration, development and royalty companies (Cost \$189,369,989)		255,746,927	92.3
<i>Australia</i>			
Castile Resources Pty, Ltd. <sup>(1)</sup>	12,500,000	1,302,900	0.5
<i>Canada</i>			
Americas Gold & Silver Corp. <sup>(1)</sup>	1,475,000	3,461,538	1.2
Benchmark Metals, Inc. <sup>(1)</sup>	10,000,000	2,272,304	0.8
Discovery Metals Corp. <sup>(1)</sup>	4,444,444	1,589,371	0.6
Gatling Exploration, Inc. <sup>(1)</sup>	4,000,000	1,028,124	0.4
		8,351,337	3.0
<i>United Kingdom</i>			
Adriatic Metals PLC <sup>(1)</sup>	2,500,000	2,035,781	0.8
Total diversified metals mining, exploration, development and royalty companies (Cost \$11,320,423)		11,690,018	4.3
<i>Canada</i>			
MAG Silver Corp. <sup>(1)</sup>	325,000	2,733,250	1.0
Total silver mining, exploration and development and royalty companies (Cost \$2,541,688)		2,733,250	1.0
Total common shares (Cost \$203,232,100)		270,170,195	97.6
<b>Rights</b>			
<b>Silver mining, exploration, development and royalty companies</b>			
Pan American Silver Corp. (Expiration Date 2/22/29) <sup>(1)(4)</sup>	393,200	116,080	0.0
Total rights (Cost \$136,720)		116,080	0.0
<b>Warrants</b>			
<b>Diversified metals mining, exploration, development and royalty companies</b>			
<i>Canada</i>			
Benchmark Metals, Inc. (Exercise Price \$0.40, Expiration Date 12/18/21) <sup>(1)(4)</sup>	5,000,000	37,251	0.0
<b>Gold mining, exploration, development and royalty companies</b>			
<i>Canada</i>			
Bonterra Resources, Inc. (Exercise Price \$3.10, Expiration Date 8/20/21) <sup>(1)(4)</sup>	300,000	93,872	0.0
GoGold Resources, Inc. (Exercise Price \$0.85, Expiration Date 2/25/22) <sup>(1)(4)</sup>	952,380	113,526	0.0
Marathon Gold Corp. (Exercise Price \$1.32, Expiration Date 9/30/21) <sup>(1)(4)</sup>	837,500	187,186	0.1
Maverix Metals, Inc. (Exercise Price \$1.65, Expiration Date 12/23/21) <sup>(1)(4)</sup>	250,000	411,622	0.2
Osino Resources Corp. (Exercise Price \$1.05, Expiration Date 1/30/22) <sup>(1)(4)</sup>	1,000,000	44,701	0.0
Probe Metals, Inc. (Exercise Price \$1.30, Expiration Date 12/10/21) <sup>(1)(4)</sup>	2,362,500	352,021	0.1
Pure Gold Mining, Inc. (Exercise Price \$0.85, Expiration Date 7/18/22) <sup>(1)(4)</sup>	1,500,000	156,454	0.1
Total warrants (Cost \$1,461,789)		1,396,633	0.5
Investments, at value (Cost \$204,830,609)		271,682,908	98.1
Cash, receivables and other assets less other liabilities		5,265,414	1.9
Net assets		\$ 276,948,322	100.0%

ADR American Depositary Receipt

PLC Public Limited Company

(1) Non-income producing security.

(2) Security exempt from registration under Rule 144A under the Securities Act of 1933. At the period end, the value of these securities amounted to \$2,516,223 or 0.9% of net assets.

(3) Restricted security.

(4) Security fair valued in accordance with procedures adopted by the Board of Directors. At the period end, the value of these securities amounted to \$1,512,713 or 0.6% of net assets.

## Statement of Assets and Liabilities

February 29, 2020

<b>Assets</b>	
Investments, at value (Cost \$204,830,609)	\$ 271,682,908
Cash and cash equivalents	597,290
Foreign currency (Cost \$5,399,349)	5,258,565
Dividends receivable, net of withholding taxes payable	107,864
Other assets	105,589
<b>Total assets</b>	<b>\$ 277,752,216</b>
<b>Liabilities</b>	
Accrued affiliate expenses	\$ 197,290
Liability for retirement benefits due to retired directors	399,118
Other expenses	207,486
<b>Total liabilities</b>	<b>\$ 803,894</b>
<b>Net assets</b>	<b>\$ 276,948,322</b>
Common shares \$1 par value	
Authorized: 40,000,000 shares	
Issued and Outstanding: 19,289,905 shares	\$ 19,289,905
Share premium (capital surplus)	1,372,500
Distributable earnings	256,285,917
<b>Net assets</b>	<b>\$ 276,948,322</b>
<b>Net asset value per share</b>	<b>\$ 14.36</b>

The closing price of the Company's shares on the New York Stock Exchange was \$12.33 on February 29, 2020.

## Statement of Operations

For the three months ended February 29, 2020

Investment income		
Dividend income (net of withholding taxes of \$50,704)	\$	157,057
Total investment income		157,057
Expenses		
Lease property expense (Note 10)		59,780
Investment adviser fees		534,585
Fund services fees		43,286
Compliance services fees		21,486
Transfer agent fees		8,766
Custodian fees		19,521
Directors' fees and expenses		47,376
Retired directors' fees		20,484
Insurance		33,337
Legal fees		33,997
Audit fees		9,124
Professional fees – other		1,000
Shareholder reports and proxy expenses		21,674
Dues and listing fees		6,216
Other expenses		38,391
Total expenses		899,023
Change in retirement benefits due to directors		(12,231)
Sublease revenue (Note 10)		(35,621)
Net expenses		851,171
Net investment loss		(694,114)
Net realized and unrealized gain (loss) from investments and foreign currency transactions		
Proceeds from sales		26,104,077
Cost of securities sold		19,001,394
Net realized gain from investments		7,102,683
Net realized loss from foreign currency transactions		
Investments		(16,491)
Net realized loss from foreign currency transactions		(16,491)
Net change in unrealized appreciation on investments		
Balance, beginning of year		82,044,496
Balance, end of year		66,852,299
Net change in unrealized appreciation on investments		(15,192,197)
Net unrealized loss on translation of assets and liabilities in foreign currency		(130,779)
Net realized and unrealized loss from investments and foreign currency transactions		(8,236,784)
Net decrease in net assets resulting from operations	\$	(8,930,898)

## Statements of Changes in Net Assets

	Three Months Ended February 29, 2020	Year Ended November 30, 2019
Net investment loss	\$ (694,114)	\$ (1,111,296)
Net realized gain	7,102,683	1,623,669
Net realized loss from foreign currency transactions	(16,491)	(1,143,899)
Net change in unrealized appreciation (depreciation) on investments	(15,192,197)	92,071,910
Net unrealized loss on translation of assets and liabilities in foreign currency	(130,779)	(9,365)
Net increase (decrease) in net assets resulting from operations	(8,930,898)	91,431,019
Dividends paid/payable	-	(385,798)
Net increase (decrease) in net assets	(8,930,898)	91,045,221
Net assets, beginning of year	285,879,220	194,833,999
Net assets, end of year	\$ 276,948,322	\$ 285,879,220

## Notes to Financial Statements

Three months ended February 29, 2020

### 1. Organization

ASA Gold and Precious Metals Limited (the “Company”) is a closed-end investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”), and was organized as an exempted limited liability company under the laws of Bermuda.

### 2. Investment objective and strategy

The Company is a non-diversified, closed-end fund that seeks long-term capital appreciation primarily through investing in companies engaged in the exploration for, development of projects or mining of precious metals and minerals. The Company is managed by Merk Investments LLC (the “Adviser”).

It is a fundamental policy of the Company that at least 80% of its total assets must be (i) invested in common shares or securities convertible into common shares of companies engaged, directly or indirectly, in the exploration, mining or processing of gold, silver, platinum, diamonds or other precious minerals, (ii) held as bullion or other direct forms of gold, silver, platinum or other precious minerals, (iii) invested in instruments representing interests in gold, silver, platinum or other precious minerals such as certificates of deposit therefor, and/or (iv) invested in securities of investment companies, including exchange traded funds, or other securities that seek to replicate the price movement of gold, silver or platinum bullion.

The Company employs bottom-up fundamental analysis and relies on detailed primary research including meetings with company executives, site visits to key operating assets, and proprietary financial analysis in making its investment decisions.

### 3. Summary of significant accounting policies

The following is a summary of the significant accounting policies:

#### A. Security valuation

The net asset value of the Company generally is determined as of the close of regular trading on the New York Stock Exchange (the “NYSE”) on the date for which the valuation is being made (the “Valuation Time”). Portfolio securities listed on U.S. and foreign stock exchanges generally are valued at the last reported sale price as of the Valuation Time on the exchange on which the securities are primarily traded, or the last reported bid price if a sale price is not available. Securities traded over the counter are valued at the last reported sale price or the last reported bid price if a sale price is not available. Securities listed on foreign stock exchanges may be fair valued based on significant events that have occurred subsequent to the close of the foreign markets.

Securities for which current market quotations are not readily available are valued at their fair value as determined in good faith by, or in accordance with procedures approved by, the Company’s Board of Directors. If a security is valued at a “fair value,” that value may be different from the last quoted price for the security. Various factors may be reviewed in order to make a good faith determination of a security’s fair value. These factors include, but are not limited to, the nature of the security; relevant financial or business developments of the issuer; actively traded similar or related securities; conversion rights on the security; and changes in overall market conditions.

The difference between cost and market value is reflected separately as net unrealized appreciation (depreciation) on investments. The net realized gain or loss from the sale of securities is determined for accounting purposes on the identified cost basis.

#### B. Restricted securities

At February 29, 2020, the Company held investments in restricted securities of 0.48% of net assets valued in accordance with procedures approved by the Company’s Board of Directors as follows:

<u>Shares</u>	<u>Cost</u>	<u>Issuer</u>	<u>Value per Unit</u>	<u>Value</u>	<u>Acquisition Date</u>
1,744,186	\$1,131,222	Integra Resources Corp.	\$0.77	\$1,338,433	11/26/19

#### C. Fair value measurement

In accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), fair value is defined as the price that the Company would receive to sell an investment or pay to transfer a liability in a timely transaction with an independent buyer in the principal market, or in the absence of a principal market the most

## Notes to Financial Statements (continued)

Three months ended February 29, 2020

### 3. Summary of significant accounting policies (continued)

#### C. Fair value measurement (continued)

advantageous market for the investment or liability. U.S. GAAP establishes a three-tier hierarchy to distinguish between (1) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to establish classification of fair value measurements for disclosure purposes. Various inputs are used in determining the value of the Company's investments. The inputs are summarized in the three broad levels listed below.

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.

Level 2 – Observable inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly. These inputs may include quoted prices for identical instruments on an inactive market, prices for similar investments, interest rates, prepayment speeds, credit risk, yield curves, default rates, and similar data.

Level 3 – Unobservable inputs for the assets or liability to the extent that relevant observable inputs are not available, representing the Company's own assumptions about the assumptions that a market participant would use in valuing the asset or liability, and that would be based on the best information available.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used as of February 29, 2020 in valuing the Company's investments at fair value:

	Investment in Securities <sup>(1)</sup>			
	Measurements at February 29, 2020			
	Level 1	Level 2	Level 3	Total
<b>Common Shares</b>				
Gold mining, exploration, development and royalty companies	\$ 255,746,927	\$ –	\$ –	\$ 255,746,927
Diversified metals mining, exploration, development and royalty companies	11,690,018	–	–	11,690,018
Silver mining, exploration and development and royalty companies	2,733,250	–	–	2,733,250
<b>Rights</b>				
Silver mining, exploration and development companies	–	–	116,080	116,080
<b>Warrants</b>				
Diversified metals mining, exploration, development and royalty companies	–	–	37,251	37,251
Gold mining, exploration, development and royalty companies	–	–	1,359,382	1,359,382
Total Investments	<u>\$ 270,170,195</u>	<u>\$ –</u>	<u>\$ 1,512,713</u>	<u>\$ 271,682,908</u>

(1) See schedules of investments for country classifications.



## Notes to Financial Statements (continued)

Three months ended February 29, 2020

### 3. Summary of significant accounting policies (continued)

#### C. Fair value measurement (continued)

The following is a reconciliation of Level 3 investments for which significant unobservable inputs were used to determine fair value.

	<u>Rights</u>	<u>Warrants</u>
Balance November 30, 2019	\$ 112,855	\$ 858,052
Purchases	-	555,249
Net change in unrealized appreciation (depreciation)	3,225	(16,668)
Balance February 29, 2020	<u>\$ 116,080</u>	<u>\$ 1,396,633</u>
Net change in unrealized appreciation (depreciation) from investments held as of February 29, 2020*	<u>\$ 3,225</u>	<u>\$ (16,668)</u>

\* The change in unrealized appreciation/(depreciation) is included in net change in unrealized appreciation/(depreciation) of investments in the accompanying Statement of Operations.

The Level 3 investments for the Company represented 0.55% of net assets and did not warrant a disclosure of significant unobservable inputs.

#### D. Cash and Cash Equivalents

The Company considers all money market funds and all highly liquid temporary cash investments purchased with an original maturity of less than three months to be cash equivalents. The majority of the Company's cash and cash equivalents at February 29, 2020 consisted of a money market fund, Federated U.S. Treasury Cash Reserve Fund, Institutional Shares.

#### E. Foreign Currency Translation

Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the rate of exchange reported by independent data providers. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions. The portion of the results arising from changes in the exchange rates and the portion due to fluctuations arising from changes in the market prices of securities are not isolated. The resulting net foreign currency gain or loss is included on the Statements of Operations. Realized foreign currency gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, fluctuation in exchange rates between the initial purchase date and subsequent sale date on securities transactions, and the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Company's books and the U.S. dollar equivalent of the amounts actually received or paid.

#### F. Securities Transactions and Investment Income

During the three months ended February 29, 2020, sales and purchases of portfolio securities (other than temporary short-term investments) amounted to \$26,104,077 and \$25,545,962, respectively.

Dividend income is recorded on the ex-dividend date, net of withholding taxes or ADR fees, if any. Interest income is recognized on the accrual basis.

#### G. Dividends to Shareholders

Dividends to shareholders are recorded on the ex-dividend date. The reporting for financial statement purposes of dividends paid from net investment income and/or net realized gains may differ from their ultimate reporting for U.S. federal income tax purposes, primarily because of the separate line item reporting for financial statement purposes of foreign exchange gains or losses.

#### H. Use of Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. It is management's opinion that all adjustments necessary for a fair statement of the results of the interim periods presented have been made. All adjustments are of a normal recurring nature.

## Notes to Financial Statements (continued)

Three months ended February 29, 2020

### 3. Summary of significant accounting policies (continued)

#### *I. Basis of Presentation*

The financial statements are presented in U.S. dollars. The Company is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (“FASB”) Accounting Standard Codification, Topic 946 “Financial Services - Investment Companies”.

#### *J. Income Taxes*

In accordance with U.S. GAAP requirements regarding accounting for uncertainties on income taxes, management has analyzed the Company’s tax positions taken on federal and state income tax returns, as applicable, for all open tax years (2016-2019). As of February 29, 2020, the Company has not recorded any unrecognized tax benefits. The Company’s policy, if it had unrecognized benefits, is to recognize accrued interest and penalties in operating expenses.

### 4. Tax status of the Company

The Company is a “passive foreign investment company” (“PFIC”) for U.S. federal income tax purposes and is not subject to Bermuda tax as an exempted limited liability company organized under the laws of Bermuda. Nor is the Company generally subject to U.S. federal income tax, since it is a non-U.S. corporation whose only business activity in the United States is trading in stocks or securities for its own account; under the U.S. federal tax law that activity does not constitute engaging in the conduct of a trade or business within the United States, even if its principal office is located therein. As a result, its gross income is not subject to U.S. federal income tax, though certain types of income it earns from U.S. sources (such as dividends of U.S. payors) are subject to U.S. federal withholding tax.

### 5. Fees and Expenses

Investment Adviser –Merk Investments LLC (the “Adviser”) is the investment adviser to the Company. Pursuant to an investment advisory agreement, the Adviser receives an advisory fee, payable monthly, from the Company at an annual rate of 0.70% of the Company’s average daily net assets.

Other Service Providers –Apex US Holdings LLC (d/b/a Apex Fund Services) (“Apex”) provides fund accounting, fund administration and compliance services to the Company. The fees related to these services are included in fund services fees within the Statement of Operations. Apex also provides certain shareholder report production and EDGAR conversion and filing services. Pursuant to an Apex services agreement, the Company pays Apex customary fees for its services. Apex provides a Principal Financial Officer, as well as certain additional compliance support functions.

Foreside Fund Services, LLC provides a Chief Compliance Officer to the Company.

### 6. Exemptive order

The Company is a closed-end investment company and operates pursuant to an exemptive order issued by the Securities and Exchange Commission (the “SEC”) pursuant to Section 7(d) of the 1940 Act (the “Order”). The Order is conditioned upon, among other things, the Company complying with certain requirements relating to the custody of assets and settlement of securities transactions outside of the United States different than those required of other registered investment companies. These conditions make it more difficult for the Company to implement a flexible investment strategy and to fully achieve its desired portfolio diversification than if it were not subject to such requirements.

### 7. Retirement plans

The Company has recorded a liability for retirement benefits due to retired directors. The liability for these benefits at February 29, 2020 was \$399,118. A director whose first election to the Board of Directors was prior to January 1, 2008 qualifies to receive retirement benefits if he has served the Company (and any of its predecessors) for at least twelve years prior to retirement. Directors first elected on or after January 1, 2008 are not eligible to participate in the plan.

### 8. Concentration risk

The Company invests at least 80% of its total assets in securities of companies engaged, directly or indirectly, in the exploration, mining or processing of gold or other precious minerals. The Company also invests a substantial portion of its assets in companies that are domiciled and/or have operations outside of the United States, including emerging market countries, such as South Africa. The Company is, therefore, subject to gold and precious metals-related risk as well as risk related to investing in foreign securities, including political, economic, regulatory, liquidity, currency fluctuation, and foreign exchange risks. The Company currently is invested in a limited number of securities and thus holds large positions in certain securities. Because the Company’s investments are concentrated in a limited number of

## Notes to Financial Statements (continued)

Three months ended February 29, 2020

### 8. Concentration risk (continued)

securities of companies involved in the holding or mining of gold and other precious minerals and related activities, the net asset value of the Company may be subject to greater volatility than that of a more broadly diversified investment company.

### 9. Indemnifications

In the ordinary course of business, the Company enters into contracts that contain a variety of indemnification provisions. The Company's maximum exposure under these arrangements is unknown.

### 10. Operating lease commitment

In June 2017, the Company entered into a three-year operating lease agreement, commencing March 1, 2018, in San Mateo, CA for approximately 2,500 square feet to be used as office space for its employees. The lease provides for future minimum rental payments in the aggregate amount of \$210,418 as of February 29, 2020. The lease contains escalation clauses relating to the tenant's share of insurance, operating expenses and tax expenses of the lessor.

Future minimum rental commitments under the lease are as follows:

02/29/2020 – 11/30/2020	\$	156,062
12/01/2020 – 02/28/2021		54,356
Total	\$	<u>210,418</u>

On June 5, 2019, the Company entered into a sublease agreement for the San Mateo office space. The Company receives monthly sublease revenue of \$11,308; beginning on the first anniversary of the sublease commencement date, monthly sublease revenue is expected to increase 3%. The sublease agreement terminates February 28, 2021. For the three months ended February 29, 2020, the Company received \$35,621 per this agreement, as presented on the accompanying Statement of Operations.

### 11. Share repurchase

The Company may from time to time purchase its common shares at a discount to NAV on the open market in such amounts and at such prices as the Company may deem advisable.

The Company had 19,289,905 shares outstanding as of February 29, 2020. There were no repurchases during the three months ended February 29, 2020.

### 12. Subsequent events

In accordance with U.S. GAAP provisions, management has evaluated the possibility of subsequent events existing in the Company's financial statements through the date the financial statements were issued. The Company believes that there are no material events that would require disclosure.

**Per Share Information**

February 29, 2020

NET ASSET VALUE	\$	14.36
ASA SHARE PRICE	\$	12.33
PREMIUM / (DISCOUNT)	\$	(2.03)
PERCENTAGE PREMIUM / (DISCOUNT)	%	(14.14)