

ASA LIMITED

PADDOCK VIEW
36 WIERDA ROAD WEST
SANDTON 2196, SOUTH AFRICA

October 7, 2004

URGENT – IMMEDIATE ACTION REQUIRED

Dear ASA Shareholder:

Your Board of Directors (“Board”) is requesting your approval of a proposal, at a general meeting of shareholders to be held on November 11, 2004, that would authorize ASA Limited (“ASA”) to move its place of incorporation from the Republic of South Africa to the Commonwealth of Bermuda by reorganizing itself into ASA (Bermuda) Limited (“ASAB”), an exempted limited liability company newly formed in Bermuda.

ASA seeks to effect this change primarily because of certain taxes it recently became subject to, or will be subject to, in South Africa that will adversely affect ASA and its shareholders. As a Bermuda exempted limited liability company, ASAB would not be subject to such taxes. If the proposal is approved and implemented, each ASA shareholder will automatically become a shareholder of ASAB without any action required on the shareholder’s part.

The management, investment policies and service providers of ASAB will be the same as those of ASA. In addition, ASAB, like ASA, is registered as a closed-end management investment company under the Investment Company Act of 1940, as amended (“1940 Act”). ASAB intends to apply to have its shares listed on the New York Stock Exchange.

Your Board believes that approval of the proposal described in detail in the enclosed proxy statement is in the best interests of ASA and its shareholders. I urge you to consider and vote on this very important matter. **Your Board unanimously recommends that you vote FOR the proposal.**

Your participation in the voting process is important no matter how many shares you hold.

If your shares are registered in your name, please indicate your vote on the enclosed proxy card, and sign, date and return it in the enclosed postage-paid envelope. Please return your proxy card regardless of whether or not you plan to attend the meeting, in order to make sure that your vote is represented. If you do attend the meeting, you may revoke your proxy at the meeting and vote in person. If you hold shares in “street name” through a broker or other nominee, only your broker or nominee can vote your shares, and only upon receipt of your specific instructions.

If you have any questions about the documents mailed to you or need assistance in voting your shares, please call our proxy solicitor, D.F. King & Co., Inc., toll free at 1-800-347-4750.

Sincerely,

ROBERT J.A. IRWIN
Chairman of the Board

ASA LIMITED

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36 WIERDA ROAD WEST
SANDTON 2196, SOUTH AFRICA

Notice of General Meeting of Shareholders
November 11, 2004

To the Shareholders:

A general meeting of shareholders of ASA Limited ("ASA") ("Meeting") will be held on November 11, 2004, at 10 a.m. Eastern Time, at the offices of UBS, 1285 Avenue of the Americas, 14th floor, New York, New York 10020 for the following purposes:

(1) To adopt the special and ordinary resolutions set forth in Appendix B of the attached Prospectus/Proxy Statement that reflect the approval of (i) an Agreement and Plan of Reorganization attached as Appendix A, under which ASA (Bermuda) Limited ("ASAB") will acquire all of the assets of ASA in exchange solely for shares of ASAB and ASAB's assumption of all of ASA's liabilities ("Reorganization"), (ii) the winding-up of ASA subsequent to the Reorganization, and (iii) other matters that will facilitate the winding-up of ASA.

(2) To transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

YOUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE IN FAVOR OF THE PROPOSAL.

If you own shares of ASA at the close of business on November 4, 2004, and such shares are registered in your name, you are entitled to attend, speak and vote at the Meeting and any adjournment thereof or to appoint a proxy to do so. **If you attend the Meeting, you may vote your shares in person. If you do not expect to attend the Meeting and wish to appoint a proxy, please complete, sign, date and return the enclosed proxy card in the enclosed postage-paid envelope.**

If you hold shares in "street name" through a broker or other nominee, and you wish to vote at the Meeting in person, then you must request your nominee to provide you with the necessary authority to vote your shares at the Meeting. If you do not expect to attend the Meeting, but wish to have your shares represented at the Meeting, you must provide your nominee with your voting instructions.

By order of the Board of Directors,

CHESTER A. CROCKER
United States Secretary

October 7, 2004

**YOUR VOTE IS IMPORTANT
NO MATTER HOW MANY SHARES YOU OWN**

If your shares are registered in your name, please indicate your voting instructions on the enclosed proxy card, sign and date the card, and return it in the envelope provided. **IF YOU SIGN, DATE, AND RETURN THE PROXY CARD BUT GIVE NO VOTING INSTRUCTIONS, THE PROXY SHALL BE ENTITLED TO VOTE YOUR SHARES AS HE THINKS FIT.** In order to avoid the additional expense of further solicitation, we ask your cooperation in mailing your proxy card promptly.

If we do not receive your completed proxy card after our original mailing, you may be contacted by ASA or by our proxy solicitor, D.F. King & Co., Inc., ASA or our proxy solicitor will remind you to appoint a proxy.

If you hold shares in “street name” through a broker or other nominee, you should contact your nominee with your instructions for attendance or voting at the meeting.

ASA LIMITED

PADDOCK VIEW
36 WIERDA ROAD WEST
SANDTON 2196, SOUTH AFRICA

ASA (BERMUDA) LIMITED

4TH FLOOR
11 SUMMER STREET
BUFFALO, NY 14209

PROSPECTUS/PROXY STATEMENT

October 7, 2004

This Prospectus/Proxy Statement (“Proxy Statement”) is being furnished to shareholders of ASA Limited (“ASA”) in connection with the solicitation of proxies from ASA shareholders by the Board of Directors of ASA (“Board”) for use at a general meeting of shareholders (“Meeting”), to be held on November 11, 2004, commencing at 10 a.m. Eastern Time, and at any adjournment of the Meeting.

As more fully described in this Proxy Statement, the purpose of the Meeting is to adopt special and ordinary resolutions, set forth in Appendix B, approving a proposed reorganization and the winding-up of ASA. In the reorganization, ASA (Bermuda) Limited (“ASAB”) would acquire all of the assets of ASA in exchange solely for shares of ASAB and the assumption by ASAB of all of the liabilities of ASA. Those shares of ASAB would then be distributed to ASA shareholders on a one-for-one basis. (All these transactions are collectively referred to as the “Reorganization.”) As soon as practicable following the distribution of shares, ASA would be wound-up and dissolved.

This Proxy Statement sets forth concisely the information about the proposed Reorganization, ASAB and the winding-up of ASA that a shareholder should know before voting. Additional information is contained in the following:

- A Statement of Additional Information, dated October 7, 2004, relating to the Reorganization (“Reorganization SAI”), which has been filed with the Securities and Exchange Commission (“SEC”) and is incorporated herein by this reference (that is, the Reorganization SAI is legally a part of this Proxy Statement).
- ASA’s Annual Report to Shareholders for the fiscal year ended November 30, 2003 (“Annual Report”) and Semi-Annual Report to Shareholders for the semi-annual period ended May 31, 2004 (“Semi-Annual Report”), which have been filed with the SEC and are incorporated herein by this reference.

Copies of the above documents may be obtained without charge, and further inquiries may be made, by writing to LGN Associates, P.O. Box 269, Florham Park, New Jersey 07932, or by calling toll free 1-800-432-3378. In addition, the SEC maintains a Website (<http://www.sec.gov>) that contains the Reorganization SAI, Annual Report and Semi-Annual Report together with other information regarding ASA and ASAB. The telephone number of ASAB’s principal executive offices is 1-716-883-2428.

Investors are advised to read and retain this Proxy Statement for future reference. ASAB, an exempted limited liability company newly formed in Bermuda, is registered under the Investment Company Act of 1940, as amended (“1940 Act”), as a closed-end management investment company. The primary investment policy of each of ASA and ASAB is to invest in equity securities of companies engaged in gold mining and related activities in South Africa.

This Proxy Statement will first be mailed to shareholders on or about October 8, 2004.

THE SEC HAS NOT APPROVED OR DISAPPROVED THESE SECURITIES, OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROXY STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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PROSPECTUS/PROXY STATEMENT

General Meeting of Shareholders

November 11, 2004

PROPOSAL:

To adopt the special and ordinary resolutions set forth in Appendix B of this Proxy Statement that reflect the approval of (i) an Agreement and Plan of Reorganization (“Plan”) under which ASAB will acquire all of the assets of ASA, in exchange solely for shares of ASAB and ASAB’s assumption of all of ASA’s liabilities, (ii) the winding-up of ASA subsequent to the Reorganization, and (iii) other matters that will facilitate the winding-up of ASA.

SYNOPSIS

The following is a summary of certain information contained elsewhere in this Proxy Statement, the Reorganization SAI (which is incorporated herein by reference), the Annual Report and Semi-Annual Report (which are incorporated herein by reference), and the Plan, the form of which is attached as Appendix A to this Proxy Statement. As discussed more fully below, the Board believes that the Reorganization will benefit ASA’s shareholders. ASA and ASAB (each sometimes referred to below as a “Fund”) have the same directors and substantially the same officers and have investment policies that are the same.

The Proposed Reorganization

The Board considered and approved the Plan at a meeting held on September 29, 2004. As provided in the Plan, the Reorganization will be effected by ASAB’s acquisition of all of the assets of ASA in exchange solely for ordinary shares of ASAB and the assumption by ASAB of all of the liabilities of ASA. ASA will then distribute those ASAB shares to its shareholders on a one-for-one basis. ASA will be wound-up and dissolved as soon as practicable thereafter.

If shareholder approval is obtained, the Reorganization will occur as of the close of business on November 26, 2004, or such other date as the Funds may agree when the Reorganization is approved and all contingencies have been met (“Closing Date”). Due to adverse tax consequences, if approval is not obtained and the Reorganization cannot occur on or before November 30, 2004, the Reorganization will not occur and ASA will continue its current operations.

Reorganization expenses will be paid by ASA until the Closing Date. Following the Closing Date, any Reorganization expenses that remain unpaid and all expenses incurred in the winding-up and dissolution of ASA will be borne by ASAB.

For the reasons set forth below under “The Proposed Transaction – Reasons for the Reorganization,” the Board, including the directors who are not “interested persons,” as that term is defined in Section 2(a)(19) of the 1940 Act (“Independent Directors”), has determined that the Reorganization is in the best interests of ASA and its shareholders, that the terms of the Reorganization are fair and reasonable, and that the interest of ASA’s shareholders will not be diluted as a result of the Reorganization. Accordingly, the Board recommends that ASA shareholders approve the Reorganization.

Comparative Fee Table

Like all closed-end funds, ASA incurs, and ASAB will incur, certain expenses in its operations and, as a shareholder, you pay these expenses indirectly. The table below compares annual operating expenses (as a percentage of average net assets) for ASA for the fiscal year ended November 30, 2003, and *pro forma* expenses for ASAB, based on ASA's annual operating expenses assuming the Reorganization is approved and effected.

	<u>ASA</u>	<u>ASAB</u> <u>(Pro Forma)</u>
Management Fees ¹	0%	0%
Other Expenses ^{2,3}	.84%	.73%
Total Operating Expenses	.84%	.73%

Example of Effect on Fund Expenses

This Example is intended to help you compare the cost of investing in shares of ASA with the cost of investing in ASAB, assuming the Reorganization has been approved and effected.

The Example assumes that you invest \$1,000 in ASA or ASAB for the time periods indicated. The Example also assumes that your investment has a 5% return each year, that all dividends are reinvested, and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
ASA	\$9	\$27	\$47	\$104
ASAB (Pro Forma)	\$7	\$23	\$41	\$ 95

Comparison of Investment Policies

The investment policies of ASA and ASAB are the same and require each of them to invest over 50% of the value of their total assets in equity securities of companies conducting, as the major portion of their business, gold mining and related activities in South Africa. The balance of their assets, other than small amounts held in cash, may be (1) invested in equity securities of companies engaged in other types of businesses in South Africa, (2) held in the form of gold bullion or certificates of deposit for gold bullion (up to 25% of the value of total assets), and/or (3) invested in equity securities of companies primarily engaged outside of South Africa in extractive or related industries or in the holding or development of real estate (up to 20% of total assets).

Performance of the Funds

The annual total return for ASA for the fiscal year ended November 30, 2003, is set forth in the Annual Report, and the total return for ASA as of the semi-annual period ended May 31, 2004, is set forth in the Semi-Annual Report. Past performance does not indicate how a fund will perform in the future. As a newly formed company, ASAB has no operating history.

Form of Organization

ASA was organized as a public limited liability company in South Africa in June 1958. ASAB was organized as an exempted limited liability company in Bermuda in April 2003. Pending the Reorganization, ASAB currently has only a nominee shareholder (necessary for its formation under Bermuda law) and nominal assets.

¹ Neither ASA nor ASAB has an outside investment adviser.

² The figure provided under "Other Expenses" is based upon estimated amounts for ASAB's initial fiscal year and includes expenses such as directors' fees, administrative fees, legal fees, auditing fees and insurance expenses.

³ "Other Expenses" for ASA includes all of the costs of the Reorganization incurred during the relevant period. The pro forma "Other Expenses" for ASAB do not reflect reorganization expenses, as they are not expected to be incurred prospectively.

Investment Adviser and Investment Advisory Fees

ASA is, and ASAB will be, internally managed. Accordingly, neither ASA nor ASAB has, or will have, an outside investment adviser to which it pays, or will pay, fees for portfolio management. Robert J. A. Irwin, Chairman, Chief Executive Officer, Treasurer and a director of ASA, is primarily responsible for the day-to-day management of ASA's portfolio. Upon the acquisition by ASAB of the assets of ASA pursuant to the Reorganization, Mr. Irwin will be responsible for the management of ASAB's portfolio.

Operation of ASAB Following the Reorganization

As indicated above, the investment policies of ASA and ASAB are the same. Accordingly, the assets held by ASA will be consistent with the investment policies of ASAB and thus can be transferred to and held by ASAB if the Reorganization is approved.

Purchases

ASA has not made a public offering of its shares since its initial public offering in 1958, which was limited to the United States, and has no current intention of making another public offering. Shares of ASA currently trade on the New York Stock Exchange ("NYSE") but will be delisted following the Closing Date.

ASAB will apply to have its shares listed on the NYSE. ASAB will seek to have its shares listed so that they will commence trading as of the first business day following the Closing Date.

Dividends

ASA earns investment income in the form of interest and dividends on investments. ASA's practice is to make distributions from its investment income, less expenses, to shareholders. Dividends from net investment income are declared and paid quarterly at the discretion of the Board. Shareholders may participate in a dividend reinvestment plan administered by ASA's transfer agent. Under this plan, shareholders may invest cash dividends and voluntary cash payments in additional ASA ordinary shares ("common shares").

ASA also realizes capital gains and losses when it sells securities for more or less than it paid. If, for any taxable year, total gains on these sales exceed total losses (including losses carried forward from previous taxable years), ASA has net capital gain income for the year. Dividends from net realized capital gains, if any, may be distributed to shareholders. Dividends are paid to holders of shares on the record date of the dividend regardless of how long the shareholder has held his or her shares.

The sources of ASAB's dividends will be the same as those of ASA, and its dividend policies will be identical to those of ASA, including the availability of a dividend reinvestment plan administered by ASAB's transfer agent.

Tax Consequences of the Reorganization

Each Fund will receive an opinion of KPMG Services (Proprietary) Limited, South Africa, addressed to and in form and substance reasonably satisfactory to the Fund, to the effect that, except for any uncertificated securities tax or a similar transfer duty that may be payable by ASAB on the transfer of ASA's South African portfolio holdings ("Transfer Duty"), neither Fund nor any shareholder or person who beneficially owns ASA shares held in a shareholder's name will earn, receive, realize, or recognize any profit, income, or gain or any other item that will be subject to any South African tax or other governmental levy as a result of or in connection with the Reorganization, any transaction included therein, or ASA's winding-up and dissolution.

PRINCIPAL RISK FACTORS

Because the Funds have investment policies that are the same, an investment in ASAB will be subject to the same specific risks as an investment in ASA, in addition to the general risks arising from investing in any closed-end investment company. There is no guarantee that ASAB will achieve its investment objective or that it will not lose principal value.

The principal specific risks associated with investing in the Funds include:

Industry Concentration

Because of its concentration in the securities of companies involved in gold mining and related activities, a Fund's portfolio may experience greater volatility than that of a broader-based investment company. The profitability of companies involved in gold mining and related activities is significantly affected by changes in the market price of gold (for further details, see "Fluctuations in the Price of Gold" below). Gold mining companies also face risks related to their operations that may affect overall profitability. These risks include the uncertainty and cost of mineral exploration and acquisitions and the uncertainties and unexpected problems and delays in developing mines. In addition, the business of gold mining is subject to numerous risks that could adversely impact a gold mining company. These risks include environmental hazards, industrial accidents, underground fires, labor disputes, unexpected geological formations, availability of appropriately skilled persons, unanticipated ground and water conditions, fall of ground accidents, legal and regulatory restrictions, and seismic activity.

Diversification

The Funds are classified as diversified investment companies. However, due to consolidation in the gold mining industry, the Funds may be invested in a limited number of securities and hold large positions in certain securities. As a result, a change in value in one or more of these securities could significantly affect the Funds' net asset values.

Fluctuations in the Price of Gold

The price of gold has been subject to dramatic downward and upward price movements over short periods of time and may be affected by unpredictable international monetary and political policies, such as currency devaluations or revaluations, economic conditions within an individual country, trade imbalances, or trade or currency restrictions between countries, world inflation rates or expectations regarding inflation rates, interest rates, and currency exchange rates. The price of gold also is influenced by the actual or expected purchases and sales of gold reserves by central banks or other large gold bullion holders or dealers, the demand for gold for industrial uses and for use in jewelry, gold sales by gold producers in forward transactions, and the cost of gold production in major gold-producing nations such as South Africa. The price of gold, in turn, is likely to affect the market prices of securities of companies mining or processing gold, and accordingly, the value of ASA's and ASAB's investments in such securities may also be affected.

Investments in Gold Bullion

Each Fund may hold up to 25% of the value of its total assets in the form of gold bullion or certificates of deposit therefor. Unlike certain more traditional investment vehicles such as savings deposits and stocks and bonds, which may produce interest or divided income, gold bullion earns no income return. Appreciation in the market price of gold is the sole manner in which a Fund will be able to realize gains on its investment in gold bullion. Furthermore, the Funds may encounter storage and transaction costs in connection with their ownership of gold bullion that may be higher than those attendant to the purchase, holding, and disposition of more traditional types of investments.

Currency Fluctuation

The U.S. dollar value of the Funds' non-U.S. investments may be significantly affected by changes in the exchange rates between the dollar and the currencies, particularly the South African rand, in which those investments are traded. Under normal circumstances, over 50% of the value of the Funds' total assets will be invested in common shares or securities convertible into common shares of companies conducting, as a major portion of their business, gold mining and related activities in South Africa. Generally, these investments, and dividends paid in respect of these investments, will be denominated in South African rand. Consequently, a change in the value of the rand against the U.S. dollar may result in a significant change in the U.S. dollar value of the Funds' assets and dividend income denominated in that currency.

Furthermore, mineral commodities such as gold are sold throughout the world, principally in U.S. dollars, but the South African mining companies in which the Funds may be invested incur their operating costs principally in South African rand. Therefore, any appreciation in the value of the South African rand relative to the U.S. dollar will adversely affect the profits of these South African mining companies and also, indirectly, the value of ASA and ASAB's investments in them. The rand has experienced significant appreciation against the U.S. dollar since reaching an all-time low against that currency late in 2001.

Risks Relating to South Africa

Under normal circumstances, over 50% of ASA's and ASAB's total assets will be invested in common shares or securities convertible into common shares of companies conducting, as a major portion of their business, gold mining and related activities in the Republic of South Africa. As a result, the Funds are subject to risks relating to South Africa.

While highly developed, sophisticated business sectors and infrastructure form the core of South Africa's economy, large parts of the population do not have access to adequate education, health care, housing, and other services, including water and electricity. South Africa also has high levels of crime, poverty, and unemployment in comparison with developed countries. These problems have been among the factors that have hampered investment into South Africa, prompted emigration of skilled workers, and affected South Africa's economic growth rate negatively.

The South African government has committed itself to creating a stable, democratic free market economy. However, it is difficult to predict the future political, social, and economic direction of South Africa or how the government will try to address South Africa's challenges. It is also difficult to predict the effect of these challenges on the Funds' investments.

Further, there has been political and economic instability in neighboring countries north of South Africa. Any resulting political or economic instability in South Africa could have a negative impact on the Funds' South African investments.

South Africa's exchange control regulations restrict transactions between residents of the Common Monetary Area (which consists of South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland) and non-residents of the Common Monetary Area. These restrictions generally do not permit the export of capital from South Africa by South African companies, and hinder the ability of South African companies, including companies in which the Funds invest, to make foreign investments and procure foreign denominated financing. While exchange controls have been relaxed in recent years, it is difficult to predict whether or how the South African Government will further relax the remaining exchange control regulations in the future.

A substantial portion of the South African gold mining industry is unionized, and companies within the industry are at risk of having their production halted for indefinite periods due to strikes and other labor disputes. In addition, since 1995 various labor laws have been enacted in South Africa that enhance the rights of employees and have imposed additional costs on the gold mining industry.

Significant labor disputes and work stoppages in the gold mining industry may adversely affect the price of gold, the rand/dollar exchange rate, and the operations and financial condition of companies within the gold mining industry. In addition, the cost of compliance with labor laws may reduce the net profit of such companies. Accordingly, the Funds' investment in such companies may be affected.

The incidence of HIV/AIDS in South Africa could pose a risk to companies in which the Funds invest. The exact impact of HIV/AIDS on the cost of conducting business in South Africa and the potential growth of the South African economy is unclear at this time. However, the incidence of HIV/AIDS infections and HIV/AIDS related diseases is expected to reduce productivity and increase employee related costs in South Africa, which may adversely impact on the operations of companies in which the Funds invest.

Foreign Regulatory Environment

Companies in South Africa are subject to accounting, auditing, and financial standards and requirements that closely follow those prescribed by United Kingdom authorities. Although these standards are rigorous, they differ from those applicable to U.S. companies, and therefore the assets, liabilities, and profits of South African companies, as reported in their financial statements, may not be the same as would be reflected if the statements had been prepared in accordance with U.S. generally accepted accounting principles.

It may be said that in South Africa there is less government supervision and regulation of South African securities exchanges, underwriters, brokers, dealers, and listed companies than exist in the United States. The JSE Securities Exchange South Africa, on which most of the securities in ASA's and ASAB's portfolios are and will be, respectively, listed, is governed by a statute that regulates the operation not only of the exchange but also of its members and individual stockbrokers. The regulatory powers contained in this statute are enforceable in the South African courts.

There is less publicly available information about South African registered companies than about U.S. companies. As a result, the successful management of the Funds' portfolios may be more dependent upon the skills and expertise of its portfolio manager than is the case for investment companies that invest primarily in U.S. companies, because the comparative lack of information requires greater diligence by the portfolio manager in original research and careful evaluation of available information.

The mining legislation to which South African mining companies are subject has been replaced by the South African Mineral and Petroleum Resources Development Act No. 28 of 2002 ("MDA"), which came into effect on May 1, 2004. The broad objectives of the MDA and the Mining Charter issued pursuant to the MDA are to facilitate participation of historically disadvantaged South Africans in the mining industry and to ensure that unexploited minerals are profitably mined. To give effect to these objectives, the right to prospect and mine for minerals, which was previously based on a system of private ownership, will now vest in the South African government, which will grant prospecting and mining rights to applicants who are able to comply with various stipulated criteria, which include criteria relating to black economic empowerment and social and economic improvement. The principles contained in the Mining Charter relate to the transfer of 26% of South Africa's mining assets to historically disadvantaged South Africans over a ten-year period.

The transitional provisions of the MDA facilitate the conversion of current prospecting and mining rights to the new form of rights contemplated by the MDA. Conversion applicants will also have to demonstrate how they intend complying with the MDA's empowerment criteria within a maximum period of five years from May 1, 2004. If the South African companies in which ASA has invested, and ASAB will invest, fail to comply with the conversion criteria stipulated in the MDA, then these companies will forfeit their right to mine in South Africa.

The MDA also makes provision for prospecting fees and mining royalties that will become payable to the South African government in return for the new form of prospecting or mining right. The details of these royalty payments will be set out in further legislation to be known as the Mineral and Petroleum Royalty Act. A draft bill of this legislation was earlier released for public comment and is in the process of being redrafted by the South African National Treasury Department. The exact effect of this legislation is unknown at this time.

The compliance costs incurred in acquiring or converting prospecting and mining rights in South Africa and the additional costs that may be incurred in paying the proposed mining royalties could adversely affect the profitability of the Funds' South African investments.

South African Companies in which the Funds invest are subject to extensive environmental regulation and may incur significant costs in complying with current and new legislation, which could affect their profitability and financial condition.

Enforcement of Liabilities

Due to differences in legal systems and difficulties in obtaining jurisdiction over non-U.S. residents, an investor may have more difficulty enforcing the civil liabilities provisions of the U.S. securities laws against non-U.S. companies and their non-U.S. resident directors. However, these risks of enforcement difficulties are significantly reduced in relation to the Funds, which are foreign investment companies permitted to register under the 1940 Act pursuant to SEC orders. As a condition to obtaining its respective order, each Fund undertook certain measures to make it legally and practically feasible for its shareholders to enforce liabilities against it and its non-U.S. directors and officers. See "Management – Board of Directors" and "Management – Custodians."

Closed-End Funds

The Funds are closed-end investment companies registered under the 1940 Act the shares of which are or will be listed on the NYSE. Shares of closed-end investment companies frequently trade at a discount from net asset value. This characteristic of shares of a closed-end investment company is a risk separate and distinct from the risk that a Fund's net asset value will decrease.

THE PROPOSED TRANSACTION

The Reorganization

ASA proposes to move from South Africa to Bermuda by reorganizing itself into ASAB, an exempted limited liability company newly formed in Bermuda. If the Reorganization is approved by shareholders, ASA will, pursuant to the Plan, transfer all of its assets to ASAB in exchange solely for shares of ASAB equal to the number of ASA shares outstanding on the Closing Date and the assumption by ASAB of all of ASA's liabilities. Immediately thereafter, ASA will distribute to each of its shareholders one ASAB share for each ASA share the shareholder holds on the Closing Date. As soon as is practicable after this distribution, ASA will be wound-up and dissolved. Upon completion of the Reorganization, each ASA shareholder will own ASAB shares equal in number and aggregate net asset value to his or her ASA shares.

All expenses of the Reorganization will be assumed by ASAB, including the expenses associated with the termination of ASA, which might not be completed until several months after the Reorganization.

Reasons for the Reorganization

ASA seeks to change its country of incorporation from South Africa to Bermuda because of certain taxes ASA recently became subject to, or will soon be subject to, in South Africa. Currently, ASA is subject to South African tax on its income from interest and foreign dividends. Interest received on funds held on deposit in South Africa is taxed at a rate of 30%. Beginning with the fiscal year ended November 30, 2002, interest received on funds invested outside of South Africa also became subject to a 30% tax. In addition, certain dividends received from investments outside of South Africa are subject to tax at the rate of 30%.

In addition to the foregoing taxes, effective December 1, 2004, ASA will become subject to certain other taxes in South Africa. Since 1958, ASA has operated under an exemption from certain taxes pursuant to Section 10(1)(s) of the South African Income Tax Act, No. 58 of 1962 ("Income Tax Act"). Due to changes in South Africa's tax law, including the repeal of Section 10(1)(s), that exemption will end on November 30, 2004. The additional taxes to which ASA will become subject as a result of the repeal of Section 10(1)(s), and their impact on ASA and its shareholders, will be substantial but cannot at this time be determined with absolute accuracy. The potential tax liability will only arise at such time as ASA consummates a transaction that falls within the Capital Gains Tax ("CGT") and the Secondary Tax on Companies ("STC") provisions of the Income Tax Act.

Because of these tax issues, the Board considered the feasibility of moving ASA from South Africa to another country. Although initial consideration was given to relocation in the United States, the Board concluded that such a relocation would entail significant adverse tax consequences. The Board also considered relocation to Canada, but it became apparent that such a move would not be feasible due to a variety of structural and operational issues. Accordingly, the Board determined that a move to Bermuda presented the most satisfactory alternative, due to the absence of the types of taxes to which ASA would be subject in South Africa, the nonrecognition of gain to shareholders, and the sophistication of the Bermudian legal system. A Bermuda company pays no corporate taxes other than annual government dues, which are assessed on the basis of a company's capitalization. In addition, Bermuda is "fiscally neutral" to investment companies in the sense of having no tax applicable to the establishment and operation of investment companies.

Description of Securities to be Issued

ASAB is registered with the SEC as a diversified closed-end management investment company. Its authorized capital consists solely of common shares. One ASAB common share will be distributed to ASA shareholders for each ASA share held as of the Closing Date. Each ASAB share will have an equal right to participate in any dividend declared and, in the event of dissolution, in the assets of ASAB after payment of its debts. All ASAB shares will be fully paid and non-assessable and will have no preemptive rights or conversion privileges.

Federal Income Tax Considerations

If ASA reincorporates in Bermuda, its shareholders should not suffer any adverse federal tax consequences as a result thereof or on the exchange of their ASA shares for ASAB shares, as discussed below.

A corporation's "mere change in identity, form, or place of organization" (a so-called "shell" or "F" reorganization) generally results in nonrecognition of gain or loss for both the corporation and its shareholders. Although section 367(a)(1) of the Internal Revenue Code of 1986, as amended ("Code"), makes this nonrecognition rule inapplicable to a reorganization involving a foreign corporation under certain circumstances, that section generally does not apply to the transfer of stock of a foreign corporation that is party to a reorganization (as ASA would be). Moreover, the income tax regulations ("Regulations") under that section generally provide that if a U.S. person exchanges stock of a foreign corporation in an F reorganization, the exchange is not subject to section 367(a). In that case, therefore, the nonrecognition rule normally applicable to an F reorganization would apply.

ASA is a passive foreign investment company ("PFIC") for U.S. federal income tax purposes. (*See* "Taxes - U.S. Federal Income Tax Considerations" below for a discussion of the consequences of that characterization.) Section 367 and the Regulations thereunder, however, do not expressly address the PFIC rules. Under those rules, gain on a direct or indirect disposition of PFIC stock that otherwise would not be fully recognized (such as in an F reorganization) nevertheless must be recognized, to the extent provided in Regulations. However, not only do neither final nor proposed Regulations provide for such recognition, but proposed Regulations carve out two specific exceptions to this override of nonrecognition provisions, one of which applies specifically to F reorganizations. Accordingly, ASA and ASAB believe that ASA and its shareholders should not be denied nonrecognition of gain treatment on the reincorporation in Bermuda, and ASA will receive an opinion from U.S. counsel substantially to that effect.

South African Tax Consequences

As discussed above, if ASA reorganizes on or before November 30, 2004, it should not be subject to the CGT or STC in respect of the Reorganization. However, ASAB may be subject to Transfer Duty in South Africa. If payable, that duty would be assessed at the rate of 0.25% of the value of ASA's South African portfolio holdings, which had a value of \$299,502,438 as of August 31, 2004. If the Reorganization had occurred on that date and the transfer of ASA's assets was subject to Transfer Duty, the liability therefor would have been approximately \$748,756.

Shareholder Rights

The following is a summary of the major differences between the governing documents and laws applicable to ASA and ASAB.

Description of Shares

ASA's authorized share capital is 6 million rand, divided into 24 million ordinary shares with a par value of 0.25 rand each. ASA's issued share capital is 2.4 million rand, divided into 9,600,000 ordinary shares. Its share premium is 19,636,586 rand. All of ASA's issued shares rank equally with each other and are fully paid. ASA may not, except by a special resolution of its shareholders, increase its capital by the creation of new shares, authorize or issue any securities senior in preference to its ordinary shares, or reduce its capital. Any new shares created by special resolution must be issued on such terms and conditions as the special resolution directs or, if the special resolution so directs, as the directors may determine.

ASAB's current authorized share capital is \$30,000,000, divided into 30,000,000 ordinary shares with a par value of \$1.00 each. The approval of ASAB's shareholders is required for any increase in its authorized share capital. Shares of ASAB may be issued with preferred, deferred, qualified, or other special rights or restrictions in regard to dividend, voting, return of capital, or otherwise, as ASAB's shareholders or Board of Directors ("ASAB Board") may determine.

Shareholder Meetings

ASA is required to hold an annual general meeting at least once each calendar year, not more than thirteen months after the last annual general meeting and not more than nine months after the end of its fiscal year.

The Chairman of the Board, the Treasurer, or the directors may convene a shareholder meeting whenever he or they think fit and must do so at the request of at least 100 shareholders or the holders of at least 5% of the issued shares of ASA. Each shareholder present at a meeting in person or by proxy is entitled to one vote for each share held. All matters other than those requiring a specified majority may be decided by a simple majority of votes of shareholders present in person or by proxy. All meetings are held in the United States.

The ASAB Board is required to hold an annual general meeting and may convene special general meetings when and as required. Unless otherwise required by the 1940 Act, the Bermuda Companies Act of 1981 (“Bermuda Companies Act”), or ASAB’s Bye-Laws, decisions to be made by ASAB’s shareholders will be made by a simple majority of shareholders present and voting at a meeting. Other than the removal of directors or auditors, any action that may be taken at a shareholder meeting may be done by written resolution signed by all shareholders or their proxies. All shareholder meetings will be held in the United States.

Quorums

ASA’s Articles of Association provide that a quorum at general meetings of shareholders is three shareholders entitled to vote, personally present or, in the case of a corporation, represented. If a quorum is not present, the meeting will be adjourned to the same day in the next week at the same time and place or to any other day, time, and place as the directors by notice designate. However, if the meeting has been called at the request of shareholders, the meeting shall be dissolved if a quorum is not present within half an hour of the designated time.

At least one shareholder present in person or by proxy and entitled to vote shall constitute a quorum for any general meeting of ASAB’s shareholders. If a quorum is not present, the meeting will be adjourned to such other day, time, and place as the chairman of the meeting may determine.

Notice of Meetings

For ASA, notice of at least 21 “clear days” (*i.e.*, days that do not include the day on which notice is given and the day on which the meeting is held) is required for annual general meetings and for meetings at which a special resolution is to be proposed. At least fourteen clear days’ notice is required for all other general meetings. Shorter notice may be given if agreed by a majority in number of shareholders entitled to attend and vote at the meeting who hold 95% of the total voting rights, and notice need not be given if agreed to in writing by all shareholders.

For ASAB, written notice of not less than five clear days is required for annual general meetings and special meetings. Shorter notice may be provided in the case of an annual general meeting if all shareholders entitled to attend and vote agree, or, in the case of any other meeting, if a majority of all shareholders entitled to attend and vote at the meeting and holding in the aggregate not less than 95% in nominal value of shares entitled to vote agree.

Number of Directors

ASA must have not less than five and not more than fifteen directors, unless otherwise determined by a special resolution of shareholders. The total number of directors to hold office at any time is fixed from time to time by the Board. At least a majority of the directors of ASA must at all times be citizens and residents of the United States.

ASAB must have not less than two and not more than fifteen directors (or such greater number as the shareholders may determine by resolution). At least a majority of the directors of ASAB must at all times be citizens and residents of the United States.

Removal of Directors

ASA shareholders may, by ordinary resolution at a meeting called for the purpose, remove a director before the expiration of his period of office. Special notice must be given of any proposed resolution to remove a director, and the director is entitled to make written representations with respect to his removal, which must be sent to shareholders prior to the shareholder meeting, and to be heard at the meeting.

ASAB shareholders may, in a meeting called for the purpose, remove a director, provided notice of any such meeting is served upon the director concerned not less than fourteen days before the meeting. The director is entitled to be heard at the meeting.

Shareholders' Liability

Under the South African Companies Act No. 61 of 1973 ("SA Companies Act"), ASA is a distinct legal entity, with an existence separate from that of its shareholders. Accordingly, the liabilities of ASA are those of the company and not those of its shareholders.

Shareholders who are not also directors, officers, agents, or employees of ASAB are not liable for its liabilities.

Director Indemnification

ASA's Articles of Association provide for the indemnification of each director by ASA for all liability incurred as a director in defending any civil or criminal proceedings in which he is acquitted, subject to the requirements of the 1940 Act or the SA Companies Act. ASA's articles also require it to indemnify each director against any costs, expenses, and liabilities that may be imposed on or reasonably incurred by him as a result of his being (or having been) a director of ASA. However, this indemnification does not protect a director against any liability to ASA or its shareholders arising from a violation of the U.S. securities laws, including the 1940 Act and the rules and regulations thereunder, from any liability relating to agreements or undertakings entered into or at the direction of the SEC, or from the director's willful misfeasance, bad faith, gross negligence, or reckless disregard of his duties as a director. In addition, the SA Companies Act provides that any provision in a company's articles of association that exempts a director from or indemnifies him against any liability for any negligence, default, breach of duty, or breach of trust of which he may be guilty shall be void, but this provision does not apply to insurance obtained by a company with respect to such actions.

The Bermuda Companies Act allows a company, through its bye-laws or a contractual or other arrangement with a director, to exempt the director from, or indemnify him against, any loss arising, or liability attaching to him, by any rule of law with respect to any negligence, default, breach of duty, or breach of trust of which the director may be guilty in relation to the company. However, no contract or arrangement may indemnify a director if such liability would attach as a result of any fraud or dishonesty on the part of the director. The Bermuda Companies Act also allows a company to indemnify a director against any liability incurred in defending any proceeding in which judgment is given in his favor or in which he is acquitted or granted relief by the court or with respect to any loss attaching to him as a result of any negligence, default, breach of duty, or breach of trust.

The Bye-Laws of ASAB provide for the indemnification of its directors for liabilities (including legal fees) arising from their activities in the conduct of ASAB's business. However, this indemnification does not extend to violations of the U.S. securities laws or to matters arising from the director's willful misfeasance, bad faith, gross negligence, or reckless disregard of the duties of his office, nor does it extend to matters that are contrary to the provisions of the Bermuda Companies Act or matters in which the indemnified person is not successful on the merits.

Personal Liability of Directors and Officers

Under the SA Companies Act, a court may declare that a director or officer who was knowingly a party to the carrying on of the business of ASA recklessly or with an intent to defraud creditors of ASA or of any other person or for any fraudulent purpose, shall be personally responsible, without any limitation of liability, for some or all of ASA's debts or other liabilities. If directors fail to appoint an auditor within the required time periods, they may be jointly and severally liable for all debts incurred by ASA in the absence of an auditor. In addition, if any director or officer signs or authorizes on behalf of ASA any check that does not mention ASA's name, the director or officer will be liable to the holder of the instrument unless it is paid by ASA.

ASA may proceed against its directors personally for acting beyond their authority and in breach of their fiduciary duties. In exceptional circumstances, ASA's shareholders may enforce these duties on behalf of ASA by means of a derivative action. ASA's Articles of Association provide that, subject to the requirements of the SA Companies Act or Section 17(h) of the 1940 Act, no director shall be liable for the acts or defaults of any other director or officer of ASA, for any loss resulting from any shortfall of any investment security, for any loss arising from the bankruptcy or wrongdoings of those with whom any money or securities have been deposited, for any loss caused by any error of judgment or oversight on his part, or for any other loss occurring through the performance of his duties, unless the loss resulted from his own negligence or dishonesty.

If a claim against an officer or director of ASAB falls outside the indemnification discussed above, the Bermuda Companies Act permits ASAB to indemnify the officer or director only if he is acquitted. Accordingly, a director who is found guilty of any violation of the U.S. securities laws or ASAB's SEC order, fraud, or dishonesty may be personally liable to ASAB or its shareholders.

Winding-Up

ASA may be wound-up voluntarily or by order of court. A voluntary winding-up would be initiated by the adoption of a special resolution by ASA's shareholders. In winding-up ASA, its assets would be applied to payment of the expenses incurred in the winding-up and the claims of creditors. Any surplus assets would be distributed by the liquidator among ASA's shareholders in proportion to the nominal value of their shares. When ASA's affairs had been completely wound up, ASA would be dissolved and its existence as a legal entity would be terminated.

If ASAB were to be wound up, the liquidator may, with shareholder approval and any other approval required under the Bermuda Companies Act, divide ASAB's assets among its shareholders in cash or in kind. In so doing, the liquidator may determine the fair value of the property to be divided and may decide how the property should be divided among the shareholders. No shareholder is required to accept any asset subject to any liability.

Amendment to Governing Documents

ASA's governing documents can be amended only by shareholder approval by way of special resolution together with registration of such special resolution. If the amendment of ASA's governing documents involves a change in the nature of its business from that of an investment company, a change from a closed-end company to an open-end company or from a non-diversified company to a diversified company, a deviation from its policy relating to the concentration of its investments in any particular industry or group of industries, or a deviation from any of its fundamental policies (each, a "Fundamental Change"), the change will also require approval by the vote of the lesser of (1) more than 50% of the outstanding voting securities of ASA or (2) 67% or more of the outstanding voting securities of ASA at a shareholder meeting, if the holders or more than 50% of the outstanding voting securities are present in person or by proxy (a "1940 Act Vote"). As long as ASA is registered as an investment company, its governing documents may not be changed without the authorization of the SEC in any manner inconsistent with the 1940 Act, the rules and regulations thereunder, and the undertakings and arrangements entered into with the SEC.

ASAB's Bye-Laws may be amended by resolution of the ASAB Board, subject to approval by its shareholders. To alter ASAB's Memorandum of Association, a general meeting of shareholders must be held to approve the proposed changes and pass a recommendation to accept the directors' recommendation to amend the Memorandum of Association in the form presented to the shareholders. If the amendment of ASAB's governing documents involves a Fundamental Change, the change will also require approval by a 1940 Act Vote. Under the Bermuda Companies Act, shareholders holding at least 20% of a company's issued share capital can apply to a court for annulment of any alteration. Accordingly, approval of an amendment by at least 80% of ASAB's issued share capital will allow filing of the alteration. As long as ASAB is registered as an investment company, its governing documents may not be changed without the authorization of the SEC in any manner inconsistent with the 1940 Act, the rules and regulations thereunder, and the undertakings and arrangements entered into with the SEC.

The foregoing is only a summary of certain rights of shareholders under the Funds' governing documents and laws and is not a complete description of provisions contained in those sources. Shareholders should refer to the provisions of those documents and laws directly for a more thorough description.

Capitalization

The following table (which is unaudited) sets forth the capitalization of ASA as of May 31, 2004, and ASAB on a *pro forma* combined basis as of that date, giving effect to the proposed Reorganization. ASAB has not had any investment operations of its own as of the date of this Proxy Statement. Accordingly, ASAB's capitalization immediately after the Reorganization will be equivalent to ASA's capitalization immediately before the Reorganization, as reflected in the table below.

	<u>ASA</u>	<u>ASAB (Pro Forma)(1)</u>
Net Assets (000)	\$412,376	\$417,890
Net Asset Value per share	\$42.96	\$43.53
Shares Outstanding (000)	9,600	9,600

⁽¹⁾ If the reorganization is completed by November 30, 2004, the deferred tax liability for South African CGT will be eliminated and the deferred tax liability will be reversed, which will result in an increase to unrealized appreciation on investments in the financial statements. As of May 31, 2004, the financial statements reflected a CGT liability of \$5,530,941. As of August 31, 2004, the financial statements reflected a CGT liability of \$6,830,581.

INFORMATION ABOUT THE FUNDS

Financial Highlights

The financial highlights tables are intended to help you understand the financial performance of ASA. The financial information in the first table below is for the annual period ended November 30, 2003 and the financial information in the second table below is for the semi-annual period ended May 31, 2004. The information has been derived from the financial statements of ASA, and it has been audited by Ernst & Young LLP, New York, New York, independent registered public accounting firm, and Ernst & Young, Johannesburg, South Africa, independent accountants for ASA, whose reports thereon are included in the Annual Report and the Semi-Annual Report. ASA's financial statements for the same periods are included in the Reorganization SAI. Certain information reflects financial results for a single ASA share. The total returns in the tables represent the rate that a shareholder would have earned (or lost) on an investment in ASA (assuming the reinvestment of dividends). The information should be read in conjunction with the financial statements in the Reorganization SAI.

Fiscal Year Ended November 30, 2003

	Year Ended November 30				
	2003	2002	2001	2000	1999
Per Share Operating Performance					
Net asset value, beginning of year	\$33.48	\$21.97	\$17.58	\$22.51	\$19.01
Net investment income	.84	.85	1.00	.61	.58
Net realized gain from investments	—	.51	3.05	1.00	.62
Net realized gain (loss) from foreign currency transactions	.32	(1.13)	(.24)	(1.02)	(.95)
Net increase (decrease) in unrealized appreciation on investments	17.76	11.84	1.40	(4.88)	3.84
Net unrealized appreciation (depreciation) on translation of assets and liabilities in foreign currency	(.06)	.24	(.02)	(.04)	.01
Net increase (decrease) in net assets resulting from operations	18.86	12.31	5.19	(4.33)	4.10
Less dividends	(.80)	(.80)	(.80)	(.60)	(.60)
Net asset value, end of year	\$51.54	\$33.48	\$21.97	\$17.58	\$22.51
Market value per share, end of year	\$47.16	\$30.06	\$19.83	\$14.56	\$19.125
Total Investment Return (1)					
Based on market value per share	59.91%	55.72%	41.76%	(21.06%)	3.44%
Ratios to Average Net Assets(1)					
Expenses	.84%	.91%	1.10%	1.15%	1.13%
Net investment income	2.09%	2.63%	4.61%	3.06%	3.02%
Supplemental Data					
Net assets, end of year (000 omitted)	\$494,784	\$321,423	\$210,944	\$168,726	\$216,051
Portfolio turnover rate	—	4.41%	11.18%	7.43%	6.66%

Per share calculations are based on the 9,600,000 shares outstanding.

(1) Determined in U.S. dollar terms.

Supplementary information

Years ended November 30, 2003 and 2002

Certain fees incurred by ASA	2003	2002
Directors' fees	\$288,500	\$220,000
Officers' remuneration	500,220	285,018
Ranquin Associates (a company of which an officer is an affiliated person)	37,800	35,000
Auditors	110,000	50,000

Six Months Ended May 31, 2004

	Six Months Ended May 31		Year Ended November 30				
	2004	2003	2003	2002	2001	2000	1999
Per Share Operating Performance							
Net asset value, beginning of year	\$51.54	\$33.48	\$33.48	\$21.97	\$17.58	\$22.51	\$19.01
Net investment income	.20	.52	.84	.85	1.00	.61	.58
Net realized gain from investments	.73	—	—	.51	3.05	1.00	.62
Net realized gain (loss) from foreign currency transactions	(.71)	.14	.32	(1.13)	(.24)	(1.02)	(.95)
Net increase (decrease) in unrealized appreciation on investments	(8.49)	2.46	17.76	11.84	1.40	(4.88)	3.84
Net unrealized appreciation (depreciation) on translation of assets and liabilities in foreign currency	(.01)	(.08)	(.06)	.24	(.02)	(.04)	.01
Net increase (decrease) in net assets resulting from operations	(8.28)	3.04	18.86	12.31	5.19	(4.33)	4.10
Less dividends	(.30)	(.30)	(.80)	(.80)	(.80)	(.60)	(.60)
Net asset value, end of year	\$42.96	\$36.22	\$51.54	\$33.48	\$21.97	\$17.58	\$22.51
Market value per share, end of year	\$37.64	\$35.90	\$47.16	\$30.06	\$19.83	\$14.56	\$19.125
Total Investment Return (1)							
Based on market value per share	(19.59%)	20.39%	59.91%	55.72%	41.76%	(21.06%)	3.44%
Ratios to Average Net Assets(1)(2)							
Expenses	.71%	.86%	.84%	.91%	1.10%	1.15%	1.13%
Net investment income	.86%	2.82%	2.09%	2.63%	4.61%	3.06%	3.02%
Supplemental Data							
Net assets, end of year (000 omitted)	\$412,376	\$347,755	\$494,784	\$321,423	\$210,944	\$168,726	\$216,051
Portfolio turnover rate	1.60%	—	—	4.41%	11.18%	7.43%	6.66%

Per share calculations are based on the 9,600,000 shares outstanding.

(1) Determined in U.S. dollar terms.

(2) Annualized for the six months ended May 31, 2004 and May 31, 2003.

Supplementary information

Six months ended May 31, 2004 and 2003

Certain fees incurred by ASA	2004	2003
Directors' fees	\$148,000	\$149,500
Officers' remuneration	266,790	249,125
Ranquin Associates (a company of which an officer is an affiliated person)	20,400	18,800
Auditors	49,000	70,000

General Description

ASA was organized as a public limited liability company in South Africa in June 1958. ASA is a diversified closed-end management investment company registered with the SEC pursuant to a 1958 order under Section 7(d) of the 1940 Act.

ASAB is an exempted limited liability company organized in Bermuda on April 29, 2003. ASAB is a diversified closed-end management investment company registered with the SEC pursuant to a 2004 order under Section 7(d) of the 1940 Act. ASAB was organized to facilitate the reincorporation of ASA in Bermuda.

Investment Policies

Fundamental Policies. The following investment policies of ASA are fundamental and may not be changed without shareholder action. The investment policies of ASAB are the same as those of ASA.

(a) General. It is the policy of ASA to invest over 50% of the value of its total assets in the common shares or securities convertible into common shares of companies conducting, as the major portion of their business, gold mining and related activities in South Africa. It is expected that most of such companies will have reached the production stage. The balance of ASA's total assets, other than minor amounts that may be held in cash, may be (i) invested in common shares or securities convertible into common shares of companies engaged in other businesses of varied types in South Africa, (ii) held in the form of gold bullion or certificates of deposit therefor to be purchased, directly or indirectly, with South African rand (provided that ASA's holdings in the form of gold bullion or certificates of deposit therefor may not exceed 25% of the value of its total assets), and/or (iii) invested in common shares or securities convertible into common shares of companies primarily engaged outside of South Africa in extractive or related industries or in the holding or development of real estate (provided that ASA's investment in such companies may not exceed 20% of the value of its total assets).

If investment opportunities deemed by ASA to be attractive are not available in the types of securities referred to in the preceding paragraph, ASA may deviate from the investment objectives and techniques outlined in that paragraph and make temporary investments of unlimited amounts in securities issued or guaranteed by the Government of South Africa or any instrumentality thereof, or it may liquidate its investments and temporarily retain the proceeds in South African rand. Such proceeds may also be temporarily retained in U.S. dollars subject to ASA's ability to obtain dollars under exchange control regulations and the limitations contained in ASA's agreement with, and letter from, the South African Reserve Bank dated July 18, 1958.

(b) Fundamental Policies. The following are fundamental investment policies of ASA that may not be changed without shareholder approval:

(1) Issuance of Senior Securities. It is the policy of ASA not to issue any class of senior securities (debt obligations or preferred stock), except that ASA may issue senior securities representing indebtedness payable in money of any currency, in any amount and on any terms that the Board may deem advisable, provided that no such senior securities shall (a) result in ASA's total indebtedness for borrowed money immediately after such issue having an asset coverage of less than 300% (securities listed on the JSE Securities Exchange South Africa to be valued for this purpose at their then current market value on such exchange) or (b) be secured by the pledge, mortgage or hypothecation of any of ASA's assets.

(2) Short Sales, Purchases on Margin and Put and Call Options. It is the policy of ASA not to purchase any securities on margin or sell any securities short.

(3) Borrowing Money. It is the policy of ASA to borrow money of any currency, in any amount and on any terms that the Board may deem advisable, provided that no such borrowing shall (a) result in ASA's total indebtedness for borrowed money immediately after such borrowing having an asset coverage of less than 300% (securities listed on the JSE Securities Exchange South Africa to be valued for this purpose at their then current market value on such exchange) or (b) be secured by the pledge, mortgage or hypothecation of any of ASA's assets.

(4) Underwriting Securities of Other Issuers. It is the policy of ASA not to make any commitment in respect of any underwriting of securities, or in any participation in any such underwriting, that could or would, through joint

obligations or by reason of defaults on the part of other participants, involve the assets of ASA to an extent over and above prescribed and specific amounts intended or permitted to be acquired as an addition to portfolio holdings. Furthermore, ASA may not participate as an underwriter of securities in any underwriting that could result in ASA holding securities or amounts of securities not permitted by its investment restrictions.

(5) Concentration of Investments in a Particular Industry or Group of Industries. It is the policy of ASA to invest over 50% of the value of its total assets in the common shares or securities convertible to common shares of companies conducting, as the major portion of their business, gold mining and related activities in South Africa. It is expected that most of such companies will have reached the production stage.

(6) Purchase or Sale of Real Estate and Real Estate Mortgage Loans. It is the policy of ASA not to purchase or sell real estate except (a) to the extent necessary to provide it with an office for the transaction of its business and (b) that ASA may invest up to 20% of the value of its total assets in common shares or securities convertible into common shares of companies primarily engaged outside of South Africa in extractive or related industries or in the holding or development of real estate. ASA may not pledge, mortgage or hypothecate any of its assets.

(7) Purchase or Sale of Commodities or Commodity Contracts. It is the policy of ASA not to purchase or sell commodities or commodity contracts, except that ASA may hold up to 25% of the value of its total assets in the form of gold bullion or certificates of deposit therefor. ASA does not intend to deal in gold bullion.

(8) Loans. It is the policy of ASA not to lend its funds or other assets to any person, other than through the purchase, in accordance with its investment policies, of securities.

(9) Percentage of its Assets that ASA May Invest in the Securities of any One Issuer. It is the policy of ASA not to purchase the securities of any issuer if, immediately after and as a result of such purchase, the market value of such securities and all other securities of the same issuer owned by ASA exceed 20% of the value of ASA's total assets, determined in such manner as may be approved by the Board and applied on a consistent basis (subject to the limitations of Section 2(a)(41) of the 1940 Act), except securities issued or guaranteed by the Government of the Republic of South Africa or any instrumentality thereof; provided, however, that ASA may not purchase the securities of any issuer if, immediately after and as a result of such purchase, the market value of such securities and all other securities of the same issuer owned by ASA exceed 10% of the value of ASA's total assets, so determined, if either (a) such purchase will result in more than 40% of the value of those assets consisting of investments in companies each of which investments exceeds 10% of the value of those assets or (b) such 40% limitation is already exceeded.

(10) Percentage of Voting Securities of any One Issuer that ASA May Acquire. It is the policy of ASA not to purchase securities of any issuer if, immediately after and as a result of such purchase, ASA owns more than 10% of any class of outstanding securities of such issuer, except securities issued or guaranteed by the Government of South Africa or any instrumentality thereof.

(11) Investment in Securities of Other Investment Companies. It is the policy of ASA that it may purchase securities issued by another investment company otherwise than in the open market, but only within the limitations imposed by the 1940 Act.

(12) Investments of Cash. It is the policy of ASA to invest its cash in certificates of deposit issued by U.S. banks. ASA may also invest its funds in South African rand denominated accounts, which may be interest bearing, with an Eligible Foreign Custodian or an overseas branch of a Qualified U.S. Bank (as such terms are defined in the 1940 Act) located in South Africa, in an aggregate amount not exceeding 5% of the value of ASA's total assets.

(13) Purchases of Securities of New Issuers. It is the policy of ASA not to purchase the securities of any issuers that have a record of less than three years' continuous operation (such period to include the period of operation of any predecessor, if the issuer whose securities are proposed as an investment has come into existence as a result of a merger, consolidation, reorganization or the purchase of substantially all of the assets of such predecessor) if such purchase at the time thereof would cause more than 10% of the value of ASA's total assets to be invested in the securities of such issuers.

(14) Purchase of Securities Issued by Brokers, Dealers, Underwriters, Investment Advisers and Insurance Companies. It is the policy of ASA not to purchase or otherwise acquire any securities issued by brokers, dealers, underwriters or investment advisers or, except within the limitations imposed by the 1940 Act, any securities issued by insurance companies.

(15) Purchase of Securities of Certain Related Entities. It is the policy of ASA not to purchase or hold securities of any issuer any of whose officers, directors, trustees or security holders are also officers or directors of ASA if any one or more of such persons own beneficially more than 1/2 of 1% of the securities of that issuer and the persons owning more than 1/2 of 1% of such securities together own beneficially more than 5% of the securities of such securities of such issuer.

(16) Pledge or Mortgage of Assets. It is the policy of ASA not to pledge, mortgage or hypothecate any of its assets.

(17) Participation in Trading Account. It is the policy of ASA not to participate on a joint, or a joint and several, basis in any trading account in securities, except in connection with an underwriting in which ASA is a participant.

Share Price Data (unaudited)

The shares of ASAB have no history of public trading. However, shares of ASA trade on the NYSE. For the fiscal year ended November 30, 2003, trading in ASA's shares fluctuated between 5.4% above net asset value and 9.5% below net asset value. On September 23, 2004, the net asset value per share was \$46.69 and the market price per share was \$41.04. The following is a summary of public trading of ASA's shares:

Quarter Ended	Per Share					
	Net Asset Value		Market Price		Premium (Discount) to Net Asset Value	
	High	Low	High	Low	High	Low
8/31/02	41.16	29.94	40.44	24.72	(15.0)	(6.5)
11/30/02	38.28	31.58	35.01	27.50	(14.3)	(9.3)
2/28/03	42.45	36.31	42.85	29.31	1.5	(9.5)
5/31/03	37.48	32.61	38.92	31.76	5.4	(6.1)
8/31/03	44.56	36.25	44.13	35.20	3.0	(3.6)
11/30/03	51.54	44.57	48.00	40.13	(11.6)	(3.2)
2/29/04	52.15	46.34	47.85	41.00	(14.0)	(8.7)
5/31/04	50.48	38.28	43.68	33.47	(14.2)	(9.1)
8/31/04	45.22	38.94	39.38	33.15	(15.3)	(9.9)

MANAGEMENT

Board of Directors

The management of the business and control of ASA is vested in its Board, which has the power to make all decisions and to exercise or delegate all of the powers of ASA, pursuant to and in compliance with the SA Companies Act and the Articles of Association and by-laws of ASA.

The management of the business and control of ASAB is vested in its Board, which has the power to make all decisions and to exercise or delegate all of the powers of ASAB, pursuant to and in compliance with the Bermuda Companies Act and the Memorandum of Association and Bye-Laws of ASAB.

Ronald L. McCarthy, A. Michael Rosholt and James G. Inglis are all directors of ASA resident in South Africa and with most of their assets located in South Africa. ASA was permitted to register under the 1940 Act by an order of the SEC. As a condition of the order, a majority of ASA's board of directors and officers must be U.S. citizens and residents, and each director must enter into an agreement that provides, among other things, that the director agrees to consent to the jurisdiction of a U.S. court to enable ASA's shareholders to maintain actions against its directors and

officers for violations of its Articles or by-laws, the 1940 Act and the rules and regulations thereunder, and the agreements and undertakings contained in ASA's SEC order.

In addition, each non-U.S. director must irrevocably designate ASA's U.S. custodian as an agent in the United States to accept service of process. (See "Management – Custodians.") ASA and its officers and directors have also consented that full faith and credit be given by courts of South Africa to any final judgment or decree of a U.S. court in proceedings to enforce such judgment or decree.

Upon completion of the Reorganization, each of the directors and substantially the same officers of ASA will be directors and/or officers of ASAB. ASAB and its officers and directors will be subject to conditions and undertakings that are the same in all material respects to those of ASA's current SEC order.

Portfolio Management

ASA does not employ an outside investment adviser. Robert J.A. Irwin, Chairman, Treasurer and a director of ASA, is primarily responsible for the day-to-day management of ASA's portfolio. Following the Reorganization, Mr. Irwin will be primarily responsible for the day-to-day management of ASAB's portfolio. Mr. Irwin has been Chairman of the Board of ASA since 1993, a director of ASA since 1987, and Treasurer of ASA since 1999, and has been Chairman of the Board, Treasurer and a director of ASAB since its inception.

Administration

Ronald L. McCarthy acts as the Managing Director and South African Secretary of ASA. In these capacities, his duties include the daily maintenance of ASA's accounting records, the drafting of the monthly financial data for submission to ASA's management, the compilation of ASA's budgets and cash flow projections, the submission of ASA's monthly and annual statutory returns to the appropriate South African governmental authorities, and the maintenance of ASA's computer systems. For these services, Mr. McCarthy received a salary in fiscal year 2003 of approximately \$80,000.

Kaufman, Rossin & Co. PA, 2699 South Bayshore Drive, Miami, Florida provides accounting services for ASA. The duties of Kaufman Rossin include the daily maintenance of ASA's accounting records, determination of ASA's weekly net asset value, and the drafting of the monthly financial data for submission to the management of ASA. For its services to ASA, Kaufman Rossin received a fee in fiscal year 2003 of \$95,000. Kaufman Rossin will serve in a similar capacity for ASAB.

LGN Associates, P.O. Box 269, Florham Park, New Jersey 07932, provides shareholder services for ASA. In this capacity, LGN Associates prepares and distributes the interim and annual reports to shareholders, and provides weekly net asset value information to various financial services. LGN Associates also performs required administrative services and responds to inquiries from shareholders and other parties regarding ASA. For its services to ASA, LGN Associates received a fee in fiscal year 2003 of \$442,500. LGN Associates will serve in a similar capacity for ASAB.

Appleby Corporate Services (Bermuda) Ltd., ("Appleby") Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda, acts as the Registered Representative of ASAB in Bermuda. The duties of Appleby include discharging the duties set out in the Bermuda Companies Act, including acting as agent for the service of process in Bermuda.

Custodians

ASA's custodian is JPMorgan Chase Bank, located at 3 Chase MetroTech Center, Brooklyn, NY 11245. The Standard Bank of South Africa Limited, 5 Simmonds Street, Johannesburg, South Africa, serves as ASA's subcustodian in South Africa. ASA also is authorized to utilize subcustodians in the United Kingdom, Australia, Japan, Switzerland and Canada under certain circumstances. To date, ASA has not approved subcustodians in these countries.

ASAB's custodian will be JPMorgan Chase Bank, located at 3 Chase MetroTech Center, Brooklyn, NY 11245. After the Reorganization, ASAB's subcustodial arrangements will be the same as those of ASA.

Transfer Agent

EquiServe Trust Company, N.A. (“EquiServe”) 525 Washington Boulevard, Jersey City, NJ 07310, serves as transfer agent and dividend-paying agent for ASA. EquiServe also will serve as transfer agent and dividend paying agent for ASAB.

AUTHORIZED CAPITAL

Capital Stock

The capital stock of ASA consists solely of common shares. Each share entitles the holder to one vote for the election of directors and on all other matters. Each share has an equal right to participate in any dividend declared and, in the event of dissolution, in ASA’s assets after payment of its debts. Shares are fully paid and non-assessable. Shareholders have no preemptive rights or conversion privileges. The capital stock of ASAB also consists solely of common shares and is the same in all material respects to that of ASA.

	(1)	(2)	(3)	(4)
				Amount Outstanding Exclusive of Amount Shown Under (3)
	Title of Class	Amount Authorized	Amount Held by Fund for its Account	
ASA	Ordinary Shares - Par Value R0.25	24,000,000	0	9,600,000
ASAB	Ordinary Shares - Par Value US \$1.00	30,000,000	0	12,000

Dividend Reinvestment Plan

EquiServe has been engaged to offer a dividend reinvestment plan to ASA’s registered shareholders (“Dividend Plan”). Shareholders must elect to participate in the Dividend Plan by signing an authorization. The authorization appoints EquiServe as agent to apply to the purchase of ASA’s shares in the open market (1) all cash dividends (after deduction of the service charge described below) that become payable to such participant on ASA’s shares (including shares registered in his or her name and shares accumulated under the Dividend Plan) and (2) any voluntary cash payments (\$50 minimum, \$3,000 maximum per dividend period) received from such participant within 30 days prior to the then-current dividend’s payment date.

For the purpose of making purchases, EquiServe will commingle each participant’s funds with those of all other participants in the Dividend Plan. The price per share of shares purchased for each participant’s account shall be the average price (including brokerage commissions and any other costs of purchase) of all shares purchased in the open market with the funds available from that dividend and any voluntary cash payments being concurrently invested. Any stock dividends or split shares distributed on shares held in the Dividend Plan will be credited to the participant’s account.

For each participant, a service charge of 5% of the combined amount of the participant’s dividend and any voluntary cash payment being concurrently invested, up to a maximum charge of \$2.50 per participant, will be deducted (and paid to EquiServe) prior to the purchase of shares. Participant sales of shares held by EquiServe in the Dividend Plan are subject to a fee of \$10.00 plus applicable brokerage commissions deducted from the proceeds of the sale. Additional nominal fees are charged by EquiServe for specific Dividend Plan participant requests such as requests for information regarding share cost basis detail in excess of two prior years and for replacement Forms 1099 older than three years.

A participant may terminate participation in the Dividend Plan at any time by written instructions to EquiServe. Upon termination, a participant will receive (1) a certificate for the full shares credited to his or her account, unless he or she requests the sale of all or part of such shares, and (2) an amount equal to the current market value for any fractional shares then credited to the account.

Dividends a participant reinvests under the Dividend Plan will generally be treated for U.S. federal income tax purposes in the same manner as dividends paid to the participant in cash. The amount of the service charge is deductible for U.S. federal income tax purposes, subject to limitations. See “Taxes - U.S. Federal Income Tax Considerations” for more information regarding U.S. federal income tax consequences to shareholders of an investment in ASA shares, including the effect of its status as a PFIC.

A shareholder participating in the Dividend Plan may not hold his or her shares in a “street name” brokerage account.

Additional information regarding the Dividend Plan may be obtained from EquiServe Dividend Reinvestment Plan, 250 Royall Street, Canton, MA 02021. Information may also be obtained by calling EquiServe’s Shareholder Contact Center at (781) 575-2723 between 8:30 a.m. and 7 p.m., Eastern Time, Monday through Friday.

ASAB will offer its shareholders a dividend reinvestment plan identical to the Dividend Plan described above.

TAXES

U.S. Federal Income Tax Considerations

ASAB is organized as an exempted limited liability company under the laws of Bermuda; it will be classified for U.S. federal tax purposes as a corporation and will not elect to be classified otherwise. As a non-U.S. corporation, ASAB cannot qualify as a regulated investment company under the Code. Accordingly, any dividends ASAB pays will be taxable to its U.S. shareholders as ordinary income and, for corporate shareholders, will not qualify for the dividends-received deduction. In addition, because ASAB will be a PFIC, any dividends it pays to individual shareholders will not qualify for the 15% maximum federal income tax rate on “qualified dividend income” received by individuals (enacted under the Jobs and Growth Tax Relief Reconciliation Act of 2003).

For its taxable years December 1, 1963, through November 30, 1987, ASA was a “foreign investment company” for U.S. federal income tax purposes.⁴ As a result, a shareholder who held ASA shares during any part of those years will be subject to tax at ordinary income rates on any profit on a sale of the ASAB shares the shareholder receives pursuant to the Reorganization in exchange for those ASA shares, to the extent of the shareholder’s “ratable share” of ASA’s earnings and profits accumulated for the period in those years during which the shareholder held those ASA shares (“Share of E&P”). If such a shareholder’s profit on the sale of shares exceeds his or her Share of E&P, then, subject to the discussion below regarding ASA’s taxable years beginning after November 30, 1987, the shareholder will be subject to tax on the excess at long-term capital gain rates (generally, 15% for individual shareholders for sales of shares through taxable years beginning before 2009).

ASA became a PFIC on December 1, 1987. Shareholders of a PFIC are subject to highly complex tax rules with respect to gains on the disposition of PFIC stock, PFIC distributions and undistributed PFIC income. The manner in which these rules apply to a PFIC’s shareholder depends on whether the shareholder (1) elects to treat the PFIC as a “qualified electing fund” (a “QEF”) with respect to his or her PFIC shares, (2) for the shareholder’s taxable years beginning after December 31, 1997, elects to “mark-to-market” his or her PFIC shares as of the close of each taxable year, or (3) makes neither election.

⁴ Pursuant to the Reorganization, ASAB will succeed to ASA’s tax attributes for U.S. federal income tax purposes. Accordingly, all references in this section to ASA (such as with respect to periods pre-dating this Proxy Statement) include ASAB where the context permits or requires.

In general, if a shareholder does *not* make either election, any gain realized on the direct or indirect disposition of his or her PFIC shares would be treated as ordinary income. In addition, the shareholder would be subject to an “interest charge” on part of his or her tax liability with respect to that gain, as well as with respect to certain “excess distributions” the PFIC makes. Furthermore, a shareholder’s shares may be denied the benefit of any otherwise applicable increase in tax basis at death. Under proposed regulations, a “disposition” would include a U.S. taxpayer’s becoming a nonresident alien.

An “excess distribution” on a PFIC’s shares is a distribution the PFIC makes for a taxable year that is more than 125% of the average amount it distributed for the three preceding taxable years.⁵ If a PFIC makes an excess distribution in a taxable year, a shareholder who has not made a QEF or mark-to-market election would be required to allocate the excess amount ratably over the *entire* holding period for his or her shares. That allocation would result in tax being payable at the highest applicable rate in the prior years to which the distribution is allocated and interest charges being imposed on the resulting “underpayment” of taxes made in those years. In contrast, a distribution that is not an excess distribution would be taxable to a shareholder as a normal dividend (see above), with no interest charge.

If a shareholder elects to treat a PFIC as a QEF with respect to his or her interest therein for the first year he holds his or her shares during which the company is a PFIC (or who later makes a QEF election and also elects to treat his or her shares generally as if they were sold for their fair market value on the first day of the PFIC’s first taxable year for which the QEF election is effective), the rules described in the preceding paragraphs generally would not apply. Instead, the electing shareholder would include annually in his or her gross income his or her *pro rata* share of the PFIC’s ordinary earnings and net capital gain (the electing shareholder’s “QEF” inclusion), regardless of whether that income or gain was actually distributed. A shareholder who makes a valid QEF election will recognize capital gain on any profit from the actual sale of his or her PFIC shares held as capital assets, except to the extent of his or her Share of E&P.

Alternatively, if a shareholder makes a mark-to-market election with respect to PFIC shares for taxable years beginning on or after January 1, 1998, the shareholder would be required annually to report any unrealized gain with respect to those shares as ordinary income, and any unrealized loss would be permitted as an ordinary loss, but only to the extent of previous inclusions of ordinary income. Any gain the electing shareholder subsequently realizes on a disposition of those shares also would be treated as ordinary income, but the shareholder would not be subject to an interest charge on the resulting tax liability. Special rules apply to a shareholder that held PFIC shares prior to the first taxable year for which a mark-to-market election was effective.

A shareholder with a valid QEF election in effect will not be taxed on any distributions the PFIC makes to the extent of any QEF inclusions, but any distributions out of accumulated earnings and profits in excess thereof will be treated as taxable dividends. A shareholder would increase the tax basis in the PFIC shares by the amount of any QEF inclusions and reduce that basis by any distributions to him or her that are not taxable as described in the preceding sentence. Special rules apply to shareholders who make a QEF election and wish to defer the payment of tax on their annual QEF inclusions.

Each shareholder who desires QEF treatment must individually elect that treatment. A QEF election must be made for the shareholder’s taxable year in which or with which the PFIC’s taxable year ends and must be made by the due date, with extensions, of the shareholder’s U.S. federal income tax return for the taxable year for which the election is to apply. A QEF election is effective for the shareholder’s taxable year for which it is made and all subsequent taxable years and may not be revoked without the consent of the Internal Revenue Service. Under U.S. Treasury Department regulations, a QEF election is made on Internal Revenue Service Form 8621, which must be completed and attached to a timely filed income tax return in which the shareholder reports his or her QEF inclusion for the year to which the election applies. To allow shareholders to make QEF elections and to comply with the applicable annual reporting requirements, ASAB annually will provide to them a “PFIC Annual Information Statement” containing certain information required by those regulations.

Special rules apply to U.S. persons who hold ASAB shares through intermediate entities or persons and to shareholders who directly or indirectly pledge their shares, including those in a margin account.

⁵ For example, ASA made distributions of \$.80 per share during each of the taxable years ended November 30, 2003, 2002, and 2001. Accordingly, any distributions for the taxable year ending November 30, 2004, aggregating more than \$1.00 per share (125% of \$.80) would be treated as an excess distribution. (All amounts are in U.S. currency.)

Ordinarily, the tax basis a transferee of property obtains on the death of the property's owner is adjusted to the property's fair market value on the date of death (or alternate valuation date). If a shareholder dies owning PFIC shares with respect to which he or she did not elect QEF treatment (or elected such treatment after the first year in which he or she owned shares in which the company was a PFIC and did not elect to recognize gain as described above), the transferee of those shares will not be entitled to adjust the tax basis therein. In that case, the transferee generally will take a basis in the shares equal to the shareholder's basis therein immediately before his or her death. If a shareholder dies owning PFIC shares for which a valid QEF election was in effect for all taxable years in the shareholder's holding period during which the company was a PFIC (or the shareholder elected to treat the shares as if sold on the first day of the company's first taxable year for which the QEF election was effective), then the basis increase generally will be available unless the holding period for his or her shares began on or before November 30, 1987. In the latter case, any otherwise applicable basis increase generally will be reduced to the extent of the shareholder's Share of E&P.

DUE TO THE COMPLEXITY OF THE APPLICABLE TAX RULES, SHAREHOLDERS ARE STRONGLY URGED TO CONSULT THEIR OWN TAX ADVISERS CONCERNING THE IMPACT OF THESE RULES ON THEIR INVESTMENT IN ASAB AND ON THEIR INDIVIDUAL SITUATIONS.

Bermuda Tax Considerations

At the date of this disclosure, there is no Bermuda income, corporation or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty, or inheritance tax payable by ASAB or its shareholders, other than any shareholders ordinarily resident in Bermuda. ASAB is not subject to stamp duty on the issue, transfer, or redemption of its shares.

ASAB has applied for and received an undertaking from the Minister of Finance of Bermuda dated May 5, 2003, under the Exempted Undertakings Tax Protection Act, 1966, as amended, that if there is enacted in Bermuda any legislation imposing any (1) tax computed on profits or income, (2) tax computed on any capital assets, gain, or appreciation, or (3) tax in the nature of estate duty or inheritance tax, such tax shall not until March 28, 2016, be applicable to ASAB or to any of its operations, shares, debentures, or other obligations except insofar as such tax applies to persons ordinarily resident in Bermuda and holding such ASAB shares, debentures, or other obligations or any land leased or let to ASAB.

As an exempted company, ASAB is liable to pay the Bermuda Government an annual registration fee based on its authorized share capital, which is currently US\$1,780.

SHAREHOLDERS SHOULD CONSULT LEGAL ADVISERS IN THE COUNTRIES OF THEIR CITIZENSHIP, RESIDENCE AND DOMICILE TO DETERMINE THE POSSIBLE TAX OR OTHER CONSEQUENCES OF PURCHASING, HOLDING AND REDEEMING ASAB SHARES UNDER THE LAWS OF THOSE COUNTRIES.

DEFAULTS AND ARREARS ON SENIOR SECURITIES

Neither ASA nor ASAB has any senior securities outstanding.

LEGAL PROCEEDINGS

Neither ASA nor ASAB is a party to any legal proceedings.

REPORTS AND OTHER INFORMATION

ASA's reports and other information filed by ASA can be inspected and copied at the Public Reference Section of the SEC, Washington, D.C. 20549-0102. Copies of this information can be obtained, after paying a duplicating fee, from the Public Reference Branch, Office of Consumer Affairs and Information Services, Securities and Exchange Commission, Washington, DC 20549, at prescribed rates.

Reports, proxy statements and other information concerning ASA also can be inspected at the NYSE, the exchange on which ASA's shares are traded.

LEGAL MATTERS

Certain legal matters in connection with the issuance of ASAB shares as part of the Reorganization will be passed upon by Appleby Spurling Hunter.

EXPERTS

The audited financial statements of ASA, incorporated herein by reference, have been audited by Ernst & Young LLP, New York, New York, independent registered public accounting firm, and Ernst & Young, Johannesburg, South Africa, independent accountants for ASA, whose reports thereon are included in the Annual Report and the Semi-Annual Report. The financial statements audited by Ernst & Young LLP, New York and Ernst & Young, Johannesburg have been incorporated herein by reference in reliance on their report given on their authority as experts in auditing and accounting matters.

The Board unanimously recommends that you vote FOR the proposal. If shareholders approve the Plan, the Reorganization will become effective on the Closing Date. The winding-up and dissolution of ASA may take several months.

VOTING INFORMATION

This Proxy Statement is being furnished to shareholders of ASA in connection with the solicitation of proxies from ASA shareholders by the Board for use at a Meeting to be held on November 11, 2004, commencing at 10 a.m. Eastern Time, and at any adjournment of the Meeting. The costs of this solicitation are being paid by ASA.

Only shareholders of record at the close of business on November 4, 2004 will be entitled to vote, except that a person who at least 48 hours before the Meeting satisfies the Board that he or she has the right to transfer shares into his or her name in consequence of the death or bankruptcy of any shareholder of record shall be entitled to vote such shares. Proof of any such right should be presented to the United States Secretary, c/o LGN Associates, P.O. Box 269, 140 Columbia Turnpike, Florham Park, NJ 07932. There are 9,600,000 shares of ASA outstanding, each of which entitles the holder to one vote. Each valid proxy received in time will be voted at the Meeting in accordance with the instructions on the proxy card. If no instructions are indicated, the proxy may vote as he thinks fit.

ASA has retained D.F. King & Co., Inc. to assist in the solicitation of proxies at a fee estimated at \$15,000, plus customary out of pocket expenses.

As of June 30, 2004, City of London Investment Management Company, Ltd. held 576,790 shares or 6.01% of the outstanding voting shares of ASA. Management is aware of no other shareholders that may own more than 5% of the outstanding voting shares of ASA.

The SA Companies Act and ASA's organizational documents require that three shareholders entitled to vote at the Meeting be present personally or, if the shareholder is a body corporate, represented, to constitute a quorum. Thus, the Meeting cannot take place on its scheduled date if at least three such shareholders are not present personally or represented, as the case may be. If, within half an hour from the time scheduled for the Meeting, a quorum of shareholders is not present, the Meeting shall stand adjourned to the same day the next week at the same time and place, or to such other day, time and place as the Board may by notice to the shareholders appoint. The SA Companies Act further requires that shareholders holding in aggregate not less than 25% of the total votes of all shareholders entitled to vote at the Meeting be present in person or by proxy in order to pass a special resolution. If less than 25% of the total votes of all shareholders entitled to vote at the Meeting are present or represented at the Meeting, the Meeting shall stand adjourned to a day not earlier than seven days and not later than twenty-one days after the date of the Meeting. If a quorum is present but sufficient votes in favor of the proposal are not reflected in the proxy cards received, the Chairman of the Meeting or any shareholder who is present or represented and entitled to vote at the Meeting may propose one or more adjournments of the Meeting to permit further solicitation of proxies from ASA's shareholders. Any such adjournment will require the affirmative vote of the majority of shareholders present or represented at the Meeting or the holders of a majority of the shares that are represented (in person or by proxy) at the Meeting to be adjourned. If the persons whose names appear on the enclosed proxy card are appointed as proxies, such persons will vote in favor of any such adjournment if they determine that such adjournment and additional solicitation are reasonable and in the interest of the shareholders.

In tallying shareholder votes, “broker non-votes” (*i.e.*, shares held by brokers or nominees as to which (i) instructions have not been received from the beneficial owners or persons entitled to vote and (ii) the broker or nominee does not have discretionary voting power on a particular matter) will not be counted for purposes of determining whether a quorum is present for purposes of convening the Meeting, and will not be counted as “votes cast” for the proposal. Abstentions will be counted for purposes of determining whether a quorum is present for purposes of convening the Meeting, and will have the same effect as a vote against the proposal.

The individuals named as proxies on the enclosed proxy card will vote in accordance with your directions as indicated on the proxy card, if your proxy card is received properly executed by you or by your duly appointed agent or attorney-in-fact. If you sign, date and return the proxy card, but do not specify a proxy of your own choice and give no voting instructions, the proxies whose names appear on the enclosed proxy card will vote in favor of the proposal. If no instructions are given and you specify a proxy of your own choice, the proxy may vote as he thinks fit. The proxy card may be revoked by giving another proxy or by letter, fax, or telegram revoking the initial proxy. To be effective, revocation must be received by ASA prior to the Meeting and must indicate your name and account number. If you attend the Meeting in person you may, if you wish, vote at the Meeting, thereby canceling any proxy previously given.

Vote Required. Approval of the proposal requires the affirmative vote of not less than three-fourths of the total votes to which shareholders present in person or by proxy at the Meeting are entitled.

OTHER BUSINESS

The Board knows of no other business to be brought before the Meeting. If, however, any other matters properly come before the Meeting, it is the intention that proxies that do not contain specific instructions to the contrary will be voted on such matters in accordance with the judgment of the persons designated on the proxies.

ASA LIMITED

ROBERT J.A. IRWIN
Chairman of the Board

APPENDIX A

AGREEMENT AND PLAN OF REORGANIZATION

This AGREEMENT AND PLAN OF REORGANIZATION (“Agreement”) is made as of October 4, 2004, between ASA Limited, a South African public limited liability company (“Old Fund”), and ASA (Bermuda) Limited, a Bermudian exempted limited liability company (“New Fund”) (each a “Fund”).

The Funds wish to effect a reorganization pursuant to which Old Fund will change its identity, form and place of organization by transferring all its assets to New Fund (which has been established solely for the purpose of acquiring such assets and continuing Old Fund’s business) in exchange solely for ordinary shares of New Fund (“New Fund Shares”) and New Fund’s assumption of Old Fund’s liabilities, followed by the distribution of those shares *pro rata* to the holders of ordinary shares in the issued share capital of Old Fund (“Old Fund Shares”), all on the terms and conditions set forth in this Agreement. (All such transactions are referred to herein as the “Reorganization.”)

In consideration of the mutual promises herein contained, the parties agree as follows:

1. THE TRANSACTION

1.1. Old Fund agrees to cede, assign, sell, convey, transfer and deliver all of its assets described in paragraph 1.2 (“Assets”) to New Fund. New Fund agrees in exchange therefor –

- (a) to issue and deliver to Old Fund the number of New Fund Shares equal to the number of Old Fund Shares then outstanding, and
- (b) to assume, and discharge when due, all of Old Fund’s liabilities described in paragraph 1.3 (“Liabilities”), and to indemnify Old Fund against the Liabilities and any loss, liability, damage or expense of any nature whatsoever arising out of or in connection with the Liabilities, the conclusion and/or implementation of this Agreement, and the winding-up and dissolution of Old Fund.

Such transactions shall take place at the Closing (as defined in paragraph 2.1).

1.2. The Assets shall include all cash, cash equivalents, securities, receivables (including interest and dividends receivable), claims and rights of action, rights to register shares under applicable securities laws, contractual rights, books and records, deferred and prepaid expenses shown as assets on Old Fund’s books, and all other property Old Fund owns and rights Old Fund has at the Effective Time (as defined in paragraph 2.1).

1.3. The Liabilities shall include all of Old Fund’s liabilities, debts, obligations and duties of whatever kind or nature, whether absolute, accrued, contingent, or otherwise, whether or not arising in the ordinary course of business, whether or not determinable at the Effective Time, whether or not arising before or after the Effective Time, and whether or not specifically referred to in this Agreement.

1.4. At the Closing, New Fund shall redeem the New Fund Share(s) issued pursuant to paragraph 4.3 for an amount equal to the aggregate price at which they were issued. At the Effective Time (or as soon thereafter as is reasonably practicable), Old Fund shall distribute the New Fund Shares it receives pursuant to paragraph 1.1 to its shareholders of record, determined as of the Effective Time (each a “Shareholder” and collectively “Shareholders”), in accordance with the provisions of section 90 of the South African Companies Act (No. 61 of 1973), as amended, and Old Fund’s Articles of Association. Such distribution shall be accomplished by New Fund’s transfer agent’s opening accounts on New Fund’s share transfer books in the Shareholders’ names and transferring such New Fund Shares thereto. Each Shareholder’s account shall be credited with the number of New Fund Shares equal to the number of Old Fund Shares that Shareholder held as of the Effective Time. Although Old Fund Shares shall remain outstanding after such distribution, they effectively will have no further value. New Fund shall not issue certificates representing the New Fund Shares in connection with the Reorganization unless requested to do so by a Shareholder; in the latter event, New Fund shall issue a certificate for the whole number of New Fund Shares credited to such Shareholder’s account.

1.5. As soon as reasonably practicable after distribution of the New Fund Shares pursuant to paragraph 1.4, but in all events within twelve months after the Effective Time, Old Fund shall be wound-up and dissolved and any further actions shall be taken in connection therewith as required by applicable law.

1.6. Any reporting responsibility of Old Fund to a public authority is and shall remain its responsibility up to and including the date on which it is wound-up and dissolved.

1.7. Except as agreed in writing between Old Fund and its employees in South Africa, New Fund shall be automatically substituted in place of Old Fund in respect of all contracts of employment between Old Fund and those employees in existence immediately before the Effective Time, as contemplated in section 197 of the South African Labour Relations Act (No. 66 of 1995), as amended.

2. CLOSING AND EFFECTIVE TIME

2.1. The Reorganization, together with related acts necessary to consummate the same (“Closing”), shall occur at the offices of Kirkpatrick & Lockhart LLP, Washington, DC, on November 26, 2004, or at such other place and/or on such other date as to which the Funds may agree. All acts taking place at the Closing shall be deemed to take place simultaneously as of the close of business on the date thereof or at such other time as to which the Funds may agree (“Effective Time”).

2.2. Old Fund’s fund accountants, Kaufman Rossin & Co., PA, shall deliver at the Closing a certificate of an authorized representative certifying information (including adjusted basis and holding period, by lot), as of immediately before the Closing, concerning the Assets, including all portfolio securities. Old Fund’s custodian shall deliver at the Closing a certificate of an authorized officer stating that (a) the Assets the custodian holds will be transferred to New Fund at the Effective Time and (b) all necessary taxes in conjunction with the delivery of the Assets, if any, have been paid or provision for payment has been made.

2.3. At the Closing, (a) Old Fund’s transfer agent shall deliver to New Fund a list of the names and addresses of the Shareholders and the number of outstanding Old Fund Shares each Shareholder owns, all as of the Effective Time, certified by an authorized officer of such transfer agent, (b) New Fund’s transfer agent shall deliver a certificate as to the opening on New Fund’s share transfer books of accounts in the Shareholders’ names, (c) New Fund shall issue and deliver a confirmation to Old Fund evidencing the New Fund Shares to be credited to Old Fund at the Effective Time or provide evidence satisfactory to Old Fund that such New Fund Shares have been credited to Old Fund’s account on such books, and (d) each Fund shall deliver to the other such bills of sale, checks, assignments, stock certificates, receipts, or other documents as the other Fund may reasonably request.

2.4. Each Fund shall deliver to the other at the Closing a certificate executed in its name by an officer in form and substance satisfactory to the recipient and dated the Effective Time, to the effect that the representations and warranties it made in this Agreement are true and correct at the Effective Time except as they may be affected by the transactions contemplated by this Agreement.

3. REPRESENTATIONS AND WARRANTIES

3.1. Old Fund represents and warrants to New Fund as follows:

3.1.1. Old Fund is a public limited liability company duly organized, validly existing, and in good standing under the laws of the Republic of South Africa;

3.1.2. Old Fund is duly registered as a closed-end management investment company under the U.S. Investment Company Act of 1940, as amended (“1940 Act”), and such registration is in full force and effect;

3.1.3. At the Closing, Old Fund will have good and marketable title to the Assets and full right, power, and authority to sell, assign, transfer, and deliver the Assets free of any liens or other encumbrances (except securities that are subject to securities loans); and on delivery and payment for the Assets, New Fund will acquire good and marketable title thereto;

3.1.4. New Fund Shares are not being acquired for the purpose of making any distribution thereof, other than in accordance with the terms hereof;

3.1.5. The Liabilities were incurred by Old Fund in the ordinary course of its business and are associated with the Assets;

3.1.6. Old Fund is not under the jurisdiction of a court in a case under title 11 of the United States Code or a receivership, foreclosure, or similar proceeding;

3.1.7. As of the Effective Time, Old Fund will not have outstanding any warrants, options, convertible securities, or any other type of rights pursuant to which any person could acquire Old Fund Shares; and

3.1.8. There is no plan or intention by any Old Fund shareholder who owns 5% or more of the Old Fund Shares — and to the best of the knowledge of Old Fund’s management, there is no plan or intention of Old Fund’s remaining shareholders — to sell, exchange, or otherwise dispose of any New Fund Shares they receive in the Reorganization.

3.2. New Fund represents and warrants to Old Fund as follows:

3.2.1. New Fund is an exempted limited liability company that is duly organized, validly existing, and in good standing under the laws of the Commonwealth of Bermuda;

3.2.2. New Fund will be duly registered as a closed-end management investment company under the 1940 Act as of the Closing;

3.2.3. New Fund has not commenced operations and will not do so until after the Closing;

3.2.4. Prior to the Effective Time, there will be no issued and outstanding shares in New Fund or any other securities issued by New Fund, except as provided in paragraph 4.3;

3.2.5. No consideration other than New Fund Shares (and New Fund’s assumption of the Liabilities) will be issued in exchange for the Assets in the Reorganization;

3.2.6. The New Fund Shares to be issued and delivered to Old Fund hereunder will, at the Effective Time, have been duly authorized and, when issued and delivered as provided herein, will be duly and validly issued and outstanding shares of New Fund, fully paid and non-assessable;

3.2.7. New Fund has no plan or intention to issue additional New Fund Shares following the Reorganization; nor does New Fund, or any person “related” (within the meaning of section 1.368-1(e)(3) of the regulations under the U.S. Internal Revenue Code of 1986, as amended (“Regulations”)) to it, have any plan or intention to acquire — during the five-year period beginning at the Effective Time, either directly or through any transaction, agreement, or arrangement with any other person — any New Fund Shares issued to the Shareholders pursuant to the Reorganization with consideration other than New Fund Shares;

3.2.8. Following the Reorganization, New Fund (a) will continue Old Fund’s “historic business” (within the meaning of section 1.368-1(d)(2) of the Regulations) and (b) will use a significant portion of Old Fund’s “historic business assets” (within the meaning of section 1.368-1(d)(3) of the Regulations) in a business; and

3.2.9. There is no plan or intention for New Fund to be dissolved or merged into another limited liability company or a corporation or a business or statutory trust following the Reorganization.

3.3. Each Fund represents and warrants to the other Fund as follows:

3.3.1. The fair market value of the New Fund Shares each Shareholder receives will be approximately equal to the fair market value of its Old Fund Shares (after taking into account any costs incurred in the Reorganization and winding-up of Old Fund);

3.3.2. Its management (a) is unaware of any plan or intention of Old Fund shareholders to sell or otherwise dispose of (i) any portion of their Old Fund Shares before the Reorganization to any person “related” (within the meaning of section 1.368-1(e)(3) of the Regulations) to either Fund or (ii) any portion of the New Fund Shares they receive in the Reorganization to any person “related” (within such meaning) to New Fund, (b) does not anticipate dispositions of those New Fund Shares at the time of or soon after the Reorganization to exceed the usual rate and frequency of dispositions of Old Fund Shares, and (c) expects that the percentage of Shareholder interests, if any, that will be disposed of as a result of or at the time of the Reorganization will be *de minimis*;

3.3.3. The Shareholders will pay their own expenses, if any, incurred in connection with the Reorganization;

3.3.4. Immediately following consummation of the Reorganization, the Shareholders will own all the New Fund Shares and will own such shares solely by reason of their ownership of Old Fund Shares immediately before the Reorganization;

3.3.5. Immediately following consummation of the Reorganization, New Fund will hold the same assets — except for assets used to pay expenses incurred in connection with the Reorganization — and be subject to the same liabilities that Old Fund held or was subject to immediately before the Reorganization, plus any liabilities for the Funds’ expenses incurred in connection with the Reorganization and winding-up of Old Fund. Such excepted assets, together with the amount of all redemptions and distributions (other than regular, normal dividends) Old Fund makes immediately preceding the Reorganization, will, in the aggregate, constitute less than 1% of its net assets;

3.3.6. None of the compensation received by any Shareholder who is an employee of or service provider to Old Fund will be separate consideration for, or allocable to, any of the Old Fund Shares such Shareholder holds; none of the New Fund Shares any such Shareholder receives will be separate consideration for, or allocable to, any employment agreement, investment advisory agreement, or other service agreement; and the compensation paid to any such Shareholder will be for services actually rendered and will be commensurate with amounts paid to third parties bargaining at arm’s-length for similar services;

3.3.7. The fair market value of the Assets on a going concern basis will equal or exceed the sum of the Liabilities to be assumed by New Fund and those to which the Assets are subject; and

3.3.8. Neither Fund will be reimbursed for any expenses incurred by it or on its behalf in connection with the Reorganization unless those expenses are solely and directly related to the Reorganization (determined in accordance with the guidelines set forth in Rev. Rul. 73-54, 1973-1 C.B. 187) (“Reorganization Expenses”).

4. CONDITIONS PRECEDENT

Each Fund’s obligations hereunder shall be subject to (a) the other Fund’s performance of all its obligations to be performed hereunder at or before the Effective Time, (b) all representations and warranties of the other Fund contained herein being true and correct in all material respects as of the date hereof and, except as they may be affected by the transactions contemplated hereby, as of the Effective Time, with the same force and effect as if made on and as of the Effective Time, and (c) the further conditions that, at or before the Effective Time:

4.1. This Agreement and the transactions contemplated hereby shall have been duly adopted and approved by each Fund’s board of directors and shall have been approved by Old Fund’s shareholders in accordance with Old Fund’s Articles of Association and By-Laws and applicable law;

4.2. All necessary filings shall have been made with the U.S. Securities and Exchange Commission (“SEC”) and other appropriate governmental authorities, and no order or directive shall have been received that any other or further action is required to permit the Funds to carry out the transactions contemplated hereby. The registration statement on Form N-14 filed by New Fund relating to the New Fund Shares issuable hereunder, and any supplement or amendment thereto, shall have become effective under the U.S. Securities Act of 1933, as amended (“1933 Act”), no stop orders suspending the effectiveness thereof shall have been issued, and the SEC shall not have issued an unfavorable report with respect to the Reorganization under section 25(b) of the 1940 Act nor instituted any proceedings seeking to enjoin consummation of the transactions contemplated hereby under section 25(c) of the 1940 Act. New Fund Shares shall have been approved for listing on the New York Stock Exchange. All consents, orders and permits of South African, Bermudian and U.S. federal,

state and local governmental authorities (including the South African Securities Regulation Panel, the Exchange Control Department of the South African Reserve Bank, and the SEC) that are necessary to permit consummation, in all material respects, of the transactions contemplated hereby shall have been obtained, except where failure to obtain same would not involve a risk of a material adverse effect on the Assets;

4.3 Prior to the Closing, New Fund's initial board of directors shall have authorized the issuance of, and New Fund shall have issued, one or more New Fund Shares to Mr. Robert J.A. Irwin or his appointee to enable such holder to elect New Fund's board of directors;

4.4 At the Effective Time, no action, suit, or other proceeding shall be pending before any court or governmental agency in which it is sought to restrain or prohibit, or to obtain damages or other relief in connection with, the transactions contemplated hereby; and

4.5 Each Fund shall have received an opinion of KPMG Services (Proprietary) Limited, South Africa, addressed to and in form and substance reasonably satisfactory to the Fund, to the effect that, except for any uncertificated securities tax or a similar transfer duty that may be payable by New Fund on the transfer of Old Fund's South African portfolio holdings, neither Old Fund nor New Fund nor any Shareholder nor any person who beneficially owns Old Fund Shares held in a Shareholder's name will earn, receive, realize, or recognize any profit, income, or gain or any other item that will be subject to any South African tax or other governmental levy as a result of or in connection with the Reorganization, any transaction included therein or Old Fund's winding up and dissolution.

At any time before the Closing, either Fund may waive any of the foregoing conditions (except that set forth in paragraph 4.1) if, in the judgment of its board of directors, such waiver will not have a material adverse effect on its Fund's shareholders' interests.

5. COVENANTS

5.1 Old Fund covenants to operate its business in the ordinary course between the date hereof and the Closing, it being understood that —

- (a) such ordinary course will include declaring and paying customary dividends and changes in operations contemplated by Old Fund's normal business activities and
- (b) Old Fund will retain exclusive control of the composition of its portfolio until the Closing; provided that Old Fund shall not dispose of more than an insignificant portion of its historic business assets (as defined above) during that period without New Fund's prior consent.

5.2 Old Fund covenants to call a meeting of its shareholders to consider and act on this Agreement.

5.3 Old Fund covenants that it will assist New Fund in obtaining information the latter reasonably requests concerning the beneficial ownership of Old Fund Shares.

5.4 Old Fund covenants that its books and records (including all books and records required to be maintained under the 1940 Act and the rules and regulations thereunder) will be turned over to New Fund at the Closing.

5.5 Each Fund covenants that it will, from time to time, as and when requested by the other Fund, execute and deliver or cause to be executed and delivered all assignments and other instruments, and will take or cause to be taken all further action, the other Fund deems necessary or desirable in order to vest in, and confirm to, (a) New Fund, title to and possession of all the Assets, and (b) Old Fund, title to and possession of the New Fund Shares to be delivered hereunder, and otherwise to carry out the intent and purpose hereof.

5.6 New Fund covenants to use all reasonable efforts to obtain the approvals and authorizations required by the 1933 Act, the 1940 Act, and other securities laws it deems appropriate to conduct operations after the Effective Time.

5.7 Subject to this Agreement, each Fund covenants to take or cause to be taken all actions, and to do or cause to be done all things, reasonably necessary, proper, or advisable to consummate and effectuate the transactions contemplated hereby.

6. BROKERAGE FEES AND EXPENSES

6.1 Each Fund represents and warrants to the other that there are no brokers or finders entitled to receive any payments in connection with the transactions provided for herein.

6.2 New Fund will bear all of the Reorganization Expenses remaining unpaid at the Effective Time and all expenses incurred in Old Fund's winding-up and dissolution.

7. ENTIRE AGREEMENT; NO SURVIVAL

Neither Fund has made any representation, warranty, or covenant not set forth herein, and this Agreement constitutes the entire agreement between the Funds. The representations, warranties, and covenants contained herein or in any document delivered pursuant hereto or in connection herewith shall not survive the Closing.

8. TERMINATION

This Agreement may be terminated at any time at or prior to the Effective Time, whether before or after approval by Old Fund's shareholders:

8.1 By either Fund (a) in the event of the other Fund's material breach of any representation, warranty, or covenant contained herein to be performed at or prior to the Effective Time, (b) if a condition to its obligations has not been met and it reasonably appears that such condition will not or cannot be met by the date set forth in the next clause, or (c) if the Closing has not occurred on or before November 30, 2004; or

8.2 By the Funds' mutual agreement.

In the event of termination under paragraphs 8.1(c) or 8.2, there shall be no liability for damages on the part of either Fund, or its directors or officers, to the other Fund.

9. AMENDMENT

This Agreement may be amended, modified, or supplemented at any time, notwithstanding approval thereof by Old Fund's shareholders, in any manner mutually agreed on in writing by the Funds; provided that following such approval no such amendment, modification, or supplement shall have a material adverse effect on the Shareholders' interests.

10. MISCELLANEOUS

10.1 This Agreement shall be governed by and construed in accordance with the internal laws of South Africa; provided that, in the case of any conflict between such laws and the U.S. federal securities laws, the latter shall govern.

10.2 Nothing expressed or implied herein is intended or shall be construed to confer upon or give any person, firm, trust, or corporation other than the Funds and their respective successors and assigns any rights or remedies under or by reason of this Agreement.

10.3 Each Fund agrees that, in asserting any rights or claims under this Agreement, it shall look only to the other Fund's assets and property in settlement of all rights and claims and not to the other Fund's directors, officers, or shareholders.

10.4. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been executed by each Fund and delivered to the other Fund. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

IN WITNESS WHEREOF, each Fund has caused this Agreement to be executed and delivered by its duly authorized officers as of the day and year first written above.

ATTEST:

/s/ Paul K. Wustrack, Jr.
Name: Paul K. Wustrack, Jr.
Title: Assistant Secretary

ASA LIMITED

By: /s/ Robert J.A. Irwin
Name: Robert J.A. Irwin
Title: Chairman and Treasurer

ATTEST:

/s/ Paul K. Wustrack, Jr.
Name: Paul K. Wustrack, Jr.
Title: Secretary

ASA (BERMUDA) LIMITED

By: /s/ Robert J.A. Irwin
Name: Robert J.A. Irwin
Title: Chairman, President and Treasurer

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APPENDIX B

PROPOSED RESOLUTIONS

(1) Special Resolution number 1, which resolution is required by law to be stated in full, is as follows:

Resolved, as a Special Resolution, that a plan of reorganization be approved under which ASA (Bermuda) Limited (“ASAB”) will acquire all of the assets of ASA Limited (“ASA”) in exchange solely for 9,600,000 shares of ASAB (“ASAB shares”) and the assumption by ASAB of all of ASA’s liabilities, followed by a distribution of the ASAB shares to the shareholders of ASA, all on the terms and conditions of the Agreement and Plan of Reorganization, dated October 4, 2004, between ASA and ASAB and more fully described in the attached proxy materials, a copy of which Agreement and Plan has been tabled at this meeting and initialed for identification purposes.

The reasons for, and the effect of, Special Resolution number 1 are set out in the attached proxy materials.

(2) Special Resolution number 2, which resolution is required by law to be stated in full, is as follows:

Resolved, as a Special Resolution, that, subject to the passing and registration of Special Resolution number 1:

1. ASA be wound-up by means of a members’ voluntary winding-up in terms of section 349 as read with section 350 of the South African Companies Act No 61 of 1973, as amended (“Companies Act”);
2. Mrs. A.F. Venter of KPMG or failing her for any reason, any other director of KPMG Administrators (Proprietary) Limited be nominated as liquidator of ASA and shall not be required to furnish security for the proper performance of their duties as liquidator;
3. The liquidator shall be paid R20,000, exclusive of South African value-added tax, as her professional fee in respect of the dissolution plus disbursements;
4. Pursuant to Section 353(2)(b) of the Companies Act, the directors of ASA be and are hereby authorized to exercise all the powers of ASA until the liquidator informs ASA that a certificate of appointment has been duly issued by the Master of the High Court of South Africa; and
5. The liquidator be authorised to destroy all books and records of the liquidator and ASA after the expiry of six months from the date of completion of the voluntary winding-up of ASA.

The reason for Special Resolution number 2 is to wind-up ASA, as it is no longer required by its shareholders following the reorganization contemplated in Special Resolution number 1. The effect of the passing of Special Resolution number 2 will be to obtain the required shareholder approval to wind-up ASA as a members’ voluntary winding-up and matters ancillary thereto.

(3) Special Resolution number 3, which resolution is required by law to be stated in full, is as follows:

Resolved, as a Special Resolution, that ASA’s Articles of Association be and are hereby amended by the insertion of a new article 73A as follows:

PAYMENTS TO MEMBERS

73A.

The Company shall, for the purpose of facilitating its winding up or deregistration, or the reduction of its capital, any share premium account or capital redemption reserve fund, be entitled by special resolution to delegate to any person identified in such special resolution, the liability to pay any dividend, or make any payment in reduction of capital, or any other distribution in respect of a share

("distribution"). Such delegation shall be on such terms and conditions as may be determined by the Directors, provided that unclaimed distributions which are the subject of the delegation and which remain unclaimed for a period of three years from the date of delegation shall be forfeited for the benefit of any person/persons or entity/entities nominated by the Directors.

The effect of Special Resolution number 3 is to amend the Articles of Association of ASA to include a provision permitting ASA to delegate its obligations in respect of dividends and/or distributions to a third party. The reason for Special Resolution number 3 is to facilitate the winding-up of ASA.

(4) Special Resolution number 4, which resolution is required by law to be stated in full, is as follows:

Resolved, as a Special Resolution that, subject to the passing and registration of Special Resolutions numbered 1, 2 and 3, the liability of ASA for payment of any unclaimed dividends and other distributions to shareholders ("distributions") be and is hereby delegated to LGN Associates or its nominee, on such terms and conditions as may be determined by the directors of ASA, provided that unclaimed distributions which are the subject of the delegation and which remained unclaimed for a period of three years from the date of delegation shall be forfeited for the benefit of any person/persons or entity/entities nominated by the directors of ASA.

The effect of Special Resolution number 4 is to delegate the liability of ASA for payment of unclaimed dividends and other distributions to shareholders of ASA to LGN Associates or its nominee. The reason therefor is to facilitate the winding-up of ASA.

(5) Ordinary resolution number 1, which resolution is required by law to be stated in full, is as follows:

Resolved that the directors of ASA be and are hereby authorized to do all such things and sign all such documents as may be necessary for or incidental to give effect to these resolutions.

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