

**ASA (Bermuda) Limited**

**Annual  
Report**

**2004**

# ASA (Bermuda) Limited

Incorporated in the  
Commonwealth of Bermuda

(Registration No. 33576)

## Annual Report and Financial Statements

November 30, 2004

### Directors

Robert J.A. Irwin (U.S.A.)  
Henry R. Breck (U.S.A.)  
Harry M. Conger (U.S.A.)  
Chester A. Crocker (U.S.A.)  
Joseph C. Farrell (U.S.A.)  
James G. Inglis (South Africa)  
Malcolm W. MacNaught (U.S.A.)  
Ronald L. McCarthy (South Africa)  
Robert A. Pilkington (U.S.A.)  
A. Michael Rosholt (South Africa)

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### Officers

Robert J.A. Irwin, *Chairman, President and Treasurer*  
Paul K. Wustrack, Jr., *Secretary and Chief Compliance Officer*  
Chester A. Crocker, *Assistant Secretary*

### Executive Offices

11 Summer Street  
Buffalo, New York

### Registered Office

Canon's Court  
22 Victoria Street  
Hamilton HM 12, Bermuda

### Auditors

Ernst & Young LLP, New York, NY, U.S.A.

### Counsel

Appleby Spurling Hunter, Hamilton, Bermuda  
Kirkpatrick & Lockhart Nicholson Graham LLP, Washington, DC, U.S.A.

### Custodian

JPMorgan Chase Bank  
Brooklyn, NY, U.S.A.

### Subcustodian

Standard Bank of South Africa Limited  
Johannesburg, South Africa

### Fund Accountants

Kaufman Rossin & Co., PA  
Miami, FL, U.S.A.

### Shareholder Services

LGN Associates  
Florham Park, NJ, U.S.A.  
(973) 377-3535

### Transfer Agent

EquiServe Trust Company, N.A.  
525 Washington Boulevard, Jersey City, NJ 07310, U.S.A.

### Website-<http://www.asaltd.com>

*Copies of the Semi-annual and Annual Reports of the Company and the latest valuation of net assets per share may be requested from LGN Associates, Lawrence G. Nardolillo, C.P.A., P.O. Box 269, Florham Park, New Jersey 07932 (973) 377-3535. Shareholders are reminded to notify EquiServe Trust Company, N.A. of any change of address.*

## Chairman's report (unaudited)

ASA Limited ("ASA") relocated from the Republic of South Africa to the Commonwealth of Bermuda by reorganizing itself into a newly formed company incorporated in Bermuda, ASA (Bermuda) Limited (the "Company") on November 19, 2004. As a result of the reorganization, shareholders of ASA became shareholders of the Company.

Shares of the Company commenced trading on the New York Stock Exchange at the opening of trading on Monday, November 22, 2004. The ticker symbol, ASA, remains the same.

The Directors, investment policies and service providers of the Company are the same as those of its predecessor, ASA. Mr. Ronald McCarthy has retired as an officer but will remain as a director and will be engaged in winding up ASA's affairs in South Africa, including the closing of ASA's office in Johannesburg during 2005. The executive offices of the Company are located in Buffalo, New York. Shareholder services will continue to be provided by LGN Associates in Florham Park, New Jersey.

The financial statements for the fiscal year ended November 30, 2004, reflect the results of operations of ASA through November 19, 2004 (the closing date of the reorganization) and the results of operations of the Company for the period November 20, 2004 through November 30, 2004.

The financial statements are reported in United States dollars. (See Notes (1)B and (1)F to the financial statements for additional information.) As used in this report, "Company" refers to ASA (Bermuda) Limited and, where applicable, ASA Limited.

At November 30, 2004 the Company's net asset value was \$49.95 per share. The closing price of the Company's stock was \$44.82 per share at November 30, 2004, which represented a 10.3% discount to the net asset value. This compares with the net asset value of \$51.54 per share at November 30, 2003 at which time the closing price was \$47.16, a discount of 8.5% to the net asset value.

Net investment income for the fiscal year ended November 30, 2004 was \$.22 per share, as compared to \$.84 per share for the fiscal year ended November 30, 2003. Realized gains from investments for the fiscal year ended November 30, 2004 were \$.73 per share. There were no realized gains (losses) for the fiscal year ended November 30, 2003. Net realized loss from foreign currency transactions was (\$.68) per share for the fiscal year ended November 30, 2004 as compared to a gain of \$.32 per share for the fiscal year ended November 30, 2003.

Dividends totaling \$.55 per share in U.S. currency were paid during the fiscal year ended November 30, 2004. For the fiscal year ended November 30, 2003, the total dividend payments were \$.80 per share. (See Certain tax information for United States shareholders (pages 14 and 15) for further comments.)

### The Gold Bullion Market

The dollar price of gold continued to hold the positive levels of 2003 during 2004, reaching a price peak of US\$ 456.89 per ounce - a 16 year high. The price averaged US\$ 406 per ounce

for the eleven months to November 2004, up from an average US\$ 363 per ounce during 2003. There are a number of fundamental factors that should lend support to the gold price. The first of these relates to official gold sales. The Central Bank Gold Agreement of 1999 was renewed during 2004 for another five years. This should be positive for sentiment, as it reintroduces a degree of certainty into the official source of gold supply. Under this agreement, total gold sales may not exceed 500 tons per year or a total of 2500 tons for the five-year duration of the agreement. The limit under the previous agreement was 400 tons per annum or 2000 tons in total over the five-year period. This additional tonnage is a small percentage of total annual gold traded and could be absorbed without causing excessive disruption to the gold market.

Furthermore, the market is expecting official gold sales to fall as a percentage of total supply. The leasing arrangements of the old agreement remain in force under the renewed agreement. France and Germany have stated that they intend to sell up to 1200 tons of gold during the life span of the current agreement. The Bank of England is no longer party to this agreement, as the BOE is not intending to sell gold during this time period. Fabrication demand in the first half of 2004 was robust and the market is expecting that demand to remain strong in the second half. Jewelry fabrication rose in China, India and Turkey, as a result of sustained economic growth.

This year saw the listing in both Johannesburg and New York of the long awaited gold certificate securities which trade like exchange traded funds (ETF). They join the one already listed in Australia. These securities, which represent 1/100 (1/10 in New York) of one fine troy ounce of gold, are backed by actual bullion held in safe custody. These instruments allow the retail and institutional investor to gain exposure to the domestic price of gold without the costs of holding coins or bar. It is expected that these ETFs will raise both the public awareness of the investment potential of the metal and demand for it.

Producers continue to de-hedge. In the first half of the year, the producers cut hedge positions by a fraction over 200 tons. The producers are reducing their hedge positions as a strategic objective, a trend that should continue while the gold price is strong. This acts as a sizable source of demand for gold.

Mine output has been under pressure, although there are new projects coming on stream that should lead to rising global output next year. However, strong domestic currencies relative to the US dollar are placing pressure on production costs, which could lead to rationalization of production in South Africa, Australia and Canada in particular.

### The Gold Share Market

Unfortunately, the strong rand/dollar exchange rate, coupled with high cost inflation on the mines, reduced any benefits of a higher dollar gold price, with the South African producers experiencing a rand gold price that was 4% lower than last year. The FTSE/JSE Gold Mining Index at the end of November 2004 was 25% lower than a year earlier. In dollar terms, the AngloGold Ashanti share price declined 16%, Harmony fell 33%, while Gold Fields ended the period up 3%. These last two shares are, of course, also responding to the potential corporate action. Operationally, the South African gold producers are putting strategies in place to cope with the stronger rand environment.

The performance of the North American producers, as measured by the Philadelphia Gold and Silver Index (XAU), was surprisingly unexciting with almost no change to the index compared to a year earlier.

### **The Gold Mining Industry**

Corporate activity continues to be a feature of the South African mining sector, with consolidation of the industry continuing. AngloGold concluded their merger with Ashanti to form AngloGold Ashanti. Gold Fields failed in their attempt to merge their offshore assets with IAMGOLD, while the recent feature of the industry has been Harmony's acrimonious hostile bid for Gold Fields.

### **The Platinum Industry**

The platinum price rose by 6% during 2004, and at the end of November 2004 was trading at US\$ 865 per ounce. The price reached a 24-year peak of US\$ 937 per ounce in April. Supply and demand is expected to be in balance for 2004. Demand for platinum for auto catalysts is expected to rise due to higher sales of diesel cars in Europe coupled with tighter emission limits. Industrial demand for platinum should rise, but jewelry demand is expected to soften. Supply is expected to grow, thereby providing sufficient metal to meet demand. In 2005, continued supply growth could push the market into surplus, a position not seen for several years. As a result, the platinum price is unlikely to maintain its current heady level. A lower platinum price relative to an even stronger rand/dollar exchange rate could lead to pressure on producer profits. Over the year, AngloAmerican Platinum's share price dropped 20% and Impala fell 9%.

The South African draft Mineral and Petroleum Royalty Bill, which outlines the royalties to be paid by various mineral related industries, was introduced last year and was expected to have been passed during 2004. The mining industry contended that a royalty based on revenue, without taking profitability into account, could damage the industry. Furthermore, excessive royalties would decrease the attractiveness of mining and could deter mining related investment. Government is currently evaluating industry feedback and plans to publish the royalty bill during the first half of 2005.

### **HIV/AIDS**

One of the major issues confronting the South African Mining Industry is HIV/AIDS. At present, it is estimated that five million out of 45 million people in South Africa are infected with the virus. Infection rates in the mining industry tend to be worse than the national average at 20% to 30% according to a survey conducted by the South African Business Coalition on HIV and AIDS. As such, the mining industry is expected to be adversely affected by the illness. On the positive side, however, the mining industry leads the nation in terms of managing the effects of HIV/AIDS, with most of the major mining companies instituting health and welfare policies aimed at reducing the impact of the disease on operations while also improving the quality of life of the infected.

### **Portfolio Movements**

The ongoing concentration by the gold mining industry to meet the South African Government's call to assimilate Black Economic Empowerment (BEE) into all spheres of the economy has spawned the creation of a new BEE gold mining company under the name of Mvelaphanda Resources Limited. A small holding in this company was acquired during the year.

The holding in Avgold Limited was increased during the year. However, Harmony Gold Mining Company Limited completed a successful merger with Avgold on a one for ten share issue basis, thus continuing the rationalization taking place in the South African gold mining industry. The Company also decreased its holding in Gold Fields Limited by a small amount.

### **The Economic Environment**

The overarching economic variable, from a South African mineral producer's perspective, is the rand/dollar exchange rate. During 2004, the rand hit a six-year high against the dollar of 5.7083 per US\$.

It is clear from a comparison of the gain of other currencies against the US\$ so far in 2004 that the rand's 12% rise is due not just to the US\$ weakness but to specific rand demand. For example, that other "commodity based currency," the Australian dollar, is up just 1% against the US\$ in the same period. South African mining companies have largely blamed the strong rand for poor profitability. Recent reports, however, indicate that South African export manufacturers are also suffering and large-scale closures of manufacturing capacity have been reported. This is not a uniquely South African phenomenon, as similar complaints about the weak dollar have been emanating from Europe and Japan. Notably, the euro has also just traded at a multi-year high against the dollar as the US current account deficit rose to record levels.

A positive development on the economic front in South Africa was the announcement of a further relaxation of exchange controls in the second half of 2004. Companies are no longer subject to foreign investment limits, but will still require official approval for investments. In theory, South African mining companies can now invest offshore without limit as long as the intended investment passes muster with the authorities.

Economic growth seems to be gathering momentum in South Africa as third quarter GDP growth exceeded expectations. The economy grew at 5.6% (quarter on quarter annualized) up from 4.5% in the second quarter. This high level of growth may cause the South African Reserve Bank to delay any further rate cuts as fears that an overheating economy could rekindle inflation. Apart from the unexpected rate cut in August, the Reserve Bank has resisted calls for rate cuts to weaken the currency.

### **Dividends and Earnings**

The squeeze on earnings and dividends as a result of exchange rate pressures and rising costs has especially affected the South African producers. Reflecting this squeeze the Company's 2004 net investment income was only \$.22 per share, significantly lower than the \$.84 per share in 2003 and the \$.85 per share in 2002. Thus, the total dividend payment

of \$.55 per share paid in 2004 exceeded investment income significantly and yet compared unfavorably with the \$.80 per share dividend paid in 2003.

Other factors are influencing the lower dividend payout of the companies in the portfolio. In recent years gold mining has been concentrated in fewer and larger companies. These companies tend to deploy their earnings into diversification, exploration and development rather than into dividends as was the practice of the industry in the past.

#### **The Company's Tax Status**

As noted in past reports, ASA was successful in convincing the South African Parliament to pass special legislation extending its exemption from certain taxes until November 30, 2004.

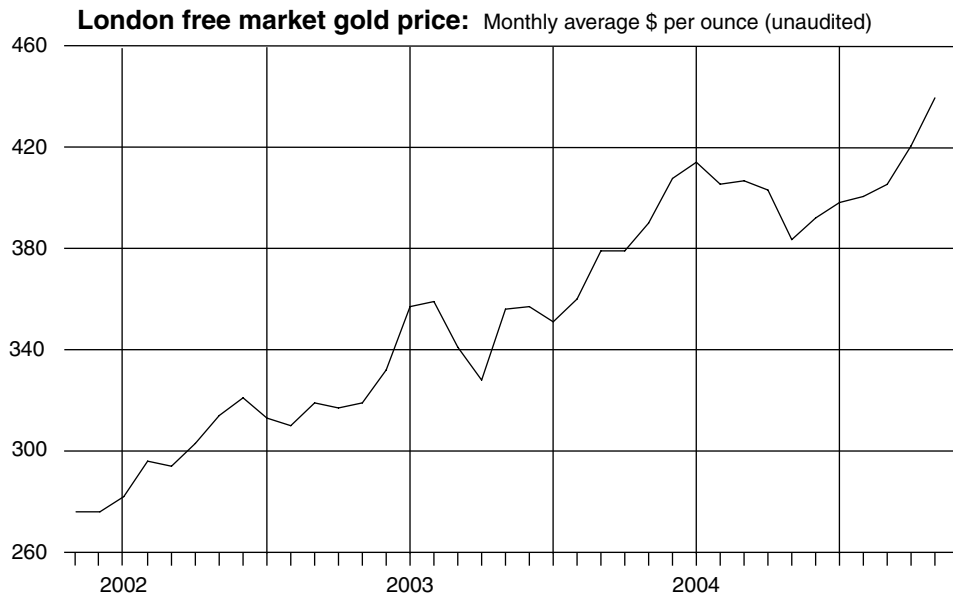
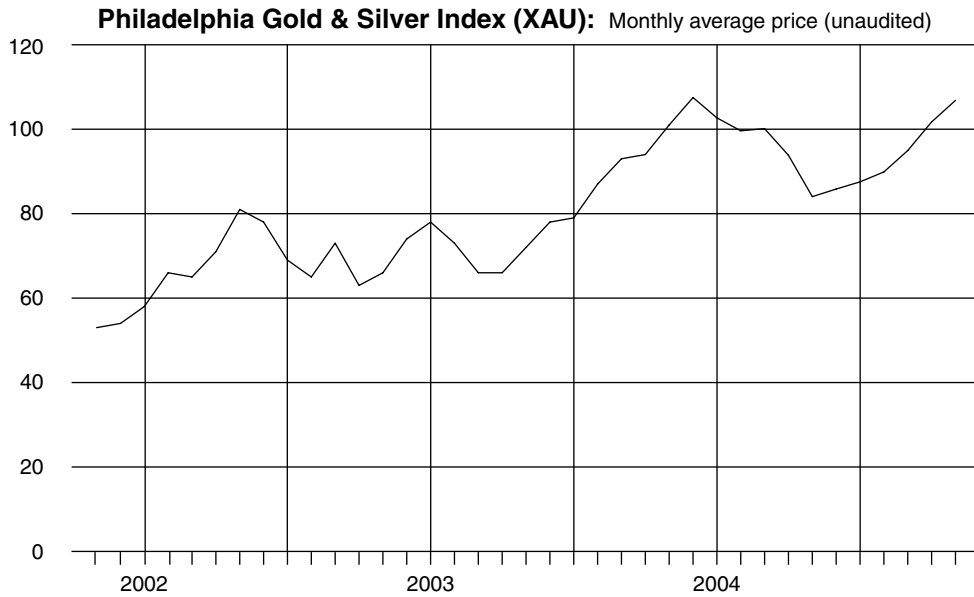
As a result, ASA persisted in its efforts to move from South Africa to Bermuda to avoid the imposition of certain South African taxes and completed its reorganization as a Bermuda company as of November 19, 2004.

The successful completion of the reorganization prior to November 30, 2004 allowed the Company to eliminate the deferred South African capital gains tax liability of approximately \$1.00 per share at the date of the reorganization. However, this benefit was reduced by approximately \$.09 per share for an accrual of South African transfer taxes payable by the Company in connection with the transaction. (See Notes 2 and 4 to the financial statements.)

\* \* \*

**The Annual General Meeting of Shareholders will be held on Thursday, March 3, 2005 at 10:00 A.M. at the offices of UBS, 1285 Avenue of the Americas, 14th Floor, New York, New York USA. We look forward to having you in attendance.**

ROBERT J.A. IRWIN, *Chairman, President  
and Treasurer*



**Portfolio changes during the year ended  
November 30, 2004 (unaudited)**

	Number of Shares	
	Increase	Decrease
Avgold Limited	240,000	2,911,230(1)
Gold Fields Limited		640,000
Harmony Gold Mining Company Limited	291,123(2)	
Mvelaphanda Resources Limited	1,950,000	

(1) Redeemed in connection with merger into Harmony Gold Mining Company Limited in May 2004.

(2) Received in connection with merger of Avgold Limited in May 2004.

## Certain investment policies and restrictions (unaudited)

The following is a summary of certain of the Company's investment policies and restrictions and is subject to the more complete statements contained in the Company's Bye-Laws and Registration Statement under the United States Investment Company Act of 1940, each as amended:

1. 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 the Republic of South Africa. It is expected that most of such companies will have reached the production stage. The balance of the Company's total assets, other than minor amounts which may be held in cash, may (i) be invested in common shares or securities convertible into common shares of companies engaged in other business of varied types in the Republic of South Africa, (ii) be held in the form of gold bullion or certificates of deposit therefor to be purchased, directly or indirectly, with South African rand (provided that the Company's holdings in the form of gold bullion or certificates of deposit therefor may not exceed 25% of the value of the Company's total assets) and/or (iii) be 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 the Company's investment in such companies may not exceed 20% of the value of the Company's total assets). If investment considerations warrant, the Company may deviate from the foregoing to the extent it temporarily holds its assets in cash, cash equivalents or securities issued or guaranteed by the Government of South Africa or any instrumentality thereof (South African Government Securities).

2. Not to invest in securities, except South African Government Securities, of any issuer if as a result over 20 per cent in value of the Company's total assets would at the time be invested in securities of such issuer provided that no more than 40 per cent of the Company's assets would at the time be invested in securities of companies, each of which exceeds 10 per cent of such value.

3. Not to invest in securities of any class of any issuer (except South African Government Securities) if as a result the Company would at the time own over 10 per cent of such securities outstanding.

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## Report of independent registered public accounting firm

To the Shareholders and the Board of  
Directors of ASA (Bermuda) Limited:

We have audited the accompanying statements of assets and liabilities of ASA (Bermuda) Limited (prior to November 20, 2004 ASA Limited) as of November 30, 2004 and 2003, including the schedule of investments, as of November 30, 2004, and the related statements of operations, surplus and changes in net assets, and supplementary information for each of the two years in the period ended November 30, 2004, and the financial highlights for each of the three years in the period ended November 30, 2004. These financial statements, financial highlights, and supplementary information are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements, financial highlights, and supplementary information based on our audits. The financial highlights for the years presented prior to November 30, 2002 were audited by other auditors who have ceased operations and whose report dated December 18, 2001 expressed an unqualified opinion on those financial highlights.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements, financial highlights, and supplementary information are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, financial highlights,

and supplementary information. Our procedures included confirmation of securities owned as of November 30, 2004 and 2003, by correspondence with the custodian and others. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements, financial highlights, and supplementary information referred to above, and audited by us, present fairly, in all material respects, the financial position of ASA (Bermuda) Limited as of November 30, 2004 and 2003, and the results of its operations, its surplus, changes in its net assets, and supplementary information for each of the two years in the period then ended, and the financial highlights for each of the three years in the period then ended in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP  
New York, N.Y., U.S.A.

December 30, 2004

# Schedule of investments

November 30, 2004

Name of Company	Number of Shares	Market Value	Percent of Net Assets
<b>Ordinary shares of gold mining companies</b>			
<i>Australian Gold Mines</i>			
Newcrest Mining Limited – ADRs	3,000,000	\$ 40,530,876	8.5%
		40,530,876	8.5
<i>United States Gold Mines</i>			
Newmont Mining Corporation	520,368	24,639,425	5.1
		24,639,425	5.1
<i>South African Gold Mines</i>			
AngloGold Ashanti Limited	2,389,894	96,140,985	20.0
Gold Fields Limited	9,704,977	137,468,126	28.7
Harmony Gold Mining Company Limited	292,459	3,124,585	.7
Harmony Gold Mining Company Limited – ADRs	2,166,400	22,703,872	4.7
		259,437,568	54.1
<i>Canadian Gold Mines</i>			
Barrick Gold Corporation	730,000	17,950,700	3.7
Placer Dome Incorporated	1,065,312	22,914,861	4.8
		40,865,561	8.5
<i>South American Gold Mines</i>			
Compania de Minas Buenaventura – ADRs	900,000	21,150,000	4.4
		386,623,430	80.6
<b>Ordinary shares of other companies</b>			
<i>South African Mining</i>			
Anglo American PLC	1,280,000	30,548,890	6.4
Anglo American Platinum Corporation Limited	820,500	30,115,763	6.3
Impala Platinum Holdings Limited	262,700	22,453,158	4.7
Mvelaphanda Resources Limited (1)	1,950,000	5,779,613	1.2
		88,897,424	18.6
Total investments (Cost – \$151,159,299)(2)		475,520,854	99.2
<b>Cash and other assets less liabilities</b>		4,012,314	.8
Net assets		\$479,533,168	100.0%

(1) Non-income producing security.

(2) Cost of investments shown approximates cost for U.S. federal income tax purposes, determined in accordance with U.S. income tax principles. Gross unrealized appreciation of investments and gross unrealized depreciation of investments at November 30, 2004 were \$326,843,763 and \$2,482,208, respectively, resulting in net unrealized appreciation on investments of \$324,361,555.

There is no assurance that the valuations at which the Company's investments are carried could be realized upon sale.

The notes to the financial statements form an integral part of these statements.

## Portfolio statistics

November 30, 2004

### Country breakdown\*

South Africa	72.7%
Australia	8.5%
Canada	8.5%
United States	5.1%
South America	4.4%

\* Country breakdowns are expressed as a percentage of total net assets. The entire portfolio consists of investments in ordinary shares of companies that mine gold and other precious metals.



# Statements of assets and liabilities

<b>Assets</b>	November 30, 2004	November 30, 2003
Investments, at market value		
Gold mining companies –		
Cost \$124 481 296 in 2004		
\$125 445 039 in 2003	\$386,623,430	\$410,838,633
Other companies –		
Cost \$26 678 003 in 2004 and 2003	88,897,424	87,106,012
	475,520,854	497,944,645
Cash	5,281,072	6,864,615
Dividends and interest receivable	291,361	175,216
Other assets	268,677	177,852
<b>Total assets</b>	<b>481,361,964</b>	<b>505,162,328</b>
 <b>Liabilities</b>		
Accounts payable and accrued liabilities	1,828,796	612,977
Payable for securities purchased	—	1,027,362
Current year South African tax liability	—	121,313
Deferred South African tax liability	—	8,616,587
<b>Total liabilities</b>	<b>1,828,796</b>	<b>10,378,239</b>
<b>Net assets (shareholders' investment)</b>	<b>\$479,533,168</b>	<b>\$494,784,089</b>
Ordinary (common) shares \$1.00 par value (R0.25 nominal (par) value in 2003)		
Authorized: 30,000,000 shares (24,000,000 shares in 2003)		
Issued and Outstanding: 9,600,000 shares in 2004 and 2003	9,600,000	3,360,000
Share premium (capital surplus)	21,249,156	27,489,156
Undistributed net investment income	55,874,569	59,083,301
Undistributed net realized (loss) from foreign currency transactions	(54,667,390)	(48,181,979)
Undistributed net realized gain from investments	122,131,967	115,112,525
Net unrealized appreciation on investments	324,361,555	337,205,016
Net unrealized appreciation on translation of assets and liabilities in foreign currency	983,311	716,070
<b>Net assets</b>	<b>\$479,533,168</b>	<b>\$494,784,089</b>
<b>Net assets per share</b>	<b>\$49.95</b>	<b>\$51.54</b>

The closing price of the Company's shares on the New York Stock Exchange was \$44.82 and \$47.16 on November 30, 2004 and 2003, respectively.

The notes to the financial statements form an integral part of these statements.

# Statements of operations

Years ended November 30, 2004 and 2003

	2004	2003
Investment income		
Dividend income (net of foreign withholding taxes of \$68,998 and \$69,643 in 2004 and 2003, respectively)	\$ 6,460,475	\$ 10,877,665
Interest income	182,298	704,772
<b>Total investment income</b>	<b>6,642,773</b>	<b>11,582,437</b>
Expenses		
Shareholder reports and proxy expenses	185,932	122,387
Directors' fees and expenses	595,021	462,872
Salaries and benefits	588,124	468,678
Other administrative expenses	775,663	641,974
Transfer agent, registrar and custodian	121,754	127,291
Professional fees and expenses	900,947	824,423
Insurance	147,081	144,417
Charitable contributions	100,000	117,619
Foreign transfer tax expense	832,015	—
Other	365,425	277,624
<b>Total expenses</b>	<b>4,611,962</b>	<b>3,187,285</b>
Net investment income before South African tax	2,030,811	8,395,152
South African tax (tax benefit)	(40,457)	294,986
<b>Net investment income</b>	<b>2,071,268</b>	<b>8,100,166</b>
Net realized gain from investments		
Proceeds from sales	8,403,634	—
Cost of securities sold	1,384,192	—
<b>Net realized gain from investments</b>	<b>7,019,442</b>	<b>—</b>
Net realized gain (loss) from foreign currency transactions		
Investments	(6,872,264)	—
Foreign currency	386,853	1,399,249
South African tax refund	—	1,639,641
<b>Net realized gain (loss) from foreign currency transactions</b>	<b>(6,485,411)</b>	<b>3,038,890</b>
Net increase in unrealized appreciation on investments		
Balance, beginning of year	345,821,603	170,170,266
Balance, end of year	324,361,555	345,821,603
<b>Increase (Decrease)</b>	<b>(21,460,048)</b>	<b>175,651,337</b>
Deferred South African tax-change for the year	8,616,587	(5,155,412)
<b>Net increase (decrease) in unrealized appreciation from investments</b>	<b>(12,843,461)</b>	<b>170,495,925</b>
Net increase (decrease) in unrealized appreciation on translation of assets and liabilities in foreign currency	267,241	(594,119)
<b>Net realized and unrealized gain (loss) from investments and foreign currency transactions</b>	<b>(12,042,189)</b>	<b>172,940,696</b>
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>\$ (9,970,921)</b>	<b>\$181,040,862</b>

The notes to the financial statements form an integral part of these statements.

# Statements of surplus and statements of changes in net assets

Years ended November 30, 2004 and 2003

<b>Statements of surplus</b>	November 30, 2004	November 30, 2003
Share premium (capital surplus)		
Balance, beginning of year	\$ 27,489,156	\$ 27,489,156
Change due to reorganization	(6,240,000)	—
Balance, end of year	\$ 21,249,156	\$ 27,489,156
Undistributed net investment income		
Balance, beginning of year	\$ 59,083,301	\$ 58,663,135
Net investment income for the year	2,071,268	8,100,166
Dividends paid	(5,280,000)	(7,680,000)
Balance, end of year	\$ 55,874,569	\$ 59,083,301
Undistributed net realized (loss) from foreign currency transactions		
Balance, beginning of year	\$(48,181,979)	\$(51,220,869)
Net realized gain (loss) for the year	(6,485,411)	3,038,890
Balance, end of year	\$(54,667,390)	\$(48,181,979)
Undistributed net realized gain from investments (Computed on identified cost basis)		
Balance, beginning of year	\$115,112,525	\$115,112,525
Net realized gain for the year	7,019,442	—
Balance, end of year	\$122,131,967	\$115,112,525
Net unrealized appreciation on investments		
Balance, beginning of year	\$337,205,016	\$166,709,091
Net increase (decrease) for the year	(12,843,461)	170,495,925
Balance, end of year	\$324,361,555	\$337,205,016
Net unrealized appreciation (depreciation) on translation of assets and liabilities in foreign currency		
Balance, beginning of year	\$ 716,070	\$ 1,310,189
Net unrealized appreciation (depreciation) for the year	267,241	(594,119)
Balance, end of year	\$ 983,311	\$ 716,070

<b>Statements of changes in net assets</b>	2004	2003
Net investment income	\$ 2,071,268	\$ 8,100,166
Net realized gain from investments	7,019,442	—
Net realized gain (loss) from foreign currency transactions	(6,485,411)	3,038,890
Net increase (decrease) in unrealized appreciation on investments	(12,843,461)	170,495,925
Net unrealized appreciation (depreciation) on translation of assets and liabilities in foreign currency	267,241	(594,119)
Net increase (decrease) in net assets resulting from operations	(9,970,921)	181,040,862
Dividends paid	(5,280,000)	(7,680,000)
Net increase (decrease) in net assets	(15,250,921)	173,360,862
Net assets, beginning of year	494,784,089	321,423,227
Net assets, end of year	\$479,533,168	\$494,784,089

The notes to the financial statements form an integral part of these statements.

# Notes to financial statements

Years ended November 30, 2004 and 2003

**1 Summary of significant accounting policies** ASA (Bermuda) Limited (the “Company”) is a closed-end management investment company registered under the United States Investment Company Act of 1940, and was organized as an exempted limited liability company under the laws of Bermuda on April 29, 2003. On November 19, 2004, the Company, pursuant to an Agreement and Plan of Reorganization, the (“Reorganization”) acquired all the assets and assumed all the liabilities of ASA Limited (“ASA”), a South Africa public limited liability company. The following is a summary of the Company’s significant accounting policies:

## *A. Investments*

Portfolio securities are generally valued at the last reported sales price on the last trading day of the period, or the mean between the closing bid and asked prices of those securities not traded on that date. In the event that a mean price cannot be computed due to the absence of either a bid or an asked price, then the bid price plus 1% or the ask price less 1%, as applicable, is used. Securities for which current market quotations are not readily available are valued at their fair value as determined in good faith by, or in accordance with procedures adopted by, the Company’s Board of Directors.

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

There is no assurance that the valuation at which the Company’s investments are carried could be realized upon sale.

## *B. Foreign Currency Translation*

Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the closing rate of exchange on the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions. The resulting net foreign currency gain or loss is included in the statement of operations.

## *C. Security Transactions and Investment Income*

During the year ended November 30, 2004 sales of securities amounted to \$8,403,634 and purchases of securities amounted to \$7,292,714. During the year ended November 30, 2003 there were no sales of securities and purchases of securities amounted to \$5,296,118.

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

## *D. Distributions to Shareholders*

Dividends to shareholders are recorded on the ex-dividend date.

The reporting for financial statement purposes of distributions made during the fiscal year from net investment income or net realized gains may differ from their ultimate reporting for United States federal income tax purposes. The differences are caused primarily by the separate line item reporting for financial statement purposes of foreign exchange gains or losses. See pages 14 and 15 for additional tax information for United States shareholders.

## *E. Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the period. Actual results could differ from those estimates.

## *F. Basis of Presentation*

The financial statements are presented in United States dollars.

Certain prior year amounts in the accompanying financial statements have been reclassified to conform with current year presentation.

**2 Tax status of the Company** Pursuant to the South African Income Tax Act, as amended, the Company prior to the Reorganization was subject to tax on dividends received from sources other than South Africa. In addition, beginning with the fiscal year ended November 30, 2002, the Company was subject to tax on interest earned on cash deposits. A tax benefit for South African taxes of \$40,457 and a tax provision of \$294,986 for these items have been included in the accompanying financial statements for the fiscal years ended November 30, 2004 and November 30, 2003, respectively.

The deferred tax liability of \$8,616,587, which had been included for the tax on unrealized capital gains on securities for the fiscal year ended November 30, 2003, was eliminated as a result of the Reorganization.

In addition, the Company had previously provided for and paid taxes on foreign exchange gains. However, the Company was assessed by the South African Revenue Service (“SARS”) on the basis that it was exempt from tax on foreign exchange gains, and in November 2003, after the completion of a refund audit performed by SARS, the Company received a refund in respect of the overpayment of tax in the amount of \$1,639,641, plus interest.

**3 Retirement plans** Effective April 1, 1989, the Company established a defined contribution plan (the “Plan”) to replace its previous pension plan. The Plan covers all full-time employees. The Company will contribute 15% of each covered employee’s salary to the Plan. The Plan provides for immediate vesting by the employee without regard to length of service. During the years ended November 30, 2004 and 2003 there were no covered employees under the plan and, consequently, no retirement expense was incurred.

In 1994, the Company entered into a supplemental non-qualified pension agreement with its Chairman. Under the terms of the agreement, the Company agreed to credit \$25,000 per year for five years, beginning December 1, 1993, to a Supplemental Pension Account with interest credited at an annual rate of 3.5%.

The Board of Directors approved an increase in the amount of the annual credit as follows: \$28,125 in May 1999; \$31,250 in February 2002, \$45,000 in March 2003 and \$55,000 in February 2004. As a result, the Company has recorded expense amounts of \$53,333 and \$41,562 for the years ended November 30, 2004 and November 30, 2003, respectively.

The Company has recorded an asset in the amount of \$150,750, (\$145,000 in 2003) related to the retirement obligation liability of \$385,635 as of November 30, 2004, (\$315,900 in 2003). The \$385,635 represents the total liability payable under the agreement at November 30, 2004. Upon retirement from the Company, the liability under the agreement is payable in ten (10) consecutive equal annual payments to the Chairman.

**4 Company Reorganization** The following table illustrates the effect on the authorized number of shares, par value, and share premium (capital surplus) as a result of the Reorganization:

	Prior to Reorganization	After Reorganization
Par Value	R 0.25	\$ 1.00
Authorized number of shares	24,000,000	30,000,000
Common shares at par value	\$ 3,360,000	\$ 9,600,000
Share premium (capital surplus)	27,489,156	21,249,156
Total	\$ 30,849,156	\$ 30,849,156

As a result of the Reorganization, the net asset value per share of the Company as of the close of business on November 19, 2004 increased approximately \$0.91 per share due to the elimination of the deferred tax liability for potential South African capital gains taxes on the books of ASA in the amount of \$9,613,374 (\$1.00 per share), reduced by an accrual of \$832,015 (\$.09 per share) for South African taxes payable by the Company as a result of the Reorganization.

In connection with the Reorganization, the Company has incurred \$2,447,747 in expenses through November 30, 2004. These amounts are recorded in the statements of operations for the fiscal years ended November 30, 2004 and November 30, 2003 in the following classifications:

	November 30	
	2004	2003
Shareholder reports and proxy expenses	\$ 60,000	\$ —
Directors fees and expenses	43,500	—
Salaries and benefits	43,500	—
Professional fees and expenses	769,338	627,404
Foreign transfer tax expense	832,015	—
Other	70,209	1,780
	<u>\$1,818,562</u>	<u>\$629,185</u>

**5 Concentration risk** Under normal circumstances, over 50% of the Company's assets will be invested in equity securities of companies conducting, as a major portion of their business, gold mining and related activities in South Africa. The Company also invests in securities of companies engaged in other businesses in South Africa, including the mining of other precious metals. In addition, the Company invests a portion of its assets in securities of companies operating outside of South Africa in extractive and related activities, including gold mining. The Company is, therefore, subject to gold and precious metal related risks as well as risks related to investing in South Africa including political, economic, regulatory, currency fluctuation and foreign exchange risks. As a result of industry consolidation, the Company currently is invested in a limited number of securities and thus holds large positions in certain securities. Because the Company's investments are concentrated in a limited number of securities of companies involved in the mining of gold and other precious metals and related activities, the net asset value of the Company may be subject to greater volatility than that of a more broadly diversified investment company.

**6 Commitments** The Company has a lease for office space in Johannesburg that expires in February 2005. The remaining commitment under the lease is approximately \$15,000.

# Financial highlights

Year Ended November 30

	2004	2003	2002	2001	2000
<b>Per Share Operating Performance</b>					
Net asset value, beginning of year	\$ 51.54	\$ 33.48	\$ 21.97	\$ 17.58	\$ 22.51
Net investment income	.22	.84	.85	1.00	.61
Net realized gain from investments	.73	—	.51	3.05	1.00
Net realized gain (loss) from foreign currency transactions	(.68)	.32	(1.13)	(.24)	(1.02)
Net increase (decrease) in unrealized appreciation on investments	(1.34)	17.76	11.84	1.40	(4.88)
Net unrealized appreciation (depreciation) on translation of assets and liabilities in foreign currency	.03	(.06)	.24	(.02)	(.04)
Net increase (decrease) in net assets resulting from operations	(1.04)	18.86	12.31	5.19	(4.33)
Less dividends	(.55)	(.80)	(.80)	(.80)	(.60)
Net asset value, end of year	\$49.95	\$ 51.54	\$ 33.48	\$ 21.97	\$ 17.58
Market value per share, end of year	\$44.82	\$47.16	\$30.06	\$19.83	\$ 14.56
<b>Total Investment Return(1)(2)</b>					
Based on market value per share	(3.67%)	59.91%	55.72%	41.76%	(21.06%)
<b>Ratios to Average Net Assets(1)</b>					
Expenses	1.03%	.84%	.91%	1.10%	1.15%
Net investment income	.46%	2.09%	2.63%	4.61%	3.06%
<b>Supplemental Data</b>					
Net assets, end of year (000 omitted)	\$479,533	\$494,784	\$321,423	\$210,944	\$168,726
Portfolio turnover rate	1.63%	—	4.41%	11.18%	7.43%

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

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

(2) Total investment return is calculated assuming a purchase of common stock at the current market price on the first day and a sale at the current market price on the last day of each year reported. Dividends and distributions, if any, are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Company's dividend reinvestment plan.

## Supplementary information

Years ended November 30, 2004 and 2003

<b>Certain fees incurred by the Company</b>	2004	2003
Directors' fees	\$325,000	\$288,500
Officers' remuneration	512,810	500,220
Ranquin Associates (a company of which a former officer was an affiliated person)	44,800	37,800

The notes to the financial statements form an integral part of these statements.

## Certain tax information for United States shareholders (unaudited)

From December 1, 1963 through November 30, 1987, the Company was treated as a “foreign investment company” for United States federal income tax purposes pursuant to Section 1246 of the Internal Revenue Code. Under that section, a United States shareholder who has held his shares in the Company for more than one year is subject to tax at ordinary income tax rates on his profit (if any) on a sale of his shares to the extent of his “ratable share” of the Company’s earnings and profits accumulated for the period during which he held those shares between December 1, 1963 and November 30, 1987. If such shareholder’s profit on the sale of his shares exceeds such ratable share and he held his shares for more than one year, then, subject to the discussion below regarding the United States federal income tax rules applicable to taxable years of the Company beginning after November 30, 1987, he is subject to tax at long-term capital gain rates on the excess.

The Company’s per share earnings and profits accumulated (undistributed) in each of the taxable years from 1964 through 1987 is given below in United States currency. All the per share amounts give effect to the two-for-one stock splits that became effective on May 10, 1966, May 10, 1973 and May 9, 1975.

Year ended November 30	Per year	Per day
1964	\$.042	\$.00012
1965	.067	.00019
1966	.105	.00029
1967	.277	.00076
1968	.241	.00066
1969	.461	.00126
1970	.218	.00060
1971	.203	.00056
1972	.445	.00122
1973	.497	.00136
1974	1.151	.00316
1975	.851	.00233
1976	.370	.00101
1977	.083	.00023
1978	.357	.00098
1979	.219	.00060
1980	1.962	.00538
1981	.954	.00261
1982	.102	.00028
1983	-0-	-0-
1984	-0-	-0-
1985	(.151)	(.00041)
1986	-0-	-0-
1987	-0-	-0-

Under rules enacted by the Tax Reform Act of 1986, the Company became a “passive foreign investment company” (a “PFIC”) on December 1, 1987. The manner in which these rules apply depends on whether a United States shareholder (1) elects to treat the Company as a qualified electing fund (“QEF”) with respect to his Company shares, (2) for taxable years of a United States shareholder beginning after December 31, 1997, elects to “mark-to-market” his Company shares as of the close of each taxable year, or (3) makes neither election.

In general, if a United States shareholder of the Company does *not* make either such election, any gain realized on the direct or indirect disposition of his Company shares will be treated as ordinary income. In addition, such shareholder will be subject to an “interest charge” on part of his tax liability with respect to such gain, as well as with respect to certain “excess distributions” made by the Company. Furthermore, shares held by such shareholder 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.

As noted, the general tax consequences described in the preceding paragraph apply to an “excess distribution” on Company shares, which is defined as a distribution by the Company for a taxable year that is more than 125% of the average amount it distributed for the three preceding taxable years.\* If the Company makes an excess distribution in a taxable year, a United States 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 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 United States shareholder as a normal dividend,\*\* with no interest charge.

If a United States shareholder elects to treat the Company as a QEF with respect to his shares therein for the first year he holds his shares during which the Company is a PFIC (or who later makes the QEF election and also elects to treat his shares generally as if they were sold for their fair market value on the first day of the first taxable year of the Company for which the QEF election is effective), the rules described in the preceding paragraphs generally will not apply. Instead, the electing United States shareholder will include annually in his gross income his *pro rata* share of the Company’s ordinary earnings and net capital gain (his “QEF” inclusion) regardless of whether such income or gain was actually distributed. A United States shareholder who makes a valid QEF election

\* For example, the Company made annual distributions of \$.80, \$.80 and \$.80 per share during the taxable years ended November 30, 2003, 2002 and 2001, respectively, an average per year of \$.80 per share. Accordingly, any distribution in excess of \$1.00 per share (125% of \$.80) would be treated as an excess distribution for the taxable year ended November 30, 2004. (All amounts in U.S. currency.)

\*\* Because the Company is a PFIC, dividends it pays will not qualify for the 15% maximum U.S. federal income tax rate on dividends that individuals receive.

will recognize capital gain on any profit from the actual sale of his shares if those shares were held as capital assets, except to the extent of the shareholder's ratable share of the earnings and profits of the Company accumulated for the period during which he held those shares between December 1, 1963 and November 30, 1987, as described above.

Alternatively, if a United States shareholder makes the mark-to-market election with respect to Company shares for taxable years beginning on or after January 1, 1998, such shareholder will be required annually to report any unrealized gain with respect to his 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 subsequently realized by the electing United States shareholder on a sale or other disposition of his Company shares also would be treated as ordinary income, but such shareholder would not be subject to an interest charge on his resulting tax liability. Special rules apply to a United States shareholder that held his PFIC stock prior to the first taxable year for which the mark-to-market election was effective.

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

Each shareholder who desires QEF treatment must individually elect such treatment. The QEF election must be made for the taxable year of the shareholder in which or with which the taxable year of the Company ends. A QEF election is effective for the shareholder's taxable year for which it is made and all subsequent taxable years of the shareholder and may not be revoked without the consent of the Internal Revenue Service. A shareholder of the Company who first held his Company shares after November 30, 2003 and who files his tax return on the basis of a calendar year may make a QEF election on his 2004 tax return. A shareholder of the Company who first held his Company shares on or before November 30, 2003 may also make the QEF election on his 2004 tax return but should consult his tax advisor concerning the tax consequences and special rules that apply when a QEF election could have been made with respect to such shares for an earlier taxable year.

The QEF election must be made by the due date, with extensions, of the federal income tax return for the taxable year for which the election is to apply. Under Treasury regulations, the 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

QEF inclusion for the year to which the election applies. In order to allow United States shareholders to make the QEF elections and to comply with the applicable annual reporting requirements, the Company annually will provide to them a "PFIC Annual Information Statement" containing certain information required by Treasury regulations.

In early 2005, the Company will send to United States shareholders the PFIC Annual Information Statement for the Company's 2004 taxable year. Such annual information statement may be used for purposes of completing Form 8621. A shareholder who either is subject to a prior QEF election or is making a QEF election for the first time must attach a completed Form 8621 to his income tax return each year. Other United States shareholders also must attach completed Forms 8621 to their tax returns each year, but shareholders not electing QEF treatment will not need to report QEF inclusions thereon.

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

Ordinarily, the tax basis that is obtained by a transferee of property on the death of the owner of that property is adjusted to the property's fair market value on the date of death (or alternate valuation date). If a United States shareholder dies owning shares with respect to which he did not elect QEF treatment (or elected such treatment after the first year in which he 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 in such shares to the fair market value on the date of death (or alternate valuation date). In that case, in general, the transferee of such shares will take a basis in the shares equal to the shareholder's basis therein immediately before his death. If a United States shareholder dies owning Company shares for which a valid QEF election was in effect for all taxable years in such 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 first taxable year of the Company for which the QEF election was effective), then the basis increase generally will be available unless the holding period for his shares began on or prior to November 30, 1987. In the latter case, in general, any otherwise applicable basis increase will be reduced to the extent of the shareholder's ratable share of the earnings and profits of the Company accumulated for the period during which he held those shares between December 1, 1963 and November 30, 1987.

**DUE TO THE COMPLEXITY OF THE APPLICABLE TAX RULES, UNITED STATES SHAREHOLDERS OF THE COMPANY ARE STRONGLY URGED TO CONSULT THEIR OWN TAX ADVISORS CONCERNING THE IMPACT OF THESE RULES ON THEIR INVESTMENT IN THE COMPANY AND ON THEIR INDIVIDUAL SITUATIONS.**



## Dividend Reinvestment Plan (unaudited)

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

For the purpose of making purchases, EquiServe will commingle each participant’s funds with those of all other participants in the 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 net funds available from a cash dividend and any voluntary cash payments being concurrently invested. Any stock dividends or split shares distributed on shares held in the 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 payment being concurrently invested, up to a maximum charge of \$2.50 per participant, will be deducted (and paid to EquiServe) prior to each purchase of shares. Shareholder sales of shares held by EquiServe in the 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 shareholder 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.

Participation in the Plan may be terminated by a participant at any time by written instructions to EquiServe. Upon termination, a participant will receive a certificate for the full number of shares credited to his or her account, unless he or she requests the sale of all or part of such shares.

Dividends reinvested by a shareholder under the Plan will generally be treated for U.S. federal income tax purposes in the same manner as dividends paid to such shareholder in cash. See “Certain tax information for United States shareholders” for more information regarding tax consequences to U.S. investors of an investment in shares of the Company, including the effect of the Company’s status as a PFIC. The amount of the service charge is deductible for U.S. federal income tax purposes, subject to limitations.

To participate in the Plan an investor may not hold his or her shares in a “street name” brokerage account.

Additional information regarding the Plan may be obtained from EquiServe Dividend Reinvestment Plan, 150 Royall St., Canton, MA 02021. Information may also be obtained by calling EquiServe’s Telephone Response Center at 800-446-2617 between 8:30 a.m. and 5 p.m., Eastern time, Monday through Friday.

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## Privacy Notice (unaudited)

The Company is committed to protecting the financial privacy of its shareholders.

We do not share any nonpublic, personal information that we may collect about shareholders with anyone, including our affiliates, except to service and administer shareholders’ share accounts, to process transactions, to comply with shareholders’ requests or legal requirements or for other limited purposes permitted by law. For example, the Company may disclose a shareholder’s name, address, social security number and the number of shares owned to its administrator, transfer agent or other service providers in order to provide the shareholder with proxy statements, tax reporting forms, annual

reports or other information about the Company. This policy applies to all of the Company’s shareholders and former shareholders.

We keep nonpublic personal information in a secure environment. We restrict access to nonpublic personal information to Company officers, agents and service providers who have a need to know the information based on their role in servicing or administering shareholders’ accounts. The Company also maintains physical, electronic and procedural safeguards that comply with federal regulations and established security standards to protect the confidentiality of nonpublic personal information.

## Other information (unaudited)

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### Proxy Voting

The policies and procedures used by the Company to determine how to vote proxies relating to portfolio securities and information regarding how the Company voted proxies relating to portfolio securities during the twelve month period ended June 30, 2004 is available on the Company's website at <http://www.asaltd.com> and on the Securities and Exchange Commission's website at <http://www.sec.gov>. A written copy of the Company's policies and procedures is available without charge, upon request, by calling collect (973) 377-3535.

### Form N-Q

The Company files its complete schedule of portfolio holdings with the Securities and Exchange Commission (the "Commission") for the first and third quarters of each fiscal year on Form N-Q. The Company's Forms N-Q are available on the Commission's web site at <http://www.sec.gov>. The Company's Forms N-Q also may be reviewed and copied at the Commission's Public Reference Room in Washington, D.C.; information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. The information reported on Form N-Q also is included in the Company's financial statements for the first and third quarters of each fiscal year which are available on the Company's web site at <http://www.asaltd.com>.

### Annual CEO Certification

As required, the Company submitted to the New York Stock Exchange ("NYSE") in 2004 the annual certification of the Company's Chief Executive Officer that he was not aware of any violation of the NYSE's Corporate Governance listing standards. The Company also included the certification of the Company's Chief Executive Officer and Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act of 2002 as an exhibit to the Company's Form N-CSR for the year ended November 30, 2004 filed with the Securities and Exchange Commission.

### Voting Results

The following votes were cast at a special General Meeting of Shareholders of ASA held on November 11, 2004

**Proposal to approve the reorganization of ASA Limited into ASA (Bermuda) Limited and the subsequent winding up of ASA Limited.**

<u>For</u>	<u>Against</u>	<u>Abstain</u>
3,992,540	42,265	31,491

### Forward-Looking Statements

This report contains "forward-looking statements" within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934. By their nature all forward-looking statements involve risks, uncertainties and other factors which may cause actual results, performance or achievements of management's plans to be materially different from those contemplated by the forward-looking statements. Such factors include, but are not limited to, the performance of the companies whose securities comprise the Company's portfolio, the conditions in the U.S., South Africa and other international securities and foreign exchange markets, the price of gold, platinum and other precious metals and changes in tax law.

# The Board of Directors and Officers of ASA (Bermuda) Limited

Directors are elected at each annual general meeting of shareholders to serve until the next annual general meeting. Officers are elected to serve one-year terms. The address of each director and officer is c/o LGN Associates, P.O. Box 269, Florham Park, NJ 07932.

## Interested Directors

### Robert J.A. Irwin (77)

Position held with the Company: Chairman, President and Treasurer  
Director since: 2003 (ASA Limited since 1987)  
Principal Occupations During Past 5 Years: Chairman and Treasurer of ASA Limited  
Other Directorships held by Director: Former President, Chief Executive Officer and Director of Niagara Share Corporation

### Chester A. Crocker (63)

Position held with the Company: Director and Assistant Secretary since 2004  
Director since: 2004 (ASA Limited from 1996 to 2004)  
Principal Occupations During Past 5 Years: James R. Schlesinger Professor of Strategic Studies, School of Foreign Service, Georgetown University; President of Crocker Group (consultants)  
Other Directorships held by Director: Director of Universal Corporation, Chairman and Director of United States Institute of Peace, Director of First Africa Holdings Ltd. and G3 Good Governance Group, Ltd.

### Ronald L. McCarthy (71)

Position held with the Company: Director  
Director since: 2004 (ASA Limited since 1988)  
Principal Occupations During Past 5 Years: Managing Director and, since 2001, Secretary of ASA Limited  
Other Directorships held by Director: None

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## Independent Directors

### Henry R. Breck (67)

Position held with the Company: Director  
Director since: 2004 (ASA Limited from 1996 to 2004)  
Principal Occupations During Past 5 Years: Chairman and a director of Ark Asset Management Co., (registered investment adviser)  
Other Directorships held by Director: Director of Butler Capital Corp.

### Harry M. Conger (74)

Position held with the Company: Deputy Chairman (non-executive)  
Director since: 2004 (ASA Limited from 1984 to 2004)  
Principal Occupations During Past 5 Years: Chairman and CEO Emeritus of Homestake Mining Company  
Other Directorships held by Director: Director of Apex Silver Mines

### Joseph C. Farrell (69)

Position held with the Company: Director  
Director since: 2004 (ASA Limited from 1999 to 2004)  
Principal Occupations During Past 5 Years: Retired and former Chairman, President and CEO of The Pittston Company  
Other Directorships held by Director: Director of Universal Corporation and SkyLink Airways, Inc.

### James G. Inglis (60)

Position held with the Company: Director  
Director since: 2004 (ASA Limited from 1998 to 2004)  
Principal Occupations During Past 5 Years: Chairman of Melville Douglas Investment Management (Pty) Ltd. since 2002; Executive Director prior thereto.  
Other Directorships held by Director: Director of Coupon Holdings (Pty) Ltd.

### Malcolm W. MacNaught (68)

Position held with the Company: Director  
Director since: 2004 (ASA Limited since 1998)  
Principal Occupations During Past 5 Years: Retired and formerly Vice President and Portfolio Manager at Fidelity Investments  
Other Directorships held by Director: Director of Meridian Gold, Inc.

### Robert A. Pilkington (59)

Position held with the Company: Director  
Director since: 2004 (ASA Limited since 1979)  
Principal Occupations During Past 5 Years: Investment banker and Managing Director of UBS Securities LLC or predecessor companies  
Other Directorships held by Director: Director of Avocet Mining PLC

### A. Michael Rosholt (84)

Position held with the Company: Director  
Director since: 2004 (ASA Limited since 1982)  
Principal Occupations During Past 5 Years: Chairman of the National Business Initiative (South Africa), a non-profit organization; formerly Chairman of Barlow Rand Limited  
Other Directorships held by Director: None

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## Other Officers

### Paul K. Wustrack, Jr.

Position held with the Company: Secretary and Chief Compliance Officer  
Principal Occupations During Past 5 Years: Assistant U.S. Secretary of ASA Limited since 2002, Chief Compliance Officer since 2004; prior thereto, Special Counsel, Phillips, Lytle, Hitchcock, Blaine & Huber LLP

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