



BAKER STEEL RESOURCES TRUST LIMITED

Half-Yearly Report and Unaudited Condensed Interim Financial Statements

For the period from 1 January 2011 to 30 June 2011

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MANAGEMENT AND ADMINISTRATION

DIRECTORS:

Howard Myles (Chairman)
Edward Flood
Charles Hansard
Clive Newall
Christopher Sherwell
all of whom are non-executive and independent directors

REGISTERED OFFICE:

Arnold House
St. Julian's Avenue
St. Peter Port
Guernsey
Channel Islands

MANAGER:

Baker Steel Capital Managers (Cayman) Limited
PO Box 309
George Town
Grand Cayman KY1-1104
Cayman Islands

INVESTMENT MANAGER:

Baker Steel Capital Managers LLP
86 Jermyn Street
London SW1Y 6JD
England
United Kingdom

BROKERS:

RBC Capital Markets
71 Queen Victoria Street
London EC4V 4DE
United Kingdom

Winterflood Securities Limited
Cannon Bridge House
25 Dowgate Hill
London EC4R 2GA
United Kingdom

SOLICITORS TO THE COMPANY:
(as to English law)

Simmons & Simmons
CityPoint
One Ropemaker Street
London EC2Y 9SS
United Kingdom

ADVOCATES TO THE COMPANY:
(as to Guernsey law)

Ogier
Ogier House
St. Julian's Avenue
St. Peter Port
Guernsey GY1 1WA
Channel Islands

BAKER STEEL RESOURCES TRUST LIMITED

MANAGEMENT AND ADMINISTRATION (CONTINUED)

ADMINISTRATOR & COMPANY SECRETARY: HSBC Securities Services (Guernsey) Limited
Arnold House
St. Julian's Avenue
St. Peter Port
Guernsey GY1 3NF
Channel Islands

SUB-ADMINISTRATOR TO THE COMPANY: HSBC Securities Services (Ireland) Limited
1 Grand Canal Square
Grand Canal Harbour
Dublin 2
Ireland

CUSTODIAN TO THE COMPANY: HSBC Institutional Trust Services (Ireland) Limited
1 Grand Canal Square
Grand Canal Harbour
Dublin 2
Ireland

AUDITORS: Ernst & Young LLP
Royal Chambers
St. Julian's Avenue
St. Peter Port
Guernsey GY1 4AF
Channel Islands

REGISTRAR: Capita Registrars (Guernsey) Limited
Longue Hogue House
St. Sampson
Guernsey GY2 4JN
Channel Islands

PRINCIPAL BANKER: HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom

DIRECTORS' REPORT

For the period from 1 January 2011 to 30 June 2011

To Shareholders of Baker Steel Resources Trust Limited

The Board is pleased to present the Company's Half-Yearly Financial Report.

This Directors' Report has been produced solely to provide additional information to Shareholders as a body, as required by the UK Listing Authority's Disclosure and Transparency Rules. It should not be relied upon by Shareholders or any other party for any other purpose.

This Directors' Report relates to the period from 1 January 2011 to 30 June 2011 and contains information that covers this period and information relating to any material changes up to the date of publication of this Half-Yearly Report. Please note that more up to date performance information, including the monthly report for the period ending 31 July 2011, is available on the Company's website www.bakersteelresourcestrust.com.

The objective of the Company is to seek capital growth over the long term by investing through a focused global portfolio consisting principally of the equities, or related instruments, of natural resources companies. These investments will be predominantly in private companies with strong development projects and focused management, but also in listed securities to exploit value inherent in market inefficiencies.

Financial Performance

The unaudited net asset value ("NAV") per Ordinary Share as at 30 June 2011 was 117.0p per share, up 13.2% from the Company's NAV calculated on 31 December 2010. During this period the HSBC Global Mining Index was down 5.1%

For the purpose of calculating the NAV per share, unquoted investments are carried at fair value as at 30 June 2011 as determined by the Directors and quoted investments are carried at last traded price as at 30 June 2011.

Net assets at 30 June 2011 comprised the following:

	£m	% net assets
Unquoted Investments	72.4	93.7%
Quoted Investments	4.5	5.8%
Net cash	0.3	0.5%
	-----	-----
	77.2	100.0

Issue of Shares

The Company was admitted to trading on the London Stock Exchange on 28 April 2010. On that date, 30,468,865 Ordinary Shares and 6,093,772 Subscription Shares were issued pursuant to a placing and offer for subscription and 35,554,224 Ordinary Shares and 7,110,822 Subscription Shares were issued pursuant to a scheme of reorganisation of Genus Capital Fund.

In addition 10,000 Management Ordinary Shares were issued.

Following the exercise of Subscription Shares at the end of September 2010, 7,543 Ordinary Shares were issued and as a result, the Company had 66,040,632 Ordinary Shares and 13,197,051 Subscription Shares in issue at 31 December 2010.

Following the exercise of Subscription Shares at the end of March 2011, 2,429 Ordinary Shares were issued and as a result, the Company has 66,043,061 Ordinary Shares and 13,194,622 Subscription Shares in issue at 30 June 2011.

Going Concern

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements have been prepared on a going concern basis.

Related Party Transactions

Transactions with related parties are based on terms equivalent to those that prevail in an arm's length transaction. There were no such transactions with related parties which took place for the period ended 30 June 2011.

DIRECTORS' REPORT (CONTINUED)

For the period from 1 January 2011 to 30 June 2011

Principal Risks and Uncertainties

The principal risks facing the Company relate to the Company's investment activities. These risks are mainly market risk (comprising market price risk, currency risk and interest rate risk), commodity price risk, liquidity risk and credit risk, in addition to mining development risk, licencing risk, and emerging market risk. An explanation of these risks is contained in the Company's prospectus dated 31 March 2010, available on the Company's website www.bakersteelresourcestrust.com.

A further risk facing the Company includes regulatory risk (that the loss of the Company's investment status or a breach of The Rules of the UK Listing Authority, the London Stock Exchange or the Guernsey Financial Services Commission, could have adverse financial consequences and cause reputational damage).

The principal risks and uncertainties that the Company is exposed to through mining and mineral development related markets have not significantly changed since the publication of the Company's Annual Report and Audited Financial Statements for the period ended 31 December 2010 and are not anticipated to change for the remainder of 2011.

Directors' Interests

The Directors' interests in the share capital of the Company at 30 June 2011 were as follows:

	Number of Ordinary Shares	Number of Subscription Shares
Edward Flood	65,000	13,000
Christopher Sherwell	25,000	5,000
Clive Newall	25,000	5,000

Signed for and on behalf of the Directors:

Howard Myles
Chairman
26 August 2011

INVESTMENT MANAGER'S REPORT**For the period from 1 January 2011 to 30 June 2011****Investment Update**

Largest Investments – 30 June 2011

	% of NAV
Ivanplats Limited	27.6%
Gobi Coal & Energy Limited	16.9%
Ferrous Resources Limited	13.8%
First Coal Corporation	7.6%
Ironstone Resources Limited	7.0%
Silver China (Five Stars BS Ltd)	5.6%
Bilboes Holdings	4.8%
Copperbelt Minerals Limited	4.3%
Polar Silver (Argentum)	4.1%
Forbes & Manhattan Coal Corporation	2.7%
Other Investments	5.1%
Net Cash and Equivalents	0.5%

30 June 2010

	% of NAV
Net Cash and Equivalents	41.4%
Ferrous Resources Limited	19.5%
Ivanhoe Nickel and Platinum Limited	18.1%
Gobi Coal & Energy Limited	11.0%
Copperbelt Minerals Limited	5.7%
First Coal Corporation	3.5%
Other Investments	4.8%

Review

At the end of June 2011, Baker Steel Resources Trust Limited was 99.5% invested in line with the intention to invest the Company's capital within a year or so of listing. The investment portfolio has also been diversified to include silver and gold exposure, in addition to base metals, iron ore and metallurgical coal. During the half year, the NAV per share rose 13.2% to 117.0 pence largely due to increases in the values of Ivanplats Limited ("Ivanplats") and Gobi Coal and Energy Limited ("Gobi") as both companies progress towards a listing, possibly in the second half of 2011 or early in 2012.

In particular Ivanplats, the Company's largest holding, agreed with ITOCHU Corporation of Japan for it to acquire an 8% interest in Ivanplats' Platreef project in South Africa for 22.4 billion Japanese Yen, valuing the Platreef Project at approximately US\$3.5 billion. Ivanplats rates its Kamao copper deposit as the most significant copper discovery in the Democratic Republic of Congo since Belgian colonial-era exploration more than 100 years ago. If Kamao were to be attributed an equivalent value to the Platreef project on IPO, this would suggest a valuation more than four times the Company's current carrying value or almost a doubling of the current NAV per share. Ivanplats has suggested that subject to market conditions, it will consider initiating the IPO later this year or early in 2012.

During the period, the Company made three new significant additions to its portfolio. US\$5.1 million was invested in Polar Silver Resources Limited, a private company which holds a 50% indirect interest in the Prognoz silver project, 444km north of Yakutsk in Russia ("Prognoz"). A NI 43-101 compliant report by independent consultant Micon International Limited ("Micon") in July 2009, estimated an indicated resource of 5.86 million tonnes of ore grading 773g/t silver containing 146 million ounces silver and inferred resources of 9.64 million tonnes of ore grading 473g/t silver containing 147 million ounces silver at Prognoz. Polar Silver has commissioned Micon to undertake a NI 43-101 compliant scoping study on Prognoz, which is expected to be completed in the second half 2011 ahead of a proposed IPO. The second investment was US\$7million in 'Silver China', a private company which has an interest in a significant silver-lead-zinc deposit in south-west China, where a mine is under construction with first production expected later this year. The Company is precluded from disclosing the identity of Silver China or providing further details, until a prospectus is issued, as Silver China is currently planning a listing. During June 2011, the Company completed a US\$6 million investment in Bilboes, a private Zimbabwean gold mining company which owns four previously producing oxide mines in Zimbabwe. International consultant, SRK, signed off JORC compliant resources totaling 778,000 ounces and also suggested that there is a good opportunity to expand significantly the current resource base through drilling of the underlying sulphide mineralisation. Bilboes plans to use the proceeds of the investment on resource drilling and the commencement of a bankable feasibility study.

INVESTMENT MANAGER'S REPORT (CONTINUED)

For the period from 1 January 2011 to 30 June 2011

Review (continued)

Good operational progress was made during the first half of the year at several of the companies in which BSRT is invested. Ferrous Resources announced that it had achieved a number of important milestones in developing its fully integrated iron ore project in Brazil including the grant of three key licences for the installation of the Viga Mine and for a port terminal and the pipeline between these two facilities. Production of iron ore has commenced and Ferrous has stated that it remains on schedule to achieve its target of exporting 25 million tonnes of iron ore per annum from 2014. South American Ferro Metals ("SAFM") announced the commissioning of the beneficiation plant at its Ponto Verde Iron Ore Mine in Brazil with production increasing steadily towards its design rate of 60,000 tonnes per month. SAFM also achieved the production milestone for the A Class performance shares held by the Company, and accordingly these shares were converted into ordinary shares.

At 30 June 2011	Price / Index Level	% Change in Six Months	% Change from Inception
Net Asset Value (pence/share)	117.0	+13.2%	+19.5%*
Ordinary Share Price (pence/share)	103.63	+32.0%	+3.6%**
Subscription Share Price (pence/share)	22.5	+45.2%	n/a
MSCI World Index	341.82	+3.4%	+10.9%†
HSBC Global Mining Index	1536.72	-5.1%	+18.2%†
CRB Index	338.05	+1.6%	+23.7%†
Chinese Domestic Iron Ore – Hebei/Tangshan (US\$/t)	209.0	-2.8%	+8.9%†
Copper (US\$/t)	9414.0	-2.4%	+26.3%†
Gold (US\$/oz)	1500.35	+5.6%	+28.5%†

Source: Bloomberg

† closing 27/4/10, **Issue price 28/4/10, * NAV 30/4/10

Outlook

Following a strong second half of 2010, markets for mining equities paused for breath with the HSBC Global Mining Index falling 5.1% during the first half 2011. The half year saw growing disconnect between the prices of mining equities and commodities, particularly gold with the metal rising 5.6% and the FTSE Gold Mines Index falling 10.1%. This can only be partially explained by an increase in companies' operating and capital costs as a result of commodity price rises and is more likely a move away from risk as governments in Western economies tackle high debt problems. The cashflows of the producing mining companies have remained robust and we would expect a recovery in the rating of mining equities in the second half of the year, in the absence of a major fall in commodity prices.

The Company's portfolio is well placed to benefit from a stronger market for mining shares with its top three holdings representing 58.3% of net assets all potentially seeking an IPO in the second half of this year.

Baker Steel Capital Managers LLP
August 2011

DIRECTORS' RESPONSIBILITY STATEMENT
For the period from 1 January 2011 to 30 June 2011

To the best of the knowledge of the Directors:

The Directors' Report and the Investment Manager's Report comprise the Half-Yearly Management Report.

This Half-Yearly Management Report and Condensed Interim Financial Statements give a true and fair view of the assets, liabilities, financial position and profit of the Company and have been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting.

The Half-Yearly Management Report includes a fair review of the information required by:

- (a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred in the period from 1 January 2011 to 30 June 2011 and their impact on the set of financial statements; and a description of the principal risks and uncertainties for the remainder of the year; and
- (b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the period from 1 January 2011 to 30 June 2011 and that have materially affected the financial position or performance of the entity during that period.

Signed on behalf of the Board of Directors by:

Howard Myles

Christopher Sherwell

26 August 2011

BAKER STEEL RESOURCES TRUST LIMITED**UNAUDITED PORTFOLIO STATEMENT
AT 30 JUNE 2011**

Shares /Warrants/ Nominal	Investments	Fair value £ equivalent	% of Net assets
Listed equity shares			
Australian Dollars			
11,668,950	South American Ferro Metals	1,247,207	1.61
Australian Dollars Total		1,247,207	1.61
Canadian Dollars			
3,383,333	BacTech Environmental Corporation	480,499	0.62
1,100,000	Forbes & Manhattan Corporation	2,116,090	2.74
16,916,667	REBgold Corporation	655,226	0.85
Canadian Dollars Total		3,251,815	4.21
Total investments in listed equity shares		4,499,022	5.82
Fixed income instruments			
United States Dollars			
US\$5,100,000	Polar Silver (Argentum) 0.1% 25/01/2013	3,175,394	4.11
United States Dollars Total		3,175,394	4.11
Total investments in fixed income instruments		3,175,394	4.11
Unlisted equity shares and warrants			
Australian Dollars			
4,445,586	South American Ferro Metals Class B	332,609	0.43
4,445,586	South American Ferro Metals Class C	330,233	0.43
Australian Dollars Total		662,842	0.86
Canadian Dollars			
10,250,000	BacTech Mining Corporation Warrants 17/06/2015	193,873	0.25
6,666,667	BacTech Mining Corporation Warrants 06/08/2013	85,642	0.11
7,428,571	First Coal Corporation	5,850,464	7.58
6,282,341	Ironstone Resources Limited	5,342,176	6.92
3,036,605	Ironstone Resources Limited Warrants 31/03/2012	56,063	0.07
Canadian Dollars Total		11,528,218	14.93
Great Britain Pounds			
1,594,646	Celadon Mining Limited	143,518	0.19
Great Britain Pounds Total		143,518	0.19

BAKER STEEL RESOURCES TRUST LIMITED**UNAUDITED PORTFOLIO STATEMENT (CONTINUED)
AT 30 JUNE 2011**

Shares	Investments	Fair value	% of Net
/Warrants/ Nominal		£ equivalent	assets
Unlisted equity shares and warrants (continued)			
United States Dollars			
3,034,734	Archipelago Metals	377,901	0.49
451,445	Bilboes Holdings (Private) Limited	3,735,770	4.84
268,889	Copperbelt Minerals	3,348,347	4.33
5,713,642	Ferrous Resources	10,672,390	13.82
7,000,000	Silver China (Five Stars BS Limited)	4,358,384	5.64
5,244,550	Gobi Coal and Energy	13,061,578	16.91
1,957,499	Ivanplats Limited	21,328,829	27.61
1,020	Polar Silver Resources Limited	635	-
United States Dollars Total		56,883,834	73.64
Total investments in unlisted equity shares		69,218,412	89.62
Financial assets held at fair value through profit or loss		76,892,828	99.55
Other assets & liabilities		349,211	0.45
Total equity		77,242,039	100.00

BAKER STEEL RESOURCES TRUST LIMITED**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011**

		Unaudited 30 June 2011 £	Audited 31 December 2010 £
Assets			
Cash and cash equivalents	8	2,219,003	1,013,506
Receivables		329,114	330,561
Financial assets held at fair value through profit or loss (Cost 2011: £60,468,629 and 2010: £63,126,417)	3	76,892,828	67,160,848
Total assets		79,440,945	68,504,915
Equity and liabilities			
Liabilities			
Performance fees accrued	7	1,978,050	-
Management fees payable	7	103,183	79,513
Directors' fees payable		36,192	36,000
Formation expenses payable		26,529	26,529
Audit fees payable		24,835	40,000
Administration fees payable	5	7,429	10,193
Other payables		22,688	38,382
Total liabilities		2,198,906	230,617
Equity			
Management Ordinary Shares		10,000	10,000
Ordinary Shares		64,657,584	64,655,155
Revenue reserve		12,574,455	3,609,143
Total equity		77,242,039	68,274,298
Total equity and liabilities		79,440,945	68,504,915
Ordinary Shares in issue	9	66,043,061	66,040,632
Net asset value per Ordinary Share (in Pence) – Basic	4	117.0	103.4

These financial statements were approved by the Board of Directors on 26 August 2011 and signed on its behalf by:

Howard Myles

Christopher Sherwell

The accompanying notes form an integral part of these condensed interim financial statements

BAKER STEEL RESOURCES TRUST LIMITED**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 1 JANUARY 2011 TO 30 JUNE 2011**

		Unaudited period ended 30 June 2011 Revenue £	Unaudited period ended 30 June 2011 Capital £	Unaudited period ended 30 June 2011 Total £
Income				
Interest income		71,324	-	71,324
Net gain on financial assets and liabilities at fair value through profit or loss		-	11,801,907	11,801,907
Net foreign exchange loss			(52,889)	(52,889)
Other income		112	-	112
Net income		71,436	11,749,018	11,820,454
Expenses				
Performance fees	7	1,978,050	-	1,978,050
Management fees	7	554,807	-	554,807
Directors' fees and expenses		70,000	-	70,000
Administration fees	6	42,767	-	42,767
Custody fees		24,576	-	24,576
Audit fees		20,000	-	20,000
Other expenses		164,942	-	164,942
Total expenses		2,855,142	-	2,855,142
Total comprehensive (expense)/income for the period		(2,783,706)	11,749,018	8,965,312
Net (expense)/income for the period per Ordinary Share:				
Basic and diluted (in pence)	4	(4.2)	17.8	13.6
Weighted Average Number of Ordinary Shares Outstanding:				
Basic and diluted	4			66,041,847

In the current period there were no gains or losses other than those recognised above.

The Directors consider all results to derive from continuing activities.

The accompanying notes form an integral part of these condensed interim financial statements

BAKER STEEL RESOURCES TRUST LIMITED**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 9 MARCH 2010 TO 30 JUNE 2010**

		Unaudited period ended *30 June 2010 Revenue £	Unaudited period ended *30 June 2010 Capital £	Unaudited period ended *30 June 2010 Total £
Income				
Net loss on financial assets and liabilities at fair value through profit or loss		-	(1,589,253)	(1,589,253)
Net foreign exchange gain		-	460,613	460,613
Net income		-	(1,128,640)	(1,128,640)
Expenses				
Management fees	7	204,514	-	204,514
Formation expenses		152,870	-	152,870
Directors' fees and expenses		25,414	-	25,414
Administration fees	6	21,600	-	21,600
Audit fees		11,429	-	11,429
Custody fees		7,331	-	7,331
Other expenses		12,430	-	12,430
Total expenses		435,588	-	435,588
Total comprehensive expense for the period		(435,588)	(1,128,640)	(1,564,228)
Net expense for the period per Ordinary Share:				
Basic (in pence)	4	(0.66)	(1.71)	(2.37)
Diluted (in pence)	4	(0.65)	(1.71)	(2.36)
Weighted Average Number of Ordinary Shares Outstanding:				
Basic	4			66,033,089
Diluted	4			66,194,820

In the current period there were no gains or losses other than those recognised above.

The Directors consider all results to derive from continuing activities.

* For the period from 9 March 2010 (date of incorporation) to 30 June 2010.

The accompanying notes form an integral part of these condensed interim financial statements

BAKER STEEL RESOURCES TRUST LIMITED**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 1 JANUARY 2011 TO 30 JUNE 2011**

	Management Ordinary Shares £	Ordinary Shares £	Revenue reserve £	Period ended 30 June 2011 £
Balance at 1 January 2011	10,000	64,655,155	3,609,143	68,274,298
Proceeds on issue of Ordinary Shares	-	2,429	-	2,429
Net income for the period	-	-	8,965,312	8,965,312
Balance as at 30 June 2011	10,000	64,657,584	12,574,455	77,242,039

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 9 MARCH 2010 (DATE OF INCORPORATION) TO 30 JUNE 2010**

	Management Ordinary Shares £	Ordinary Shares £	Revenue reserve £	Period ended 30 June 2010 £
Proceeds on issue of Ordinary Shares	10,000	66,023,089	-	66,033,089
Share issue costs	-	(1,381,175)	-	(1,381,175)
Net expense for the period	-	-	(1,564,228)	(1,564,228)
Balance as at 30 June 2010	10,000	64,641,914	(1,564,228)	63,087,686

The accompanying notes form an integral part of these condensed interim financial statements

BAKER STEEL RESOURCES TRUST LIMITED**CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 1 JANUARY 2011 TO 30 JUNE 2011**

	Period ended 30 June 2011 £	Period ended *30 June 2010 £
Cash flows from operating activities		
Net income/(expense) for the period	8,965,312	(1,564,228)
<i>Adjustments to reconcile income/(expense) for the period to net cash used in operating activities:</i>		
Net change in fair value of financial assets and at fair value through profit or loss	(11,801,907)	1,589,253
Net decrease/(increase) in other receivables	1,447	(4,415)
Net increase in other payables	1,968,289	368,577
Net cash (used in)/provided by operating activities	(866,859)	389,187
Cash flows from investing activities		
Purchase of financial assets at fair value through profit or loss	(12,813,034)	(3,364,134)
Sale of financial assets at fair value through profit or loss	7,382,961	-
Maturity of financial assets at fair value through profit or loss	7,500,000	-
Net cash provided by/(used in) investing activities	2,069,927	(3,364,134)
Cash flows from financing activities		
Proceeds from shares issued	2,429	30,468,865
Share issue costs	-	(1,381,175)
Net cash provided by financing activities	2,429	29,087,690
Net increase in cash and cash equivalents	1,205,497	26,112,743
Cash and cash equivalents at the beginning of the period	1,013,506	-
Cash and cash equivalents at the end of the period	7 2,219,003	26,112,743
Represented by:		
Cash and cash equivalents	2,219,003	26,113,077
Bank overdraft	-	(334)
Cash and cash equivalents at the end of the period	7 2,219,003	26,112,743

* For the period from 9 March 2010 (date of incorporation) to 30 June 2010.

The accompanying notes form an integral part of these condensed interim financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2011 TO 30 JUNE 2011**

1. GENERAL INFORMATION

Baker Steel Resources Trust Limited (the "Company") is a closed-ended investment company with limited liability incorporated on 9 March 2010 in Guernsey under the Companies (Guernsey) Law 2008 with registration number 51576. The Company is a registered closed-ended investment scheme registered pursuant to the POI (Protection of Investors) Law and The Registered Collective Investment Scheme Rules 2008 issued by the Guernsey Financial Services Commission (GFSC). On 28 April 2010 the Ordinary Shares and Subscription Shares of the Company were admitted to the Official List of the UK Listing Authority and to trading on the Main Market of the London Stock Exchange.

The Company is managed by Baker Steel Capital Managers (Cayman) Limited (the "Manager"). The Manager has appointed Baker Steel Capital Managers LLP (the "Investment Manager") as the investment manager to carry out certain duties. The Company's investment objective is to seek capital growth over the long-term through a focused, global portfolio consisting principally of the equities, or related instruments, of natural resources companies. The Company invests predominantly in unlisted companies (i.e. those companies that have not yet made an initial public offering or "IPO") and also in listed securities (including special situations opportunities and less liquid securities) with a view to exploiting value inherent in market inefficiencies and pricing anomalies.

These condensed interim financial statements have not been audited or reviewed by the auditors pursuant to the Auditing Practices Board Guidance on the Review of the interim financial information performed by the independent auditor of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The unaudited condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standards (IAS) 34: Interim Financial Reporting.

The financial statements have been prepared on a historic cost basis except for financial assets and financial liabilities at fair value through profit or loss, which are designated at fair value through profit or loss.

The accounting policies used in the preparation of these financial statements are consistent with those used in the Company's most recent annual financial statements for the year ended 31 December 2010. There have been no changes to the Company's accounting policies since the date of the Company's last annual financial statements, for the year ended 31 December 2010. The format of these financial statements differs in some respects from that of the most recent annual financial statements, in that the notes to the financial statements are presented in summary form.

The Company has adopted the Great Britain pound sterling ("£") as its presentation currency, being the currency in which its Ordinary Shares and Subscription Shares are issued. The presentation currency is the same as the functional currency.

The statement of comprehensive income is presented in accordance with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in January 2009 by the Association of Investment Companies, to the extent that it does not conflict with International Financial Reporting Standards (IFRS).

3. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

30 June 2011	Listed equity shares	Unlisted equity shares	Fixed income instruments	Warrants	Total
	£	£	£	£	£
<i>Financial assets at fair value through profit or loss</i>					
Cost	4,169,537	53,067,152	3,231,939	-	60,468,628
Unrealised gain/(loss)	329,485	15,815,682	56,545	335,578	16,537,290
Market value at 30 June 2011	<u>4,499,022</u>	<u>68,882,834</u>	<u>3,175,394</u>	<u>335,578</u>	<u>76,892,828</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD FROM 1 JANUARY 2011 TO 30 JUNE 2011**

3. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

31 December 2010	Listed equity shares	Unlisted equity shares	Fixed income instruments	Warrants	Total
	£	£	£	£	£
<i>Financial assets at fair value through profit or loss</i>					
Cost	5,021,326	36,930,304	12,766,600	8,408,187	63,126,417
Unrealised (loss)/gain	1,983,502	(1,741,792)	(13,090)*	3,805,811	4,034,431
Market value at 31 December 2010	<u>7,004,828</u>	<u>35,188,512</u>	<u>12,753,510</u>	<u>12,213,998</u>	<u>67,160,848</u>

* includes interest income of £170,235.

The following table analyses investments by type and by level within the fair valuation hierarchy at 30 June 2011.

	Quoted prices in active markets	Quoted market based observables	Unobservable inputs	Total
	Level 1	Level 2	Level 3	
	£	£	£	£
<i>Financial assets at fair value through profit or loss</i>				
Listed equity shares	4,499,022	-	-	4,499,022
Unlisted equity shares	-	-	68,882,834	68,882,834
Warrants	-	-	335,578	335,578
Fixed income instruments	3,175,394	-	-	3,175,394
	<u>7,674,416</u>	<u>-</u>	<u>69,218,412</u>	<u>76,892,828</u>

The following table analyses investments by type and by level within the fair valuation hierarchy at 31 December 2010.

	Quoted prices in active markets	Quoted market based observables	Unobservable inputs	Total
	Level 1	Level 2	Level 3	
	£	£	£	£
<i>Financial assets at fair value through profit or loss</i>				
Listed equity shares	7,004,828	-	-	7,004,828
Unlisted equity shares	-	-	35,188,512	35,188,512
Warrants	-	-	12,213,998	12,213,998
Fixed income instruments	12,753,510	-	-	12,753,510
	<u>19,758,338</u>	<u>-</u>	<u>47,402,510</u>	<u>67,160,848</u>

In determining an investment's placement within the fair value hierarchy, the Directors take into consideration the following.

Investments whose values are based on quoted market prices in active markets are classified within level 1. These include listed equities and fixed income instruments with observable market price. The Directors do not adjust the quoted price for such instruments, even in situations where the Company holds a large position and a sale could reasonably impact the quoted price.

Investments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs, are classified within level 2. These include certain less liquid listed equities. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Company did not hold any such investments at 30 June 2011.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD FROM 1 JANUARY 2011 TO 30 JUNE 2011**

3. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Investments classified within level 3 have significant unobservable inputs. They include unlisted equity shares and warrants. Level 3 investments are valued using valuation techniques explained in the Company's accounting policies. The inputs used by the Directors in estimating the value of level 3 investments include the original transaction price, recent transactions in the same or similar instruments, completed or pending third-party transactions in the underlying investment of comparable issuers, subsequent rounds of financing, recapitalisations and other transactions across the capital structure, offerings in the equity or debt capital markets, and changes in financial ratios or cash flows. Level 3 investments may also be adjusted to reflect illiquidity and/or non-transferability, with the amount of such discount estimated by the Directors in the absence of market information.

4. NET ASSET VALUE PER SHARE AND EARNING PER SHARE

Basic net asset value per share is based on the net assets of £77,242,039 (31 December 2010: £68,274,298) and 66,043,061 (31 December 2010: 66,040,632) Ordinary Shares, being the number of shares in issue at the period end. The subscription shares are entitled to be converted to Ordinary Shares at 100p per share.

The calculation for basic net asset value is as below:-

	30 June 2011		31 December 2010	
	Ordinary Shares	Subscription Shares	Ordinary Shares	Subscription Shares
Net assets at the period end (£)	77,242,039	13,194,622	68,274,298	13,197,051
Number of shares	66,043,061	13,194,622	66,040,632	13,197,051
Basic net asset value per share (in pence)	117.0		103.4	

The basic and diluted earnings per share is based on the net income for the period of the Company of £8,965,312 and on 66,041,847 Ordinary Shares, being the weighted average number of shares in issue during the period.

For the period from 9 March 2010 to 30 June 2010, the basic earnings per share is based on the net loss for the period of the Company of £1,564,228 and on 66,033,089 Ordinary Shares, being the weighted average number of shares in issue during the period. Diluted earnings per ordinary share is calculated by adjusting basic earnings per ordinary share to reflect the notional exercise of the number of dilutive subscription shares outstanding during the period, using a weighted average calculation based on the average market price per ordinary share during the period. The diluted earnings per share figure is similar to the basic earnings per share figure because the average market share price during the period of 101.2p is only 1.2% greater than the exercise price.

These calculations are prepared in accordance with the IFRS.

5. TAXATION

The Company is a Guernsey Exempt Company and is therefore not subject to taxation on its income under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989. An annual exempt fee of £600 has been paid.

6. ADMINISTRATION FEES

The Administrator, HSBC Securities Services (Guernsey) Limited, is paid fees for acting as administrator of the Company at the rate of 7 basis points of gross asset value up to US\$250 million and the rate reduces to 5 basis points of gross asset value above US\$250 million. The Administrator is also reimbursed by the Company for reasonable out-of-pocket expenses. These fees accrue and are calculated as at the last Business Day of each month and paid monthly in arrears.

The Administrator is also entitled to a fee for its provision of corporate secretarial services provided to the Company on a time spent basis and subject to a minimum annual fee of £40,000. The Company is also responsible for any sub-administration fees as agreed in writing from time to time, and reasonable out-of-pocket expenses. The Administrator is also entitled to fees of €5,000 for preparation of the financial statements of the Company.

The administration fees paid for the period ended 30 June 2011 were £42,767 (30 June 2010: £21,600) of which £7,429 was payable at 30 June 2011 (31 December 2010: £10,193).

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD FROM 1 JANUARY 2011 TO 30 JUNE 2011**

7. MANAGEMENT AND PERFORMANCE FEES

The Manager was appointed pursuant to a management agreement with the Company dated 31 March 2010 (the "Management Agreement"). The Company pays to the Manager a management fee which is equal to 1/12th of 1.75% of the total market capitalisation of the Company per month. The management fee is calculated and accrued as at the last Business Day of each month and is paid monthly in arrears.

The Manager may in certain circumstances also be entitled to be paid a performance fee if the Net Asset Value at the end of any Performance Period exceeds the Hurdle as at the end of the Performance Period. For this purpose the "Hurdle" means an amount equal to the Issue Price of £1 multiplied by the number of shares in issue as at Admission, as increased at a rate of 8% per annum compounded to the end of the relevant Performance Period. In respect of the first Performance Period and any other Performance Period which is less than a full 12 months, the Hurdle will be applied pro rata. The performance fee is subject to adjustments for any issue and/or repurchase of Ordinary Shares.

The amount of the performance fee (if any) will be 15 per cent of the total increase in the Net Asset Value at the end of the relevant Performance Period over the highest previously recorded Net Asset Value as at the end of a Performance Period in respect of which a performance fee was last accrued, (or the Issue Price multiplied by the number of shares in issue as at Admission, if no performance fee has been so accrued) having made adjustments for numbers of Ordinary Shares issued and/or repurchased as described above.

The first performance period commenced on the date of Admission and ended on 31 December 2010 and thereafter, is each 12 month period ending on 31 December in each year (the "Performance Period"). The last Performance Period will end on the date on which the Management Agreement is terminated or the Company is wound up. The performance fees accrued for the period ended 30 June 2011 were £1,978,050 (30 June 2010: £Nil).

The management fees paid for the period ended 30 June 2011 were £554,807 (30 June 2010: £204,514) of which £103,183 was payable at 30 June 2011 (31 December 2010: £79,513).

8. CASH AND CASH EQUIVALENTS

	30 June 2011	31 December 2010
	£	£
Represented by:		
Deposits at HSBC Bank plc	2,219,003	1,013,506

9. SHARE CAPITAL

The authorised share capital of the Company on incorporation was represented by an unlimited number of Ordinary Shares of no par value. The Company raised £30,468,865 through the issue of 30,468,865 Ordinary Shares and 6,093,772 Subscription Shares via a Placing and Offer. In addition, the Company issued 35,554,224 Ordinary Shares and 7,110,822 Subscription Shares to the holders of shares in Genus Capital Fund pursuant to a scheme of reorganisation of Genus Capital Fund, in exchange for substantially all the non-cash assets of Genus Capital Fund which are detailed as follows:

Quantity	Investments	Transfer value
		£
	Listed equity shares	
358,333	MBAC Fertilizer Corporation	567,717
		<u>567,717</u>
	Unlisted equity shares and warrants	
500	BacTech Mining	328,699
1,594,646	Celadon Mining	297,720
268,889	Copperbelt Minerals	3,545,594
6,123,642	Ferrous Resources	14,130,705
2,571,429	First Coal Corporation	2,315,920
3,350,285	Gobi Coal and Energy	4,417,716
500,000	Ivanhoe Nickel and Platinum	2,884,457
791,666	Ivanhoe Nickel Platinum warrants 1 for 1.2 ordinary	5,480,463

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD FROM 1 JANUARY 2011 TO 30 JUNE 2011**

9. SHARE CAPITAL (CONTINUED)

Quantity	Investments	Transfer value £
	Unlisted equity shares and warrants (continued)	
306,980	Ivanhoe Nickel Platinum warrants 1 for 1 ordinary	1,770,941
6,500,000	South American Ferro Metals	2,024,889
		<u>37,197,104</u>
	Total assets transferred	37,764,821
	Less Cash	<u>(2,210,597)</u>
	Value of shares issued	<u>35,554,224</u>

With effect from 30 September 2010, 7,543 Ordinary Shares were issued as a result of the exercise of Subscription Shares. With effect from 31 March 2011, 2,429 Ordinary Shares were issued as a result of the exercise of Subscription Shares. The Company has in issue 66,033,061 Ordinary Shares and 13,194,622 Subscription Shares denominated in sterling. In addition, the Company has 10,000 Management Ordinary Shares in issue, which are held by the Investment Manager.

The subscription rights conferred by the Subscription Shares are exercisable every six months from 30 September 2010 until 31 March 2013 (inclusive). Each Subscription Share carries the right to subscribe for one Ordinary Share at a price of 100 pence.

On 28 April 2010 the Ordinary Shares and Subscription Shares were admitted to the Official List of the UK Listing Authority and to trading on the Main Market of the London Stock Exchange. No application has been or will be made to have the Management Ordinary Shares admitted to listing on the Official List or to trading on the London Stock Exchange's Main Market for listed securities.

Holder of Ordinary Shares have the right to receive notice of and to attend and vote at general meetings of the Company. Each holder of Ordinary Shares being present in person or by proxy at a meeting will, upon a show of hands, have one vote and upon a poll each such holder of Ordinary Shares present in person or by proxy will have one vote for each Ordinary Share held by him.

Holder of Management Ordinary Shares have the right to receive notice of and to attend and vote at general meetings of the Company, except that the holders of Management Ordinary Shares are not entitled to vote on any resolution relating to certain specific matters, including a material change to the Company's investment objective, investment policy or borrowing policy. Each holder of Management Ordinary Shares being present in person or by proxy at a meeting will, upon a show of hands, have one vote and upon a poll each such holder of Management Ordinary Shares present in person or by proxy will have one vote for each Management Ordinary Share held by him.

Holder of Subscription Shares are not entitled to attend or vote at meetings of Shareholders.

Holder of Ordinary Shares and Management Ordinary Shares are entitled to receive, and participate in, any dividends or other distributions out of the profits of the Company available for dividend and resolved to be distributed in respect of any accounting period or other income or right to participate therein. The Subscription Shares carry no right to any dividend or other distribution by the Company.

The details of issued share capital of the Company are as follows:

	30 June 2011	31 December 2010
Issued and fully paid share capital		
Ordinary Shares of no par value*	66,033,061	66,030,632
Subscription Shares of no par value	13,194,622	13,197,051
	<u>66,033,061</u>	<u>13,197,051</u>

The issue of Ordinary Shares during the period ended 30 June 2011 took place as follows:

	Ordinary Shares*	Subscription Shares
Balance at 1 January 2011	66,030,632	13,197,051
Conversion of Subscription Shares	2,429	(2,429)
Balance at 30 June 2011	<u>66,033,061</u>	<u>13,194,622</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD FROM 1 JANUARY 2011 TO 30 JUNE 2011**

9. SHARE CAPITAL (CONTINUED)

The issue of Ordinary Shares during the period ended 31 December 2010 took place as follows:

	Ordinary Shares*	Subscription Shares
Issued during the period via Placing and Offer	30,468,865	6,093,772
Conversion of Subscription Shares	7,543	(7,543)
Issued during the period to holders of Genus Capital Fund	35,554,224	7,110,822
Balance at 31 December 2010	66,030,632	13,197,051

* In addition 10,000 Management Ordinary Shares were issued. On 9 March 2010, 1 Management Ordinary Share was issued and on 26 March 2010, 9,999 Management Ordinary Shares were issued.

Capital Management

The Company's investment objective is to seek capital growth over the long-term through a focused, global portfolio consisting principally of the equities or related instruments of natural resources companies.

The Company's investment strategy is to invest in natural resources companies, predominantly unlisted. Whilst there are no fixed limits on the allocation of investments between unlisted securities and listed equities, equity-related securities and cash, typically the Investment Manager will aim for the Company over the long term to be between 40% and 100% invested by value of gross assets with up to 10% by value of gross assets to be held in cash and cash like holdings. The Company will aim to hold sufficient cash to meet ongoing operational expenses. Where deemed appropriate, the Company may borrow up to 10% of NAV for temporary purposes such as settlement mismatches.

At 30 June 2011 the Company was 99.55% invested (31 December 2010: 79.7%).

It is not currently envisaged that any income or gains will be distributed by way of dividend, although this does not preclude the Directors from declaring a dividend at any time in the future if they consider it appropriate to do so.

The Board monitors the extent to which capital has been deployed and the manner in which capital has been invested, using inter alia, sectoral and geographic analyses.

The Company is not subject to any externally imposed capital requirements.

10. DIRECTORS' INTERESTS

The Directors' interests in the share capital of the Company at 30 June 2011 and 31 December 2010 were as follows:

	Number of Ordinary Shares	Number of Subscription Shares
Edward Flood	65,000	13,000
Christopher Sherwell	25,000	5,000
Clive Newall	25,000	5,000

11. SUBSEQUENT EVENTS

There were no significant subsequent events since the period end.

12. APPROVAL OF HALF-YEARLY REPORT AND UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

The Half-Yearly Report and Unaudited Condensed Interim Financial Statements to 30 June 2011 were approved by the Board of Directors on 26 August 2011.