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BAKER STEEL RESOURCES TRUST LIMITED

Half-Yearly Report and Unaudited Condensed Interim Financial Statements

For the period from 1 January 2015 to 30 June 2015

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MANAGEMENT AND ADMINISTRATION

DIRECTORS:	Howard Myles (Chairman) Edward Flood Charles Hansard Clive Newall Christopher Sherwell <i>(all of whom are non-executive and independent)</i>
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
STOCKBROKERS:	Numis Securities Limited 10 Paternoster Square London EC4M 7LT United Kingdom
SOLICITORS TO THE COMPANY: (as to English law)	Norton Rose Fulbright LLP 3 More London Riverside London SE1 2AQ United Kingdom
ADVOCATES TO THE COMPANY: (as to Guernsey law)	Ogier Legal Redwood House St. Julian's Avenue St. Peter Port Guernsey GY1 1WA Channel Islands
ADMINISTRATOR & COMPANY SECRETARY:	HSBC Securities Services (Guernsey) Limited Arnold House St. Julian's Avenue St. Peter Port Guernsey GY1 3NF Channel Islands

BAKER STEEL RESOURCES TRUST LIMITED

MANAGEMENT AND ADMINISTRATION (CONTINUED)

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
SAFEKEEPING AND MONITORING AGENT	HSBC Institutional Trust Services (Ireland) Limited 1 Grand Canal Square Grand Canal Harbour Dublin 2 Ireland
AUDITOR:	Ernst & Young LLP Royal Chambers St. Julian's Avenue St. Peter Port Guernsey GY1 4AF Channel Islands
REGISTRAR:	Capita Registrars (Guernsey) Limited Longue Hougue House St. Sampson Guernsey GY2 4JN Channel Islands
UK PAYING AGENT AND TRANSFER AGENT:	Capita Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU United Kingdom
RECEIVING AGENT	Capita Asset Services Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU United Kingdom
PRINCIPAL BANKER:	HSBC Bank plc 8 Canada Square London E14 5HQ United Kingdom

DIRECTORS' REPORT**For the period from 1 January 2015 to 30 June 2015**

To Shareholders of Baker Steel Resources Trust Limited (the "Company")

The Board is pleased to present the Company's Interim Management Report for the six months to 30 June 2015.

This Interim Management 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 Interim Management Report relates to the period for the six months to 30 June 2015 and contains information that covers this period and the period up to the date of publication of this Interim Report. Please note that more up to date information, including the monthly report for the period ended 31 July 2015, 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. The Company will invest predominantly in unlisted companies (i.e. those companies that have not yet made an initial public offering ("IPO")) but 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.

Financial Performance

The unaudited net asset value per Ordinary Share as at 30 June 2015 was 43.1 pence per share, down 4.0% over the six months. During this period the Euromoney Global Mining 100 Index was down 10.9% in Sterling terms.

For the purpose of calculating the Net Asset Value ("NAV") per share, all investments are carried at fair value as at 30 June 2015. The fair value of unquoted investments is determined by the Directors with assistance from the Investment Manager and independent consultants, and quoted investments are carried at last traded price as at 30 June 2015 (last business day of the month).

Net assets at 30 June 2015 comprised the following:

	£m	% net assets
Unquoted Investments	35.8	72.0
Quoted Investments	12.3	24.7
Net Cash Equivalents and Accruals	1.6	3.3
	<hr/>	
	49.7	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, March 2011, March 2012, June 2012 and September 2012, a total of 119,444 Ordinary Shares were issued. The final exercise date for the Subscription Shares was 2 April 2013. No Subscription Shares were exercised at this time and all residual Subscription Shares were subsequently cancelled.

Following in specie transactions on 28 June 2014 and 1 July 2014, a total of 5,561,243 Ordinary Shares were issued.

- 2,259,357 Ordinary Shares were issued to acquire US\$2.5 million nominal amount of convertible loans in ZAO Argentum, the wholly owned subsidiary of Polar Silver Resources Limited and 500 shares in Polar Silver Resources Limited for a total consideration of £1.32 million,
- 3,301,886 Ordinary Shares were issued to acquire 5,000,000 Ordinary Shares of Global Oil Shale for a consideration of £1.75 million.

DIRECTORS' REPORT (continued)

For the period from 1 January 2015 to 30 June 2015

Issue of Shares (continued)

Following in specie transactions on 25 February 2015 and 5 March 2015 and the Open Offer referred to below, a total of 40,196,071 Ordinary Shares were issued and as a result, the Company had a total of 115,268,335 Ordinary and 10,000 Management Shares in issue as at 30 June 2015.

Of the 40,196,071 Ordinary Shares issued in 2015, 38,819,601 were issued to acquire two portfolios of investments with a total value of £16 million and 1,376,470 to acquire 1,462,500 Ordinary Shares of Global Oil Shale for a consideration of £585,000. In addition the Company issued a total of 3,368,488 new Ordinary Shares in respect of cash subscriptions under an Open Offer to all shareholders for a consideration of £1,219,393.

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. The Company has net current assets at 30 June 2015 of £1,647,937, and it also holds listed securities that can be realised to meet liabilities as they become due; as at 30 June 2015, approximately 24.8% of the Company's assets were represented by cash and unrestricted listed and quoted investments. 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 and are disclosed in Note 9.

Principal risks & 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 26 January 2015 and in the Company's Annual Report and Audited Financial Statements for the year ended 31 December 2014, both available on the Company's website www.bakersteelresourcestrust.com.

A further risk facing the Company is regulatory risk, for example 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, generally and through mining and mineral development related markets, have not changed significantly since the publication of the Company's Annual Report and Audited Financial Statements for the period ended 31 December 2014 and are not anticipated to change for the remainder of 2015.

DIRECTORS' REPORT (continued)
For the period from 1 January 2015 to 30 June 2015**Directors**

The Directors of the Company who served during the period were:

Howard Myles (Chairman)
Edward Flood
Charles Hansard
Clive Newall
Christopher Sherwell

Attendance at the Board and Audit Committee meetings during the period was as follows;

	Board Meetings		Audit Committee Meetings		Ad hoc Meetings	
	Held	Attended	Held	Attended	Held	Attended
Howard Myles	2	2	2	2	3	3
Christopher Sherwell	2	2	2	2	3	2
Charles Hansard	2	2	N/A	N/A	3	1
Clive Newall	2	2	2	2	3	2
Edward Flood	2	0	N/A	N/A	3	2

In addition to formal meetings, all Directors contribute to a significant exchange of views between the Directors and the Investment Manager on specific matters, in particular in relation to developments in the portfolio.

The Directors are remunerated for their services at such rate as the Directors determine provided that the aggregate amount of such fees may not exceed £200,000 per annum (or such sum as the Company in general meeting shall from time to time determine).

For the period ended 30 June 2015 the total remuneration of the Directors was £70,000 (30 June 2014: £70,000), with £35,712 payable at 30 June 2015 (31 December 2014: £35,712).

The Directors' interests in the share capital of the Company were:

	Number of Ordinary Shares 30 June 2015	Number of Ordinary Shares 31 December 2014
Edward Flood	65,000	65,000
Christopher Sherwell	96,821	25,000
Clive Newall	25,000	25,000

At 31 December 2014, Mr Sherwell also had an indirect interest in the shares of the Company through an investment in another Fund which is also managed by the Investment Manager. During February 2015, this investment was compulsorily redeemed and Mr. Sherwell was issued with 71,821 Ordinary Shares in the Company in exchange.

Signed for and on behalf of the Directors

Howard Myles
Chairman
19 August 2015

INVESTMENT MANAGER'S REPORT**For the period from 1 January 2015 to 30 June 2015****Investment Update**

Top 10 Holdings – 30 June 2015

	% of NAV
Polar Silver Resources Limited / Argentum	18.9%
Global Oil Shale Group Limited	16.7%
Black Pearl Limited Partnership	13.6%
Bilboes Gold Limited	9.3%
Metals Exploration plc	8.8%
Ivanhoe Mines Limited	7.2%
China Polymetallic Mining Company Limited	6.2%
Gobi Coal & Energy Limited	5.4%
Archipelago Metals Limited	4.3%
Ironstone Resources Limited	2.9%
Other Investments	3.4%
Net Cash and Equivalents	3.3%

Top 10 Holdings – 31 December 2014

	% of NAV
Black Pearl Limited Partnership	20.1%
Polar Silver Resources Limited/ Argentum	17.2%
Bilboes Gold Limited	14.5%
Ivanhoe Mines Limited	10.1%
Gobi Coal & Energy Limited*	8.5%
Metals Exploration plc	8.1%
Global Oil Shale Group Limited	6.6%
China Polymetallic Mining Company Limited	5.0%
Ironstone Resources Limited	4.7%
Ferrous Resources Limited	3.0%
Other Investments	2.8%
Net Cash and Equivalents	(0.6%)

Review

At the end of June 2015, Baker Steel Resources Trust Limited continued to be fully invested with 3.3% of NAV in net cash and equivalents. During the first six months of the year, the unaudited net asset value per share declined 4.0% to 43.1p in a weak market for mining shares, whilst the Euromoney Mining 100 Index fell 10.9% in Sterling terms during the period. The fall in NAV can largely be attributed to a 11.8% fall in the share price of Ivanhoe Mines Limited (“Ivanhoe”) on the Toronto Stock Exchange and a mark down in the price of Global Oil Shale Group Limited (GOS) to reflect a €2.5 million fund raising at €0.50. At 30 June 2015, this equated to 35.5 pence per share compared with GOS’s previous fund raising at 40 pence per share.

The fall in the share price of Ivanhoe is particularly notable: during the first half of 2015, it successfully raised C\$105 million from a new Chinese strategic investor, Zijin Mining Group (“Zijin”) at a price of C\$1.36 per share, being a 51% premium to the share price at 30 June 2015. Following this, Ivanhoe agreed with Zijin to sell a 49.5% stake in the Kamoa copper project in the Democratic Republic of Congo (“DRC”) for US\$412 million with Zijin also undertaking to source the project finance for the mine. Even after these very positive developments, Ivanhoe’s market capitalisation at 30 June 2015 was below its underlying cash and receivables. This suggests that zero value was being attributed to Ivanhoe’s three Tier 1 mining projects despite Kamoa now having a clear path towards production as well as good progress having been made on its other projects: the Platreef platinum/nickel development in South Africa and the Kipushi Zinc mine in the DRC.

INVESTMENT MANAGER'S REPORT (continued)
For the period from 1 January 2015 to 30 June 2015

Review (continued)

During the first six months of the year, the Company increased its total assets by over 50% through the acquisition of two portfolios of largely similar assets totalling some £16 million in exchange for shares, coincident with an Open Offer to shareholders. It had also been intended to acquire further co-owned assets from third parties and other funds managed by the Investment Manager in the following months to 31 July 2015, but regrettably this has not been achievable, largely due to stock specific reasons such as Black Pearl where the borrower now intends to repay the convertible loan rather than allow its conversion into shares, removing the opportunity. Any additional acquisitions from funds managed by the Investment Manager have been precluded due to concert party limitations.

The Company made two realisations during the half year, selling its entire holding in Ferrous Resources Limited for US\$2.06 million, following a tender offer from Icahn Enterprises Holdings L.P., and a convertible loan to Aquila Resources Limited was repaid for which the Company received C\$580,000.

The majority of the Company's remaining investments continue to make progress; worthy of note, Metals Exploration Plc, which although delayed by a few months, has now commenced commissioning of its 100,000 ounce per annum Runruno gold project in the Philippines. First gold pour is scheduled for the third quarter of 2015. Importantly, the project remains within budget and is expected to have sufficient funds to achieve positive cashflow by the end of 2015.

Following the Indonesian government's 2014 legislation to ban the export of mineral concentrate from the country, Black Pearl was obliged to bring forward a plan to further process its product. In June 2015, after months of negotiation and due diligence, Black Pearl signed a framework agreement with Anshan Iron & Steel Group Corporation ("Anshan"), a major Chinese steel producer, for a significant investment into the Black Pearl project and the development of a large scale steel plant in Indonesia. The finalisation of agreements with Anshan, government and local organisations, incorporating the refinancing of the enlarged project, will necessarily take time and consequently repayment of the Company's convertible loan to Black Pearl is now scheduled for the fourth quarter of 2015.

Following the publication of the Company's Net Asset Value as at 31 July 2015, the Board intends to implement a Discount Management Policy, as previously outlined in the Company's prospectus dated 26 January 2015. Under this Policy, the Company will calculate the aggregate net cash proceeds of any realisation which has taken place in the preceding six month period. If the Ordinary Shares are trading at a discount in excess of 15 per cent to their Net Asset Value, the Board intends to allocate at least 50% of such realisation proceeds (less the aggregate value of any Ordinary Shares already bought back during the preceding six month period) to buy back its own Ordinary Shares. In accordance with this Policy, subject to working capital requirements, at least 50% of the proceeds from the realisation of the Ferrous and Aquila investments have been earmarked for the buy-back programme which commenced at the beginning of August 2015. To date a total of £40,000 has been utilised.

At 30 June 2015	Price / Index Level	% Change in Six Months	% Change from Inception
Net Asset Value (pence/share)	43.1	-4.0%	-56.0%*
Ordinary Share Price (pence/share)	27.0	-12.6%	-73.0%**
MSCI World Index	269.32	+0.6%	+48.7%†
Euromoney Global Mining 100 Index (£)	397.2	-10.9%	-53.3%†
Chinese Import Iron Ore Fines 62% Fe spot	59.35	-16.7%	-66.4%†
Copper (US\$/t)	5754.75	-9.6%	-22.8%†
Gold (US\$/oz)	1172.42	-1.0%	+0.4%†

Source: *Bloomberg*

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

INVESTMENT MANAGER'S REPORT (continued)
For the period from 1 January 2015 to 30 June 2015

Outlook

In the Shareholder Circular dated 26 January 2015, the Investment Manager stated that it believed that the commodities cycle is close to its trough and that market conditions represented an attractive time to be investing in mining and resources assets, many of which were priced well below their risk adjusted fair values. Events since then have not altered that view with increasing signs of Mergers and Acquisitions activity, albeit at low prices (as evidenced by the recent Ferrous transaction).

There has also been an increase in availability of finance for mining projects, particularly in the precious metals sector where a total of US\$6.3 billion has been raised in the first half of 2015, compared to US\$4.6 billion for the whole of 2014. However, it remains to be seen whether the recent severe correction in Chinese stock markets will impact the willingness and ability of Chinese companies to invest in resource projects outside the country. The Company will continue to position itself for a recovery in the mining sector and in the remainder of the year it will also focus on narrowing the discount between the NAV and the share price through its buy-back programme.

Baker Steel Capital Managers LLP
August 2015

DIRECTORS' RESPONSIBILITY STATEMENT
For the period from 1 January 2015 to 30 June 2015

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

To the best of the knowledge of the Directors:

This Half-Yearly Management Report and Unaudited 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 2015 to 30 June 2015 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 2015 to 30 June 2015 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

19 August 2015

BAKER STEEL RESOURCES TRUST LIMITED
**UNAUDITED PORTFOLIO STATEMENT
AT 30 JUNE 2015**

Shares /Warrants/ Nominal	Investments	Fair value £ equivalent	% of Net assets
<u>Listed equity shares</u>			
Australian Dollars			
14,000,000	Red 5 Limited	657,813	1.32
24,613,742	South American Ferro Metals Limited	-	-
Australian Dollars Total		657,813	1.32
Canadian Dollars			
4,165,167	Aquila Resources Inc	329,004	0.66
557,867	BacTech Environmental Corporation	8,529	0.02
692,000	Buffalo Coal Corporation	14,106	0.03
4,206,709	Ivanhoe Mines Limited	1,929,398	3.88
3,744,525	Ivanhoe Mines Limited (restricted)*	1,614,373	3.25
3,531,000	MagIndustries Corporation	233,926	0.47
Canadian Dollars Total		4,129,336	8.31
Great Britain Pounds			
74,461,302	Metals Exploration Plc	4,374,601	8.81
Great Britain Pounds Total		4,374,601	8.81
United States Dollars			
6,576,192	China Polymetallic Mining Company Limited	3,081,747	6.20
United States Dollars Total		3,081,747	6.20
<u>Listed warrants</u>			
Canadian Dollars			
1,160,000	Ivanhoe Mines Limited Warrants 10/12/2015	8,867	0.02
Canadian Dollars Total		8,867	0.02
Total investment in listed equity shares and warrants		12,252,364	24.66
<u>Convertible debt instruments</u>			
Canadian Dollars			
250,500	Ironstone Resources Limited Convertible Note	127,657	0.26
Canadian Dollars Total		127,657	0.26
United States Dollars			
13,435,000	Argentum Convertible Note	8,543,177	17.20
440,000	Bilboes Holdings Convertible Loan Note	279,791	0.56
7,000,000	Black Pearl Limited Partnership	6,743,017	13.57
1,370,000	Polar Silver Convertible Notes	871,169	1.75

*Classified as Level 2 (Refer Note 3)

BAKER STEEL RESOURCES TRUST LIMITED
**UNAUDITED PORTFOLIO STATEMENT (CONTINUED)
AT 30 JUNE 2015**

Shares /Warrants/ Nominal	Investments	Fair value £ equivalent	% of Net assets
<u>Convertible debt instruments (continued)</u>			
United States Dollars Total		16,437,154	33.08
Total investments in Convertible debt instruments		16,564,811	33.34
<u>Unlisted equity shares and warrants</u>			
Australian Dollars			
33,444	Auzex Exploration Limited	1,637	-
		1,637	-
Canadian Dollars			
4,000,000	Aquila Resources Inc Warrants 11/10/2016	2	-
6,491,474	Ironstone Resources Limited	1,290,163	2.60
143,143	Ironstone Resources Limited Warrants 31/12/2015	137	-
38,400	Ironstone Resources Limited Warrants 01/09/2016	-	-
3,036,605	Ironstone Resources Limited Warrants 31/12/2016	182	-
500,000	Salmon River Resources Limited	-	-
Canadian Dollars Total		1,290,484	2.60
Great Britain Pounds			
1,594,646	Celadon Mining Limited	143,518	0.29
23,337,001	Global Oil Shale Group Limited	8,284,635	16.68
Great Britain Pounds Total		8,428,153	16.97
Norwegian Krone			
1,572,689	Nussir ASA	126,906	0.26
Norwegian Krone Total		126,906	0.26
United States Dollars			
14,843,567	Archipelago Metals Limited	2,123,746	4.27
1,000,000	Archipelago Metals Limited Warrants 31/12/2016	18,802	0.04
451,445	Bilboes Gold Limited	4,357,710	8.77
27,500	Brazil Tungsten Holdings	87,435	0.18
4,244,550	Gobi Coal and Energy Limited	2,699,065	5.43
1,000,000	Midway Resources International	79,486	0.16
2,961	Polar Silver Resources Limited	1,883	-
United States Dollars Total		9,368,127	18.85
Total unlisted equity shares and warrants		19,215,307	38.68
Financial assets held at fair value through profit or loss		48,032,482	96.68
Other Assets & Liabilities		1,647,937	3.32
Total Equity		49,680,419	100.00

BAKER STEEL RESOURCES TRUST LIMITED**UNAUDITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015**

	Notes	Unaudited 30 June 2015 £	Audited 31 December 2014 £
Assets			
Cash and cash equivalents		1,729,319	94,217
Due from broker		1,854	-
Other receivables		82,872	93,294
Financial assets held at fair value through profit or loss	3	48,032,482	32,347,828
Total assets		49,846,527	32,535,339
Equity and Liabilities			
Liabilities			
Administration fees payable		47,329	27,563
Management fees payable	7	45,104	34,335
Directors' fees payable		35,712	35,712
Audit fees payable		7,271	35,308
Legal fees payable		-	167,806
Other payables		30,692	68,059
Total liabilities		166,108	368,783
Equity			
Management Ordinary Shares	8	10,000	10,000
Ordinary Shares	8	81,276,926	66,945,285
Profit and loss account		(31,606,507)	(34,788,729)
Total equity		49,680,419	32,166,556
Total equity and liabilities		49,846,527	32,535,339
Net asset value per Share (in Pence) – Basic and diluted	5	43.1	44.9

These unaudited condensed financial statements on page 12 to 16 were approved by the Board of Directors on 19 August 2015 and signed on its behalf by:

Howard Myles

Christopher Sherwell

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

BAKER STEEL RESOURCES TRUST LIMITED**UNAUDITED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015**

		Unaudited period ended 30 June 2015 Revenue £	Unaudited period ended 30 June 2015 Capital £	Unaudited period ended 30 June 2015 Total £
Income				
Interest income		35,547	-	35,547
Other income		25,783	-	25,783
Net gain on financial assets and liabilities at fair value through profit or loss		-	4,205,771	4,205,771
Net foreign exchange loss		-	(21,395)	(21,395)
Net income		61,330	4,184,376	4,245,706
Expenses				
Management fees	7	258,814	-	258,814
Legal fees		188,980	-	188,980
Directors' fees		70,000	-	70,000
Administration fees		41,447	-	41,447
Audit fees		22,291	-	22,291
Custody fees		27,745	-	27,745
Directors' expenses		2,583	-	2,583
Other expenses		451,624	-	451,624
Total expenses		1,063,484	-	1,063,484
Total comprehensive income for the period		(1,002,154)	4,184,376	3,182,222
Net gain for the year per Ordinary Share:				
Basic and diluted (in pence)	5	(0.9)	3.9	3.0

In the period ended 30 June 2015 there were no gains or losses other than those recognised above.

The Directors consider all results to derive from continuing activities.

The format of the Income Statement follows the recommendations of the 2014 AIC Statement of Recommended Practice.

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

BAKER STEEL RESOURCES TRUST LIMITED**UNAUDITED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (continued)
FOR THE PERIOD FROM 1 JANUARY 2014 TO 30 JUNE 2014**

		Unaudited period ended 30 June 2014 Revenue £	Unaudited period ended 30 June 2014 Capital £	Unaudited period ended 30 June 2014 Total £
Income				
Interest income		3,002	-	3,002
Net loss on financial assets and liabilities at fair value through profit or loss		-	(5,236,965)	(5,236,965)
Net foreign exchange loss		-	(990)	(990)
Net income/(loss)		3,002	(5,237,955)	(5,234,953)
Expenses				
Management fees	7	249,593	-	249,593
Directors' fees		70,000	-	70,000
Administration fees		41,668	-	41,668
Audit fees		26,813	-	26,813
Custody fees		15,945	-	15,945
Directors' expenses		4,398	-	4,398
Other expenses		27,018	-	27,018
Total expenses		435,435	-	435,435
Total comprehensive loss for the period		(432,433)	(5,237,955)	(5,670,388)
Net loss for the year per Ordinary Share:				
Basic and diluted (in pence)	5	(0.6)	(7.9)	(8.5)

In the period ended 30 June 2014 there were no gains or losses other than those recognised above.

The Directors consider all results to derive from continuing activities.

The format of the Income Statement follows the recommendations of the 2014 AIC Statement of Recommended Practice.

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

BAKER STEEL RESOURCES TRUST LIMITED**UNAUDITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015**

	Management Ordinary Shares £	Ordinary Shares £	Profit and loss account £	Period ended 30 June 2015 £
Balance as at 1 January 2015	10,000	66,945,285	(34,788,729)	32,166,556
Issue of Ordinary Shares for cash	-	1,219,393	-	1,219,393
Issue of Ordinary Shares in specie	-	13,112,248	-	13,112,248
Net gain for the period	-	-	3,182,222	3,182,222
Balance as at 30 June 2015	10,000	81,276,926	(31,606,507)	49,680,419
Note	8	8		

**UNAUDITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 1 JANUARY 2014 TO 30 JUNE 2014**

	Management Ordinary Shares £	Ordinary Shares £	Profit and loss account £	Period ended 30 June 2014 £
Balance as at 1 January 2014	10,000	64,767,056	(23,786,351)	40,990,705
Issue of Ordinary Shares in specie	-	923,512	-	923,512
Net loss for the period	-	-	(5,670,388)	(5,670,388)
Balance as at 30 June 2014	10,000	65,690,568	(29,456,739)	36,243,829

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

**UNAUDITED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015**

	Unaudited Period ended 30 June 2015 £	Unaudited Period ended 30 June 2014 £
Cash flows from operating activities		
Net gain/(loss) for the period	3,182,222	(5,670,388)
<i>Adjustments to reconcile gain/(loss) for the period to net cash used in operating activities:</i>		
Interest income	(35,547)	(3,002)
Net (gain)/loss on financial assets at fair value through profit or loss	(4,205,771)	5,236,965
Net increase in other receivables	(1,686)	(3,423)
Net decrease in other payables	(202,675)	(2,384)
	(1,263,457)	(442,232)
Interest received	45,801	6,479
Net cash used in operating activities	(1,217,656)	(435,753)
Cash flows from investing activities		
Purchase of financial assets at fair value through profit or loss	(619,391)	(632,523)
Sale of financial assets at fair value through profit or loss	2,252,756	611,941
Net cash provided by/(used in) investing activities	1,633,365	(20,582)
Cash flows from financing activities		
Issue of Ordinary Shares	1,219,393	-
Net cash provided by financing activities	1,219,393	-
Net increase/(decrease) in cash and cash equivalents	1,635,102	(456,335)
Cash and cash equivalents at the beginning of the period	94,217	477,495
Cash and cash equivalents at the end of the period	1,729,319	21,160
Supplemental disclosure of non-cash flow information		
Purchase of financial assets at fair value through profit or loss	(13,112,248)	(923,512)
Issue of Ordinary Shares in specie	13,112,248	923,512

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

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015**

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 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’s Ordinary and Subscription Shares were admitted to the Premium Listing Segment of the Official List on 28 April 2010. Effective 1 June 2012 the Subscription Shares were assigned to the Standard Segment of the Official List.

The Company’s portfolio 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 which have not yet made an Initial Public Offering (“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.

From 22 July 2014, Baker Steel Capital Managers LLP (the “Investment Manager”) is authorised to act as an Alternative Investment Fund Manager (“AIFM”) of Alternative Investment Funds (“AIFs”). On 14 November 2014, the Investment Manager signed an amended Investment Management Agreement with the Company, to take into account AIFM regulations. AIFMD focuses on regulating the AIFM rather than the AIFs themselves, so the impact on the Company is limited.

The Half-Yearly financial report has not been audited or reviewed by the auditors pursuant to the Auditing Practices Board guidance on review of Interim Financial Information.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these unaudited condensed interim financial statements have been consistently applied during the period, unless otherwise stated.

Statement of compliance

The unaudited condensed interim financial statements of the Company for the period 1 January 2015 to 30 June 2015 have been prepared in accordance with IAS 34, “Interim Financial Reporting” as adopted in the EU, together with applicable legal and regulatory requirements of The Companies (Guernsey) Law, 2008 and the Listing Rules of the London Stock Exchange’s Main Market. The unaudited condensed interim financial statements do not include all the information and disclosure required in the annual financial statements and should be read in conjunction with the annual report and audited financial statements at 31 December 2014.

Basis of preparation

The unaudited condensed interim financial statements have been prepared under the historical cost or amortised cost basis, modified by the revaluation of certain financial instruments designated at Fair value through Profit or Loss upon initial recognition. The accounting policies adopted in the preparation of these unaudited condensed interim financial statements have been consistent with the accounting policies stated in Note 2 of the annual financial statements for the year ended 31 December 2014. The preparation of unaudited condensed interim financial statements in conformity with IAS 34, “Interim Financial Reporting” as adopted in the EU, requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the unaudited condensed interim financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The Company’s functional currency is the Great Britain pound Sterling (“£”), being the currency in which its Ordinary Shares and Subscription Shares are issued and in which returns are made to shareholders. The presentation currency is the same as the functional currency. The Company invests in companies around the world whose shares are denominated in various currencies. Currently the majority of the portfolio is denominated in US Dollars but this will not necessarily remain the case as the portfolio develops.

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)
FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015**
2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
Significant accounting judgements and estimates

The following are the key assumptions and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Fair value of investments at fair value through profit or loss ("FVTPL")

Investments are classified as FVTPL, and valued accordingly, as disclosed in Note 2 of the annual financial statements for the year ended 31 December 2014. The key source of estimation uncertainty is on the valuation of unquoted investments.

In reaching its valuation of the unquoted equities and equity-related securities investments the key judgments the Board have to make are those relating to the considerations of liquidity and model inputs related to items such as credit risk, correlation and volatility and the discount factors used in the valuation models.

Assessment as an investment entity

The Company meets the criteria under IFRS 10 to be considered as an investment entity.

3. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

30 June 2015	Listed equity shares	Unlisted equity shares	Convertible debt instruments	Warrants	Total
	£	£	£	£	£
<i>Financial assets at fair value through profit or loss</i>					
Cost	22,649,687	22,822,021	14,162,454	28,918	59,663,080
Unrealised (loss)/gain	(10,406,190)	(3,625,837)	2,402,357	(928)	(11,630,598)
Market value at 30 June 2015	12,243,497	19,196,184	16,564,811	27,990	48,032,482
31 December 2014					
	£	£	£	£	£
<i>Financial assets at fair value through profit or loss</i>					
Cost	21,113,026	29,647,588	9,847,648	-	60,608,262
Unrealised loss/(gain)	(13,417,194)	(17,519,268)	2,650,151	25,877	(28,260,434)
Market value at 31 December 2014	7,695,832	12,128,320	12,497,799	25,877	32,347,828

The following table analyses investments by type and by level within the fair valuation hierarchy at 30 June 2015.

	Quoted prices in active markets Level 1	Quoted market based observables Level 2	Unobservable inputs Level 3	Total
	£	£	£	£
<i>Financial assets at fair value through profit or loss</i>				
Listed equity shares	7,547,377	4,696,120	-	12,243,497
Unlisted equity shares	-	-	19,196,184	19,196,184
Warrants	8,867	-	19,123	27,990
Convertible debt instruments	-	-	16,564,811	16,564,811
	7,556,244	4,696,120	35,780,118	48,032,482

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)
FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015**
3. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

The following table analyses investments by type and by level within the fair valuation hierarchy at 31 December 2014.

	Quoted prices in active markets Level 1 £	Quoted market based observables Level 2 £	Unobservable inputs Level 3 £	Total £
<i>Financial assets at fair value through profit or loss</i>				
Listed equity shares	3,785,431	3,910,401	-	7,695,832
Unlisted equity shares	-	-	12,128,320	12,128,320
Warrants	25,597	-	280	25,877
Convertible debt instruments	-	-	12,497,799	12,497,799
	3,811,028	3,910,401	24,626,399	32,347,828

The table below shows a reconciliation of beginning to ending fair value balances for Level 3 investments and the amount of total gains or losses for the year included in earnings attributable to the change in unrealised gains or losses relating to assets and liabilities held at 30 June 2015 and at 31 December 2014.

	Unlisted Equities £	Convertible debt instruments £	Warrants £	Total £
Opening balance 1 January 2015	12,128,320	12,497,799	280	24,626,399
Purchases of investments	9,339,186	4,198,656	21,826	13,559,668
Sale of investments	(1,307,957)	(273,051)	-	(1,581,008)
Change in net unrealised gains/(losses)	10,913,281	150,418	(2,983)	11,060,716
Realised losses	(11,876,646)	(9,011)	-	(11,885,657)
Closing balance 30 June 2015	19,196,184	16,564,811	19,123	35,780,118

	Listed and Unlisted Equities £	Convertible debt instruments £	Warrants £	Total £
Opening balance 1 January 2014	17,398,607	9,255,943	41,377	26,695,927
Purchases of investments	1,454,717	1,314,124	-	2,768,841
Change in net unrealised (losses)/gains	(6,725,004)	1,927,732	(41,097)	(4,838,369)
Closing balance 31 December 2014	12,128,320	12,497,799	280	24,626,399

In determining an investment's position within the fair value hierarchy, the Directors take into consideration the following factors:

Investments whose values are based on quoted market prices in active markets are classified within Level 1. These include listed equities with observable market prices. 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 held such investments at 30 June 2015 amounting to £4,696,120 (31 December 2014: £3,910,401).

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)
FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015**

3. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Investments classified within Level 3 have significant unobservable inputs. They include unlisted convertible debt instruments, 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 if representative in volume and nature, 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.

Valuation methodology of Level 3 investments

Where an unquoted investment has been acquired during the past six months it will be carried at cost unless there are changes or events which suggest cost is not equivalent to fair value.

For each core unlisted investment, the Company maintains a weighted average basket of listed companies which are comparable to the investment in terms of commodity, stage of development and location ("IndexVal"). IndexVal is used as an indication of how an investment's share price might have moved had it been listed. Movements in commodity prices are deemed to have been taken into account by the movement of IndexVal.

The Investment Manager also prepares discounted cash flow models for the Company's core investments annually and also for significant new information and decision making purposes when required. From these, Development Risk Adjusted Values ("DRAVs") are derived. The computations are based on consensus forecasts for long term commodity prices and investee company management estimates of operating and capital costs. The Investment Manager takes account of market, country and development risks in its discount factors. The DRAVs are not a primary determinant of Fair Value but are instead a tool that the Investment Manager uses to evaluate potential investments as well as to provide underlying valuation references for the Fair Value already established.

The valuation technique for Level 3 investments can be divided into four groups:

i. Transactions

Where there have been transactions within the past 6 months either through a capital raising by the investee company or known secondary market transactions, representative in volume and nature and conducted on an arm's length basis, this is taken as the primary driver for valuing Level 3 investments.

ii. IndexVal

Where there have been no known transactions for 6 months, at the Company's half year and year end, movements in IndexVal will generally be taken into account in assessing Fair Value where there has been at least a 10% movement in IndexVal over at least a six month period. The IndexVal results are used as an indication of trend and are viewed in the context of investee company progress.

iii. Warrants

Warrants are valued using a simplified Black & Scholes model taking into account time to expiry, exercise price and volatility. Where there is no established market for the underlying shares an assumed volatility of 40% is used.

iv. Convertible loans

Convertible loans are valued at par, taking into account credit risk, except when there is a clear path towards conditions for conversion such as an IPO, when the equity value of the investment on conversion is also taken into account when determining Fair Value.

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)
FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015**
3. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)
Valuation methodology of Level 3 investments (continued)
Quantitative information of significant unobservable inputs – Level 3

Description	30 June	Valuation technique	Unobservable input	Range (weighted average)
	2015 £			
Unlisted Equity	19,196,184	Transactions & IndexVal	Private transactions. Change in IndexVal	n/a
Convertible Debt Instruments				
Argentum Convertible & Polar Silver Loan Notes	9,414,346	Valued at par with reference to credit risk and value on conversion	Credit Risk	n/a
Black Pearl Limited Partnership	6,743,017	Valued at par plus interest accrued with reference to credit risk and value on conversion	Credit Risk	n/a
Other Convertible Debentures/Loans	407,448	Valued at par	Credit Risk	n/a
Warrants	19,123	Simplified Black & Scholes Model	Volatilities	40%
Description	31 December	Valuation technique	Unobservable input	Range (weighted average)
	2014 £			
Unlisted Equity	12,128,320	Transactions & IndexVal	Private transactions. Change in IndexVal	n/a
Convertible Debt Instruments				
Argentum Convertible & Polar Silver Loan Notes	5,524,543	Valued at par with reference to credit risk and value on conversion	Credit Risk	n/a
Black Pearl Limited Partnership	6,469,037	Valued at par plus interest accrued with reference to credit risk and value on conversion	Credit Risk	n/a
Other Convertible Debentures/Loans	504,219	Valued at par	Credit Risk	n/a
Warrants	280	Simplified Black & Scholes Model	Volatilities	40%

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)
FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015**

3. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Valuation methodology of Level 3 investments (continued)

Quantitative information of significant unobservable inputs – Level 3 (continued)

Information on third party transactions in unlisted equities is derived from the Investment Manager's market contacts. The change in IndexVal for each particular unlisted equity is derived from the weighted average movements of the individual baskets for that equity so it is not possible to quantify the range of such inputs. A sensitivity of 70% has been used in the analysis below as this was the greatest amount that IndexVal moved for any single investment during any six month period.

Sensitivity analysis to significant changes in unobservable inputs within Level 3 investments

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 30 June 2015 are as shown below:

Description	Input	Sensitivity used*	Effect on Fair Value (£)
Unlisted Equity	Change in IndexVal	+/-70%	+/-13,437,329
Convertible Debt Instruments			
Argentum Convertible & Polar Silver Loan Notes	Credit Risk	+20%	-1,882,869
Black Pearl Limited Partnership	Credit Risk	+20%	-1,348,603
Other Convertible Debentures/Loans	Credit Risk	+20%	-81,490
Warrants	Volatility of 40%	+/-20%	+18,042/-11,466

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 December 2014 are as shown below:

Description	Input	Sensitivity used*	Effect on Fair Value (£)
Unlisted Equity	Change in IndexVal	+/-70%	+/-8,489,824
Convertible Debt Instruments			
Argentum Convertible & Polar Silver Loan Notes	Credit Risk	+20%	-1,104,909
Black Pearl Limited Partnership	Credit Risk	+20%	-1,293,807
Other Convertible Debentures/Loans	Credit Risk	+20%	-100,844
Warrants	Volatility of 40%	+/-20%	+1,862/-280

**The sensitivity analysis refers to a percentage amount added or deducted from the input and the effect this has on the fair value*

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)
FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015****4. OTHER FINANCIAL INSTRUMENTS**

The Company has not disclosed the fair values for financial instruments such as cash and cash equivalents and short term receivables and payables, because their carrying amounts are a reasonable approximation of fair values.

Cash and cash equivalents include cash in hand, deposits held with banks and other short-term investments in an active market.

Other receivables include the contractual amounts for settlement of trades and other obligations due to the Company. Investment management fees payable, directors' fees payable, audit fees payable, administration fees payable and other payables represent the contractual amounts and obligations due by the Company for settlement for trades and expenses.

5. NET ASSET VALUE PER SHARE AND LOSS PER SHARE

Net asset value per share is based on the net assets of £49,680,419 (31 December 2014: £32,166,556) and 115,278,335 (31 December 2014: 71,713,776) Ordinary Shares, being the number of shares in issue at 30 June 2015. The calculation for basic and diluted net asset value per share is as below:

	30 June 2015	31 December 2014
	Ordinary Shares	Ordinary Shares
Net assets at the year end (£)	49,680,419	32,166,556
Number of shares	115,278,335	71,713,776
Net Asset Value per share (in pence) basic and diluted	43.1	44.9
Weighted average number of shares	107,788,169	69,121,434

The basic and diluted loss per share for the period ended 30 June 2015 is based on the net gain for the period of the Company of £3,182,222 and on 107,788,169 Ordinary Shares, being the weighted average number of Ordinary Shares in issue during the period.

The basic and diluted loss per share for the period ended 30 June 2014 is based on the net loss for the period of the Company of £6,211,203 and on 66,529,093 Ordinary Shares, being the weighted average number of Ordinary Shares in issue during the period.

6. 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 exemption fee of £1,200 (2014: £600) has been paid.

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 per cent 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 Performance Period is each 12 month period ending on 31 December in each year (the "Performance Period"). 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. The performance fee is subject to adjustments for any issue and/or repurchase of Ordinary Shares.

The amount of the performance fee is 15 per cent of the total increase in the Net Asset Value, if the Hurdle has been met, 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. In addition, the performance fee will only become payable if there has been sufficient net realised gains.

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)
FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015**

7. MANAGEMENT AND PERFORMANCE FEES (continued)

There were no performance fees for the current or prior period.

If the Company wishes to terminate the Management Agreement without cause it is required to give the Manager 12 months prior notice or pay to the Manager an amount equal to: (a) the aggregate investment management fee which would otherwise have been payable during the 12 months following the date of such notice (such amount to be calculated for the whole of such period by reference to the Market Capitalisation prevailing on the Valuation Day on or immediately prior to the date of such notice); and (b) any performance fee accrued at the end of any Performance Period which ended on or prior to termination and which remains unpaid at the date of termination which shall be payable as soon as, and to the extent that, sufficient cash or other liquid assets are available to the Company (as determined in good faith by the Directors), provided that such accrued performance fee shall be paid prior to the Company making any new investment or settling any other liabilities; and (c) where termination does not occur at 31 December in any year, any performance fee accrued at the date of termination shall be payable as soon as and to the extent that sufficient cash or other liquid assets are available to the Company (as determined in good faith by the Directors), provided that such accrued performance fee shall be paid prior to the Company making any new investment or settling any other liabilities.

The management fee for the period ended 30 June 2015 was £258,814 (30 June 2014: £249,593) out of which £45,104 (31 December 2014: £34,335) was outstanding at the year end.

8. SHARE CAPITAL

The share capital of the Company on incorporation was represented by an unlimited number of Ordinary Shares of no par value. The Company may issue an unlimited number of shares of a nominal or par value and/or of no par value or a combination of both.

The Company has a total of 115,268,335 (2014: 71,703,776) Ordinary Shares in issue. In addition, the Company has 10,000 (2014: 10,000) Management Ordinary Shares in issue, which are held by the Investment Manager.

On 28 June 2014, the Company entered into an agreement to acquire US\$2.5 million nominal amount of convertible loans in ZAO Argentum, the wholly owned subsidiary of Polar Silver Resources Limited, and 500 shares in Polar Silver Resources Limited for a consideration of £1.32 million. The consideration was settled through the issue of 2,259,357 Ordinary Shares of the Company at the unaudited net asset value of 58.5 pence per share on 31 May 2014. Under IFRS the consideration of this transaction has to be valued at listed price of 40.875 pence per share as at 28 June 2014. Therefore the consideration for this transaction is £0.92 million which is recognised in the financial statements. The interim financial statements for the period ended 30 June 2014 reflected a consideration amount of £1.32 million. These interim financial statements have restated the transaction (in the comparatives) in accordance with IFRS. The restatement has no impact on the value of the Company as at 30 June 2014. The Audited Financial Statements for the year-ended 31 December 2014 reflect the transaction in accordance with IFRS and are therefore not affected by this restatement.

On 28 August 2014, the Company agreed to subscribe for 1,462,500 Ordinary Shares of Global Oil Shale for a consideration of £585,000. This consideration was settled through the issue of 1,376,470 Ordinary Shares of the Company at the unaudited net asset value of 42.5 pence per share on 27 February 2015. Under IFRS the consideration of this transaction has to be valued based on listed price of 32.5 pence per share as at 2 March 2015. Therefore the consideration for this transaction is £0.45 million which is recognised in the financial statements.

On 26 January 2015, the Company agreed to acquire two portfolios of Investments with a total value of £16 million. This consideration was settled through the issue of 30,468,522 new Ordinary Shares of the Company based on the unaudited net asset value of 42.6 pence per share on 18 February 2015 and 8,351,079 new Ordinary Shares of the Company based on a 15% discount to this unaudited net asset value. Under IFRS the consideration for this transaction has to be valued based on listed price of 32.6 pence per Ordinary Shares of the Company as at 23 February 2015. Therefore the consideration for this transaction is £12.66 million which is recognised in the financial statements.

In addition the Company issued a total of 3,368,488 new Ordinary Shares in respect of cash subscriptions under the Open Offer to all shareholders for a consideration of £1,219,393.

The Ordinary Shares are currently admitted to the Premium Listing segment of the Official List.

The above transactions had no impact on the profit or loss for the current financial period.

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)
FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015**

8. SHARE CAPITAL (continued)

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

	30 June 2015		31 December 2014	
	Amount £	No. of shares**	Amount £	No. of shares**
Issued and fully paid share capital				
Ordinary Shares of no par value* (including Management Ordinary Shares)	81,286,926	115,278,335	66,955,285	71,713,776

The issue of Ordinary Shares during the period ended 30 June 2015 took place as follows:

	Ordinary Shares		Subscription Shares	
	Amount £	No. of shares**	Amount £	No. of shares
Balance at 1 January 2015	66,955,285	71,713,776	-	-
Issue of Ordinary Shares	14,331,641	43,564,559	-	-
Balance at 30 June 2015	<u>81,286,926</u>	<u>115,278,335</u>	-	-

The issue of Ordinary Shares during the year ended 31 December 2014 took place as follows:

	Ordinary Shares		Subscription Shares	
	Amount £	No. of shares**	Amount £	No. of shares
Balance at 1 January 2014	64,777,056	66,152,533	-	-
Issue of Ordinary Shares	2,178,229	5,561,243	-	-
Balance at 31 December 2014	<u>66,955,285</u>	<u>71,713,776</u>	-	-

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

** Includes 10,000 Management Ordinary Shares

9. RELATED PARTY TRANSACTIONS

The Directors' interests in the share capital of the Company were:

	Number of Ordinary Shares 30 June 2015	Number of Ordinary Shares 31 December 2014
Edward Flood	65,000	65,000
Christopher Sherwell	96,821	25,000
Clive Newall	25,000	25,000

Mr Sherwell also had an indirect interest in the shares of the Company through an investment in another Fund which is also managed by the Manager. During February 2015, this investment was compulsorily redeemed and Mr. Sherwell was issued with 71,821 Ordinary Shares in the Company in exchange.

The Manager, Baker Steel Capital Managers (Cayman) Limited, had an interest in 504,832 Ordinary Shares at 30 June 2015 (31 December 2014: 504,832).

The Investment Manager, Baker Steel Capital Managers LLP, had an indirect interest in 3,474,201 Ordinary Shares in the Company through Ironman Investment Company Limited at 30 June 2015 (2014: 150,000). Ironman Investment Company Limited is a company set up by the Investment Manager for co-investment purposes.

The Investment Manager, Baker Steel Capital Managers LLP, had an interest in 10,000 Management Ordinary Shares at 30 June 2015 (31 December 2014: 10,000).

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)
FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015**

9. RELATED PARTY TRANSACTIONS (continued)

Genus Dynamic Gold Fund (“GDG”) had an interest in 6,788,698 Ordinary Shares in the Company at 30 June 2015 (31 December 2014: 3,000,000). These shares are held in a custodian account with HSBC Global Custody. GDG shares a common Manager and Investment Manager with the Company.

Baker Steel Global Funds SICAV – Precious Metals Fund (“Precious Metals Fund”) had an interest in 7,669,609 Ordinary Shares in the Company at 30 June 2015 (31 December 2014: NIL). These shares are held in a custodian account with Citibank N.A. London. Precious Metals Fund shares a common Investment Manager with the Company.

Certain Shareholders including the Manager and funds managed by the Investment Manager are deemed to be acting in concert under the Takeover Code (the Deemed Concert Party). At 30 June 2015, the Deemed Concert Party held 46,709,602 Ordinary Shares representing 40.52 per cent of the Ordinary Share capital. In accordance with the resolution passed by shareholders and with the requirements of the Takeover Panel, the shareholders in the Deemed Concert Party will ensure that whenever the company makes a repurchase, they will sell sufficient Ordinary Shares to avoid increasing this percentage.

10. SUBSEQUENT EVENTS

On 14 August 2015, following the release of the 31 July 2015 NAV, the Company repurchased 200,000 Ordinary Shares at an average price of 20 pence per share. The Ordinary Shares repurchased are held in Treasury.

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

The Half-Yearly Report and Unaudited Condensed Interim Financial Statements to 30 June 2015 were approved by the Board of Directors on 19 August 2015.