



## **BAKER STEEL RESOURCES TRUST LIMITED**

(Incorporated in Guernsey with registered number 51576 under the provisions of The Companies (Guernsey) Law, 2008 as amended)

6 May 2022

### **29 April 2022 Unaudited NAV Statement**

#### **Net Asset Value**

Baker Steel Resources Trust Limited (the "Company") announces its unaudited net asset value per share at 29 April 2022:

Net asset value per Ordinary Share: 91.9 pence.

The NAV per share has decreased by 5.7% against the unaudited NAV at 31 March 2022 largely due to falls in the share prices of the listed portion of the portfolio, in particular that of Tungsten West Plc, which outweighed an increase in the carrying value of Futura due to the conversion of a bridging loan into an additional royalty interest.

The Company had a total of 106,462,502 Ordinary Shares in issue with a further 700,000 shares held in treasury as at 29 April 2022.

#### **Investment Update**

The Company's top 10 investments were as follows as a percentage of NAV:

	29 April 2022	31 December 2021
Futura Resources Ltd	23.7%	18.1%
Cemos Group plc	19.6%	18.6%
Bilboes Gold Limited	15.1%	13.1%
Tungsten West Plc	9.3%	14.7%
First Tin plc	7.3%	7.7%
Kanga Potash	4.7%	4.1%
Polar Acquisition Ltd	4.3%	7.5%
Nussir ASA	3.9%	3.6%
Silver X Mining Corporation	3.6%	2.8%
Azarga Metals Corp	1.5%	2.1%
Listed Precious Metal Shares	2.8%	3.2%
Other Investments	3.8%	3.3%
Net Cash, Equivalents and Accruals	0.4%	1.1%

## **Tungsten West PLC (“Tungsten West”)**

On 21 April 2022, Tungsten West announced that it is pausing the redevelopment of its Hemerdon tungsten project to evaluate alternative lower cost approaches due to significant recent inflation in key consumables in particular steel, cement, ammonium nitrate (explosives), electricity and diesel. Although the tungsten price has increased modestly over the past year this has not been to the same extent as the rise in input prices, and we have seen other tungsten projects facing similar challenges.

Although clearly a setback, Tungsten West is in the fortunate position that it hadn't yet committed to the major part of the cost of the redevelopment so is able to adjust its plans whilst it still retains £28 million from its IPO in October 2021 and has not drawn down on its debt facility with Orion. In addition, it has taken delivery of 7 Tomra ore sorters which are a key capital item and were ordered mid 2021, before recent inflationary impacts.

It is expected Tungsten West will now look to restart the Hemerdon mine on a smaller scale based on lower capital and operating costs whilst retaining the optionality to move back to the larger scale operation should market conditions warrant it. A revised development plan on this basis is expected in the third quarter this year.

The reduction in the share price of Tungsten West on the AIM market of the London Stock Exchange has reduced the NAV by approximately 8.9% from 31 March 2022, albeit the quoted share price remains at an approximate 85% premium to the Company's cost price.

## **Futura Resources Ltd (“Futura”)**

During April 2022, the Company exercised its option to convert the A\$2.2 million bridging loan it had provided to Futura into a further 0.5% gross revenue royalty (“GRR”) over Futura's Wilton and Fairhill coking coal projects in Australia. The Company had this option as Futura had been unable to complete its development financing by 31 March 2022. Futura is currently in advanced discussions with a number of potential financiers and is hoped that they can agree a satisfactory finance package this quarter.

The 0.5% GRR is in addition to the Company's existing 1% GRR which is valued at A\$16 million. Conversion of the bridging loan has therefore added £3.1 million (approximately 3%) to the Company's NAV.

## **First Tin PLC (“First Tin”)**

As discussed in the Company's 31 March 2022 NAV update, First Tin successfully completed its IPO and listing on the London Stock Exchange on 8 April 2022, raising £20m before expenses. As the Company's shares are subject to a one-year lock-up the shares are being carried at a 23.4% discount to the closing bid price on 29 April 2022, in a similar way to the holding in Tungsten West Plc.

The proceeds of the IPO will be used primarily to complete Definitive Feasibility Studies on First Tin's Tellerhauser tin project in Germany and its Taronga tin project in Australia.

### **Azarga Metals Ltd (“Azarga”)**

During April 2022 the Company agreed to convert its US\$3.5 million loan to Azarga into equity at a conversion price of C\$0.10 per share. In exchange for BSRT converting the loan Azarga has also agreed to grant BSRT the option to acquire Azarga's Unkur copper silver project in far east Russia until 31 December 2023, whilst Azarga concentrates on its copper-rich VMS Marg project in the Yukon. Azarga will use its best efforts (while recognising that sanctions and other force majeure circumstances may hinder these efforts), to maintain the corporate existence of its subsidiaries and its licences, including the Unkur project, on a care and maintenance basis during the option period.

The transaction is subject to definitive agreements and regulatory approvals including, if necessary, Azarga shareholder approval. Upon completion the Company will hold approximately 36% of Azarga. The effect of the transaction is not material to the Company's NAV.

### **Silver X Resources Ltd (“Silver X”)**

During April 2022 the Company agreed to convert the US\$4.2 million of capital and interest due under its convertible debenture to Silver X into common shares of Silver X at a deemed price of C\$0.30 per share (approximately 48% discount to the original conversion price). The conversion (subject to final TSX approval) will result in the Company becoming Silver X's largest shareholder with 13.9% of the enlarged share capital and the Company will have the right to appoint a director. The effect of the conversion is not material to the Company's NAV.

During 2022 Silver X has made significant progress towards becoming one of the few listed producing silver juniors. The recent completion of the Nueva Recuperada processing plant expansion and continued positive mine development results have built a strong foundation for the future.

Further details of the Company and its investments are available on the Company's website [www.bakersteelresourcestrust.com](http://www.bakersteelresourcestrust.com)

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*The Net Asset Value ("NAV") figure stated is based on unaudited estimated valuations of the underlying investments and not necessarily based on observable inputs. Such estimates are not subject to any independent verification or other due diligence and may not comply with generally accepted accounting practices or other generally accepted valuation principles. In addition, some estimated valuations are based on the latest available information which may relate to some time before the date set out above.*

*Accordingly, no reliance should be placed on such estimated valuations and they should only be taken as an indicative guide. Other risk factors which may be relevant to the NAV figure are set out in the Company's Prospectus dated 26 January 2015.*