

Golden Prospect Precious Metals Limited

KEY FUND FACTS¹

Fund Managers

Keith Watson
Robert Crayfourd

Launch Date

December 2006

Total Gross Assets

£55.84m

Reference Currency

GBP

Ordinary Shares

Net Asset Value: 58.66
Mid-Market Price: 55.40

Gearing

11.3%

Discount

(5.56%)

Ordinary Shares in Issue

85,503,021

Annual Management Fee

1.25% on assets up to £20 million
1.00% on assets greater than £20 million

Bloomberg: GPM LN

Sedol: BIG9T99GB

Year End

31 December

Contact Information

contactncim@cqsm.com

Company Broker

FinnCap
+44 (0) 203 772 4697

Annual Report and Accounts

Published

April



Keith Watson and Robert Crayfourd
Portfolio Managers

Fund Management

Founded in 1999, CQS is a \$21.8bn² global multi-strategy asset management firm. The Fund is managed by Keith Watson and Robert Crayfourd, supported by the CQS analyst team.

Ordinary Share and NAV Performance³

	1 Month (%)	3 Month (%)	1 year (%)	3 Year (%)	5 Year (%)
NAV	12.29	(2.12)	32.00	59.40	41.42
Share Price	23.25	0.00	49.73	83.14	66.62

Investment Commentary⁴

Precious metal prices rose over the month with gold and silver up 2% and 4% respectively. Palladium led gains, being up 10%. Gains were primarily driven by falling real yields, as nominal interest rates dipped and inflation expectations continued to increase. The Fund NAV rose over 12% versus sterling returns of between 3.6% and 5.5% for the Gold Bugs Index, Philadelphia Gold & Silver Indices and GDX and GDXJ equity ETFs. Of note, West African Resources share price rose over 25%, recovering strongly from prior month weakness, during which the Fund added to its position. Roxgold also made a strong contribution with the share price rising over 30% following a takeover offer from Fortuna Gold & Silver. Roxgold's price rise and NAV contribution more than offset the 10% decline in Fortuna's equity over the month, which resulted from its largely all share offer.

The World Gold Council released its Q1 2021 demand trends report, showing a 23% drop year on year, but this was primarily due to outflows from physically backed ETFs. Consumer demand remains strong, with jewellery demand up 52% year on year and bar and coin demand up 36%. Central Bank buying remains soft as Covid-19 relief programmes require funding, but looks likely to recover when the pandemic eases.

The PBoC reportedly gave commercial banks permission to import large gold volumes into China in order to meet rising domestic demand. This was following strong jewellery demand (and restocking) over March, which saw significant gold withdrawals totalling 168.0t from the Shanghai Gold Exchange, up 75.0t on the prior month and up 85.0t year on year. Meanwhile, Chinese gold ETF holdings set a new record in March, rising 5.3t to a cumulative total of 72.4t.

Central bank data for February showed that they tipped back into net purchases during the month; 8.8t were added to global gold reserves, and buying from India (11.2t), Uzbekistan (7.2t), Kazakhstan (1.6t), and Colombia (0.5t) outweighed the only notable sale of gold by Turkey (-11.7t). Year-to-date, this puts total global central bank net sales at 16.7t, the weakest start in over a decade. Yet, it also shows that excluding Turkey and Russia who are selling for specific domestic reasons, underlying demand is improving as illustrated by the move to net buying.

Trading was relatively limited. During the month the Fund added to its position in explorer Palladium One and also made some small investments into placings by Australian explorer Antipa Minerals and Firefinch, which is seeking to revitalise the Morila gold mine located in Mali that it recently acquired from Barrick Gold.

KEY FUND FACTS *(continued)*

Investor Report
Monthly Factsheet

Results Announced

Finals: April
Interims: October

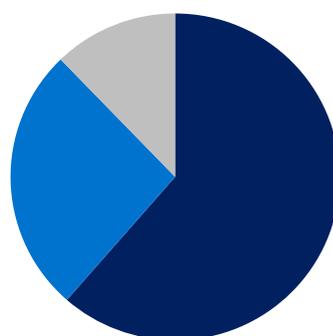
AIFMD Leverage Limit Report (% NAV)

	Gross Leverage (%) ⁵	Commitment Leverage(%) ⁶
Golden Prospect Precious Metals Limited	111	111

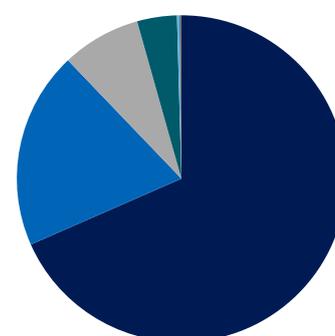
⁵Source: CQS, as at 30 April 2021. For methodology details see Article 4(3) of Directive 2011/61/EU (AIFMD) and Articles 6, 7, 9 and 10 of Delegated Regulation 231/2013

⁶Source: CQS, as at 30 April 2021. For methodology details see Article 4(3) of Directive 2011/61/EU (AIFMD) and Articles 6, 8, 9, 10 and 11 of Delegated Regulation 231/2013.

Portfolio Analysis¹



- Producers 61.4%
- Developers 26.3%
- Explorers 12.2%



- Gold 68.4%
- Silver 19.5%
- PGM 7.8%
- Base Metals 3.9%
- Zinc 0.23%
- Diversified Miner 0.21%

TOP 10 HOLDINGS (%)^{1,7}

Name	(% of MV)
WEST AFRICAN RESOURCES LT	8.26
ROXGOLD INC	5.59
CALIDUS RESOURCES LTD	4.82
CALIBRE MINING CORP	4.58
FORTUNA SILVER MINES INC	4.27
WESTGOLD RESOURCES LTD	4.02
SILVERCREST METALS INC	3.65
EMERALD RESOURCES NL	3.61
AMERICAS SILVER CORP	3.43
WHEATON PRECIOUS METALS C	3.37
Top 10 Holdings Represent	45.60

The Company has exposure to 65 issues.

Source: ^{1,2,3}CQS as at 30 April 2021. New City Investment Managers took over the investment management function on 15 September 2008. These include historic returns and past performance is not a reliable indicator of future results. The value of investments can go down as well as up. Please read the important legal notice at the end of this document. ⁴All market data sourced from Bloomberg unless otherwise stated. The Fund may have since exited some / all of the positions detailed in this commentary. ⁷All holdings data are rounded to two decimal places. Total may differ to sum of constituents due to rounding.

IMPORTANT INFORMATION:

This document has been issued by CQS (UK) LLP (FRN 400496) which is authorised and regulated by the UK Financial Conduct Authority and/or (as the case may be) CQS (US), LLC which is a registered investment adviser with the SEC. The information is intended solely for sophisticated investors who are (a) professional investors as defined in Article 4 of the European Directive 2011/61/EU or (b) accredited investors (within the meaning given to such term in Regulation D under the U.S. Securities Act of 1933, as amended) and qualified purchasers (within the meaning given to such term in Section 2(a)(51) of the U.S Investment Company Act 1940, as amended).

CQS is a founder of the Standards Board for Alternative Investments (“SBAI”) (formerly, the Hedge Fund Standards Board) which was formed to act as custodian of the alternative investment managers’ industry best practice standards (the “Standards”) published by the Hedge Fund Working Group (“HFWG”) in 2008 and to promote conformity to the Standards. SBAI is also responsible for ensuring that they are updated and refined as appropriate. The Standards were drawn up by HFWG which comprised the leading hedge funds (based mainly in London) in 2007 in response to concerns about the industry, including financial stability and systematic risk. The HFWG completed its work in January 2008 and published its report outlining the Standards. By applying the Standards, managers commit to adopt the “comply or explain” approach described in the Standards.

The term “CQS” as used herein may include one or more of any CQS branded entities including CQS (UK) LLP, CQS Cayman Limited Partnership which is registered with the Cayman Islands Monetary Authority, CQS (Hong Kong) Limited which is regulated by the Hong Kong Securities and Futures Commission, CQS (US), LLC which is registered with the US Securities and Exchange Commission, and CQS Investment Management (Australia) Pty Limited which is registered with the Australian Securities & Investments Commission, Australian Financial Services Licence No. 386047.

This document has been prepared for general information purposes only and has not been delivered for registration in any jurisdiction nor has its content been reviewed by any regulatory authority in any jurisdiction. The information contained herein does not constitute: (i) a binding legal agreement; (ii) legal, regulatory, tax, accounting or other advice; (iii) an offer, recommendation or solicitation to buy or sell shares or interests in any fund or any security, commodity, financial instrument or derivative linked to, or otherwise included in, a portfolio managed or advised by CQS; or (iv) an offer to enter into any other transaction whatsoever (each a “Transaction”).

Any decision to enter into a Transaction should be based on your own independent investigation of the Transaction and appraisal of the risks, benefits and suitability of such Transaction in light of your individual circumstances. Any decision to enter into any Transaction should be based on the terms described in the relevant prospectus, supplement, offering memorandum, private placement memorandum, subscription documents, trading strategy, constitutional document and/or any other relevant document as appropriate (each an “Offering Document”). Any Transaction will be subject to the terms set out in its Offering Document and all applicable laws and regulations. The Offering Document supersedes this document and any information contained herein.

Nothing contained herein shall constitute or give rise to the relationship of partnership nor shall it constitute a joint venture or give rise to any fiduciary or equitable duties. Any information contained herein relating to any third party not affiliated with CQS is the sole responsibility of such third party and has not been independently verified by CQS or any other independent third party. The information contained herein is not warranted as to completeness or accuracy and no representations are made in such respect, nor should it be deemed exhaustive information or advice on the subjects covered; as such, the information contained herein is not intended to be used or relied upon by any counterparty, investor or any other party. The information contained herein, as well as the views expressed herein by CQS professionals made as of the date of this document, is subject to change at any time without notice.

CQS uses information sourced from third-party vendors, such as statistical and other data, that are believed to be reliable. However, the accuracy of this data, which may also be used to calculate results or otherwise compile data that finds its way over time into CQS research data stored on its systems, is not guaranteed. If such information is not accurate, some of the conclusions reached or statements made may be adversely affected. CQS bears no responsibility for your investment research and/or investment decisions and you should consult your own lawyer, accountant, tax adviser or other professional adviser before entering into any Transaction. CQS is not liable for any decisions made or action taken by you or others based on the contents of this document and neither CQS nor any of its directors, officers, employees or representatives (including affiliates) accept any liability whatsoever for any errors and/or omissions or for any direct, indirect, special, incidental or consequential loss, damages or expenses of any kind howsoever arising from the use of, or reliance on, any information contained herein.

Information contained in this document should not be viewed as indicative of future results as past performance of any Transaction is not indicative of future results. Any investment in any fund or other vehicle managed by CQS (a “CQS Fund”) or any of its affiliates involves a high degree of risk, including the risk of loss of the entire amount invested. The value of investments can go down as well as up. An investment in any CQS Fund will involve a number of material risks which include, without limitation, risks associated with adverse market developments, volatility of markets invested in, currency and exchange rate risks, risk of counterparty or issuer default and risk of illiquidity. Any assumptions, assessments, intended targets, statements or other such views expressed herein (collectively “Statements”) regarding future events and circumstances or that are forward looking in nature constitute only subjective views, outlooks or estimates and are based on CQS’s expectations, intentions or beliefs. The Statements should not in any way be relied upon, and involve inherent risk and uncertainties beyond CQS’s control. The Statements should not be assumed to be accurate or complete, now or in the future (including with respect to the composition and investment characteristics of any CQS Fund), and may be subject to change. CQS undertakes no responsibility or obligation to revise or update such Statements. Target returns and volatility targets discussed in this document are high-level, may change with market conditions and are generally used only as guidelines. Target returns reflect subjective determinations by CQS. Performance may fluctuate, particularly over short periods of time. Targeted returns should be evaluated over the time periods indicated and not over shorter periods. Target returns are not intended to be actual performance and should not be relied upon as any indication of actual or future performance. Some of the information contained in this document may be aggregated data of transactions executed by CQS that has been compiled so as not to identify the underlying transactions of any particular CQS Fund.

Any indices included in this document are included to simply show the general market trends relative to the types of investments CQS tends to select for certain CQS Funds for the periods indicated within this document. The indices are not representative of CQS Funds in terms of either composition or risk (including volatility and other risk related factors). CQS Funds are not managed to a specific index.

This document is not intended for distribution to, or use by, the public or any person or entity in any jurisdiction where such use is prohibited by law or regulation. In accepting receipt of this information, you represent and warrant that you have not been solicited, directly or indirectly, by CQS and are receiving this information at your own request. It is your responsibility to inform yourself of and to observe all applicable laws and regulations of any relevant jurisdiction.

CQS (US), LLC is a member of the National Futures Association (the "NFA") and is subject to the NFA's regulatory oversight and examinations. However, you should be aware that the NFA does not have regulatory oversight authority over underlying or spot virtual currency products or transactions or virtual currency exchanges, custodians or markets.

The information contained herein is confidential and may be legally privileged and is intended for the exclusive use of the intended recipient(s) to which the document has been provided. In accepting receipt of the information transmitted you agree that you and/or your affiliates, partners, directors, officers and employees, as applicable, will keep all information strictly confidential. Any review, retransmission, dissemination or other use of, or taking of any action in reliance upon, this information is prohibited. Any distribution or reproduction of this document is not authorized and prohibited without the express written consent of CQS, or any of its affiliates.

AIFMD and Distribution in the European Economic Area:

CQS (UK) LLP is an Alternative Investment Fund Manager (an 'AIFM') to certain CQS Funds (each an 'AIF' (as defined in the Alternative Investment Fund Managers Directive (Directive (2011/61/EU) ('AIFMD'))). The AIFM is required to make available to investors certain prescribed information prior to investing in an AIF. The majority of the prescribed information is contained in the latest Offering Document of the AIF. The remainder of the prescribed information is contained in the relevant AIF's pre-investment disclosure document, the monthly investor report, and the fund limits document. All of this information is made available in accordance with the AIFMD.

In relation to each member state of the EEA (each a "Member State"), this document may only be distributed and shares or interests in a CQS Fund ("Shares") may only be offered or placed in a Member State to the extent that: (1) the CQS Fund is permitted to be marketed to professional investors in the relevant Member State in accordance with the AIFMD (as implemented into the local law/regulation of the relevant Member State); or (2) this document may otherwise be lawfully distributed and the Shares may otherwise be lawfully offered or placed in that Member State (including at the initiative of the investor).

Information required, to the extent applicable, for Distribution of Foreign Collective Investment Schemes to Qualified Investors in Switzerland:

The representative in Switzerland is ARM Swiss Representatives SA, Route de Cité-Ouest 2, 1196 Gland, Switzerland. The distribution of Shares of the relevant CQS Fund in Switzerland will be exclusively made to, and directed at, qualified investors (the "Qualified Investors"), as defined in the Swiss Collective Investment Schemes Act of 23 June 2006, as amended ("CISA") and its implementing ordinance (the "Swiss Distribution Rules"). Accordingly, the relevant CQS Fund has not been and will not be registered with the Swiss Financial Market Supervisory Authority ("FINMA"). The paying agent in Switzerland is Banque Cantonale de Genève, 17, quai de l'Île, 1204 Geneva, Switzerland. The relevant Offering Document and all other documents used for marketing purposes, including the annual and semi-annual report, if any, can be obtained free of charge from the representative in Switzerland. The place of performance and jurisdiction is the registered office of the representative in Switzerland with regards to the Shares distributed in and from Switzerland. CQS (UK) LLP (as the distributor in Switzerland) and its agents do not pay any retrocessions to third parties in relation to the distribution of the Shares of the relevant CQS Fund in or from Switzerland. CQS (UK) LLP (as the distributor in Switzerland) and its agents do not pay any rebates aiming at reducing fees and expenses paid by the relevant CQS Fund and incurred by the investors.

L21-235 / 05.21

PRI Note: PRI is an investor initiative in partnership with UNEP Finance and the UN Global Compact. GMvI.

IN LIGHT OF THE ONGOING ECONOMIC AND FINANCIAL MARKET UNCERTAINTY RELATING TO THE COVID-19 PANDEMIC, THE CONTENTS OF THIS DOCUMENT SHOULD BE TREATED AS SUBJECT TO CHANGE AS MARKETS CONTINUE TO REACT TO CURRENT WORLD EVENTS.

About CQS

CQS is a credit-focused multi-strategy asset manager founded by Sir Michael Hintze in 1999. Our deep experience allows us to offer solutions for investors across a range of return objectives and risk appetites. We are an active asset manager with expertise across the credit spectrum, including corporate credit, structured credit, asset backed securities, convertibles and loans. We are committed to delivering performance and high levels of service to our investors. CQS has offices in London, New York and Hong Kong.