

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you are recommended immediately to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other appropriately qualified independent financial adviser authorised under the UK's Financial Services and Markets Act 2000 or, if you are in a country outside the United Kingdom, another appropriately authorised independent financial adviser.

If you were a Shareholder and have sold or otherwise transferred all your Ordinary Shares, please send this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. The distribution of this document and/or the Form of Proxy in jurisdictions other than Guernsey or the UK, including the United States, Australia, Canada, Japan, New Zealand, the Republic of South Africa or any EEA State (other than the UK), may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any of those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document has been prepared in accordance with the Authorised Closed-Ended Investment Schemes Rules 2008 issued by the Guernsey Financial Services Commission pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended. The GFSC does not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it. This document does not constitute a prospectus for the purpose of section 84(2) of the UK's Financial Services and Markets Act 2000 or otherwise.

The Ordinary Shares are listed on The International Stock Exchange. The admission of the Ordinary Shares to listing on TISE does not constitute a warranty or representation by TISE as to the competence of the service providers to or any other party connected with the Company, the adequacy and accuracy of the information contained in this document, the suitability of the Company for investment or for any other purpose.

GOLDEN PROSPECT PRECIOUS METALS LIMITED

(A closed-ended investment company incorporated with limited liability under the laws of Guernsey with registered number 45676)

RECOMMENDED PROPOSALS FOR THE INTRODUCTION OF AN ANNUAL SUBSCRIPTION RIGHT AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Investment Manager
New City Investment Managers

Financial Adviser & Corporate Broker
finnCap Ltd

TISE Sponsor
Ogier Corporate Finance Limited

Shareholders are strongly recommended to read and consider the whole of this document (including Part 8 of this document, which describes certain important risks, uncertainties and other factors that may affect the Company and its Shares) before determining what action they should take.

Notice of an extraordinary general meeting of the Company to be held at 12 noon on Wednesday, 30 November, 2022 at the offices of Maitland Administration (Guernsey) Limited at 3rd Floor, 1 Le Truchot, St. Peter Port, Guernsey GY1 1WD, is set out in Part xx of this document. The Proposals are conditional on the special resolution to be proposed at the EGM being passed.

To be valid for use at the EGM, the accompanying Form of Proxy should be completed, signed and returned in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received by not later than 12 noon on Monday, 28 November, 2022.

The Ordinary Shares are not registered under the US Securities Act or under the relevant laws of any state of the United States or any state, province or territory of Australia, Canada, Japan, New Zealand, the Republic of South Africa or any EEA State (other than the UK). Subject to certain exceptions, Ordinary Shares issued pursuant to the Proposal may not, directly or indirectly, be offered, sold, taken up, delivered or transferred in or into the United States, Australia, Canada, Japan, New Zealand, the Republic of South Africa, any EEA State (other than the UK) or to, or for the account or benefit of, US Persons. The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Proposals or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States. **The attention of Restricted Shareholders and other recipients of this document who are residents or citizens of any country outside the UK is drawn to the section entitled "Restricted Shareholders" in Part 1 of this document.**

CONTENTS

	<i>Page</i>
IMPORTANT INFORMATION	3
EXPECTED TIMETABLE OF PRINCIPAL EVENTS	6
DEALING CODES	6
DIRECTORS, INVESTMENT MANAGER, ADVISERS AND SERVICE PROVIDERS	7
PART 1 LETTER FROM THE CHAIRMAN	8
Background	8
Proposals	8
Benefits and impact of the Proposals	10
Extraordinary General Meeting	11
Amendments to Existing Articles	12
Action to be Taken	13
Additional considerations	13
Taxation	14
Costs and expenses of the Proposals	14
Recommendation	14
PART 2 INFORMATION ON THE COMPANY	15
PART 3 DIRECTORS, MANAGEMENT AND ADMINISTRATION	19
PART 4 INVESTMENT PORTFOLIO	24
PART 5 FINANCIAL INFORMATION	26
PART 6 DETAILS OF THE SUBSCRIPTION RIGHTS	29
PART 7 TAXATION	34
PART 8 RISK FACTORS	38
PART 9 ADDITIONAL INFORMATION	46
PART 10 DEFINITIONS	65
PART 11 NOTICE OF EXTRAORDINARY GENERAL MEETING	69

IMPORTANT INFORMATION

No person has been authorised to issue any advertisement, give any information or make any representation in connection with the Company or the Proposals other than the information contained in this document and, if issued, given or made, any such advertisement, information or representation must not be relied on as having been authorised by or on behalf of the Company, the Manager, the Investment Manager, finnCap or Ogier Corporate Finance Limited. Neither the delivery of this document nor the exercise of Subscription Rights shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date of this document or that the information contained in this document, including any forward-looking statement, is correct as of any time subsequent to the date of this document.

This document should be read in its entirety before deciding how to vote on the EGM Resolution or whether to exercise any Subscription Rights and Shareholders should rely only on the information contained in this document when deciding what action to take. However, Shareholders should not treat the information in this document as advice relating to legal, tax, investment or any other matters. Shareholders should inform themselves as to:

- (i) the legal requirements within their own countries for the subscription, purchase, holding, transfer or other disposal of Shares;
- (ii) any foreign exchange restrictions applicable to the subscription, purchase, holding, transfer or other disposal of Shares which they might encounter; and
- (iii) the income and other tax consequences that may apply in their own countries as a result of the subscription, purchase, holding, transfer or other disposal of Shares.

Accordingly, Shareholders must rely on their own advisers as to legal, tax, investment or any other matters concerning the Company and an investment in the Shares.

Information in this document is based on the law and practice in force in the United Kingdom and Guernsey at the date of this document and is subject to changes therein.

It should be remembered that the price of Shares and any income from the Ordinary Shares can go down as well as up and that Shareholders may not receive, on sale of their Shares, the amount that they invested.

finnCap, which is authorised and regulated in the United Kingdom by the FCA, is acting solely for the Company and for no one else in connection with the Proposals and will not be responsible to anyone other than the Company for providing the protections afforded to clients of finnCap or for providing advice in relation to the Proposals or any other matter referred to in this document. Nothing in this paragraph shall serve to exclude or limit any responsibilities that finnCap may have under FSMA or the regulatory regime established under FSMA.

Ogier Corporate Finance Limited, which is a member of TISE, is the sponsor to the listing of the Shares on TISE and is acting solely for the Company and for no one else and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Ogier Corporate Finance Limited or for providing advice in relation to any matter referred to in this document.

Responsibility for Information Contained in this Document

The Company and the Directors, whose names appear on page 7 of this document, have taken all reasonable care and made all reasonable enquiries to ensure that the facts stated in this document are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement in this document, whether of fact or opinion. The Company and the Directors accept full responsibility accordingly.

Neither the admission of the Ordinary Shares resulting from any exercise of the Subscription Right to TISE Official List nor the approval of this document pursuant to the listing requirements of TISEA shall constitute a warranty or representation by TISEA as to the competence of the service providers to or any other party connected with the Company, the adequacy and accuracy of the information contained in this document or the suitability of the Company for investment or for any other purpose.

Forward-looking Statements

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including, without limitation, the terms "believes", "expects", "intends", "anticipates", "aims", "estimates", "may", "will", "would", "could" or "should" or other variations or comparable terminology or, in each case, their negative. Forward-looking statements appear in a number of places throughout this document and include, without limitation, statements regarding the current beliefs, expectations or intentions of the Company, the Directors, the Manager and/or the Investment Manager concerning, among other things, the performance and prospects of the Company and the Shares.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and, accordingly, forward-looking statements may, and often do, differ materially from actual results. Given these risks and uncertainties, Shareholders are cautioned not to place any undue reliance on such forward-looking statements.

Forward-looking statements in this document apply only as at the date of this document. Subject to its legal and regulatory obligations (including under TISE Listing Rules), the Company undertakes no obligation publicly to update or revise any forward-looking statement contained in this document to reflect any change in expectations with regard to any such statement, or any change in events, conditions or circumstances on which any such statement is based, after the date of this document.

For the avoidance of doubt, nothing in this section "Forward-looking Statements" constitutes a qualification of the working capital statement contained in paragraph 5 of Part 5 of this document.

The Data Protection (Bailiwick of Guernsey) Law, 2017

Pursuant to The Data Protection (Bailiwick of Guernsey) Law, 2017 (the "**DP Law**") the Company and/or its Registrar may hold personal data (as defined in the DP Law) relating to past and present Shareholders. Such personal data held is used by the Registrar to maintain the Company's register of Shareholders and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned below when:

- (i) effecting the payment of dividends and other moneys to Shareholders; and
- (ii) filing returns of Shareholders and their respective transactions in Shares with statutory bodies and regulatory authorities.

Personal data may be retained on record for a period exceeding six years after it is no longer used. The countries referred to above include, but need not be limited to, those in the EEA or the EU and any of their respective dependent territories overseas, Andorra, Argentina, Canada, Faroe Islands, State of Israel, New Zealand, Switzerland and the Eastern Republic of Uruguay. By becoming registered as a holder of Ordinary Shares a person becomes a data subject (as defined in the DP Law) and is deemed to have consented to the processing by the Company or its Registrar of any personal data relating to them in the manner described above.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of Forms of Proxy for use at EGM	12 noon on Monday, 28 November 2022
EGM	12 noon on Wednesday, 30 November, 2022
First Subscription Date	30 November 2023
Announcement of First Subscription Price	1 December 2022

Notes:

1. *The times and dates set out in the Expected Timetable of Principal Events above and mentioned throughout this document (save for the time and date of the EGM) may be adjusted by the Company, in which event details of the new times and dates will be notified by an announcement concurrently via TISE website (www.tisegroup.com) and a Regulatory Information Service.*
2. *All references to time in this document are references to the time in London.*

DEALING CODES

Upon approval of the Proposals, the dealing codes for the Ordinary Shares will remain the same as the current dealing codes, which are as follows:

Ordinary Shares

ISIN	GG00B1G9T992
SEDOL	B1G9T99
Ticker	GPM

DIRECTORS, INVESTMENT MANAGER, ADVISERS AND SERVICE PROVIDERS

Directors

Directors

Malcolm Alec Burne (*Chairman*)
Hugo Toby Birch
Graeme Ross
Robert Paul King
all non-executive and of 3rd Floor, 1 Le Truchot, St. Peter Port,
Guernsey GY1 1WD

Manager, Investment Manager and AIFM

CQS (UK) LLP
(trading as New City Investment Managers)
4th Floor
One Strand
London WC2N 5HR

Company Secretary & Administrator

Maitland Administration (Guernsey) Limited
3rd Floor, 1 Le Truchot
St. Peter Port
Guernsey GY1 1WD

Depository

INDOS Financial Limited
27 Clements Lane
London EC4N 7AE

Financial Adviser & Corporate Broker

finnCap Ltd
1 Bartholomew Close
London EC1A 7BL

TISE Sponsor

Ogier Corporate Finance Limited
44 Esplanade
St. Helier
Jersey JE4 9WG

Legal Adviser to the Company (As to Guernsey Law)

Babbé LLP
La Vieille Cour
La Plaiderie
St. Peter Port
Guernsey GY1 4BL

Auditor

BDO Limited
PO Box 180
Place du Pré
Rue du Pré
St. Peter Port
Guernsey GY1 3LL

Registrar & CREST Agent

Computershare Investor Services (Guernsey)
Limited
Queensway House
Hilgrove Street
St Helier
Jersey JE1 1ES

Custodian & Prime Broker

BNP Paribas London Branch
10 Harewood Avenue,
London NW1 6AA

PART 1
LETTER FROM THE CHAIRMAN

Golden Prospect Precious Metals Limited

*(A closed-ended investment company incorporated with limited liability under the laws of Guernsey
with registered number 45676)*

Directors

Malcolm Burne (*Chairman*)
Hugo Toby Birch
Graeme Ross
Robert King

Registered Office

3rd Floor
1 Le Truchot
St. Peter Port
Guernsey GY1 1WD

4 November 2022

Dear Shareholder,

**RECOMMENDED PROPOSALS FOR THE INTRODUCTION OF AN ANNUAL SUBSCRIPTION
RIGHT**

1. Background

Today, the Board has announced details of proposals to introduce an annual Subscription Right for Shareholders to enable Shareholders to subscribe for one new Ordinary Share for every five Ordinary Shares held on 1 December in each year at a price equal to the undiluted NAV per Share on 30 November one year prior (or if such day is not a Business Day, the next following Business Day) (“the Proposals”). The introduction of an annual Subscription Right will require the Company to amend the Existing Articles.

As you are aware, the Board has been keen to grow the Company and although the Directors consider that NAV performance has been strong in recent years the Ordinary Shares have typically traded at a discount to the Company’s NAV per share. For a small fund, the Ordinary Shares are relatively liquid but the Board remains keen to grow to reduce the total expense ratio and provide greater liquidity.

Following the Subscription Shares that were issued in 2017 maturing at the end of 2020 with all of the Subscription Shares being exercised, the Board, together with our advisers have been examining alternative options to grow the Company in the most cost effective manner possible. We have explored a number of different routes and structures to meet the Board’s objectives of growing the Company’s asset base.

The conclusion of these deliberations is that the Board is proposing to give Shareholders a right to subscribe, on an annual basis, for additional Ordinary Shares at a predetermined price per Ordinary Share set 12 months prior to the Subscription Date.

The Proposals are conditional on the passing of the resolution (“the Resolution”) to be proposed at an Extraordinary General Meeting of the Company to be held on 30 November 2022. The purpose of this Circular and Prospectus is to provide you with the background to, and reasons for, the Proposals; to explain the benefits of the Proposals; and to set out the reasons why the Directors are recommending that you vote in favour of the Resolution at the Extraordinary General Meeting.

A notice of the Extraordinary General Meeting to be held on 30 November 2022, at which Shareholders’ approval for the Proposals will be sought, is set out in Part 11 of this Circular and Prospectus.

2. Proposals

If Shareholders approve the Proposals, Shareholders will have the right, exercisable by notice to the Company, at any time during the period of 30 days ending on the Business Day prior to the relevant Subscription Date in each year, to subscribe, on the Subscription Date, for one new Ordinary Share for every five Ordinary Shares held on that date. The new Ordinary Shares subscribed for will be issued within 14 days after the relevant Subscription Date to those Shareholders in whose name the Ordinary Shares are registered on the Subscription Date.

The Subscription Price will be equal to the undiluted NAV per Share, as announced via a Regulatory Information Service, on 1 December the previous year (or if such day is not a Business Day, the next following Business Day). Thus, if the NAV per Share has risen over the course of the year, Shareholders will have the right to buy new Ordinary Shares at a discount to the then prevailing NAV per Share.

Fractions of Ordinary Shares will not be issued and entitlements will be rounded down to the nearest whole number of Ordinary Shares.

The new Ordinary Shares issued as a result of the exercise of a Subscription Right will rank in full for all dividends declared, paid or made on the Ordinary Shares and will rank *pari passu* with the existing Ordinary Shares.

New Ordinary Shares issued as a result of the exercise of Subscription Rights will have Subscription Rights attached to be exercised on future Subscription Dates. Shareholders will have one opportunity in each year to exercise their Subscription Right. Any Subscription Rights not exercised will effectively lapse. Immediately after the annual opportunity for exercise, all Ordinary Shares outstanding (whether or not the Subscription Right has been exercised) will effectively be given a new Subscription Right that can be exercised on 30 November of the following year.

Not earlier than 60 days nor later than 30 days before the relevant Subscription Date, and at its discretion, the Company may give notice in writing to the holders of Ordinary Shares reminding them of their Subscription Rights.

Subscription Rights that remain unexercised in any given year will expire worthless for that year unless a trustee, appointed by the Company, chooses to exercise on Shareholders' behalf. Within seven days following a Subscription Date the Company shall appoint a trustee who, provided that in such trustee's opinion the net proceeds of sale after deduction of all costs and expenses incurred by, and any fee payable to, such trustee will exceed the costs of exercising the Subscription Rights, shall within the period of 14 days following the relevant Subscription Date, exercise all or some of the Subscription Rights which shall not have been exercised on the terms on which the same could have been exercised on the relevant Subscription Date and sell in the market the Ordinary Shares resulting from such exercise. The trustee's obligations to exercise Subscription Rights shall be limited to its opinion of the level of market demand to acquire Ordinary Shares at a price that will generate net profit and the Board's overall discretion that exercise of the Subscription Rights will be in the best interests of the Company and Shareholders as a whole. No exercise of Subscription Rights shall be permitted if the Directors, in their absolute discretion, conclude that the Company cannot, or immediately following the exercise of any Subscription Rights would be unable to, satisfy the Solvency Test (as defined under the Companies Law). The trustee shall distribute *pro rata* the net profit to the persons entitled thereto at the risk of such persons within 56 days of the relevant Subscription Date, provided that entitlements of under £5 shall be retained for the benefit of the Company.

The Board will have the limited ability under the new Articles to scale back the number of Ordinary Shares that may be issued at the time of the exercise of any particular Subscription Right. This course of action will only be taken if the Board believes that the requirement to issue a prospectus in respect of an offer to the public in the UK, that complies with the then prevailing UK legal requirements, would prove to be unduly burdensome and/or expensive compared to the full issue of new Ordinary Shares pursuant to the exercise of the relevant Subscription Right. Currently, the Company can issue up to Euro 8 million (£6.9 million as at the latest practicable date) of new Ordinary Shares at any Subscription Date (less any shares that may have been offered to the public in the UK in the previous

12 month period) without issuing a UK compliant prospectus. If the Subscription Right became effective at the Company's NAV per share at the latest practicable date (34.29p per share), the value of new ordinary Shares that would be issued if the Subscription Rights were exercised in full would be £5.9 million. This is currently below the Euro 8 million threshold which means that it is unlikely that the Board would scale back any exercise of Subscription Right at the first exercise date in 2023. However, following the exit of the UK from the European Union it is possible that this Euro 8 million limit may change, and the Board needs to ensure that it retains the flexibility to scale back if required to minimize the costs involved in operating the scheme. Whilst the Board may determine in its sole discretion how such scale back should operate in the best interests of all Shareholders at each Subscription Date, it is the Board's current intention that it would scale back all Shareholders pro rata to their Subscription Rights, whether or not they have sought to exercise such Subscription Rights. To the extent that the trustee referred to in the paragraph above determines not to exercise Subscription Rights on behalf of a non-exercising Shareholder's behalf, or the trustee is unable to secure market demand for all new Ordinary Shares to arise on the exercise of unexercised Subscription Rights, Shareholders that have exercised their Subscription Rights shall have their entitlement increased on a pro rata basis up to any threshold determined by the Board in accordance with the above requirement to publish a prospectus.

Full details of the Subscription Rights are set out in Part 6 of this Circular and Prospectus.

The Board considers it desirable that Shareholders should have the opportunity to review the operation of the Subscription Right mechanism after an initial period of five years. Accordingly, at the annual general meeting of the Company in 2027 and at every fifth subsequent annual general meeting thereafter, the Directors intend to propose an ordinary resolution for the continuation of the Subscription Right mechanism. If such resolution is not passed, the Directors will formulate proposals to be put to Shareholders to amend the Articles in order to remove the Subscription Right.

The Board will review on an annual basis the effectiveness and appropriateness of the Subscription Right mechanism. If the Board considers that it would be in the best interests of the Company and its Shareholders to suspend or discontinue the programme, the review of the operation of the Subscription Right mechanism by Shareholders will be brought forward to the next following annual general meeting.

The creation of the Subscription Rights for Shareholders pursuant to the Proposals is conditional on the approval by Shareholders of the Resolution to be proposed at an Extraordinary General Meeting.

Directors holding Ordinary Shares amounting in aggregate to 1,311,250 Ordinary Shares, representing approximately 1.53 per cent. of the issued Ordinary Share capital of the Company as at the date of this Circular and Prospectus, have informed the Company that they intend to vote in favour of the Resolution.

3. Benefits and impact of the Proposals

Your Board believes the Proposals have the following principal benefits:

- * Shareholders will gain an embedded Subscription Right that will allow them to subscribe for new Ordinary Shares in the future at a predetermined price;
- * If the NAV per Share increases following the date by reference to which the Subscription Price is calculated, the Subscription Right will allow Shareholders to subscribe for new Ordinary Shares on the Subscription Date at a discount to the prevailing NAV per Share;
- * If the Subscription Rights were to be fully exercised for each of the next five years, and absent any other changes to the Company's capital structure, the number of Ordinary Shares in issue would more than double. This potential increase in the Company's Ordinary Share capital should have a significant impact on the liquidity of the Ordinary Shares in the market;
- * An increase in the Company's issued Ordinary Share capital and total assets through the exercise of Subscription Rights should reduce the Company's expense ratio as the fixed operating costs of running the Company would be spread over a greater asset base;
- * As a result of the intrinsic option value of the Subscription Right, the value of an Ordinary Share should increase. If this increase in the intrinsic value of an Ordinary Share is reflected in the

share price then it should help to narrow any discount to NAV per Share at which the Ordinary Shares may trade;

- * Any exercise of the Subscription Rights of the Company should increase the market capitalisation and total assets of the Company. As these grow, the Company may widen its appeal to new investors thus increasing demand for the Company's Ordinary Shares which could have a positive effect on the Company's share price which should lower the discount to NAV per share at which the Company's shares typically trade and should potentially allow those shares to trade at a premium to NAV per Share in the future;
- * The Subscription Right gives Shareholders a choice: they have the ability to maintain their *pro rata* percentage shareholding in the Company but does not oblige them to do so;
- * To protect the interests of Shareholders who are unable or fail to exercise their Subscription Rights and subject to the Board's overall discretion that exercise of the Subscription Rights will be in the best interests of the Company, following a Subscription Date the Board shall appoint a trustee. The trustee, provided that in such trustee's opinion, on the basis of considerations including the then market demand for the Ordinary Shares, the net proceeds of sale after deduction of all costs and expenses incurred by, and any fee payable to, such trustee will exceed the costs of exercising the Subscription Rights, shall exercise all or part of the Subscription Rights which shall not have been exercised on the terms on which the same could have been exercised on the relevant Subscription Date and sell in the market the Ordinary Shares resulting from such exercise;
- * The Subscription Price is reset every year, meaning that if a Subscription Right is 'out of the money' for the purposes of a Subscription Date, the Ordinary Shares will nevertheless offer a future opportunity to subscribe for new Ordinary Shares at the rebased Subscription Price set on the following Business Day (the undiluted NAV per Share) for the Subscription Date in the following year.

4. Extraordinary General Meeting

The Proposals require the approval of Shareholders. A notice convening an EGM to be held at the offices of Maitland Administration (Guernsey) Limited at 3rd Floor, 1 Le Truchot, St. Peter Port, Guernsey GY1 1WD, on 30 November 2022 at 12 noon is set out in Part 11 of this Prospectus.

The Resolution at the EGM is to approve the adoption of New Articles of Incorporation. The New Articles will set out the particulars of the Subscription Rights. These are set out in full in Part 6 of this Circular and Prospectus. Save for the introduction of the Subscription Rights, the New Articles will be identical to the Existing Articles. The New Articles will be on display at the registered office of the Company from the date of this document until the end of the Extraordinary General Meeting and at the Extraordinary General Meeting itself for the duration of the meeting and for at least 15 minutes prior to the EGM.

The Resolution will be proposed as a special resolution in accordance with the requirements of the Companies Law and will require a majority of not less than 75% in order to be passed. The Board is recommending that Shareholders vote in favour of the Resolution.

All Shareholders are entitled to vote at the Extraordinary General Meeting. At the EGM, every member present by proxy shall, on a poll, have one vote for every Share held. The quorum requirement for the EGM is not less than two Shareholders present in person or by proxy (or, if a corporation, by a representative) and entitled to vote.

5. Action to be taken

The creation of the Subscription Rights for Shareholders pursuant to the Proposals is conditional on the approval by Shareholders of the Resolution to be proposed at an Extraordinary General Meeting.

Shareholders will find enclosed with this document a Form of Proxy for use in connection with the EGM. Regardless of whether you intend to be present at the EGM, you are requested to complete and return the accompanying Form of Proxy in accordance with the instructions set out therein, by post or by hand (during normal business hours only) so as to be received by the Registrar c/o The

Pavilions, Bridgwater Road, Bristol, BS99 6ZY as soon as possible, and in any event not later than 12 p.m. on Monday, 28 November 2022. The completion and return of the Form of Proxy will not prevent Shareholders from attending the EGM and voting in person should they wish to do so.

Shareholders are requested to complete and return a Form of Proxy whether or not they wish to attend the EGM.

6. Additional considerations

- * The annual Subscription Right will confer the right to subscribe for further new Ordinary Shares. The Subscription Right will have an inherent value that will fluctuate proportionately with the underlying NAV per Share and share price depending on whether it is 'out of the money'. The introduction of the Subscription Right may therefore increase the volatility of the Company's Ordinary Share price.
- * The amendment to the rights attached to the Ordinary Shares pursuant to the Proposals will mean that the equivalent of 20 per cent. of the Company's issued Ordinary Share capital will be effectively under option immediately following the implementation of the Proposals. On each occasion that Subscription Rights are exercised this will dilute the shareholding of any Shareholders who do not exercise a corresponding proportion of the Subscription Rights attaching to their Ordinary Shares. However, if a Shareholder exercises his Subscription Rights every year, that Shareholder's percentage interest in the Ordinary Share capital of the Company will not be reduced below his or her percentage interest in the Ordinary Share capital of the Company immediately prior to the implementation of the Proposals.
- * If the NAV per Share at the time of exercise of any Subscription Rights exceeds the Subscription Price, the issue of the new Ordinary Shares upon such exercise will also have a dilutive effect on the NAV per Share. The extent of such dilution will depend on the number of new Ordinary Shares that are subscribed for on each occasion and the difference between the Subscription Price and the NAV per Share prevailing at the time the new Ordinary Shares are issued pursuant to the exercise of the Subscription Rights. The perceived risk of dilution may cause the market price of the Ordinary Shares to reflect a lesser sensitivity to increases in the NAV per Share than might otherwise be expected.
- * Implementation of the Proposals is conditional, *inter alia*, on the passing of the Resolution at the Extraordinary General Meeting. In the event that the Resolution is not passed the Proposals will not proceed. Notwithstanding, the Company will have incurred certain costs in putting forward the Proposals to Shareholders which may not be capable of mitigation. Such costs will have an adverse effect on the Net Asset Value and may have an adverse effect on the value of the Ordinary Shares.
- * The exercise of Subscription Rights by any Shareholder or beneficial owner of the Ordinary Shares who is a US Person or a person in Canada, Australia, Japan, the Republic of South Africa or certain other countries or the right of such a Shareholder or beneficial owner to receive the new Ordinary Shares falling to be issued to him following the exercise of his Subscription Rights, will be subject to such requirements, conditions, restrictions, limitations or prohibitions as the Company may at any time impose, in its sole discretion, for the purpose of complying with (or for avoiding any requirement which would otherwise arise to comply with) the securities laws of the United States (including, without limitation, the United States Securities Act of 1933, as amended, the United States Investment Company Act of 1940, as amended, and any rules or regulations promulgated under such Acts) and the laws of Canada, Australia, Japan and the Republic of South Africa.

7. Taxation

The attention of Shareholders is drawn to the summary of United Kingdom tax matters set out in Part 7 of this document.

Shareholders who are in any doubt about their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom should consult their professional adviser.

8. Costs and expenses of the Proposals

The costs and expenses of the Proposals will be borne by the Company. The total costs of the Proposals are expected to amount to approximately £110,000 (plus VAT, where appropriate).

9. Recommendation

The Board considers that the Proposals and the Resolution to be proposed at the EGM are in the best interests of the Company and Shareholders as a whole. The Board has received financial advice from finnCap and, in giving that financial advice, finnCap has placed reliance on the Board's commercial assessments. finnCap has given, and has not withdrawn, its consent to the inclusion of its name in this document.

Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolution to be proposed at the EGM.

Those Directors who hold Ordinary Shares intend to vote in favour of the Resolution in respect of their own beneficial and non-beneficial holdings of Shares (amounting in aggregate to 1,311,250 Shares, representing approximately 1.53 per cent. of the issued Ordinary Share capital of the Company as at the date of this document).

Yours faithfully,

Malcolm Burne

Chairman

PART 2

INFORMATION ON THE COMPANY

1. Introduction

Golden Prospect Precious Metals Limited is a closed-ended investment company incorporated with limited liability in Guernsey on 16 October 2006, which was established to provide a listed entity for investors to gain exposure to the Company's investment strategy within the gold and precious metals sector. The Company is an authorised closed-ended investment scheme under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 and regulated by the GFSC.

The Company currently has only Ordinary Shares in issue. The Ordinary Shares are currently admitted to listing on TISE and to trading on the London Stock Exchange's SETSqx platform. The Company's market capitalisation was £28.1 million as at 13 October 2022.

The Company has appointed CQS (UK) LLP (trading as New City Investment Managers) as its investment manager and AIFM under an Investment Management Agreement.

As at 26 October 2022:

- (i) the Company had total assets of £32.1 million and borrowings, in the form of short-term bank debt, of £2.8 million;
- (ii) the NAV per Ordinary Share was 34.29 pence; and
- (iii) the closing middle market price per Ordinary Share was 30.00 pence, representing a discount of 12.5 per cent. to the NAV per Ordinary Share.

2. Investment Objective

The Company's investment objective is to provide Shareholders with capital growth from a portfolio of companies involved in the precious metals sector.

3. Investment Opportunity

Sentiment to the precious metal sector remains muted, despite what would otherwise have been typically viewed as events that should support precious metals. The Geopolitical backdrop is as uncertain as it has been since World War 2, with the Russian invasion of Ukraine, whilst globalisation trends have stalled and showing signs of reversing with the West pushing back on Chinese trade dominance. Global inflation, in part due to a global energy crisis is forcing central banks to hike rates globally, despite softening consumer data, increasing recession risks. These rate hikes are coming after 14 years of low rates, whilst record Covid stimulus led to huge increases in global government debt, increasing the effective shock to the global economy. Precious metals remain a safe haven asset, even if this hasn't provided the upside we would have hoped yet, but performing much better in currencies other than the US dollar.

Supply remains constrained as continued fiscal discipline in the precious metals sector has led to a sustained period of under investment, with output from the five largest producers is expected to remain static over the next five years. The Investment Manager believes this may increase pressure to make acquisitions over the next couple of years, supporting higher equity valuations for potential targets. The Company remains weighted to smaller, single asset companies which typically trade at a significant discount to their larger peers and this allows them to be acquired by larger producers on an accretive basis.

The Company is predominantly invested in non-sterling companies, so, as such, also offers protection against weaker sterling, although remains at risk against a stronger currency on a currency translation basis.

4. Investment Policy and Approach

The Investment Portfolio primarily comprises securities listed on the Australian, Toronto and London stock exchanges.

The Directors intend that in excess of 70 per cent., of the Company's gross assets will continue to be directly invested in quoted equities spread throughout the Target Commodities at the time of investment. The Company may also from time to time invest in other investment and hedging instruments as the Directors and Investment Manager consider appropriate.

The Company may diversify up to 20 per cent. of its gross assets into investments in other metals, minerals and commodities, such as diamonds and uranium, from time to time as market opportunities arise. In the event that non-Target Commodity investments increase in value to a point where they represent over 30 per cent., of the Company's gross assets, the Investment Manager, with approval from the Directors, reserves the right to maintain the positions if, in its opinion, it is in the best interests of the Company.

The Company intends to concentrate its investments in companies which typically have or are anticipated to have a market capitalisation of over £30 million and with defined projects in development or production phases. The Directors believe this strategy will provide sufficient liquidity when changing market conditions dictate that immediate adjustments are required to the Investment Portfolio.

The Investment Manager invests in companies which, in its opinion, are undervalued or offer above average growth prospects and where the rewards outweigh the risks identified. The Investment Manager actively monitors and reassess each investment while it is held. Investments which are considered to have met their potential for growth may be sold. Investments which are considered to have potential for further growth are likely to be retained. Investments may be considered for sale where the Investment Manager identifies alternative investments which it considers have greater potential for growth or where the Investment Manager considers that the risks relating to an investment outweigh its expected potential for growth. The Investment Manager will also take advantage of day-to-day market variations to make small additions or reductions to its investment levels.

Investments are chosen through a careful selection process which appraise both fundamental factors specific to the opportunity and wider economic considerations, including:

- (i) strength of management;
- (ii) quality of assets/projects;
- (iii) growth potential;
- (iv) commodity price outlook;
- (v) geopolitical/country risks;
- (vi) financial strength and future working capital requirements;
- (vii) liquidity; and
- (viii) potential exit routes.

In particular, the Company will be mindful of investing in companies with operations located in politically unstable jurisdictions.

Outside the core quoted equities portfolio, the Company may, subject to appropriate tax and regulatory advice, invest in a range of asset classes including without limitation, quoted and unlisted equities (including joint venture companies), units in unit trusts, common stock, convertible securities, warrants, debt instruments and ETFs.

The Investment Manager may seek to manage portfolio risk, including hedging against currency risk, as it is expected that most of the Company's investments will be made in overseas equities.

The Directors review the Company's investment policy and approach on an annual basis. Changes to the investment policy may be prompted, amongst other things, by changes in government policies or economic conditions which alter or introduce additional investment opportunities or risks.

In the event of a breach of any investment restriction referred to in this paragraph 4, the Investment Manager will inform the Company upon becoming aware of the same and, if the Board considers the breach to be material, Shareholders will be notified via by announcement concurrently via TISE website (www.tisegroup.com) and a Regulatory Information Service.

5. Borrowing Powers

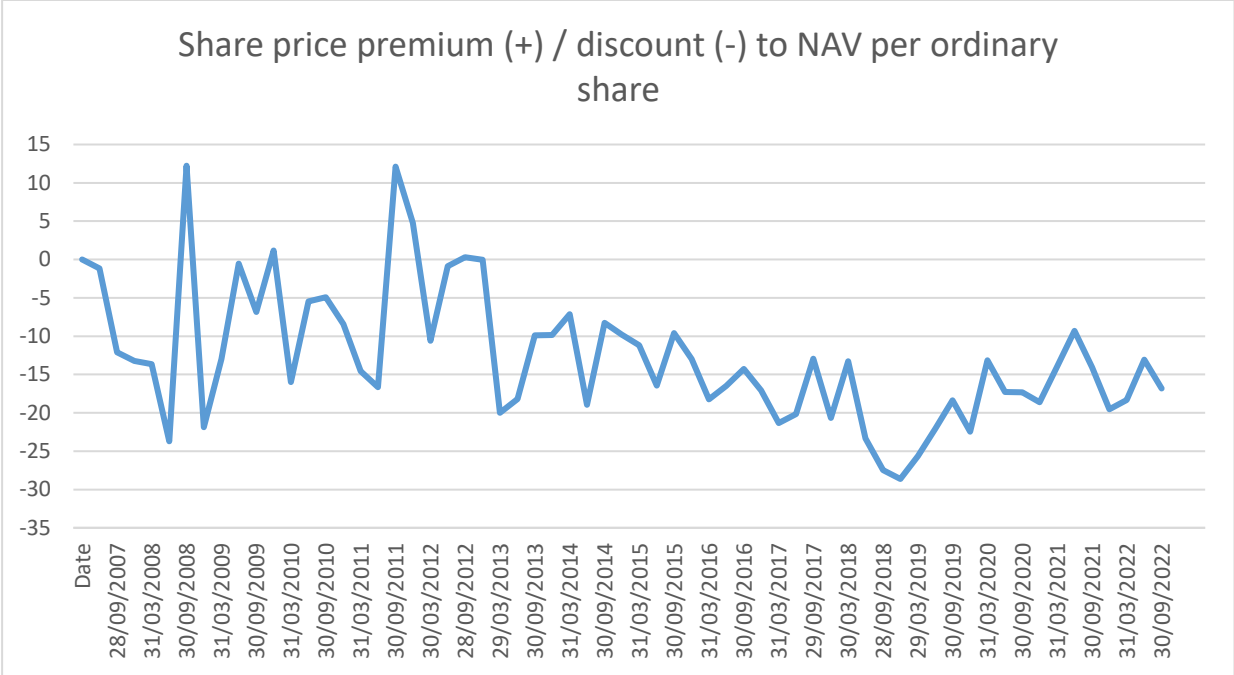
Under its memorandum of incorporation, the Company has the power to borrow money in any manner and there are no restrictions on borrowing contained in the Articles. However, the Board sets borrowing limits from time to time to ensure gearing levels are appropriate to market conditions and reviews these on a regular basis. As at 30 June 2022, the Board had set a limit on the maximum amount that the Company may borrow of 20 per cent. of its Net Asset Value. The Company has in place a prime brokerage facility with BNP Paribas London Branch, 10 Harewood Avenue, London NW1 6AA, under which BNP Paribas may, in its sole discretion, make advances to the Company, as and when requested by the Company, which enables the Company to deploy financial gearing. As at 26 October 2022, the Company had outstanding indebtedness of £2.8 million under such facility, which is used primarily to facilitate the short-term cash management of the Company (for example, to settle investment transactions) or to take advantage of particularly attractive investment opportunities while funds are realised from the Investment Portfolio.

6. Historical Performance

The Ordinary Share NAV and price total returns over various periods ended 30 September 2022 are shown in the following table.

<i>Ordinary Shares - Total Returns to 30 June 2022 (%)</i>			
	<i>1 Year</i>	<i>3 Years</i>	<i>5 Years</i>
NAV	(17.23)	1.10	(0.74)
Share Price	(19.88)	3.04	(5.15)

The price at which the Ordinary Shares traded relative to their NAV at the end of each quarter over the period from January 2007 to September 2022 is shown in the following chart.



7. Dividend Policy

It is not envisaged that any income derived from the Company's investments will be distributed by way of dividend. This does not preclude the Directors from declaring a dividend on the Ordinary Shares at any time in the future if they consider it appropriate to do so. To the extent that a dividend is declared, it will be paid in compliance with any applicable laws.

8. Further Issues of Shares

The Company intends to issue further Ordinary Shares pursuant to any exercise of the Subscription Share Rights and otherwise as and when it is considered by the Board appropriate to do so.

There are no provisions in Guernsey Companies Law equivalent to sections 561 to 576 (inclusive) of the UK's Companies Act 2006, which confer pre-emption rights on existing shareholders in connection with the allotment or issue of equity securities for cash. However, pursuant to TISE Listing Rules, other than pursuant to the exercise of the Subscription Share Rights, Ordinary Shares may not be issued at a price which represents a discount of more than 10 per cent. to the middle market price (or, if higher, a price less than the NAV per Ordinary Share) unless authorised by a majority of the holders of the Ordinary Shares or offered first on a *pro rata* basis to those holders.

The proceeds from any issue of Ordinary Shares will be invested in accordance with the Company's investment objective, policy and approach.

9. Buy-backs of Shares

The Directors believe that the most effective means of minimising any discount to NAV at which the Ordinary Shares may trade is to deliver strong, consistent performance from the Investment Portfolio in

both absolute and relative terms. However, the Board recognises that wider market conditions and other considerations affect the rating of the Ordinary Shares and, subject to the requirements of Guernsey Companies Law, the Articles and other applicable legislation, the Board may seek to limit the level and volatility of any discount to NAV at which the Ordinary Shares may trade by the Company buying back Ordinary Shares in the market in order to address any imbalance between the supply of and demand for Ordinary Shares or to enhance the NAV per Ordinary Share.

An ordinary resolution was passed at the Company's annual general meeting on 29 June 2022 granting the Company general authority to buy-back in the market up to 15 per cent. of the Ordinary Shares in issue at a price not exceeding 5 per cent. above the average of the closing middle market quotations (as derived from Bloomberg) of an Ordinary Share for the five consecutive dealing days preceding the date on which the buy-back is made. That authority expires on 29 December 2023 or, if earlier, at the conclusion of the annual general meeting of the Company held in 2022. If GM Resolution 2 is passed at the General Meeting, the Company will be granted a general authority to buy-back in the market up to 14.99 per cent. of the Subscription Shares issued pursuant to the Bonus Issue at a price not exceeding 5 per cent. above the average of the closing middle market quotations (as derived from Bloomberg) of a Subscription Share for the five consecutive dealing days preceding the date on which the buy-back is made. That authority will expire at the conclusion of the annual general meeting of the Company held in 2023 or, if earlier, the date being 15 months from the date on which GM Resolution 2 is passed. The Directors intend to seek annual renewal of the authorities to buy-back Ordinary Shares and Subscription Shares at each annual general meeting of the Company.

In deciding whether to buy-back Shares in the market, the Directors will have regard to what they believe to be in the best interests of Shareholders as a whole and to the applicable Guernsey legal requirements which require the Directors to be satisfied on reasonable grounds that the Company will, immediately after any such buy-back, satisfy a solvency test prescribed by Guernsey Companies Law and any other requirements in its memorandum and articles of incorporation. The making and timing of any buy-backs of Shares in the market will be at the sole and absolute discretion of the Board and, accordingly, no expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions. Any buy-backs of Ordinary Shares will only be made for cash at a discount to the NAV per Ordinary Share. Any buy-backs of Subscription Shares will only be made for cash at prices which do not adversely affect the diluted NAV per Ordinary Share.

Any Ordinary Shares bought back by the Company may be cancelled or held as treasury shares. Ordinary Shares held in treasury may be subsequently cancelled or sold for cash. The Directors do not intend to sell any Ordinary Shares held in treasury at a discount to the NAV per Ordinary Share. Any Subscription Shares bought back by the Company will be cancelled.

The Company may borrow and/or realise investments in order to finance buy-backs of Ordinary Shares.

10. Life

The Company has an indefinite life.

PART 3

DIRECTORS, MANAGEMENT AND ADMINISTRATION

1. The Directors

1.1 Introduction

The Directors have overall responsibility for the Company's activities, including its investment objective, policy, strategies and performance and risk profile. However, the Company has delegated:

- (i) day-to-day investment management of its Investment Portfolio to the Investment Manager; and
- (ii) its administration (including accounting and associated services) and company secretarial arrangements to the Administrator.

The Board is responsible for monitoring and reviewing the performance of the Company's key service providers, including the Manager, the Investment Manager and the Administrator.

The Board meets at least four times a year to review, in particular, the Company's activities and the performance of the Manager, the Investment Manager and the Administrator. Between formal Board meetings there is regular contact between the Directors and the Investment Manager and the Administrator.

1.2 Current Directors

At the date of this document, the Company has four Directors, all of whom are non-executive and fully independent of the Manager and the Investment Manager.

Malcolm Burne (Chairman): Mr Burne is a former stockbroker and financial journalist with The Financial Times. He has controlled and managed fund management, venture capital and investment banking companies in London, Australia, Hong Kong and North America. He has been a director of more than 20 companies, many of which have been in the mineral resource and gold exploration fields. In 1997, Mr Burne founded Golden Prospect plc and was executive chairman until 2007 when the company changed its name to Ambrian Capital plc. In addition, he was executive chairman of the Australian Bullion Company (Pty) Limited, which at the time was Australia's leading gold dealer and member of the Sydney Futures Exchange. Mr Burne was appointed as a Director on 16 October 2006.

Hugo Toby Birch, is an investment manager and prior to founding Guernsey Gold (which merged with Bullionrock in 2014) he was the senior investment manager at the local branch of Bank Julius Baer. He then worked for Blackfish Capital Exodus Fund, trading in precious metals and commodities. He was also a director of the Blackfish-Invstec Resources Special Situations Fund, investing in mining companies. Toby is a Chartered Wealth Manager and Fellow of the Chartered Institute for Securities and Investments. He is a regular speaker on the conference circuit covering financial megatrends, precious metals and monetary reform. He holds the HSK3 level in proficiency test in Mandarin. Mr Birch was appointed as a Director on 3 April 2014.

Graeme Ross (Audit Committee Chairman), was educated at Perth Academy and Dundee College of Technology in Scotland and qualified as a Chartered Accountant with Arthur Young McClelland-Moores in 1984. He then moved to Jersey in the Channel Islands and spent two years with KPMG on financial services audits before joining the embryonic fund administration arm of Rawlinson & Hunter, Jersey in 1986. He was admitted to the Partnership of Rawlinson & Hunter, Jersey in 1995 and was the Managing Director of the fund administration division from then until his retirement at the end of 2016. Graeme has significant experience of the management, administration and oversight of all types of collective investment vehicles and has served as a Director on open ended, closed ended and limited partnership vehicles investing in a wide variety of asset classes and sectors including many listed funds. Graeme is a resident of Jersey. Graeme

was appointed to the Board on 17 April 2018 as both a Director and Chairman of the Audit Committee.

Robert King, is a non-executive director of a number of open and closed ended investment funds and companies including Tufton Oceanic Assets Limited. He was a director of Cannon Asset Management Limited and its associated companies from October 2007 to February 2011. Prior to this, he was a Director of Northern Trust International Fund Administration Services (Guernsey) Limited (formerly Guernsey International Fund Managers Limited) where he had worked from 1990 to 2007. He has been in the offshore finance industry since 1986 specialising in administration and structuring of offshore open and closed ended investment funds. Rob is British and resident in Guernsey. Mr King was appointed as a Director on 16 October 2006.

1.3 **Audit and Risk Committee**

The audit and risk committee consists of Mr Ross, Mr Birch and Mr King. The committee operates within clearly defined terms of reference. The duties of the committee in discharging its responsibilities include reviewing the annual and interim accounts, the terms of appointment of the auditor together with their remuneration and reviewing their independence and objectivity and effectiveness of the audit process and to review the Company's system of internal controls.

1.4 **Corporate Governance**

As a Guernsey incorporated company, authorised as a collective investment scheme under the Protection of Investors (Bailiwick of Guernsey) Law, 2020, the Company is required to comply with the Finance Sector Code of Corporate Governance issued by the GFSC and effective from 1 January 2012 (the "**Code**") as amended from time to time and most recently in November 2021.

The Directors have taken the action that they consider appropriate to ensure that the appropriate level of corporate governance, for an investment company incorporated in Guernsey whose securities are listed on TISE, is attained and maintained. The Company does not, and does not intend to, adopt the UK Corporate Governance Code.

For the purposes of assessing compliance with the Code, the Board considers all of the Directors to be independent of the Manager and the Investment Manager.

1.5 **General**

Further information on the Directors is set out in paragraph 4 of Part 9 of this document.

2. Investment Management

2.1 **The Manager and the Investment Manager**

The Company appointed CQS Cayman Limited Partnership as its investment manager with effect from 15 September 2008. CQS Cayman Limited delegated its investment management and advisory functions, powers, authorities, duties and discretions to CQS (UK) LLP, trading as New City Investment Managers, but has retained overall responsibility for all acts or omissions of NCIM carried out as a consequence of such delegation. Subsequently a new investment management agreement was agreed between the Company and CQS (UK) LLP and came into force on 9 September 2020. CQS (UK) LLP also acts as the Company's AIFM.

The CQS Group is a global diversified asset manager running multiple strategies, with US\$21.9 billion assets under management (including mandates with discretionary management, sub-investment discretionary management, investment advice, collateral management and intermediation). As at 30 September, 2022, NCIM had assets under management of £543.6 million on behalf of four closed-ended investment companies, three of which (including the Company) focus on natural resources whilst the fourth focuses on the high yield sector. NCIM's investment team of three fund management professionals have a wealth of experience across the natural resources and high yield sectors and is supported by the broader CQS Group. NCIM is authorised and regulated in the UK by the FCA.

2.2 Co-fund Managers

The Investment Portfolio is jointly managed by Keith Watson and Robert Crayfoured, who also co-manage NCIM's two other natural resources investment company clients.

Keith Watson: Keith Watson joined NCIM in July 2013 from Mirabaud Securities where he was a senior natural resource analyst. Prior to Mirabaud, he was director of mining research at Evolution Securities. Previous to this, he was a top-ranked business services analyst at Dresdner Kleinwort Wasserstein, Commerzbank and Credit Suisse/BZW. He began his career in 1992 as a portfolio manager and research analyst at Scottish Amicable Investment Managers. Mr Watson holds a BSc (Hons) in Applied Physics from Durham University.

Robert Crayfoured: Prior to joining CQS in 2011, Rob Crayfoured was an analyst at the Universities Superannuation Scheme and HSBC Global Asset Management where he focussed on the resources sector. Mr Crayfoured is a CFA charter holder and holds a BSc in Geological Sciences from the University of Leeds.

2.3 Investment Management Agreement

Under the Investment Management Agreement, CQS (and NCIM, as its delegate appointed in accordance with, and as permitted by, the Investment Management Agreement has agreed, *inter alia*, to manage, invest, realise and reinvest the Company's investments and cash in accordance with its investment policy.

CQS is entitled to an annual investment management fee, payable by the Company monthly in arrears, of 1.25% per annum, paid monthly in arrears on the first £20 million of the Company's Net Asset Value and thereafter at a rate of 1.00 per cent on Net Assets above that.

The Investment Management Agreement may be terminated, without cause, by either the Company or CQS giving to the other not less than 12 months' notice.

2.4 Potential Conflicts of Interest

The CQS Group may be involved in investment, financial or other professional activities for its own account, for the accounts of its employees and for other the managed accounts of other clients (including investment companies) in which the Company has no interest and, on occasion, such activities may give rise to conflicts of interest with the Company. In particular, NCIM may provide investment management, investment advice or other services in relation to other clients (including investment companies) which may have a similar investment strategy to that of the Company. The CQS Group may give advice and recommend securities to other managed accounts or investment funds which may differ from advice given to, or securities recommended or bought for, the Company, even though their investment strategies may be the same or similar. In addition, but subject to applicable laws and regulations and any confidentiality obligations, in providing services to clients (including investment companies), the CQS Group may use information obtained by the CQS Group which is used in managing the Company's investments.

CQS and NCIM have regard to their obligations under the Investment Management Agreement to act in the best interests of the Company, so far as is practicable having regard to their obligations to other clients, when potential conflicts of interest arise. In the event of such a conflict of interest arising, NCIM will seek to resolve it fairly. In particular, NCIM will use its reasonable efforts to ensure that the Company has the opportunity to participate in potential investments identified by NCIM which fall within the Company's investment objective and policy on the best terms reasonably obtainable at the relevant time with the aim of ensuring that the principle of best execution is attained.

Certain inherent conflicts of interest arise from the fact that NCIM carries on other investment activities in which the Company has no interest. The Investment Management Agreement does not impose any specific obligations or requirements concerning the allocation of time, effort or investment opportunity by NCIM to the Company. NCIM's team will devote as much of their time to the activities of the Company as they deem necessary and appropriate. Neither NCIM nor any other member of the CQS Group are restricted from forming additional investment funds, from

entering into other investment management or advisory relationships or from engaging in other business activities, even though such activities may be in competition with the Company and/or may involve substantial time and resources of NCIM. These activities could be viewed as creating a conflict of interest in that the time and effort of NCIM's team will not be devoted exclusively to the business of the Company, but will be allocated between the business of the Company and the management of the monies of other clients of the Investment Manager.

The Company may, whether for the account of the Company or otherwise to the extent permitted by applicable law, engage in transactions with the Investment Manager or its affiliates.

The Investment Manager may allocate a portion of the Company's assets to portfolio investments managed by the Investment Manager or its affiliates to the extent that the Investment Manager determines, in its sole discretion, that such portfolio investments represent an appropriate investment strategy for the Company.

2.5 **General**

Further information on the Manager and the Investment Manager and details of the Investment Management Agreement are set out in paragraph 6.1 of Part 9 of this document.

3. Administration

3.1 **Administrator and Company Secretary**

The Company has appointed Maitland Administration (Guernsey) Limited to provide administrative, compliance oversight and company secretarial services to the Company, including accounting and associated services. The principal business of the Administrator is the provision of fund administration services, including the provision of company secretarial, accounting and associated services.

3.2 **Administration Agreement**

Under the Administration Agreement, the Administrator is entitled to a quarterly periodic fee, as per the below, subject to a minimum of £80k p.a. which will increase annually in line with inflation in Guernsey: NAV < NAV < £200m - 6bps; £200m < NAV < £350m - 4bps; £350m < NAV - 2bps. The Administration Agreement may be terminated by either party giving to the other not less than three months' notice.

3.3 **General**

Further information on the Administrator and details of the Administration Agreement are set out in paragraph 6.2 of Part 9 of this document.

4. Prime Brokerage (Including Custody) Arrangements

4.1 **Custodian and Prime Broker**

The Company has appointed BNP Paribas London Branch, as custodian of its assets and, in that capacity, the Prime Broker is responsible for ensuring safe custody and dealing with settlement arrangements on behalf of the Company.

4.2 **Prime Brokerage Agreement**

Under the Prime Brokerage Agreement, the Prime Broker is entitled to charge overdraft interest on a daily basis utilising the SONIA overnight rate plus 83 basis points. The Prime Broker does not charge a basis points fee on assets under management. The Prime Broker's appointment is terminable on 30 days' notice given by either party.

4.3 **General**

Further information on the Prime Broker and details of the Prime Brokerage Agreement are set out in paragraph 6.3 of Part 9 of this document.

5. Depositary Arrangements

5.1 Depositary

The Company has appointed INDOS Financial Limited as its depositary and, in that capacity, the Depositary is responsible for cash flow monitoring, safe-keeping of the Company's non-custody assets and certain oversight services in accordance with the AIFM Regulations.

5.2 Depositary Agreement

Under the Depositary Agreement, the Depositary receives a fee of £1,400 per month. The Depositary's appointment is terminable by notice given by either party, and such termination may be effective from the date of receipt of such notice by the other party.

5.3 General

Further information on the Depositary and details of the Depositary Agreement are set out in paragraph 6.4 of Part 9 of this document.

PART 4

INVESTMENT PORTFOLIO

1. Introduction

A statement of the Investment Portfolio as at 31 December 2021 is included in the annual report and financial statements of the Company for the year ended 31 December 2021, a copy of which can be downloaded at <http://ncim.co.uk/golden-prospect-precious-metals-ltd/> .

The information in this Part 4 is based on the unaudited valuation of the Company's assets as at 30 June 2022.

2. Overview of the Investment Portfolio

As at 30 June 2022, the Investment Portfolio comprised 62 investments with an aggregate value of £41.5 million.

The following tables analyse the Investment Portfolio as at 30 June 2022 by asset class, quotation, geographical location, sector and activity.

<i>Asset Class</i>	<i>Value (£'000)</i>	<i>% of Company's Total Investments</i>
Equities	40,551	99.08%
Warrants	381	0.92%
Total	40,932	100.0

<i>Quotation</i>	<i>Value (£'000)</i>	<i>% of Company's Total Investments</i>
Listed/quoted on recognised investment exchange	40,551	99.08%
Unquoted	381	0.92%
Total	40,932	100.0

<i>Geographical Location (listed assets)</i>	<i>Value (£'000)</i>	<i>% of Company's Total Investments</i>
Canada	18,284	51.80
Australia	19,503	55.26
Mexico	183	0.52
United Kingdom	587	1.66
United States of America	1,995	5.64
Total	40,551	100.0

<i>Sector</i>	<i>Value (£'000)</i>	<i>% of Company's Total Investments</i>
Gold	27,969	68.33
Silver	8,461	20.67
Platinum Group Metals	3,033	7.74
Other Base Metals	1,459	3.59
Total	40,932	100.0

<i>Activity</i>	<i>Value (£'000)</i>	<i>% of Company's Total Investments</i>
Producers	31,059	75.88
Explorers	5,096	12.45
Developers	4,777	11.67
Total	40,932	100.00

3. Exercise of Voting Rights in Respect of Investee Companies

The Board has delegated responsibility for actively monitoring the activities of Investee Companies to the Manager which has, in turn, delegated such responsibility to the Investment Manager. The Investment Manager is responsible for reviewing, on a regular basis, the annual reports, circulars and other publications produced by each Investee Company, and for attending company meetings. The Investment Manager, in the absence of any explicit instruction from the Board, is empowered to use discretion in the exercise of the Company's voting rights in respect of Investee Companies. The Investment Manager's policy is to assess each voting opportunity individually and to vote only in cases where it is believed that the Company's best interests need to be protected, the underlying aim of exercising such voting rights being is to protect the Company's return from its investment.

PART 5

FINANCIAL INFORMATION

1. Introduction

- 1.1 The Company's financial statements are prepared in accordance with IFRS (as adopted by the EU) and Guernsey Companies Law.
- 1.2 Audited annual financial statements of the Company are made up to 31 December in each year and unaudited interim financial statements are made up to 30 June in each year. The annual report and audited financial statements of the Company are sent to Shareholders as soon as practicable and in any event within six months of the relevant financial year end, and the unaudited interim financial statements of the Company are sent to Shareholders as soon as practicable and in any event within four months of the relevant half-year end.
- 1.3 Copies of the Company's annual reports and audited financial statements and interim financial statements are available on the section of NCIM's website dedicated to the Company (<http://ncim.co.uk/golden-prospect-precious-metals-ltd/>), which also contains a link to regulatory announcements (including NAV announcements) made via TISE's website (www.tisegroup.com/market/companies/2465?companyID=2465).
- 1.4 Save for the audited financial statements of the Company incorporated by reference into this document by paragraph 2.1 of this Part 5, none of the information in this document has been audited. Unless otherwise indicated, all unaudited financial information relating to the Company contained in this document has been extracted, without material adjustment, from the Company's internal accounting records, which are maintained by the Administrator on the Company's behalf on a basis consistent with the Company's accounting policies.

2. Annual Report and Audited Financial Statements for Financial Years ended 31 December 2019, 31 December 2020 and 31 December 2021

- 2.1 The annual report and audited financial statements of the Company for each of the financial years ended 31 December 2019, 31 December 2020 and 31 December 2021 are incorporated by reference into this document.
- 2.2 The Company's auditor for each of the financial years ended 31 December 2019, 31 December 2020 and 31 December 2021 was BDO Limited, chartered accountants and a member firm of the Institute of Chartered Accountants in England and Wales. In respect of the Company's audited financial statements for each of those years, BDO Limited gave unqualified opinions that such financial statements:
 - (i) gave a true and fair view of the state of the Company's affairs at the end of the relevant financial year and of its profit or loss for the financial year then ended;
 - (ii) had been properly prepared in accordance with IFRS (as adopted by the EU); and
 - (iii) had been properly prepared in accordance with the requirements of Guernsey Companies Law.
- 2.3 Copies of the published annual reports and audited financial statements of the Company for the financial years ended 31 December 2019, 31 December 2020 and 31 December 2021 are available for inspection at:
 - (i) the address set out in paragraph 9 of Part 9 of this document; and
 - (ii) the section of NCIM's website dedicated to the Company (<http://ncim.co.uk/golden-prospect-precious-metals-ltd/>).
- 2.4 Investors should note that statements regarding current circumstances and forward-looking statements made in the Company's annual reports and audited financial statements incorporated

by reference into this document by paragraph 2.1 of this Part 5 speak as at the date of the relevant annual report and financial statements and, therefore:

- (i) such statements do not necessarily remain up-to-date at the date of this document; and
- (ii) information included in this document, to the extent applicable, automatically updates and supersedes information included in such annual reports and audited financial statements.

3. No Significant or Material Adverse Changes

As at 30 June 2022, the Company's net assets and the NAV per Ordinary Share were £35.3 million and 41.98 pence respectively, representing a decrease of 21.03% per cent. in the Company's net assets and the NAV per Ordinary Share as at 31 December 2021. Such decrease was primarily a result of the changes in the value of the Investment Portfolio. Save for such changes, as at 30 June 2022, there had been no significant or material adverse changes in the financial or trading position of the Company since 31 December 2021.

4. Indebtedness

As at 30 June 2022, the Company had:

- (i) no debt securities of in issued or outstanding, or authorised or otherwise created but unissued;
- (ii) no term loans;
- (iii) had outstanding secured indebtedness of £3.6 million under the Prime Brokerage Agreement and, save for such indebtedness, no guaranteed or unguaranteed, secured or unsecured borrowings or debt;
- (v) had no mortgages or charges; and
- (vi) had no contingent liabilities or guarantees.

5. Working Capital

The Directors are of the opinion that the Company has sufficient working capital for its present requirements (that is, for at least the 12 months from the date of this document).

6. Operating Costs

In addition to the investment management fees, administration fees, prime brokerage fees and depositary fees referred to in paragraphs 2.3, 3.2, 4.2 and 5.2 respectively in Part 3 of this document), the Company pays all other fees, charges and expenses incurred in the operation of its business, including, without limitation:

- (i) brokers' commissions (if any) and any issue or transfer taxes chargeable in connection with its investment transactions and any other transaction charges;
- (ii) all taxes and corporate fees payable to governments or agencies;
- (iii) all out-of-pocket expenses of the Manager, the Investment Manager, the Administrator and the Depositary;
- (iv) fees, commissions (if any) and expenses for prime brokerage, corporate broking, registrar, legal, audit, tax and other professional services;
- (v) the fees and out-of-pocket expenses of the Directors and the cost of Directors' insurance;
- (vi) any borrowing costs;
- (vii) the ongoing costs of maintaining the listing of the Ordinary Shares on TISE and the trading of the Ordinary Shares on the London Stock Exchange's SETSqx platform and enabling the Shares to be held and traded in uncertificated form;
- (viii) all promotional and marketing fees and expenses;
- (ix) the costs of preparing, printing and distributing financial and other reports, circulars, forms of proxy, listing documents and similar documents; and

- (x) the costs of holding general meetings of the Company.

7. Calculation and Publication of Net Asset Value

- 7.1 The unaudited NAV per Ordinary Share is calculated as at the close of business on each business day and announced by the Company as soon as practicable on the following business day via TISE's website (www.tisegroup.com/market/companies/2465?companyID=2465) and a Regulatory Information Service.
- 7.2 The Directors have delegated calculation of the Net Asset Value to the Administrator. The NAV of the Company is calculated by the Administrator by deducting the value of the liabilities of the Company (including any accrued management fee) from the value of the Company's assets. The Company's assets and liabilities are valued on the same basis as the calculation of the NAV for the purpose of the Company's published financial statements and, accordingly, are valued in accordance with IFRS (as adopted by the EU) and Guernsey Companies Law. The Directors may, at their discretion, permit any other method of valuation to be used if they consider that such method of valuation better reflects the relevant value and is in accordance with good accounting practice.
- 7.3 The Directors believe that it is unlikely that there will be circumstances as a result of which the calculation of the Net Asset Value would be suspended. However, if any such circumstances arose, suspension of the calculation of the NAV will be communicated to Shareholders by means of an announcement via TISE's website (www.tisegroup.com) and a Regulatory Information Service. Should the calculation of the NAV be suspended for any period of time, the listed status of the securities of the Company on TISE will be suspended.

PART 6

DETAILS OF THE SUBSCRIPTION RIGHTS

Conditional upon the passing of the EGM Resolution at the EGM, the Existing Articles will be replaced with the New Articles to reflect the Subscription Rights described below.

1 Subscription Rights

- 1.1 A registered holder of an Ordinary Share shall have a right (a "**Subscription Right**") exercisable on 30 November in each year commencing on 30 November 2023, or if such date is not a Business Day, the next following Business Day, (any date on which exercise occurs being described as a "**Subscription Date**") to subscribe in cash for new Ordinary Shares on the basis of one new Ordinary Share for every five existing Ordinary Shares registered in the name of such holder on the Subscription Date at the price per Ordinary Share equal to the undiluted Net Asset Value attributable to one Ordinary Share on the immediately preceding 1 December (or if such date is not a Business Day, the next following Business Day), rounded up to the nearest whole penny (the "**Subscription Price**"). The "**undiluted Net Asset Value attributable to one Ordinary Share**" for the purposes of calculating the Subscription Price means the undiluted Net Asset Value attributable to one Ordinary Share as announced via a Regulatory Information Service on 1 December (or if such date is not a Business Day, the next following Business Day). The Subscription Price shall be payable in full in sterling on subscription and may, from time to time, be adjusted in accordance with the provisions of paragraph 2 of this Part 6.
- 1.2 No fraction of a new Ordinary Share will be issued on the exercise of any Subscription Rights and no refund will be made to an Ordinary Shareholder in respect of any part of the Subscription Price paid by that Ordinary Shareholder which represents such a fraction (if any) provided that if the Subscription Rights represented by more than one Ordinary Share are exercised by the same Ordinary Shareholder as at the same Subscription Date then the number of new Ordinary Shares to be issued to such Ordinary Shareholder in relation to all such Subscription Rights exercised shall be aggregated and whether any fractions then arise shall be determined accordingly.
- 1.3 On issue of the new Ordinary Shares pursuant to the exercise of Subscription Rights, the Ordinary Shares in respect of which the Subscription Rights have been exercised will, for the avoidance of doubt, remain in existence and the Subscription Rights attaching thereto may be exercised on a future Subscription Date at the then relevant Subscription Price. Subject to the following provision, failure to exercise Subscription Rights on any Subscription Date shall not affect the future Subscription Rights attaching to those Ordinary Shares. All Subscription Rights shall lapse if an order is made or an effective resolution is passed for winding up of the Company. The Subscription Price may be subject to adjustment as provided in paragraph 2 of this Part 6 below.
- 1.4 In order to exercise, in whole or in part, the Subscription Rights which are conferred by any Ordinary Shares, the Ordinary Shareholder must lodge the following documents at the office of the Registrars during the period of 30 days ending at 5.00 p.m. on the Business Day prior to the relevant Subscription Date:
 - 1.4.1 a completed Subscription Notice as referred to below (or such other notice of exercise of Subscription Rights as the Directors may, in their absolute discretion, accept); and
 - 1.4.2 a remittance for the aggregate Subscription Price for the Ordinary Shares in respect of which the Subscription Rights are being exercised.

A "**Subscription Notice**" shall mean a notice of exercise of Subscription Rights in such form and subject to such terms and conditions as may from time to time be prescribed by the Directors. Once lodged, subject to any changes to the exercise process notified to Shareholders

in accordance with paragraph 1.6 of this Part 6 below, a Subscription Notice shall be irrevocable save with the consent of the Directors. Each holder of Ordinary Shares may only lodge one Subscription Notice in respect of the Subscription Rights that it wishes to exercise on any Subscription Date. To be effective, compliance must also be made with any statutory and regulatory requirements for the time being applicable.

- 1.5 If the aggregate consideration payable for new shares in the capital of the Company howsoever issued by the Company (save in respect of any new Ordinary Shares issued to "qualified investors" (as defined in the UK Prospectus Regulation)) in a 12 month period would, as a result of the exercise in full of the Subscription Rights that are the subject of the Subscription Notices received by the Directors, exceed EUR 8 million, being the threshold in excess of which the Company would be required to publish a prospectus in the UK in connection with the offer of said shares as set out in Part 6 of FSMA, and as such threshold may be amended from time to time (the "**UK Prospectus Exemption Threshold**"), the Subscription Rights exercised pursuant to each Subscription Notice shall be scaled back on such basis as shall be determined by the Directors in their sole discretion.
- 1.6 Not earlier than 60 days nor later than 30 days before the relevant Subscription Date, the Company shall give notice in writing to the holders of Ordinary Shares reminding them of their Subscription Rights and stating, as relevant, the form of Subscription Notice prescribed by the Directors. Such notice will also state whether the UK Prospectus Exemption Threshold is expected to be exceeded as a consequence of any exercise of Subscription Rights and, as such, whether any scaling back may be required. Accordingly, the notice shall specify any changes to the process required to be followed in order to exercise the Subscription Rights described in this Part 6 and set out in the New Articles and the date by which remittance of the relevant aggregate Subscription Price, calculated following scaling back, must be received.
- 1.7 New Ordinary Shares to be issued pursuant to the exercise of Subscription Rights which are conferred by any Ordinary Shares that are on the relevant Subscription Date held in certificated form will be issued not later than 14 days after and with effect from the relevant Subscription Date and certificates in respect of such Ordinary Shares will be despatched (at the risk of the person(s) entitled thereto) not later than 28 days after the relevant Subscription Date to the person(s) in whose name(s) the Share is registered at the Subscription Date (and, if more than one, to the first-named, which shall be sufficient despatch for all).
- 1.8 New Ordinary Shares to be issued pursuant to the exercise of Subscription Rights which are conferred by Ordinary Shares held in uncertificated form will be issued not later than 14 days after and with effect from the relevant Subscription Date. The Company shall procure that the appropriate instructions are given to enable such Ordinary Shares to be credited in uncertificated form to the relevant account within the relevant electronic system of the person(s) in whose name(s) the Ordinary Shares in respect of which Subscription Rights have been exercised were registered as at the Subscription Date.
- 1.9 For the avoidance of doubt, unless the Directors otherwise determine or unless the regulations or the facilities, rules or requirements of the relevant electronic system otherwise require, the new Ordinary Shares issued on the exercise of any Subscription Rights shall be issued in certificated form where such Subscription Rights were conferred by Shares held in certificated form and in uncertificated form where such Subscription Rights were conferred by Shares held in uncertificated form.
- 1.10 New Ordinary Shares issued pursuant to the exercise of Subscription Rights will not rank for any dividends or other distributions declared, paid or made on the Ordinary Shares by reference to a record date prior to the relevant Subscription Date but, subject thereto, will rank in full for all dividends and other distributions declared, paid or made on the Ordinary Shares and otherwise will rank *pari passu* in all other respects with the Ordinary Shares in issue at the relevant Subscription Date.

- 1.11 For so long as the Company's Ordinary Shares are listed on the Official List of The International Stock Exchange, it is the intention of the Company to apply for the new Ordinary Shares issued pursuant to the exercise of Subscription Rights to be admitted to listing on The International Stock Exchange. The new Ordinary Shares arising pursuant to any exercise of Subscription Rights will be issued subject to admission.
- 1.12 Each Subscription Notice will be deemed to contain a representation that, at the time of submission to the Company, the holder of the Ordinary Shares concerned is resident in the UK, or is otherwise a holder that is able to exercise its Subscription Rights in accordance with, and therefore without infringing, the applicable securities laws of the jurisdiction in which the holder is resident.
- 1.13 Without prejudice to the generality of the final sentence of paragraph 1.4 of this Part 6 above, the exercise of Subscription Rights by any Shareholder or beneficial owner of the Ordinary Shares who is a US Person or a national, resident or citizen of Australia, Canada, Japan, New Zealand, the Republic of South Africa or any EEA State or the right of such a Shareholder or beneficial owner to receive the Ordinary Shares falling to be issued to them following the exercise of their Subscription Rights, will be subject to such requirements, conditions, restrictions, limitations or prohibitions as the Company may at any time impose, in its sole discretion, for the purpose of complying with (or for avoiding any requirement which would otherwise arise to comply with) the securities laws of the United States (including, without limitation, the United States Securities Act of 1933, as amended, the United States Investment Company Act of 1940, as amended, and any rules or regulations promulgated under such Acts) or the laws of Australia, Canada, Japan, New Zealand, the Republic of South Africa or any EEA State. "**US Person**" means any person or entity defined as such in Rule 902(o) under the United States Securities Act of 1933, as amended and, without limiting the generality of the foregoing, US Person includes a natural person resident in the United States, a corporation, partnership or other entity created, organised or incorporated under the laws of the United States (including any State thereof) and an estate or trust, if any executor, administrator or trustee is a US Person, but shall not include a branch or agency of a US Person located outside the United States if such agency or branch operates for valid business reasons and is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located. "**United States**" means the United States of America (including the States thereof and the District of Columbia), its territories and possessions or other areas subject to its jurisdiction.

2 Adjustments of Subscription Rights

- 2.1 If and whenever there shall be an alteration in the number of the Ordinary Shares in issue as a result of a consolidation or sub-division, the Subscription Price which applies on the first Subscription Date which follows such alteration shall be adjusted by multiplying it by a fraction of which (x) the numerator shall be the number of Ordinary Shares in issue immediately after such alteration and (y) the denominator shall be the number of Ordinary Shares in issue immediately prior to such alteration, and such adjustment shall become effective on the date the alteration takes effect.
- 2.2 If and whenever the Company shall issue to holders of Ordinary Shares any Ordinary Shares credited as fully paid by way of capitalisation of reserves or profits (other than Ordinary Shares paid up out of distributable reserves and issued in lieu of a cash dividend) the Subscription Price which applies on the first Subscription Date which follows such alteration shall be adjusted by multiplying it by a fraction of which (x) the numerator shall be the number of the Ordinary Shares issued immediately before such issuance and (y) the denominator shall be the aggregate number of Ordinary Shares in issue immediately after such issuance and such adjustment shall become effective as at the date of issue of such Ordinary Shares.
- 2.3 No adjustment will be made to the Subscription Price pursuant to paragraphs 2.1 and 2.2 of this Part 6 if such adjustment would be less than 1 per cent. of the Subscription Price then in force

and on any adjustment the adjusted Subscription Price will be rounded up to the nearest whole penny. Any adjustment not so made and any amount by which the Subscription Price is rounded up will be carried forward and taken into account in any subsequent adjustment.

- 2.4 The Company shall give notice to holders of Ordinary Shares within 28 days of any adjustment made pursuant to paragraphs 2.1 and 2.2 of this Part 6 above.
- 2.5 Notwithstanding the provisions of paragraphs 2.1 and 2.2 of this Part 6 above, in any circumstances where the Directors shall consider that an adjustment to the Subscription Price provided for under the said provisions should not be made, or should be calculated on a different basis, or that an adjustment to the Subscription Price should be made notwithstanding that no such adjustment is required under the said provisions, or that an adjustment should take effect on a different date, or with a different time from that provided, the Board may appoint independent financial advisers (the "**Financial Advisers**") to consider whether, for any reason whatsoever, the adjustment to be made (or the absence of adjustment) would or might not appropriately reflect the relative interests of the persons affected thereby and, if the Financial Advisers shall consider this to be the case, the adjustment shall be modified or nullified, or another adjustment made instead, or no adjustment made, in such manner including, without limitation, making an adjustment calculated on a different basis and /or to take effect from such other date and/or time as shall be reported by the Financial Advisers to be in their opinion appropriate. Any determination or adjustment made to the Subscription Price by the Financial Advisers shall be made by them as experts and not as arbitrators and any such determination or adjustment made by them shall be final and binding on the Company and each of the Ordinary Shareholders.

3 Other provisions

- 3.1 The Company shall not grant (or agree to grant) any option in respect of, or create any rights of subscription for, or conversion into, any Ordinary Shares, the amount of which, together with the aggregate number of any Ordinary Shares over which options or rights of subscription or conversion (including the Subscription Rights) shall be subsisting at the date of such grant or creation, would exceed in the aggregate 20 per cent. of the number of the Ordinary Shares (excluding any treasury shares) then in issue, nor (except with the sanction of a special resolution of the Shareholders) will the Company grant (or offer or agree to grant) any such option in respect of, or create any such rights of subscription for, or issue any securities or loan capital carrying rights of conversion into, Ordinary Shares if the price at which any such option or right is exercisable is lower than the Subscription Price for the time being.
- 3.2 Within seven days following a Subscription Date the Company shall appoint a trustee (the "**Subscription Trustee**") who, provided that in such trustee's opinion the net proceeds of sale after deduction of all costs and expenses incurred by, and any fee payable to, such trustee will exceed the costs of exercising the Subscription Rights, including the Subscription Price, ("**Net Profit**"), shall (on behalf of the relevant Shareholders whose Subscription Rights shall not otherwise have been exercised) within the period of 14 days following the relevant Subscription Date, exercise all or some of the Subscription Rights which shall not otherwise have been exercised on the terms on which the same could have been exercised on the relevant Subscription Date (having taken into account any adjustments previously made pursuant to paragraph 2 of this Part 6 above) and sell in the market the Ordinary Shares resulting from such exercise. The Subscription Trustee's obligations to exercise Subscription Rights pursuant to this paragraph 3.2 shall be limited to its opinion of the level of market demand to acquire Ordinary Shares at a price that will generate Net Profit and the Board's overall discretion that exercise of the Subscription Rights will be in the best interests of the Company. The Subscription Trustee shall not exercise Subscription Rights in respect of Ordinary Shares that are held by the Company in treasury.

- 3.3 The Subscription Trustee shall distribute *pro rata* the Net Profit to the persons entitled thereto at the risk of such persons within 56 days of the relevant Subscription Date, provided that entitlements of under £5 shall be retained for the benefit of the Company. If the Subscription Trustee shall not exercise the Subscription Rights within the period of 14 days following the Subscription Date as set out in this paragraph 3.3 (and such trustee's decision in respect thereof shall be final and binding on all holders of Ordinary Shares), the Subscription Rights in respect of that Subscription Date shall lapse.
- 3.4 The Subscription Trustee shall have no liability of any nature whatsoever where such trustee has acted honestly and reasonably and shall have no responsibility for the safe custody of, or to earn any interest on, any unpaid or unclaimed money.
- 3.5 The exercise of the Subscription Rights shall be effected in accordance with this paragraph 3 or in such manner as may be authorised by law. No exercise of Subscription Rights shall be permitted if the Directors, in their absolute discretion, conclude that the Company cannot, or immediately following the exercise of any Subscription Rights would be unable to, make a "solvency statement" (as defined under Guernsey Companies Law).

PART 7

TAXATION

The information in this Part 7 is based upon current Guernsey and UK tax law, all of which are subject to change, possibly with retrospective effect. Such information is intended only as a general guide, is not exhaustive, does not constitute legal or tax advice and may not apply to certain Shareholders, such as dealers in securities, insurance companies, collective investment schemes or Shareholders who have (or are deemed to have) acquired their shares by virtue of an office or employment, who may be subject to special rules. They apply only to Shareholders resident for tax purposes in the UK (except in so far as express reference is made to the treatment of non-UK residents), who hold Shares as an investment rather than trading stock and who are the absolute beneficial owners of those Shares.

The information contained in this document is a summary of the taxation matters which the Directors consider should be brought to the attention of Shareholders and is based upon the law and practice currently in force and is subject to changes therein. All Shareholders, and in particular those who are in any doubt about their tax position, or who are resident, domiciled or otherwise subject to taxation in a jurisdiction outside the UK, should consult their own professional advisers on the potential tax consequences of the subscription, purchase, holding, transfer or other disposal of Shares, including exercising the Subscription Rights, under the laws of their country and/or state of citizenship, domicile or residence.

1. Guernsey Taxation

1.1 The Company

The Company has been granted exemption from liability to income tax in Guernsey under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 as amended) by the Director of Income Tax in Guernsey for the current year. Exemption must be applied for annually and will be granted, subject to the payment of an annual fee, which is currently fixed at £1,200, provided that the Company continues to qualify under the applicable legislation for exemption. It is the intention of the Directors to conduct the affairs of the Company so as to ensure that it continues to qualify for exempt company status for the purposes of Guernsey taxation.

As an exempt company, the Company is and will be treated as if it were not resident in Guernsey for the purposes of liability to Guernsey income tax. Under current law and practice in Guernsey, the Company will only be liable to tax in Guernsey in respect of income arising or accruing in Guernsey, other than from a relevant bank deposit. It is anticipated that no income other than bank interest will arise in Guernsey and therefore the Company will not incur any additional liability to Guernsey tax.

1.2 Shareholders

In the case of Shareholders who are not resident in Guernsey for tax purposes (and do not have a permanent establishment in Guernsey), the Company's dividends can be paid to such Shareholders without giving rise to a liability to Guernsey income tax. The Company will not be required to withhold Guernsey tax on dividends paid to such Shareholders.

Shareholders who are resident for tax purposes in Guernsey (which includes Alderney and Herm) may incur Guernsey income tax at the applicable rate on a distribution paid to them by the Company. The Company may be required to provide the Director of Income Tax in Guernsey such particulars relating to any dividend paid to Guernsey resident Shareholders as the Director of Income Tax may require, including the names and addresses of the Guernsey resident Shareholders, the gross amount of any distribution paid and the date of the payment. Provided the Company maintains its exempt status, there would currently be no requirement for the Company to withhold tax from the payment of a dividend to a Guernsey resident Shareholder.

The Director of Income Tax can require the Company to provide the name and address of every Guernsey resident who, on a specified date, has a beneficial interest in the Shares, with details of the interest.

Guernsey currently does not levy taxes upon capital inheritances, capital gains, gifts, sales or turnover, nor are there any estate duties (save for registration fees and ad valorem duty for a Guernsey Grant of Representation where the deceased dies leaving assets in Guernsey which require presentation of such a Grant).

No stamp duty is chargeable in Guernsey on the issue, transfer or redemption of Shares in the Company.

1.3 Information Reporting regimes and International Agreements to Improve Tax Compliance

Information relating to the Shareholder's Ordinary Shares in the Company, the Shareholders and beneficial owners may be required to be provided to tax authorities in certain circumstances pursuant to domestic or international reporting and transparency regimes. This may include (but is not limited to) information relating to the value of the Shareholder's Ordinary Shares in the Company, amounts paid or credited with respect to such Ordinary Shares, details of the holders or beneficial owners of the Ordinary Shares in the Company and information and documents in connection with transactions relating to the Ordinary Shares in the Company. In certain circumstances, the information obtained by a tax authority may be provided to tax authorities in other countries.

Where a Shareholder fails to provide any requested information (regardless of the consequences), the Company reserves the right to take any action and/or pursue all remedies at its disposal including, without limitation, compulsory repurchase of the Shareholder's shares in the Company and withdrawal of the Shareholder from the Company.

2. UK Taxation

The information below, which relates only to UK taxation, summarises the advice received by the Board and is applicable to the Company and to Shareholders who are resident solely in the UK for taxation purposes and who hold absolute beneficial title to Ordinary Shares in the Company as an investment. It is (unless otherwise stated) based on current United Kingdom tax law and published practice of HM Revenue & Customs as at the date of this Circular, both of which are, in principle, subject to change at any time, potentially with retrospective effect. This summary is intended as a general and non-exhaustive guide only and does not address all the tax considerations which may be relevant to purchasers of Ordinary Shares, nor all types of Shareholders. Shareholders who are in any doubt about their tax position or who may be subject to tax in a jurisdiction other than the UK should consult their independent professional advisers.

2.1 Taxation of chargeable gains

2.1.1 Ordinary Shares with annual Subscription Right

The amendment to existing Ordinary Shares to introduce an annual Subscription Right for Shareholders should not amount to a disposal of Ordinary Shares or the acquisition of a separate asset for the purposes of UK tax on chargeable gains.

2.1.2 Lapse of annual Subscription Right in a given period

The lapse of a Shareholder's Subscription Right, if it is not exercised in a given period, should not itself be treated as a disposal of an asset for the purposes of UK tax on chargeable gains (assuming that the Shareholder does not receive any payment or other consideration in connection with its decision not to exercise the Subscription Right).

2.1.3 Acquisition of further Ordinary Shares by exercising Subscription Right

For the purposes of UK tax on chargeable gains, the issue of Ordinary Shares to a Shareholder following exercise of a Subscription Right should generally be regarded as a reorganisation of the share capital of the Company. Accordingly, a Shareholder should not be treated as making any disposal of all or part of his holding of existing Ordinary Shares and therefore no liability to UK tax on chargeable gains should arise to a Shareholder to the extent that the Shareholder takes up their entitlement to Ordinary Shares in full. On that basis, for the purposes of UK tax on chargeable gains, Ordinary Shares allotted to a Shareholder following exercise of a Subscription Right should generally be treated as the same asset as, and having been acquired at the same time as, the Shareholder's existing Ordinary Shares.

2.1.4 Disposal of Ordinary Shares acquired on exercise of a Subscription Right

The Subscription Price paid to acquire the Ordinary Shares should be added to the base cost of the Shareholder's existing holding(s). Accordingly, in calculating any chargeable gain (or allowable loss) on a subsequent disposal of Ordinary Shares, the Shareholder should generally be entitled to deduct the same proportion of base cost from the Shareholder's total pool of Ordinary Shares as the proportion of Ordinary Shares sold from the Shareholder's overall pool of shares.

A disposal of Ordinary Shares by a UK resident Shareholder (including a disposal by the Subscription Trustee on behalf of a Shareholder) may, depending on the Shareholder's circumstances and subject to any available exemption or relief, give rise to a chargeable gain or allowable loss for the purposes of UK taxation of chargeable gains. It should be noted that, because the Shareholder's base cost would generally be apportioned on a pooled basis across its entire holding of Ordinary Shares, the amount of any monetary gain arising from an acquisition of an Ordinary Share for the Subscription Price followed by a disposal of that Ordinary Share for a given sale price (for example in circumstances where the Subscription Trustee exercises Subscription Rights and sells Ordinary Shares on behalf of a Shareholder) may not always match the amount of the chargeable gain as calculated for UK tax purposes. There are certain exceptions to this pooled base cost approach (often referred to as the "bed and breakfasting" rules) which may allow particular share acquisitions and disposals that occur on the same day (or, in the case of corporation tax payers, within a period of 10 days) to be identified with each other for the purposes of apportioning base cost and calculating any chargeable gain or allowable loss. Any Shareholders who are in doubt as to the basis on which their chargeable gains and allowable losses would be calculated should consult their independent professional advisers.

Shareholders that are not UK resident will not generally be subject to UK taxation of chargeable gains on a disposal of their Ordinary Shares, provided that their Ordinary Shares are not and have not been acquired, held or used in or for the purposes of any trade, profession or vocation carried on by the Shareholder in the UK through a branch, agency or permanent establishment. It should however be noted that, in certain circumstances, an individual Shareholder who is only temporarily non-UK resident may, on re-establishing UK tax residence, be subject to capital gains tax in respect of disposals which occurred in the period of temporary non-residence.

2.2 Taxes withheld at source

There should be no UK withholding taxes arising in connection with the Proposals.

The Company will not be required to withhold UK tax at source when paying a dividend.

2.3 Self-Invested Personal Pensions ('SIPP')

Upon adoption of the Proposals, the Ordinary Shares should continue to be eligible for inclusion in a SIPP, subject to approval by the scheme administrator. The same should apply in respect of any Ordinary Shares acquired on exercise of a Subscription Right.

2.4 Stamp Duty and Stamp Duty Reserve Tax ('SDRT')

No charge to UK stamp duty or SDRT will arise on the exercise of a Subscription Right or the issue of Ordinary Shares consequent on such exercise.

UK ad valorem stamp duty is payable on any instrument of transfer of Ordinary Shares executed within, or in certain cases brought into, the UK. However, in practice, it should not be necessary to pay any ad valorem stamp duty on such instrument unless the instrument is required to be adduced in evidence before the UK courts in civil proceedings or for any official purpose in the UK.

Provided that the Ordinary Shares are not registered in any register of the Company kept in the United Kingdom, nor paired with shares issued by a body corporate incorporated in the UK any agreement to transfer the Ordinary Shares should not be subject to UK SDRT.

In the ordinary course of events, any stamp duty or SDRT is borne by the purchaser or transferee.

PART 8

RISK FACTORS

An investment in the Shares carries a number of risks, including (without limitation) the risk that the entire investment may be lost. Accordingly, no assurance can be given that Shareholders will realise a profit or will avoid a loss on their investment. The Shares are only suitable for investors who understand, or who have been advised of:

- (i) the risks inherent in investing in the commodities sector;
 - (ii) the potential risk of capital loss from an investment in the Shares; and
 - (iii) the limited liquidity in the Shares and some of the Company's underlying investments;
- and for whom an investment in the Shares is part of a diversified investment portfolio and who fully understand and are willing to assume the risks involved with such an investment.

In addition to all other information set out in this document, the specific risks described below 8 should be considered with regard to an investment in the Shares. The Directors believe the risks described below, which are not set out in any particular order of priority, are the material risks relating to an investment in the Shares at the date of this document. Additional risks and uncertainties not currently known to the Directors, or that the Directors deemed immaterial at the date of this document, may also have an adverse effect on the performance of the Company and the values of the Shares. Accordingly, the risks referred to in this Part 8 do not purport to be, and should not be regarded as, exhaustive.

1. Risks Relating to the Company

1.1 Investment Objective

The investment objective of the Company is to generate above average returns for Shareholders primarily through the capital appreciation of its investments. The Company's financial condition, performance and prospects and, therefore, its ability to meet its investment objective depend on a wide variety of factors (many of which are outside its control), including, but not limited to:

- (i) general economic conditions, conditions in the financial markets and foreign currency fluctuations;
- (ii) the outlook for commodity prices;
- (iii) the availability of suitable investments and the performance of the Investment Manager in identifying, acquiring, managing and disposing of investments for the Company in accordance with the Company's investment objective, policy and strategy; and
- (iv) the performance of its Investee Companies and the price and liquidity of its investments;

Accordingly, there can be no guarantee that there will be any appreciation in the value of the Company's investments or that the Company will achieve its investment objective.

1.2 Operating History

There is no guarantee that the Company will perform in the same way as it has performed previously. Past performance is not indicative of future results.

1.3 Third Party Service Providers

1.3.1 The Company has no employees and the Directors are all non-executive. The Company therefore relies on third party service providers to perform its executive functions. In particular, the Manager, the Investment Manager and the Administrator perform services that are integral to the Company's operations and financial condition, performance and prospects. Failure by any service provider to:

- (i) carry out its obligations to the Company in accordance with the terms of its appointment;
- (ii) exercise due care and skill; or
- (ii) perform its obligations to the Company satisfactorily or at all as a result of the departure of key individuals or other causes;

could have a material adverse effect on the Company's financial condition, performance and prospects and, accordingly, on returns to Shareholders.

1.3.2 Without prejudice to the generality of paragraph 1.3.1 above, the activities of the Company are substantially dependent upon the skill, judgment and expertise of the Investment Manager, which is responsible on a day-to-day basis acquiring, managing and disposing of investments for the Company. Although the Board monitors the performance of the Investment Manager and the Company's underlying investments, the Investment Manager has significant discretion as to the implementation of the Company's investment strategies. Accordingly, the Company is heavily reliant on, and its success depends to a significant extent on, on the Investment Manager's ability to identify investment opportunities as well as to assess the import of news and events that may affect commodities markets, financial markets, and general economic conditions and/or the Company's investments.

1.4 **Investment Strategies**

1.4.1 There can be no assurance that the specific investment strategies utilised for the Company will produce profitable results. Profitable investment is often dependent on anticipating trends or trading patterns. Markets subject to random price fluctuations, rather than defined trends or patterns, may generate unsuccessful investments. There have been periods in the past when the markets have been subject to limited and ill-defined price movements, and such periods may recur. Any factor which may lessen major price trends (such as governmental controls affecting the markets) may reduce the prospect for future investment profitability. Any factor which would make it difficult to enter into transactions, such as reduced liquidity or extreme market developments resulting in limit moves, could also be detrimental to profits. No assurance can be given that the techniques and strategies of the Investment Manager will be profitable in the future.

1.4.2 While the Investment Manager might develop new investment strategies in the future, any such strategies may not be thoroughly tested before being employed and may not, in any event, be successful. Were the Investment Manager to attempt to implement new strategies, the risk/reward profile of the Company could be shifted significantly towards increased levels of risk.

1.5 **Other Clients of the CQS Group**

The CQS Group manage other accounts and other collective investment vehicles. These accounts may employ similar or different investment strategies, and could increase the level of competition for the same trades or positions that the Company might otherwise make, including the priorities of order entry. This could make it difficult or impossible to take or liquidate a position of a particular security at a satisfactory price. Moreover, in such situations, the Company may not be able to engage in as large a portion of a transaction as it otherwise would. The Investment Manager, its affiliates and their principals may employ investment methods, policies and strategies for their clients that differ from those under which the Company operates. Therefore, the performance of the Investment Portfolio may differ from those of other accounts managed by the CQS Group, its affiliates or their principals. Moreover, certain of the Investment Manager's principals also may invest for their own accounts.

1.6 **Currency Exchange Rates**

The Company accounts for its activities, and reports its NAV, in pounds sterling while a significant proportion of its investments are made and realised in other currencies. The movement of exchange rates between pounds sterling and other currencies in which any of the Company's

investments are denominated may have a material effect, unfavourable or favourable, on the Company's returns on its investments and may increase the volatility of the NAV and price of the Shares.

1.7 Interest Rates

Interest rate movements may affect the level of income receivable on cash deposits and the interest payable on the Company's variable rate cash borrowings (if any).

1.8 Gearing

The Company may seek to enhance returns to Shareholders by borrowing funds for investment, subject to borrowings not exceeding the borrowing limit set from time to time by the Board (such limit being, as at 30 June 2022, 20 per cent. of the Company's NAV at the time of drawdown). While the use of borrowings should enhance the total return on the Ordinary Shares where the return on the Company's underlying assets is rising and exceeds the cost of borrowing, it will have the opposite effect where the return on the Company's underlying assets is falling (or rising at a lower rate than the cost of borrowing), thereby reducing the total return on the Ordinary Shares. As a result, the use of borrowings by the Company may increase the volatility of the NAV and price of the Shares.

1.9 Swap Agreements

The Company may enter into swap agreements. Swap agreements tend to shift the Company's investment exposure from one type of investment to another. Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors and can take many different forms and are known by a variety of names. The Company is not limited to any particular form of swap agreement if the Investment Manager determines it is consistent with the Company's investment objective, policy and strategies. Depending on how they are used, swap agreements may increase or decrease the overall volatility of the Investment Portfolio. The most significant factor in the performance of swap agreements is the change in the specific interest rate, currency, individual equity values or other factors that determine the amounts of payments due to or by the Company. If a swap agreement calls for payments by the Company, the Company must be prepared to make such payments when due. In addition, if a counterparty's creditworthiness declines, the value of swap agreements with such counterparty can be expected to decline, potentially resulting in losses by the Company.

1.10 Hedging Transactions

The Company may utilise financial instruments, both for investment purposes and for risk management purposes, in order to:

- (i) protect against possible changes in the market value of its Investment Portfolio resulting from fluctuations in the securities markets and changes in interest rates;
- (ii) protect the Company's unrealised gains in the value of its Investment Portfolio;
- (iii) facilitate the sale of any such investments;
- (iv) enhance or preserve returns, spreads or gains on any investment in the Investment Portfolio;
- (v) hedge the interest rate or currency exchange rate on any of the Company's liabilities or assets;
- (vi) protect against any increase in the price of any securities the Company anticipates purchasing at a later date; or
- (vii) for any other reason that the Investment Manager deems appropriate.

The success of the Company's hedging strategy (if any) will depend, in part, on the Investment Manager's ability correctly to assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Since the characteristics of many securities change as markets change or time passes,

the success of any hedging strategy will also be subject to the Investment Manager's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While the Company may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Company than if it had not engaged in such hedging transactions. For a variety of reasons, the Investment Manager may not seek to establish a perfect correlation between the hedging instruments utilised and the portfolio holdings being hedged. Such an imperfect correlation may prevent the Company from achieving the intended hedge or expose the Company to risk of loss. The Investment Manager might not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. The successful utilisation of hedging and risk management transactions requires skills complementary to those needed in the selection of the Company's portfolio holdings.

1.11 Commissions, Fees and Other Operating Costs

The Company is obliged to pay brokerage commissions and related transaction fees and costs, which can be substantial, regardless of whether its investment activities are profitable. The Company must also pay management and administration fees and other fees and expenses incurred in the operation of its business. It will be necessary for the Company to achieve gains in excess of the aggregate of such commissions, fees and expenses in order for Ordinary Shareholders to realise an increase in the NAV of their Ordinary Shares. There can be no assurance that the Company will be able to achieve such, or any, appreciation of its assets.

2. Risks Relating to the Company's Investments

2.1 General Market Risks

Economic recessions, downturns, and uncertainties can lead to volatility and instability in financial markets. In addition, the performance of Investee Companies and the price and liquidity of the Company's investments may be affected, substantially and either adversely or favourably, by a wide variety of other factors (many of which are outside the control of the Company and the Investment Manager), including, but not limited to:

- (i) changes in economic conditions;
- (ii) changes in industry conditions, including the competitive environment and the outlook for commodity prices;
- (iii) restricted availability of financing;
- (iv) changes in law, taxation, regulation or government policy;
- (v) foreign currency fluctuations;
- (vi) exchange controls or withholding taxes;
- (vii) stock market movements and investor perceptions;
- (viii) natural disasters, political and diplomatic events, terrorism, social unrest, civil disturbances or the outbreak of war; and
- (ix) insofar as they are affected by any of the above, the response of Investee Companies to the above.

2.2 Investing in Companies Associated with Exploring, Mining or Producing Precious Metals

2.2.1 The performance of the Company will be affected by the performance of the securities of companies associated with exploring, mining or producing metals, mineral deposits and commodities, which will in turn be affected by the performance of those companies themselves. The exploration, mining and production of metals, mineral deposits and commodities involves significant uncertainties. In addition to normal business and management risks, companies associated with exploring, mining or producing metals, minerals and commodities are subject to specific operational and geological risks and hazards, most of which are difficult to predict and are often affected by factors outside the control of the companies concerned. Such additional risks and hazards include, amongst

others, issues relating to the environment, unusual or unexpected geological formations or seismic activity, the climate, the geopolitical environment, local and international regulatory requirements, licensing terms, planning permissions, industrial accidents, cave-ins, rock falls, fires, explosions, flooding, pollution, legal liabilities, the availability and reliability of plant and equipment, interruptions to power supplies, the scaling-up of operations, the reliance on key individuals, local finance and tax regimes, foreign currency repatriation, capital and budget constraints, contractors and suppliers, local employment regulations and practices, employment unions, the availability of suitable labour and industrial action or disputes. Such risks and hazards could result in damage to, or destruction of, metal, mineral or commodity properties or mines, or production, processing or other related facilities, personal injury or death, environmental damage, business interruption and delays in exploring, mining or producing, asset write downs, monetary losses, possible legal liability and may result in actual production differing, potentially materially, from estimates of production, whether express or implied. In addition, there is no guarantee that the estimates of quantities and grades of metals, minerals and commodities disclosed by Investee Companies will be available for extraction. There can be no assurance that the realisation of operational and geological risks and hazards by Investee Companies and the costs associated with them will not materially adversely affect the Company's financial condition, performance and prospects.

2.2.2 Investee Companies may be established or operate in jurisdictions where legal, administrative or tax uncertainties, ambiguities, inconsistencies and anomalies might arise which would not necessarily exist in the UK. In particular, difficulties might arise in seeking to obtain redress through the courts in the relevant overseas jurisdictions.

2.3 **Manager's Due Diligence**

Before making investments, the Investment Manager conducts such due diligence as is deemed reasonable and appropriate based on the facts and circumstances applicable to each investment. There can be no assurance that due diligence investigations with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating that investment opportunity. Any failure by the Investment Manager to identify relevant facts through the due diligence process may lead to inappropriate investment decisions, which could have a material adverse effect on the performance of the Company, the NAV and prices of the Shares.

2.4 **Illiquid/Unquoted Securities**

2.4.1 The Company may invest in securities that are not readily tradable or may accumulate investment positions that represent a significant multiple of the normal trading volumes of an investment, which may make it difficult for the Company to sell its investments and may lead to volatility in the price of the Shares. Investors should not expect that the Company will necessarily be able to realise, within a period which they would otherwise regard as reasonable or at all, its investments and any such realisations that may be achieved may be at a considerably lower price than prevailing indicative share prices and the value used to calculate the NAV, thereby resulting in a decrease in the NAV.

2.4.2 The Company may invest in restricted securities for which there is no established resale market, including non-publicly traded securities. The Company might only be able to liquidate these positions at disadvantageous prices, thereby resulting in a diminution in the Company's NAV. Further, companies whose securities are not publicly traded will generally not be subject to public disclosure and other investor protection requirements applicable to publicly traded securities.

3. Risks Relating to the Shares

3.1 Risks Relating to the Ordinary Shares

3.1.1 Secondary Market Liquidity

3.1.1.1 The Company is a closed-ended investment company. Accordingly, Shareholders have no right to have their Shares redeemed or bought back by the Company at any time and, therefore, Shareholders wishing to realise their Shares will be required to dispose of them on the stock market.

3.1.1.2 Whilst the Directors retain the right to effect buy-backs of Ordinary Shares in the manner described in this document, they are under no obligation to use or seek such powers at any time and Shareholders should not place any reliance on the willingness of the Directors so to act.

3.1.1.3 The London Stock Exchange's SETSqx platform is an electronic trading platform, so that securities admitted to trading on that platform can either be traded through market makers or traded electronically. Not all London Stock Exchange member firms operate on SETSqx so that there may be no market makers in the Shares on SETSqx and, if there are no market makers, the Shares will have to trade electronically, such that a London Stock Exchange member firm will have to make an order on behalf of a Shareholder and wait for it to match electronically. The Company and the Investment Manager will seek to ensure that there are market makers making price quotations in the Shares, but this cannot be guaranteed.

3.1.1.4 Market liquidity in the shares of TISE-listed closed-ended investment companies whose shares are traded on SETSqx is frequently significantly inferior to the market liquidity in the shares issued by larger closed-ended investment companies that are listed on the Official List maintained by the FCA and traded on the London Stock Exchange's main market for listed securities. Therefore, notwithstanding that the Ordinary Shares are admitted to trading on SETSqx, there can be no guarantee that an active secondary market in the Shares will exist or be sustained. Limited secondary market liquidity in the Shares may affect:

- (i) the price at which the Shares trade in the secondary market; and/or
- (ii) a Shareholder's ability to realise some or all of their investment and the price at which such a realisation can be affected.

Accordingly, Shareholders may be unable to realise their Shares at the quoted market price or, in the case of the Ordinary Shares, at their prevailing Net Asset Value or, in either case, at all.

3.1.2 Published Share Price

The published price of a Share is typically its mid-market price. Due to the potential difference between the mid-market price of a Share and the price at which it can be sold in the secondary market, there is no guarantee that the realisable value of a Share will reflect its published share price.

3.2 Additional Risks Relating to the Ordinary Shares

3.2.1 Investment Returns

3.2.1.1 Both the NAV and the price of the Ordinary Shares may fluctuate and may go down as well as up, sometimes rapidly and unpredictably. Accordingly, at any point in time, a holding of Ordinary Shares may be worth less than the original investment. As a result, Shareholders may not be able to realise the full value of their original investment in the Ordinary Shares.

3.2.1.2 The Company is managed to produce capital growth and not to produce any particular level of dividend. Accordingly, the level of dividends (if any) paid on the Ordinary Shares is not guaranteed and may go down as well as up.

3.2.2 **Rating**

The NAV per Ordinary Share will be affected by the performance of the Company's investments. As well as being affected by the NAV per Ordinary Share, the price at which the Ordinary Shares trade in the secondary market will depend on many factors, including, but not limited to:

- (i) market or economic conditions generally;
- (ii) general investor sentiment;
- (iii) the Company's actual or expected performance; and
- (iv) the interaction of supply and demand for the Ordinary Shares in the secondary market.

Accordingly, the price at which the Ordinary Shares trade in the secondary market may vary considerably from the NAV per Ordinary Share (representing either a discount or a premium to that NAV) and may fall when the NAV is rising or vice versa.

3.2.3 **Dilution**

3.2.3.1 The introduction of the Subscription Right will mean that the equivalent of 20 per cent. of the issued Ordinary Share capital is under option immediately following the EGM. On each occasion the Subscription Rights are exercised, this will increase the number of Ordinary Shares in issue and hence dilute the voting rights of any Ordinary Shareholders who do not exercise a corresponding proportion of the Subscription Rights exercised. However, if an Ordinary Shareholder exercises their Subscription Rights, that Ordinary Shareholder's percentage interest in the Ordinary Share capital will not ultimately be reduced below their percentage interest in the Ordinary Share capital of the Company immediately prior to the EGM (assuming the Company neither issues any Shares, other than pursuant to the exercise of Subscription Rights, nor buys-back any Shares).

3.2.3.2 The extent of any actual dilution of the NAV per Ordinary Share on each occasion Subscription Rights are exercised will depend on the number of Ordinary Shares issued as a result of such exercise and the difference between the Subscription Price and the undiluted NAV per Ordinary Share prevailing at the time the new Ordinary Shares are issued pursuant to such exercise. The perceived risk of NAV dilution may cause the market price of the Ordinary Shares to reflect a lesser sensitivity to increases in the NAV per Ordinary Share than might otherwise be expected.

3.2.3.4 In the case of any Ordinary Shares whose Subscription Rights have not been exercised on or before a Subscription Date, such Subscription Rights will cease to have any value unless a trustee appointed by the Company determines that the net proceeds of sale of the Ordinary Shares that would arise on the exercise of such rights after deduction of all the costs and expenses of sale would exceed the costs of exercise of such rights.

4. Taxation and Regulatory Risks

4.1 United Kingdom Taxation

4.1.1 The Directors intend that the Company will continue to be managed and controlled in such a way that it should not be resident in the United Kingdom for UK tax purposes. Accordingly, and provided that the Company does not carry on a trade in the United Kingdom through a permanent establishment, the Company will not be subject to UK income tax or corporation tax on its profits other than on any United Kingdom source income.

4.1.2 In order to maintain its non-UK tax resident status, the Company is required to be controlled and managed outside the United Kingdom. The composition of the Board, the place of residence of the Directors and the location(s) in which the Board makes decisions will be

important in determining and maintaining the tax residence status of the Company. While the Company is organised in Guernsey and at least a majority of the Directors are resident outside the United Kingdom, continued attention must be paid to ensure that major decisions are not made in the United Kingdom to avoid a risk that the Company may lose its non-UK tax resident status. As such, management errors could potentially lead to the Company being considered a UK tax resident, which would negatively affect its financial and operating results and returns to Shareholders.

4.2 Exchange Controls and Withholding Tax

The Company may from time to time purchase investments that will subject the Company to exchange controls or withholding taxes in various jurisdictions. In the event that exchange controls or withholding taxes are imposed with respect to any of the Company's investments, the effect will generally be to reduce the income received by the Company on such investments.

4.3 General Taxation Risks

4.3.1 Representations in this document concerning the taxation of Shareholders and the Company are based on law and practice at the date of this document. These are, in principle, subject to change, possibly with retrospective effect, and Shareholders should be aware that such changes may affect the Company's ability to generate returns for Shareholders and/or the taxation of such returns to Shareholders.

4.3.2 Any change in the Company's tax status, or in taxation legislation or the taxation regime, or in the interpretation or application of taxation legislation applicable to the Company or Investee Companies could affect the value of the Company's investments, its ability to achieve its investment objective, its ability to provide returns to Shareholders and/or alter the post-tax return to Shareholders.

4.4 Alternative Investment Fund Managers Directive

4.4.1 The Company is categorised as an AIF and is managed by an AIFM (as defined in the AIFM Regulations) for the purposes of the AIFM Regulations. The AIFM Regulations currently allow marketing of a non-UK AIF, such as the Company, by its AIFM (i.e. the Investment Manager) or its agent under the national private placement regime of the United Kingdom. In addition, the AIFMD currently allows marketing of a non-EU AIF by a UK AIFM or its agent under the national private placement regimes where individual states so choose. Numerous EEA States have adopted such a private placement regime, albeit certain EEA States are subject to additional conditions imposed by national law. Such marketing will be subject to, inter alia:

- (i) the requirement that appropriate cooperation agreements continue to be in place between the supervisory authorities of the relevant EEA States and the GFSC;
- (ii) Guernsey not being on the Financial Action Task Force money-laundering blacklist; and
- (iii) compliance with certain aspects of the AIFMD.

Therefore, marketing into an EEA State under the AIFMD is likely to involve additional compliance costs related to additional and ongoing investor disclosures and reports to regulators. Accordingly, the ability of the Company to market the Company's securities in the EEA will depend on the relevant EEA State permitting the marketing of non-EEA managed funds, the continuing status of Guernsey in relation to the AIFMD and the Company's willingness to comply with the relevant provisions of the AIFMD and the other requirements of the national private placement regimes of individual EEA States, the requirements of which may restrict the Company's ability to raise additional capital from the issue of new Shares in one or more EEA States.

PART 9

ADDITIONAL INFORMATION

1. Incorporation, Company Structure and Conduct of Business

- 1.1 The Company was incorporated with limited liability in Guernsey as a closed-ended investment company under Guernsey Companies Law with registered number 45676 on 16 October 2006. The Company, which is domiciled in Guernsey, operates under the Guernsey Companies Law and ordinances made thereunder. In addition, the Company is an authorised closed-ended investment scheme under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 and regulated by the GFSC. As a company whose shares are admitted to listing on TISE, the Company is subject to TISE Listing Rules and, as a company whose shares are admitted to trading on SETSqx, the Company is subject to the "Admission and Disclosure Standards" published by the London Stock Exchange. The Company, which is an alternative investment fund for the purposes of the AIFM Directive, is not regulated by the FCA or any other equivalent regulator in the EEA.
- 1.2 The Company has its registered office and principal place of business at 3rd Floor, 1 Le Truchot, St. Peter Port, Guernsey GY1 1WD. The Company's telephone number at its registered office is +44 (0) 1481 749 360.
- 1.3 The principal objects of the Company, which are set out in clause 3 of its memorandum of incorporation, are, amongst other things, to carry on the business of an investment-holding company.
- 1.4. There were no legal or arbitration proceedings (including any such proceedings which are threatened of which the Company is aware) which may have, or have had in the 12 months immediately preceding the date of this document, a significant effect on the Company's financial position.

2. Share Capital

- 2.1 As at 30 June 2022:
 - (i) the Company had an authorised share capital comprising 200,000,000 shares of 0.01 pence each, which, if not already issued, which may be issued in such classes and with such rights as the Directors may determine;
 - (ii) the Company had an issued share capital comprising 85,503,021 ordinary shares of 0.01 pence each, all of which were fully paid up;
 - (iii) no shares in the Company were held by the Company in treasury;
 - (iv) no person had any preferential subscription rights for any of the Company's authorised but unissued share capital of the Company; and
 - (v) no share or loan capital of the Company was under option or had been agreed, conditionally or unconditionally, to be put under option.
- 2.2 Subject to the EGM Resolution being passed:
 - (i) the Company will issue further ordinary shares of no par value, pursuant to the Proposals. The Ordinary Shares will be issued at the Subscription Price;
 - (ii) the authorised share capital provided for in the existing Memorandum of Incorporation will be removed enabling the Company to issue an unlimited number of shares of any class subject to the provisions of the Companies Law and the New Articles.

3. Articles of Incorporation

If the EGM Resolution is passed, the New Articles will be adopted in place of the Existing Articles. The amendments to the Articles are set out in Part 6.

4. Directors

4.1 As at 30 June 2022, the interests of the Directors (and, so far as is known to the Directors having made all reasonable enquiries, any of their associates) in the Ordinary Shares are as set out in the following table.

<i>Director</i>	<i>No. of Ordinary Shares</i>	<i>% of Voting Rights</i>
M A Burne (Chairman)	1,056,250	1.24
H T Birch	125,000	0.15
G Ross	-	-
R P King	50,000	0.06

4.2 There are no existing or proposed service contracts between any of the Directors and the Company. Each of the Directors has entered into a letter of appointment with the Company, terminable on three months' notice. As at 30 June 2022, each Director was paid a fee of £20,000 per annum. In addition, the Directors are entitled to out-of-pocket expenses and other expenses incurred in the proper performance of their duties as directors of the Company.

4.3 The Directors received aggregate remuneration (including any contingent or deferred compensation and benefits in kind but excluding expenses) in respect of the financial year ended 31 December 2021 of £64,000 from the Company. Based on the arrangements in force as at 30 June 2022, the Directors will receive aggregate remuneration (including any contingent or deferred compensation and benefits in kind but excluding expenses) in respect of the financial year ending 31 December 2022 of £80,000 from the Company.

4.4 There are no commission or profit sharing arrangements between the Directors and the Company. Similarly, none of the Directors is entitled to pension, retirement or similar benefits and no benefits in kind have been, or are expected to be, granted to the Directors.

4.5 None of the Directors had any material interests in any contract or arrangement subsisting at the date of this document and which is significant in relation to the business of the Company.

4.6 At the date of this document, there were no outstanding loans by the Company to any of the Directors and no guarantees provided by the Company for the benefit of any Director.

5. Substantial and Other Share Interests

As at 30 June 2022, the Company was aware that the persons set out in the table below, directly or indirectly, were interested in 10 per cent. Or more of the issued Ordinary Shares.¹

<i>Investor</i>	<i>No. of Ordinary Shares</i>	<i>% of Voting Rights</i>
Hargreaves Lansdown (Nominees) Limited <15942>	8,548,276	10.00

6. Additional Information on the Manager, the Investment Manager and Other Service Providers

6.1 Investment Management

6.1.1 By an investment management agreement dated 9 September 2020 between (i) the Company and (ii) CQS (UK) LLP, the Company appointed the Manager to perform investment management duties and functions on behalf of the Company in accordance with the Investment Management Agreement. The Manager has, in turn, delegated such duties and functions to NCIM as the Company's AIFM.

The Manager is entitled to an annual investment management fee, payable by the Company monthly in arrears, CQS is entitled to an annual investment management fee, payable by the Company monthly in arrears, of 1.25% per annum, paid monthly in arrears on the first £20 million of the Company's Net Asset Value and thereafter at a rate of 1.00 per cent on Net Assets above that.

The Investment Management Agreement contains indemnity provisions (which are standard for this type of agreement) in favour of the Manager from and against any reasonable cost, loss, liability or expense which the Manager may suffer or incur, directly or indirectly, in performing its services under the Investment Management Agreement except where there has been negligence, wilful default, fraud or breach of the Investment Management Agreement on the part of the Manager.

The Investment Management Agreement is terminable by either party, without cause, giving to the other not less than 12 months' written notice of termination. In addition, the Company may terminate the Investment Management Agreement forthwith by written notice if:

- (a) the Manager is in breach of its obligations under the Investment Management Agreement without rectifying the breach within 30 days' notice thereof;
- (b) if the Manager shall be insolvent, ceases or threatens to cease carrying on business, goes into liquidation or has a receiver appointed over its assets; or
- (c) the Manager breaches or fails to observe any regulatory requirement to which it, any of its delegates of the Company is subject or the Manager or any of its delegates has failed to obtain or no longer holds any registration, filing, approval, authorisation or consent necessary for the performance of its duties under the Investment Management Agreement.

The Manager may also terminate the Investment Management Agreement forthwith by written notice if the Company is in material breach of its obligations under the Investment Management Agreement without rectifying the breach within 30 days' notice thereof, goes into liquidation or has a receiver appointed over its assets. Furthermore, the Investment Management Agreement will terminate automatically if the Investment Manager ceases to be authorised by the FCA to perform all relevant functions in relation to the Company (including acting as its AIFM) unless the Investment Manager is no longer required to be so authorised. On termination of the Investment Management Agreement, the Manager will be entitled to a pro rata entitlement to all fees to the date of termination.

6.1.2 The Investment Manager will maintain at all times whilst it is the AIFM of the Company a group insurance policy (including a professional indemnity insurance policy against liability for professional negligence of its officers and employees) with an aggregate claim limit of £85 million.

6.1.3 CQS (UK) LLP was incorporated in England and Wales on 27 March 2004 as a limited liability partnership under the Limited Liability Partnerships Act 2000 with registered number OC307419. The Investment Manager operates under the laws of England and Wales and regulations made thereunder. The Investment Manager has its registered office and principal place of business at 4th Floor, One Strand, London WC2N 5HR. The Investment Manager's telephone number at its principal place of business is +44 (0) 20

7201 6900. The Investment Manager is authorised and regulated, and is approved as an AIFM, in the United Kingdom by the FCA.

6.2 Administration

6.2.1 By an administration agreement dated 1 December 2014 between (i) the Company, (ii) Maitland Administration (Guernsey) Limited and (iii) CQS (UK) LLP, the Administrator agreed to act as the Company's administrator and company secretary and provide administration (including accounting), company secretarial, registrar and compliance oversight services to the Company.

Under the Administration Agreement, the Administrator is entitled to quarterly a periodic fee, as per the below, subject to a minimum of £80k p.a. which will increase annually in line with inflation in Guernsey: NAV < NAV < £200m - 6bps; £200m < NAV < £350m - 4bps; £350m < NAV - 2bps.

The Administration Agreement may be terminated by either the Company or the Administrator giving to the other not less than three months' notice. Any of the parties may also terminate the Administration Agreement, *inter alia*, in the event of a material breach by another party of its obligations under the Administration Agreement or upon the occurrence of certain insolvency events relating to such other party. On termination of the Administration Agreement, the Administrator will be entitled to all fees accrued due up to the date of termination. Under the Administration Agreement, the Administrator, its agents and delegates are not liable to the Company, its Shareholders for any loss or damage suffered by them in connection with the subject matter of the Administration Agreement except in cases of bad faith, fraud, wilful default or negligence.

6.2.3 Maitland Administration (Guernsey) Limited was incorporated and registered in Guernsey on 20 January 2010 with registered number 51371 with limited liability. The Administrator's registered office at the date of this document is at 3rd Floor, 1 Le Truchot, St. Peter Port, Guernsey GY1 1WD. The Administrator is regulated by the GFSC and is licensed to carry on "controlled investment business" under The Protection of Investors (Bailiwick of Guernsey) Law, 1987.

6.3 Prime Brokerage (Including Custody)

6.3.1 By a master prime brokerage agreement dated 31 March 2022 between (i) the Company and (ii) BNP Paribas London Branch, the Company appointed the Prime Broker to act as custodian and prime broker for the Company's investments, cash and other assets, and to accept the responsibility for the safe custody of the property of the Company which is delivered to and accepted by the Prime Broker or any of its sub-custodians.

Under the Prime Brokerage Agreement, the Prime Broker is entitled to charge overdraft interest on a daily basis utilising the SONIA overnight rate plus 83 basis points. The Prime Broker does not charge a basis points fee on assets under management.

The Prime Brokerage Agreement contains indemnity provisions (which are standard for this type of agreement) in favour of the Prime Broker (and its associates) from and against any loss, claim, damage or expense which they may incur or suffer, *inter alia*, in performing the Prime Broker's services under the Prime Brokerage Agreement or any breach of the Prime Brokerage Agreement by the Company, except where there has been negligence, fraud or wilful default on the part of the Prime Broker (or any of its associates).

Under the Prime Brokerage agreement, the Prime Broker may, in its sole discretion, make advances to the Company, as and when requested by the Company, at interest rates to be agreed between the Prime Broker and the Company and with any such advance to be repayable on demand.

The Prime Brokerage Agreement is terminable by either party giving to the other not less than 30 business days' written notice of termination.

6.3.2 BNP Paribas trading as BNP Paribas London Branch is authorised by the European Central Bank and French Prudential Supervision and Resolution Authority] in France and subject to limited regulation by the FCA and the PRA for conduct of business rules. Its registered office is at BNP Paribas, 10 Harewood Ave, London NW1 6AA, United Kingdom. The Prime Broker has an issued and fully paid up capital of Euro 2,468,663,292 and is divided into 1,234,331,646 registered shares with a par value of Euro 2 each.

6.4 **Depository Services**

6.4.1 By a depository agreement dated 21 July 2014 between, *inter alia*, (i) the Company and (ii) INDOS Financial Limited, the Company appointed the Depository to provide cash flow monitoring services, safe-keeping of the Company's non-custody assets and certain oversight services in accordance with the AIFM Regulations.

Under the Depository Agreement, the Depository receives a fee of £1,400 per month.

The Depository Agreement contains indemnity provisions (which are standard for this type of agreement) in favour of the Depository from and against any costs, expense, losses, damages or liabilities which it may suffer or incur on the proper provision of its services under the Depository Agreement, except where there has been fraud, wilful default, negligence, bad faith or material breach of the Depository Agreement or breach of any applicable laws, rules and regulations on the part of the Depository.

The Depository Agreement is terminable by any of the parties giving to the others not less than three months' written notice of termination. Any of the parties may also terminate the Depository Agreement, *inter alia*, in the event of a material breach by another party of its obligations under the Depository Agreement or upon the occurrence of certain insolvency events relating to another party. On termination of the Depository Agreement, the Depository will be entitled to all fees accrued due up to the date of termination.

6.4.2 INDOS Financial Limited was incorporated in England and Wales on 16 October 2012 with registered number 08255973 with limited liability. The Depository operates under the UK Companies Act 2006 and regulations made thereunder. The Depository has an issued and fully paid up share capital of £1,002,392 divided into 96,073 ordinary shares of £1 each and 12,075 deferred shares of £1 each. The Depository has its registered office and principal place of business at 54 Fenchurch Street, London, England, EC3M 3JY. The Depository is authorised and regulated in the United Kingdom by the FCA.

6.5 **Share Registration**

6.5.1 By a registrar agreement dated 20 March 2015 between (i) the Company and (ii) Computershare Investor Services (Guernsey) Limited (the "**Registration Services Agreement**"), the Registrar was appointed as the Company's registrar.

The Registrar is entitled to a fixed annual fee of £8,000 and variable fees based the number of transfers and other actions taken on behalf of the Company.

The Registration Services Agreement contains indemnity provisions (which are standard for this type of agreement) in favour of the Registrar from and against any damages, loss, costs, claims or expenses which it may suffer or incur in performing its services under the Registration Services Agreement, except where there has been fraud, negligence, wilful default or breach of the Registration Services Agreement on the part of the Registrar.

The Registration Services Agreement may be terminated by either party giving to the other not less than six months' notice in writing, such notice to expire no earlier than 20 March 2018. Either party may also terminate the Registration Services Agreement, *inter alia*, in the event of a persistent or material breach by the other party of its obligations under the Registration Services Agreement or upon the occurrence of certain insolvency events relating to the other.

6.5.2 Computershare Investor Services (Guernsey) Limited was incorporated and registered in Guernsey on 3 September 2009 with registered number 50855 with limited liability. The

Registrar has its registered office at 1st Floor, Tudor House, Le Bordage, St. Peter Port, Guernsey GY1 1DB. The Registrar is regulated by the GFSC and is licensed to carry on "controlled investment business" under The Protection of Investors (Bailiwick of Guernsey) Law, 1987.

6.6 **TISE Sponsor Services**

By a sponsor engagement letters dated 16 October 2014, 1 December 2014 and 13 June 2017 between (i) the Company and (ii) Ogier Corporate Finance Limited (collectively, the "**Sponsor Agreement**"), the Company appointed Ogier Corporate Finance Limited as TISE sponsor of the Company.

Ogier Corporate Finance Limited is entitled to an annual fee of £2,500 and a fee determined by reference to the number of hours worked based on Ogier Corporate Finance Limited's standard hourly charging rates.

The Sponsor Agreement contains indemnity provisions (which are standard for this type of agreement) in favour of Ogier Corporate Finance Limited from and against any losses, claims, demands, damages, costs, charges, expenses, fines or liabilities which it may suffer or incur in performing its services under the Sponsor Agreement, except where any of the foregoing result from the actions taken or omitted to be taken by Ogier Corporate Finance Limited in bad faith or arising directly from the negligence, wilful default or fraud on the part of Ogier Corporate Finance Limited.

The Sponsor Agreement may be terminated by either party giving written notice to the other at any time.

6.7 **Financial Advisory and Corporate Broking Services**

By a financial adviser and corporate broker engagement letter dated 28 January 2019 between (i) the Company and (ii) finnCap (the "**Corporate Broker Agreement**"), the Company appointed finnCap Ltd as its financial adviser and corporate broker.

finnCap is entitled to an annual fee of £40x,000, payable quarterly in advance, in addition, finnCap may be paid additional fees as the Company and finnCap may agree for additional services, advice or opinions not specifically provided for in the Corporate Broker Agreement. The Company and finnCap have agreed that finnCap shall be entitled to an additional fee of £50,000 plus a commission of 1 per cent. of the value of Subscription Rights exercised in the ensuing years in respect of its additional services and advice in connection with the Proposals.

The Corporate Broker Agreement contains indemnity provisions (which are standard for this type of agreement) in favour of finnCap from and against all losses, claims, damages, charges, expenses or liabilities which it may suffer or incur, directly or indirectly, in performing its services under the Corporate Broker Agreement, except where any of the foregoing result from the actions taken or omitted to be taken by finnCap (or its associates) arising from the fraud, gross negligence or wilful default on the part of finnCap (or its associates).

The Corporate Broker Agreement may be terminated by either party giving written notice to the other at any time.

7. Material Contracts

Save for the agreements summarised in paragraph 6 of this Part 9, the Company has not entered into any material contract (not being a contract entered into in the ordinary course of business) in the two years immediately preceding publication of this document.

8. Miscellaneous

8.1 Save for admission to listing on TISE and to trading on the London Stock Exchange's SETSqx platform, no admission to listing or trading is being, or will be, sought on any other exchange in respect of any of the Shares.

- 8.2 The Investment Manager has given and not withdrawn its written consent to the issue of this document with the inclusion of its name and the references to it in the form and context in which such name and references are included.
- 8.3 finnCap has given and not withdrawn its written consent to the issue of this document with the inclusion of its name and the references to it in the form and context in which such name and references are included.
- 8.4 The Company's statutory records are kept at the offices of the Administrator at 3rd Floor, 1 Le Truchot, St. Peter Port, Guernsey GY1 1WD.
- 8.5 The Company's register of members may be inspected at Computershare Investor Services (Guernsey) Limited, 1st Floor, Tudor House, Le Bordage, St. Peter Port, Guernsey, GY1 1DB, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted).
- 8.6 There are no transfer fees payable to the Company (or its agents) by Shareholders in respect of transfers of Shares.

9. Documents Availability for Inspection

Copies of the following documents will be available for inspection (free of charge) at the registered office of the Company, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) until the EGM:

- (i) the memorandum of association of the Company;
- (ii) the Existing Articles and a draft of the New Articles;
- (iii) the material contracts referred to in paragraph 6 of this Part 9;
- (iv) the annual reports and audited financial statements of the Company for the three financial years ended 31 December 2019, 31 December 2020 and 31 December 2021;
- (v) the consent letters referred to in paragraphs 8.2 and 8.3 of this Part 9; and
- (vi) this document.

In addition, copies of the annual reports and audited financial statements of the Company for the three financial years ended 31 December 2019, 31 December 2020 and 31 December 2021 will be available for collection (free of charge) at the registered office of the Company, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) until the EGM.

PART 10

DEFINITIONS

The words and expressions listed below have the meanings set out opposite them throughout this document except where the context otherwise requires.

"Administration Agreement"	the administration secretarial agreement dated 1 December 2014 between the Company and the Administrator, further details of which are set out in paragraph 6.2.1 of Part 9 of this document
"Administrator"	Maitland Administration (Guernsey) Limited
"AIC"	the Association of Investment Companies
"AIFM"	an alternative investment fund manager for the purposes of the AIFM Regulations
"AIFM Directive" or "AIFMD"	Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers
"AIFM Regulations"	the Alternative Investment Fund Managers Regulations 2013
"Articles"	the articles of incorporation of the Company from time to time, including the Existing Articles or the New Articles (as appropriate)
"Board"	the board of directors of the Company (or any duly authorised committee thereof) from time to time
"Business Day"	any day on which banks are open for business in both Guernsey and London (excluding Saturdays, Sundays and public holidays)
"certificated" or "in certificated form"	not in uncertificated form
"Company"	Golden Prospect Precious Metals Limited
"CQS Group or CQS"	CQS (UK) LLP and its subsidiary undertakings and affiliated entities from time to time.
"BNP Paribas"	BNP Paribas, London Branch
"CREST"	the facilities and procedures for the time being of the relevant system of which Euroclear has been approved as operator pursuant to the CREST Regulations
"CREST Manual"	the compendium of documents entitled "CREST Manual" issued by Euroclear from time to time
"CREST Regulations"	Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755) of the United Kingdom and such other regulations as are applicable to Euroclear and/or CREST
"Depository"	INDOS Financial Limited
"Depository Agreement"	the depository agreement dated 21 July 2014 between, <i>inter alia</i> , the Company and the Depository, further details of which are set out in paragraph 6.4.1 of Part 9 of this document
"Directors"	the directors of the Company from time to time
"EEA"	the European Economic Area
"EEA States"	those countries that are members of the EEA from time to time

"EGM" or "Extraordinary General Meeting"	the extraordinary general meeting of the Company convened for 30 November 2022, commencing at 12 noon (or any adjournment of that meeting), and notice of which is set out in Part 11 of this document
"EGM Resolution"	the special resolution set out in the notice convening the EGM in Part 11 of this document
"EU"	the European Union
"EUWA"	The European Union (Withdrawal) Act 2018 (as amended)
"Euroclear"	Euroclear UK & Ireland Limited
"Existing Articles"	the articles of incorporation of the Company as at the date of this document
"FCA"	the UK Financial Conduct Authority
"finnCap"	finnCap Ltd, trading as finnCap
"Form of Proxy"	the form of proxy for use by Ordinary Shareholders in connection with the EGM
"Guernsey Companies Law"	the Companies (Guernsey) Law 2008, as amended
"GFSC"	the Guernsey Financial Services Commission
"ISA"	an individual savings account maintained in accordance with the UK Individual Savings Account Regulations 1998
"London Stock Exchange"	London Stock Exchange plc
"Manager" or "CQS"	CQS (UK) LLP
"NAV" or "Net Asset Value"	in relation to (i) the Company, the value of the assets of the Company less its liabilities and (ii) the Ordinary Shares, the value of the assets of the Company less its liabilities divided by the number of Ordinary Shares in issue, in each case calculated in accordance with the Company's accounting policies from time to time
"New Articles"	the memorandum and articles of incorporation of the Company as proposed to be adopted by the EGM Resolution
"OECD"	the Organisation for Economic Co-operation and Development
"Ordinary Shareholders"	holders of Ordinary Shares
"Ordinary Shares"	ordinary shares of GBP 0.01 pence in the capital of the Company
"Prime Broker"	Credit Suisse AG, Dublin Branch
"Prime Brokerage Agreement"	the master prime brokerage agreement dated xxx xxx xx between the Company and the Prime Broker, further details of which are set out in paragraph 6.3.1 of Part 9 of this document
"Proposals"	the introduction of an annual Subscription Right and adoption of the New Articles conditional on the passing of the EGM Resolution
"Registrar"	Computershare Investor Services (Guernsey) Limited
"SETSqx" or "London Stock Exchange's SETSqx platform"	the London Stock Exchange Electronic Trading Service - quotes and crosses trading service for less liquid securities

"Regulation S"	Regulation S promulgated under the US Securities Act
"Regulatory Information Service"	a primary information provider which has been approved by the FSA to disseminate regulatory information to the market
"Restricted Shareholders"	Shareholders who are resident in, or citizens of, any of the Restricted Territories
"Restricted Territories"	the United States, Australia, Canada, Japan, New Zealand, the Republic of South Africa or any EEA State (other than the UK)
"Shareholders"	holders of Ordinary Shares
"Shares"	the Ordinary Shares
"SIPP"	self-invested personal pension
"Subscription Date"	as defined in paragraph 1.1 of Part 6
"Subscription Price"	as defined in paragraph 1.1 of Part 6
"Subscription Right"	the right conferred by each Ordinary Share as detailed in Part 6 of this document
"TISE" or "The International Stock Exchange"	the investment exchange known as The International Stock Exchange
"TISEA"	The International Stock Exchange Authority Limited
"TISE Listing Rules"	the rules of TISEA governing the listing of securities on TISE
"TISE Official List"	the list of securities admitted to listing on TISE which is published and maintained by TISEA
"uncertificated" or "in uncertificated form"	recorded in the register of members of the Company as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
"UK Prospectus Regulation"	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as it forms part of the domestic law of the United Kingdom by virtue of the EUWA
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland
"United States" or "US"	the United States of America, its territories and possessions, any state or other political sub-division of the United States of America and the District of Columbia
"US\$"	United States dollars
"US Person"	any person or entity defined as such in Regulation S of the US Securities Act
"US Securities Act"	the US Securities Act of 1933

Notes:

1. All references to "£", "pounds sterling" and "pence" (including the abbreviation "p") are to the lawful currency of the United Kingdom.
3. All references in this document to 26 October 2022 should be regarded as being references to the latest practicable date prior to the publication of this document.

4. All references in this document to laws, rules and regulations should be regarded as references to all such laws, rules and regulations as amended from time to time.

PART 11

NOTICE OF EXTRAORDINARY GENERAL MEETING

Golden Prospect Precious Metals Limited

(A closed-ended investment company incorporated with limited liability under the laws of Guernsey with registered number 45676)

Notice is hereby given that an extraordinary general meeting of Golden Prospect Precious Metals Limited will be held at the offices of Maitland Administration Services (Guernsey) Limited at 3rd Floor, 1 Le Truchot, St. Peter Port, Guernsey GY1 1WD, on Wednesday, 30 November 2022 commencing at 12 noon for the purpose of considering and, if thought fit, passing the following resolution as a special resolution:

Special Resolution

THAT:

- (i) the memorandum and articles of incorporation produced to the EGM and signed by the chairman of the EGM for the purposes of identification be adopted as the memorandum and articles of incorporation of the Company in substitution for the existing memorandum and articles of incorporation of the Company;
- (ii) in addition to any existing authority to issue Shares granted to the Company at any annual general meeting held before the passing of this resolution, the Directors be and are hereby generally and unconditionally authorised to create, allot and issue Ordinary Shares, as described in the Listing Document;

Save where the context requires otherwise, the definitions contained in the listing document of the Company dated 4 November 2022 shall have the same meanings where used in this resolution.

By order of the Board
Maitland Administration Services (Guernsey)
Limited
Company Secretary

Registered Office
3rd Floor
1 Le Truchot
St. Peter Port
Guernsey GY1 1WD

4 November 2022

Notes

1. Entitlement to Attend and Vote

The Company has specified that only Shareholders registered on the Company's register of members at 12 noon on Thursday, 24 November 2022 (or, if the EGM is adjourned, 48 hours prior to the adjourned meeting) shall be entitled to attend and vote at the EGM in respect of the number of Ordinary Shares registered in their name at that time. Changes to entries on the register of members after 2022 (or, if the EGM is adjourned, 48 hours prior to the adjourned meeting) shall be disregarded in determining the rights of any person to attend, speak and vote at the EGM.

2. Appointment of Proxies

- 2.1 A member of the Company at the time set out in note 1 above is entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote at the EGM. A proxy does not need to be a member of the Company but must attend the EGM to represent the member. A proxy may only be appointed using the procedures set out in these notes and the notes on the Form of Proxy.
- 2.2 Appointment of a proxy will not preclude a member from attending the EGM and voting in person.
- 2.3 The notes on the Form of Proxy explain how to direct a proxy how to vote, or abstain from voting, on the EGM Resolution. To appoint a proxy using the Form of Proxy, the Form of Proxy must be completed, signed

and returned to the Registrar at c/o The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, so as to be received no later than 12 noon on Monday, 28 November 2022. Any power of attorney or other authority under which the Form of Proxy is signed (or a duly certified copy of such power or authority) must be included with the Form of Proxy.

3. Appointment of Proxy by Joint Members

In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).