

Baker Steel Resources Trust Ltd

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Gold rise set to continue and miners are the way to play it, says Baker Steel

Specialist mining investment manager Baker Steel Resources Trust PLC (LON:BSRT) expects 2020 to be an important period for the sector's backers and another good year for gold.

"Gold's strong performance in 2019 indicates that the bull market is intact and that substantial upside remains for the metal and for gold equities," the manager said in its start of year review.

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"The gold price is still far from its historic high of around US\$1900/oz while gold miners are still emerging from the severe downturn in the sector which ended in late-2015.

"During each historic gold bull market the gold price has exceeded its previous high, indicating the recovery phase has some way to go."

Baker Steel focuses on what it considers the best quality gold and silver producers, an approach it believes generateS superior returns under all market conditions relative to a passive holding in gold equities

Gold mining companies are more investible now than for some time, it adds.

"The most substantial opportunity in the precious metals sector is the recovery of the miners themselves, many of which are now in their strongest position for some years, having benefitted from management reforms, improved cost discipline and increased profitability."

Baker Steel adds that recent M&A transactions in the gold sector have actually created value, not destroyed it, which points to management teams increasingly engaging in constructive consolidation.

Barrick Gold's acquisition of Randgold Resources, Northern Star and Saracen acquiring Barrick and Newmont's Kalgoorlie operations, Kirkland Lake's proposal to buy Detour Gold and Evolution Mining acquiring the Red Lake gold complex from Newmont Goldcorp are all encouraging signs for investors.

Increasing dividend payments by gold producers are another plus.

Newmont Mining and Yamana Gold have both raised their dividends in recent months for example and highlights a marked shift in attitude in an industry that historically has not been known for high payouts.

Away from gold, base and battery metal also offer big opportunities says the investor.

Growth sectors and the development of new technologies, particularly those associated with the trends of electrification,

Price: 59

Market Cap: £62.81 m

1 Year Share Price Graph



Share Information

Code: BSRT

Listing: LSE

52 week	High	Low
	60.85	44.3

Sector: Investments and investor services

Website: bakersteelresourcestrust.com

Company Synopsis:

Baker Steel Resources Trust Ltd ("BSRT") seeks capital growth over the long term through a focused global portfolio consisting principally of the equities, or related instruments, of natural resources companies. BSRT invests predominantly in unlisted companies (i. e.

action@proactiveinvestors.com

battery technology, decarbonisation and sustainability, hold enormous potential for metals and miners.

Baker Steel sees increased engagement with environmental, social and governance issues as a positive for the industry as it approaches a recovery phase.

Shares in Baker Steel are 55p, close to a five-year high.

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Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

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