

ASA LTD
Form DEFA14A
January 29, 2010

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**SCHEDULE 14A
(Rule 14a-101)**

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant [X]

Filed by a Party other than the Registrant []

Check the appropriate box:

[] Preliminary Proxy Statement

[] Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

[] Definitive Proxy Statement

[] Definitive Additional Materials

[X] Soliciting Material Pursuant to §240.14a-12

ASA LIMITED
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

[X] No fee required.

[] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

Edgar Filing: ASA LTD - Form DEFA14A

Fee previously paid with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.

3) Filing Party:

4) Date Filed:

ASA LIMITED

IMPORTANT INFORMATION

Dear Shareholder:

Certain information in the accompanying Annual Report of ASA Limited for the fiscal year ended November 30, 2009 concerns proposals to be presented at the Company's Annual General Meeting of Shareholders to be held on March 11, 2010. We are not requesting your proxy today. Definitive proxy materials will be sent to you in the near future in our next mailing, which will include a proxy statement and a proxy card providing the information you will need to cast an informed vote on the proposals. At that time, we will request your proxy.

You should read the proxy statement when it becomes available, because it will contain important information about the proposals. In addition, the Company files annual and semi-annual reports and other information with the Securities and Exchange Commission (the "SEC"). The definitive proxy statement to be filed in connection with the proposals (when it becomes available) and any other documents filed with the SEC by the Company are available without charge on the SEC's website at <http://www.sec.gov>. You may obtain a copy of the proxy statement (when it is available) and additional copies of the Annual Report without charge, on the Company's website at <http://www.asaltd.com> or by writing to Paul K. Wustrack, Jr., Secretary and Chief Compliance Officer at ASA Limited, 11 Summer Street, 4th Floor, Buffalo, New York 14209.

The Company and its Board of Directors may be considered participants in the upcoming solicitation of proxies. Information on the directors' ownership of shares in the Company will be available in the definitive proxy materials to be filed with the SEC and mailed to shareholders.

January 29, 2010

**Annual Report
November
2009**

ASA Limited

A Closed-end Fund Specializing in Precious Minerals Investments

Annual Report and Financial Statements

November 30, 2009

Table of Contents

Chairman's letter	2
Portfolio manager's report	4
Forward-looking statements	6
Certain investment policies and restrictions	7
Report of independent registered public accounting firm	7
Schedules of investments	8
Portfolio statistics	10
Principal portfolio changes	10
Statements of assets and liabilities	11
Statements of operations	12
Statements of changes in net assets	13
Notes to financial statements	14
Financial highlights	18
Supplementary information	18
Certain tax information for U.S. shareholders	19
Dividend reinvestment and stock purchase plan	20
Privacy notice	21
Direct registration system	21
Results of proposals presented at the annual general meeting of shareholders	21
Proxy voting	22
Form N-Q	22
Common share repurchases	22
Board of directors and officers	23
Other information	24

Chairman's Letter (unaudited)

Dear Fellow Shareholders

On behalf of your Board, it is my pleasure to report to you on the activities of your Company over the past year. Such a year-end report needs, in my mind, to cover the full year so I apologise in advance for some duplication of information from my shareholder letter dispatched to you as part of our May Semi-Annual Report.

Investment Results for fiscal year 2009

Your Company's year-end is November 30 so this letter covers the period from December 1, 2008 to November 30, 2009 inclusive, otherwise referred to herein as the Year.

The precious minerals sector has been one of the best performing asset classes over the past 10 years with the price of gold recently reaching more than \$1,215/oz compared to its trading level of less than \$300 per ounce a decade ago. Whilst a more detailed report from your portfolio manager on your Company's activities is attached, it is worth noting that in the Year your Company's total return that is, including the reinvestment of dividends increased 102.0% based on its net asset value (NAV) per share and 101.1% based on its share price. We are pleased to report that your Company's total return, based on its NAV, exceeded the return of the FTSE Gold Mines Index which increased 72.3% for the same period although we would note that this index does not include the reinvestment of dividends.

You may recall from my Semi-Annual Report letter that I wrote that your Board deems the FTSE Gold Mines Index probably represents the benchmark index closest to ASA's investment objectives and so will be quoted in evaluating ASA's performance going forward.

Dividend Income

Shareholders have been advised on recent occasions of your Company's declining dividend income stream, which has been caused by two main factors lower payouts from precious mineral miners and increased investments in higher growth companies by our portfolio manager. This trend has continued with the recent Year being the first in which net investment income has turned negative. We again wish to forewarn shareholders of this diminishing income stream and the effects that it could have on future dividend payments. Shareholders will recall that the Company's total income consists of two primary sources, namely dividend income and realised capital gains. Net realised capital gains, which were inflated in the Year by the tender offer, remained healthy and amounted to more than \$65M in the recent Year. Such gains are dependent on the buoyancy of stock markets and investment management activities.

Discount Management & Tender Offer

Your Board continues to monitor the premium/discount at which ASA's shares trade relative to its NAV. Whilst over the course of the year the discount was relatively unchanged, noticeable short-term decreases in the discount were evident in April after the announcement of ASA's measurement period related to the tender offer. In line with the Board's previously stated policy a successful tender offer for upward of 10% of the Company's shares was completed in October, given that the offer was triggered by the smallest of margins at the conclusion of the 12-week measurement period. As previously stated, the Board agreed to a further 10% tender offer in 2010 conditional upon the 10% discount trigger level being breached during the measurement period.

Contingency

The Company's Semi-Annual Report, for the six months ended May 31 2009 referred in Note 6 to a contingency relating to the costs of the proxy solicitation by Laxey Partners Limited (Laxey) in relation to the Company's annual general meeting of shareholders in 2008. I am pleased to advise that following discussions between your Board and representatives of Laxey, the issue has been dropped and no longer remains a contingency of your Company. Information on this issue is available in the notes to the attached accounts.

The Way Forward

In my interim letter I referred to the strategic review undertaken earlier in the year on behalf of the Board. This review highlighted to us the potential advantages of broadening the asset base managed by the Company, either through a wholly-owned subsidiary or directly, by growing the business from a single product base into a larger, more global operation and was driven primarily by several factors:

within the past three-odd years 20-plus alternative pooled investment products oriented to the broad global resources sector have been launched, which indicates the increasing competitiveness for investor dollars and suggests there may be additional products that

Edgar Filing: ASA LTD - Form DEFA14A

could be developed and managed in a bottom up, fundamental investment style similar to that of ASA, compatible with, but not competitive to ASA;

to provide increased analytical and investment management capability to ASA: increasing the product range could permit an enhanced investment management and analytical team, which could directly benefit ASA through an even greater depth of skills across the precious minerals space worldwide, thereby providing a broader and deeper capability for your Company to capitalise on a larger number of global investment opportunities;

provide more conducive conditions through an expanding operation to both attract the highest calibre staff and to retain same through the provision of a dynamic and expansionary career path over the longer term;

the desire to reduce key man risk by enlarging the investment team: increasing your Company's range of products could permit the investment team under our portfolio manager to expand thereby diminishing key man risk to investors;

by expansion beyond a single product oriented to one market place, the strategy may assist, reduce and underwrite any need in the future to defend for example, by share repurchases the closed-end nature of the Company's

current sole investment vehicle in times of relative share price weakness to NAV and particularly in any future bear market. As an example of the possible consequences of any such necessary share repurchases, it can be noted that the net assets of the Company declined in excess of 33% in defence of its share price discount, relative to NAV, in the period February 08 to November 09, in what was a strong bull market for gold;

and lastly, but by no means least, an ability to seek to increase the revenue stream derived from management fees of the new products and over the longer term enhance value from the potential, capitalised growth of total assets under management worldwide.

That said, and as perhaps you will well realise, any such expansion in the investment management industry requires buoyant and conducive stock market conditions for its success and so an essential ingredient will be a continuing bull market in the precious minerals space. Whilst in the early stage of planning and in the context of the conditions precedent necessary for such development that I refer to below, your Board has been exploring positively possible business opportunities in several geographic areas. Further, may I provide you comfort that, at least whilst I am in the chair, any expansion of your Company's business in this area would be cautiously managed and considered in light of the possible returns.

Implementation of this strategy requires the approval of shareholders and, with respect to utilizing a subsidiary, relief from the U.S. Securities and Exchange Commission. Accordingly, we are proposing that shareholders approve the measures necessary to implement this strategy at the Company's Annual General Meeting (AGM) scheduled for March 11, 2010. Detailed information regarding these measures is included in the proxy statement for the AGM.

Your Board

We have been operating well as a five-seat board through the year but now have determined to increase the board number to six. We propose Michael Mead to shareholders as a director: Michael has extensive investment experience over a long career in the U.S. investment management and endowment fund sectors and, as such, will bring very useful additional strengths to your Board. A fuller explanation of Michael's experience is set out in the proxy statement but meanwhile we respectfully and unanimously recommend his appointment.

As stated in the Semi-Annual Report, current Board members who were first elected in 2008 have declined the retirement benefits previously available to Board members.

Annual General Meeting

As with many such funds, knowing our broad range of shareholders is a difficult task given that so many holdings are held behind anonymous, broker nominees. Our AGM is one opportunity when your Board can meet and discuss the aspirations of shareholders and we therefore invite you to attend in New York on March 11. As an added point of possible interest I draw your attention to our guess the gold price competition, run from year to year, with the prize of a half-ounce, gold coin – the only precondition for shareholder competitors being attendance in person!

On behalf of all our shareholders, may I take this opportunity of thanking my fellow directors and our staff for their time and efforts through the year to steer your Company to such achievements. It would be inappropriate in an annual review of your Company not to again mention the 85 years service of directors Messrs. Irwin, Conger, Inglis and Rosholt, who retired in the Year and to whom we offer a most healthy and happy retirement. Finally to our numerous shareholders around the world, may I thank you for your support in the Year.

Until our AGM on March 11th or sooner!
Yours very sincerely

Julian Reid
January 15, 2010

Portfolio Manager's Report (unaudited)

The combination of events during the last year resulted in one of the strongest performance periods in ASA Limited's 51-year history. At November 30, 2009, ASA's total net assets were \$580.4 million, or \$89.56 per share. The closing price of ASA's shares on the New York Stock Exchange (NYSE) was \$79.55 at November 30, 2009, representing a discount of 11.2% to net asset value (NAV). This compares with the November 30, 2008 total net assets of \$341.1 million, or \$47.37 per share, a NYSE share price of \$42.25 and a discount to NAV of 10.8%.

Total return during the fiscal year 2009, including the reinvestment of dividends, was 102.0% based on the NAV and 101.1% based on the market price of the shares. The difference in total return based on the NAV and the market price is related to the discount that ASA's shares traded in the market over this time period. This is a significant improvement over fiscal year 2008's total return of negative 43.9% based on the NAV and negative 42.1% based on the market price of ASA's shares. During the fiscal year ended November 30, 2009, the total return of the FTSE Gold Mines Index, which does not include the reinvestment of dividends, was 72.3%. ASA's portfolio is not designed to track the performance of the FTSE Gold Mines Index, as it includes significant positions in several companies that are not included in the FTSE Gold Mines Index. Likewise, the FTSE Gold Mines Index includes some securities that are not held in ASA's portfolio. As such, the relative performance variation with respect to the FTSE Gold Mines Index may be more pronounced than it would be for a comparable index fund. However, ASA's Board of Directors considers the FTSE Gold Mines Index to be the best publically available index for comparing the performance of ASA to an unmanaged index of global gold mining shares.

Chart 1: ASA's Total Return per Share vs. the FTSE Global Gold Mines Index - One Year Trailing

Source: ASA Limited, including reinvested dividends

For the fiscal year ended November 30, 2009 ASA had a net investment loss of \$0.04 per share, compared to net investment income of \$0.63 per share for the fiscal year ended November 30, 2008. Net realized gain from investments, including net realized gain (loss) on investments from foreign currency transactions, for fiscal year 2009 was \$9.25 per share, compared to \$16.91 per share for fiscal year 2008. The share amounts for 2009 and 2008 are based on the weighted average shares outstanding during each year. Operating expenses declined from \$5.9 million during 2008 to \$4.1 million during 2009 due to a combination of lower legal expenses, decreased shareholder reporting costs, and lower directors' fees and expenses as a result of a reduction in the size of the Board of Directors. These lower expenses were somewhat offset by higher expenses related to increased research and due diligence of ASA's investments.

Distributions totaling \$1.40 and \$2.00 per share were declared during the fiscal years 2009 and 2008 respectively. (See note 1.E. Dividends to Shareholders (page 15) and Certain tax information for U.S. shareholders (pages 19 and 20) for further comments.) During 2009, \$0.10 per share was distributed from income earned in prior periods and \$1.30 distributed from realized capital gains from the sale of securities in 2009. Investment income has declined in recent years due to a combination of lower dividend distributions from the South African gold and platinum mining companies as well as the increased diversification of ASA's portfolio toward higher growth investments. Management anticipates that ASA will generate little, if any, net investment income during the next year. However, it is management's goal to generate improved total returns for shareholders over the long term through investment in companies with projected higher growth rates and a more diversified portfolio of precious metals and mining companies.

Chart 2: ASA's Distributions to Shareholders

Source: ASA Limited

Portfolio Diversification

At November 30, 2009, ASA held a globally diversified portfolio of long-lived, low-cost, precious metals and mining investments. Approximately 12.2% of net assets was allocated to South African gold mining companies, versus 13.1% at the end of fiscal 2008 and approximately 43.5% at the end of fiscal 2006. The decline in our weighting towards South African gold mining companies during 2009 was largely the result of the sale of our investment in Harmony Gold Mining Company Limited. The strength of the South African rand has had a negative effect on operating margins on all South African gold mining operations, with Harmony among the most exposed to this trend.

Overall, the combination of increasingly deeper South African mines, high levels of fatalities, sharp increases in operating costs, and lower profit margins as a result of the strength of the rand have made an unfavorable investment climate in

South Africa for the global gold investor. However, we believe that the management and technical expertise in the South African mining sector are among the strongest in the industry and we continue to review these investments for potential opportunities to adjust our weightings towards the sector.

Chart 3: ASA Portfolio Diversification (November 30, 2009)

Source: ASA Limited

ASA's investments in Australian gold mining shares were relatively unchanged during the year at 9.7% of total net assets at November 30, 2009. The most significant change during the year was a sharp increase in our holdings of Canadian gold mining and development companies. ASA's investments in Canadian domiciled mining companies increased from 29.2% of total net assets at the end of 2008 to 36.2% of total net assets at fiscal year end 2009. The increase was due largely to the acquisition of shares and warrants of NovaGold Resources Inc. in early 2009 and the relative outperformance of these investments during the year, combined with an increase in our holdings of Barrick Gold Corporation. ASA increased its investment in Barrick Gold Corporation following the closure of its hedge position, which improved our view of the fundamentals for this issuer. We anticipate that ASA's investments in gold mining companies domiciled in Canada will continue to grow over the coming year as Canada is the largest and most liquid market for gold mining companies.

The weighting of ASA's holdings in platinum mining companies was unchanged overall versus the previous fiscal year end, despite the price of platinum rising sharply and the outperformance of the platinum producers as compared to the FTSE Gold Mines index during the course of the year. ASA reduced its investments in the South African platinum mining companies late in the year due to the performance of these shares during the first nine months of 2009. In our view, the valuations of these shares had become overextended, given the strength of the rand. The sale of some of these shares, combined with the increase in market value during the year, left the ASA's weighting towards this category unchanged from fiscal year-end 2008.

Other changes to the portfolio during the year included the sale of our gold ETF holdings, a reduction in the holdings of non-gold related mining companies and a lower cash balance, all of which were designed to increase ASA's leverage to a rising gold price.

Market Analysis

Starting in 2001, gold prices have risen on the back of a number of supportive fundamentals, including:

- the weaker U.S. dollar,
- increased geopolitical risk,
- higher oil prices,
- portfolio diversification,
- producer dehedging,
- lower than expected official gold sales, and
- declining mine production

This unusual combination of supportive supply/demand and market events was supplemented by the evolving financial crisis during the last eighteen months.

At this time last year, the global financial markets were in distress and the faith that investors had previously placed in banks, brokers, and the value of the U.S. dollar was being questioned. The sheer magnitude of the financial problems facing the market resulted in the sale of almost all types of investments, from stocks and bonds to oil and gold. Nevertheless, by December of 2008, investors started to seek refuge in the sectors that they believed would help to insulate their portfolios from the general distress facing the markets. This combination of events, the sell-off in gold towards the end of 2008 and a dramatic increase in investor interest in gold during the last year, has resulted in the strong performance of gold prices during the last twelve months.

Investment demand for gold and gold-related investment products soared during 2009 as investors sought the perceived safety of gold bullion during this period of economic chaos. Gold holdings in the five largest gold ETFs expanded during the last twelve months from an aggregate of 980 metric tonnes in November 2008 to nearly 1,406 metric tonnes at the end of November 2009, an increase of 43%. The investment by a number of hedge funds and widely known investors into these ETFs added further stimulus to the increase in investment demand for gold ETF's. The combined holdings in these ETF products have become the sixth largest concentration of gold in the world along with the central banks of the United States, Germany, Italy and France and the International Monetary Fund.

Chart 4: Gold ETF Holdings

Source: ASA Limited

Edgar Filing: ASA LTD - Form DEFA14A

Net investment purchases of gold ETFs slowed in the second half of 2009, but continued to be positive throughout the year. The success of these products has been due to the increased liquidity and ease of trading in gold that they have facilitated. However, it remains to be seen how long investors will maintain their long positions in gold, should sentiment turn negative towards the sector. We believe that the majority of this investment is long-term in nature, but there remains a portion of the ETF shareholder base that is hedge fund or momentum driven and some sales pressure is possible should gold prices weaken.

Despite the increase in demand for the ETF products, the performances of the mining shares and ASA was significantly better than the 44% increase in the gold price during the last year, demonstrating the benefits of the operating leverage and growth of the precious metals producers.

The gold market experienced a significant decline in fabrication demand and a surge in supply in the form of increased scrap gold sales in response to the sharp increase in gold prices. Given the severity of the global economic crisis, we anticipate that jewelry demand will remain weak during the coming year, but that some recovery will be evident as global economic prospects improve. Scrap gold sales, which are effectively the re-melting of gold jewelry, are anticipated to slow considerably during the coming year. After all, consumers can only resell old jewelry once, and it takes decades to accumulate the quantities of metal that have been witnessed in the scrap category during the last eighteen months.

Recently, better than anticipated economic news in the United States has lifted the value of the U.S. dollar relative to other world currencies and made it more likely that the Federal Reserve may tighten monetary policy at some point in the future as the economy expands, potentially lifting the value of the dollar further. Higher interest rates typically increase the value of the dollar and ease inflationary pressures. Higher interest rates also tend to increase the opportunity cost of owning non-yielding investments such as commodities. The degree to which gold prices react negatively or positively will largely depend on the Federal Reserve's ability to moderate a potential increase in inflation rates, given the sharp increase in liquidity provided to support the U.S. financial system.

It is against this backdrop of recent economic events, slowing global gold production, the anticipated decline in scrap recycling, rising central bank purchases and potential improvements in jewelry demand that we look forward to the New Year. Given the degree of financial stress in the markets, combined with the supportive supply / demand fundamentals, we believe that the prospect of a strong gold price during the coming year remains good.

David Christensen
President and Chief Executive Officer
January 15, 2010

Forward-Looking Statements

With the exception of historical information, this report includes forward-looking statements within the meaning of U.S. federal securities laws and that are intended to be covered by the safe harbors created thereby. Forward-looking statements are generally identified by words such as believe, anticipate, expect, intend, may, will, or similar expressions. In addition, statements that describe ASA's future plans, objectives, estimates or goals are also forward-looking statements. By their nature, forward-looking statements involve risks, uncertainties and other factors that may cause actual results, performance or achievements of ASA's plans to be materially different from those contemplated by the forward-looking statements. Such factors include, but are not limited to, performance of the companies whose securities comprise ASA's portfolio; the conditions in the United States, South African and other securities and foreign exchange markets; the prices of gold, platinum and other precious minerals, which, in turn, are affected by a variety of global, economic, financial and political factors and may fluctuate substantially over short periods of time; changes in tax laws; and changes in ASA's plans, goals, strategies and intentions.

* * * * *

Copies of financial reports for ASA Limited, as well as its latest net asset value, may be requested from LGN Group, LLC, P.O. Box 269, Florham Park, NJ 07932, (973) 377-3535, from the Executive Office (800-432-3378) or may be found on the Company's website (www.asaltd.com). We would like to call to your attention the availability of the Dividend Reinvestment and Stock Purchase Plan. See page 20 of this report for information on how shareholders can participate in this plan.

* * * * *

The Annual General Meeting of Shareholders will be held on Thursday, March 11, 2010 at 10:00 a.m. at the offices of K&L Gates LLP, 599 Lexington Avenue, 32nd Floor, New York, New York, USA. We look forward to your attendance.

Certain investment policies and restrictions (unaudited)

The following is a summary of certain of the Company's investment policies and restrictions and is subject to the more complete statements contained in documents filed with the Securities and Exchange Commission.

The Concentration of Investments in a Particular Industry or Group of Industries. It is fundamental policy (i.e., a policy that may be changed only by shareholder vote) of the Company that at least 80% of its total assets be (i) invested in common shares or securities convertible into common shares of companies engaged, directly or indirectly, in the exploration, mining or processing of gold, silver, platinum, diamonds or other precious minerals, (ii) held as bullion or other direct forms of gold, silver, platinum or other precious minerals, (iii) invested in instruments representing interests in gold, silver, platinum or other precious minerals such as certificates of deposit therefor, and/or (iv) invested in securities of investment companies, including exchange traded funds, or other securities that seek to replicate the price movement of gold, silver or platinum bullion. Compliance with the percentage limitation relating to the concentration of the Company's investments will be measured at the time of investment.

If investment opportunities deemed by the Company to be attractive are not available in the types of securities referred to in the preceding paragraph, the Company may deviate from the investment policy outlined in that paragraph and make temporary investments of unlimited amounts in securities issued by the U.S. Government, its agencies or instrumentalities or other high quality money market instruments.

The Percentage of Voting Securities of any one Issuer that the Company May Acquire. It is a non-fundamental policy (i.e., a policy that may be changed by the Board of Directors) of the Company that the Company shall not purchase a security if, at the time of purchase, more than 20% of the value of its total assets would be invested in securities of the issuer of such security.

Report of independent registered public accounting firm

To the Board of Directors and Shareholders of
ASA Limited:

We have audited the accompanying statements of assets and liabilities of ASA Limited (the Company), including the schedules of investments, as of November 30, 2009 and 2008, and the related statements of operations and supplementary information for each of the two years then ended, the statements of changes in net assets for each of the two years in the periods then ended, and the financial highlights for each of the five years indicated therein. These financial statements, supplementary information and financial highlights are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements, supplementary information and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States.) Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements, supplementary information and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, supplementary information and financial highlights, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of November 30, 2009 and 2008 by correspondence with the custodian. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements, supplementary information and financial highlights referred to above present fairly, in all material respects, the financial position of the Company at November 30, 2009 and 2008, the results of its operations and supplementary information for each of the two years in the periods then ended, the changes in its net assets for each of the two years in the periods then ended, and the financial highlights for each of the indicated years, in conformity with U.S. generally accepted accounting principles.

New York, New York
January 20, 2010

Schedules of investments

November 30, 2009 and November 30, 2008

Name of Company	2009			2008		
	Shares	Fair Value	Percent of Net Assets	Shares	Fair Value	Percent of Net Assets
Common Shares and Warrants						
Gold investments						
Gold mining companies						
<i>Australia</i>						
Newcrest Mining Limited ADRs	1,665,000	\$ 56,109,901	9.7%	1,865,000	\$ 30,003,402	8.8%
<i>Canada</i>						
Agnico-Eagle Mines Limited	600,000	37,596,000	6.5	600,000	22,596,000	6.6
Barrick Gold Corporation	1,250,000	53,362,500	9.2	1,025,000	30,196,500	8.9
Goldcorp Inc.	1,082,400	45,460,800	7.8	1,200,000	32,364,001	9.5
Golden Star Resources Limited (1)	750,000	2,895,000	0.5			
IAMGOLD Corporation	600,000	11,370,000	2.0			
Kinross Gold Corporation	1,125,000	22,522,500	3.9	750,000	11,062,500	3.2
NovaGold Resources Inc. (1)(3)	1,157,691	6,471,492	1.1			
NovaGold Resources Inc. \$1.50 Warrants, 01/21/13, (1)(3)	2,307,691	9,438,456	1.6			
Yamana Gold Inc.	600,000	7,998,000	1.3			
		197,114,748	33.9		96,219,001	28.2
<i>Channel Islands</i>						
Randgold Resources Limited ADRs	719,700	60,987,378	10.5	1,094,700	41,850,381	12.3
<i>Latin America</i>						
Compania de Minas Buenaventura S.A.A. ADRs	1,359,000	54,563,850	9.4	1,459,000	26,262,000	7.7
<i>South Africa</i>						
AngloGold Ashanti Limited	943,194	41,538,264	7.2	943,194	20,137,192	5.9
Gold Fields Limited	1,979,577	29,258,148	5.0	2,429,577	19,971,123	5.9
Harmony Gold Mining Company Limited ADRs (1)				503,100	4,346,784	1.3
		70,796,412	12.2		44,455,099	13.1
<i>United States</i>						
Newmont Mining Corporation	420,368	22,548,540	3.8	420,368	14,145,383	4.1
Royal Gold Inc.	150,000	8,073,000	1.4			
		30,621,540	5.2		14,145,383	4.1
Total gold mining companies (Cost \$164,056,871 2009, \$143,960,390 2008)		470,193,829	80.9		252,935,266	74.2
Exchange traded fund gold						
<i>United States</i>						
SPDR Gold Trust (1) (Cost \$10,005,000-2008)				150,000	12,028,500	3.5
		470,193,829	80.9		264,963,766	77.7

Edgar Filing: ASA LTD - Form DEFA14A

Total gold investments
(Cost \$164,056,871-2009, \$153,965,390-2008)

Platinum investments
Platinum mining companies

South Africa

Anglo Platinum Limited (1)(4)	345,100	35,514,376	6.1	470,100	21,704,119	6.4
Impala Platinum Holdings Limited	1,322,400	30,673,536	5.3	1,497,400	18,475,383	5.4
		66,187,912	11.4		40,179,502	11.8

United Kingdom

Lonmin PLC ADRs (1)	289,700	8,453,736	1.5	289,700	3,795,295	1.1
---------------------	---------	-----------	-----	---------	-----------	-----

Total platinum investments
(Cost \$8,613,104 2009, \$12,006,287 2008)

		74,641,648	12.9		43,974,797	12.9
--	--	------------	------	--	------------	------

Investments in other mining companies

United Kingdom

Anglo American plc (1) (Cost \$1,762,502 2009, \$4,941,921 2008)	414,800	17,750,669	3.1	914,800	21,577,892	6.3
---	---------	------------	-----	---------	------------	-----

Total common shares
(Cost \$174,432,477 2009, \$170,913,598 2008)

		562,586,146	96.9		330,516,455	96.9
--	--	-------------	------	--	-------------	------

Schedules of investments (continued)

November 30, 2009 and November 30, 2008

Name of Company	2009			2008		
	Principal Amount	Fair Value	Percent of Net Assets	Principal Amount	Fair Value	Percent of Net Assets
Convertible Securities						
Gold mining companies						
<i>Canada</i>						
NovaGold Resources Inc. 5.50% Senior Convertible Notes, due 5/01/2015 (Cost \$15,000,000 in 2009 and 2008)	\$ 15,000,000	\$ 13,164,600	2.3%	\$ 15,000,000	\$ 3,514,500	1.0%
Total investments (Cost \$189,432,477 2009, \$185,913,598 2008)						
(2)		575,750,746	99.2		334,030,955	97.9
Cash, receivables, and other assets less liabilities		4,604,509	0.8		7,063,714	2.1
Net assets		\$ 580,355,255	100%		\$ 341,094,669	100%

(1) Non-income producing security

(2) Cost of investments shown approximates cost for U.S. federal income tax purposes, determined in accordance with U.S. federal income tax principles. Gross unrealized appreciation of investments and gross unrealized depreciation of investments at November 30, 2009 were \$390,961,904 and \$4,643,635, respectively, resulting in net appreciation on investments of \$386,318,269. Gross unrealized appreciation of investments and gross unrealized depreciation of investments at November 30, 2008 were \$172,374,854 and \$24,257,497, respectively, resulting in net unrealized appreciation on investments of \$148,117,357.

(3) Restricted security (Total value of \$15,909,948, representing 2.7% of net assets at November 30, 2009)

(4) Non-income producing security November 30, 2009 only.

ADR American Depository Receipt

The notes to the financial statements form an integral part of these statements.

Portfolio statistics (unaudited)

November 30, 2009 and November 30, 2008

Country breakdown*	2009	2008
Canada	36.2%	29.2%
South Africa	23.6%	24.9%
Channel Islands	10.5%	12.3%
Australia	9.7%	8.8%
Latin America	9.4%	7.7%
United States	5.2%	7.6%
United Kingdom	4.6%	7.4%

* Geographic breakdowns, which are based on company domiciles, are expressed as a percentage of total net assets.

Principal portfolio changes during the years ended November 30, 2009 and November 30, 2008 (unaudited)	2009		2008	
	Number of Shares/Principal Amount		Number of Shares/Principal Amount	
	Increase	Decrease	Increase	Decrease
Agnico-Eagle Mines Limited				100,000
Anglo American plc		500,000		250,000
AngloGold Ashanti Limited				802,700
AngloGold Ashanti Limited-Rights ⁽¹⁾			270,031	270,031
Anglo Platinum Limited		125,000		50,000
Barrick Gold Corporation	225,000			100,000
Compania de Minas Buenaventura S.A.A. ADRs		100,000	729,500 ⁽²⁾	170,500
Goldcorp Inc.		117,600		300,000
Golden Star Resources Limited	750,000			
Gold Fields Limited		450,000		1,980,400
SPDR Gold Trust (formerly streetTRACKS Gold Trust)		150,000		50,000
Harmony Gold Mining Company Limited ADRs		503,100		163,300
IAMGOLD Corporation	600,000			
Impala Platinum Holdings Limited		175,000		225,000
Kinross Gold Corporation	375,000		750,000	
Lonmin PLC ADRs				160,300
Newcrest Mining Limited		200,000		1,135,000
Newmont Mining Corporation				100,000
NovaGold Resources Inc.	1,157,691			250,000

Edgar Filing: ASA LTD - Form DEFA14A

NovaGold Resources Inc. \$1.50 Warrants, 1/21/13	2,307,691		
NovaGold Resources Inc, 5.50% Senior Convertible Notes, due 5/01/2015		\$ 15,000,000	
Randgold Resources Limited ADRs		375,000	355,300
Royal Gold Inc.	150,000		
Yamana Gold Inc.	600,000		1,788,000

⁽¹⁾ Received in company rights offering.

⁽²⁾ Received in 2 for 1 stock split.

10

Statements of assets and liabilities

November 30, 2009 and 2008

	2009	2008
Assets		
Investments, at fair value		
Cost \$189,432,477 in 2009		
\$185,913,598 in 2008	\$ 575,750,746	\$ 334,030,955
Cash	5,605,534	21,090,938
Interest receivable	68,750	69,477
Dividends receivable	369,959	279,676
Other assets	101,062	192,919
Total assets	\$ 581,896,051	\$ 355,663,965
Liabilities		
Accounts payable and accrued liabilities	\$ 703,775	\$ 463,250
Nonqualified pension liability		760,817
Liability for retirement benefits due to current and future retired directors	837,021	1,105,229
Dividend payable		12,240,000
Total liabilities	\$ 1,540,796	\$ 14,569,296
Net assets	\$ 580,355,255	\$ 341,094,669
Common shares \$1 par value		
Authorized: 30,000,000 shares		
Issued and Outstanding 6,480,000 shares in 2009 and 7,200,000 shares in 2008	\$ 6,480,000	\$ 7,200,000
Share premium (capital surplus)	14,343,180	15,936,867
Undistributed net investment income	22,712,446	28,038,896
Undistributed net realized gain from investments	258,023,609	244,070,980
Undistributed net realized (loss) from foreign currency transactions	(107,522,249)	(102,269,431)
Net unrealized appreciation on investments	386,318,269	148,117,357
Net assets	\$ 580,355,255	\$ 341,094,669
Net asset value per share (Based on outstanding shares of 6,480,000 in 2009 and 7,200,000 in 2008)	\$ 89.56	\$ 47.37

The closing price of the Company's shares on the New York Stock Exchange was \$79.55 and \$42.25 on November 30, 2009 and 2008, respectively.

The notes to the financial statements form an integral part of these statements.

Statements of operations

Years ended November 30, 2009 and 2008

	2009	2008
Investment income		
Dividend income (net of foreign withholding taxes of \$287,545 in 2009 and \$330,539 in 2008)	\$ 2,692,920	\$ 10,392,900
Interest income	832,906	1,048,218
Total investment income	3,525,826	11,441,118
Expenses		
Shareholder reports and proxy expenses	175,919	557,253
Directors' fees and expenses	308,900	642,559
Provision for retirement benefits due to current and future retired directors		330,238
Salaries and benefits	1,121,081	1,327,819
Other administrative expenses	615,000	615,809
Fund accounting	142,292	164,750
Transfer agent, registrar and custodian	137,343	138,995
Professional fees and expenses	886,873	1,592,131
Insurance	188,046	190,301
Other	525,413	356,765