

ASA Gold & Precious Metals Ltd
Form N-CSRS
July 26, 2016

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

FORM N-CSR

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number 811-21650

ASA Gold and Precious Metals Limited
(Exact name of registrant as specified in charter)

400 S. El Camino Real, Suite 710, San Mateo, CA
(Address of principal executive offices)

94402
(Zip code)

JP Morgan Chase Bank, N.A.
3 MetroTech Center, 6th Floor
Brooklyn, New York 11245
(Name and address of agent for service)

Registrant's telephone number,
including area code: 650-376-3135

Date of fiscal year end: November 30

Date of reporting period: May 31, 2016

Letter to Shareholders

The sentiment for gold and gold mining shares improved sharply in the first half of 2016. After reaching a low during the third week of December 2015 at a price of \$1,049 per ounce, gold rose sharply, reaching a high for the period of \$1,294 per ounce during the first week of May 2016. While the gold price has been volatile, it remains well above the December low and sentiment for gold mining shares has improved substantially.

At May 31, 2016, ASA Gold and Precious Metals Limited (“ASA” or the “Company”) reported a net asset value (“NAV”) of \$13.49 per share. For the six-month period ended May 31, 2016, the Company’s NAV experienced a total return of 62.2% versus a total return of 74.9% for the FTSE Gold Mines Total Return Index (the “Index”). ASA’s more diversified portfolio and underweight investments in many of the senior gold producers, combined with our overweight investments in many of the royalty companies relative to the Index, were partially responsible for the relative underperformance during the last six months. The ASA share price returned 64.7% for the six-month period, closing at \$11.77 on May 31, 2016. The gold price, as measured by the London Gold PM Fix, rose 12.9%, significantly underperforming the gold mining shares during the same period.

The discount at which ASA’s shares traded in the market decreased slightly from 14.1% at the end of fiscal 2015 to 12.8% at the end of the first six months of fiscal 2016. During this period, the discount averaged 13.7% and reached a high of 17.1% and a low of 8.9%. After careful consideration, in December of 2015, the Company’s Board of Directors (the “Board”) decided not to utilize ASA’s Share Repurchase Program because the Board did not believe that a share repurchase would materially benefit shareholders, or accomplish a meaningful narrowing of the discount at that time. In addition, the Company would have to sell portfolio securities to raise cash for such actions and the expense ratio would likely increase as assets diminished. Since then, there has been an improvement in trading activity and a stabilization in the range of the discount. The Board continues to closely monitor the discount and undertakes a thorough review of the Company’s Share Repurchase Program regularly.

The Company’s portfolio investments continued to generate low levels of revenue during the last six months. Despite some significant improvements in cost control and capital allocation within the industry, commodity prices had not recovered sufficiently to enable the mining industry to increase dividend distributions. During the last six months, ASA distributed \$0.02 per share to shareholders, the same amount as during the first six months of 2015. ASA made the most recent distribution from previously undistributed investment income generated from past periods because the Company did not earn sufficient income from its investments.

Market Observations

When the Company’s 2015 annual report was published in January 2016, we anticipated some stability in the gold price after three years of decline. The U.S. Federal Reserve (the “Fed”) had announced an increase in interest rates in

December 2015 and it appeared that steady rate increases in 2016 were fully reflected in the gold price. What was not anticipated was a stumble in U.S. and global economic growth in late January and the Fed's decision to slow the pace of further interest rate increases. As a result, the gold price rebounded significantly, ending the period at \$1,212 on May 31,

2016. The improvement in the outlook for gold helped boost the share prices of mining companies. In June 2016, the United Kingdom voted to leave the European Union, giving gold another boost as investors looked for a safe haven investment in a tumultuous market. For the remainder of 2016, we believe that the performance of gold and gold mining companies will remain heavily linked to the stability of the world's leading economies and the direction taken by the Fed.

At the beginning of the current fiscal year, ASA reduced its exposure to base metals and platinum and increased its exposure to gold. As a result, the Company was well positioned to participate in the gold rally during the first half of 2016. ASA continues to believe in a diversified precious metals strategy, however, we are comfortable with our current metals exposure for the near term. It should be noted, as reflected in Chart 1 below, that the reduction in the allocation to silver mining companies during the last six months was due to the reclassification of Tahoe Resources Inc. from a silver producer to a gold producer following two recent acquisitions made by the company.

Chart 1: Metals Exposure

Industry / Portfolio Trends

During periods of a rapid rise in the gold price, like the one witnessed during the first half of 2016, highly leveraged and lower quality gold mining companies tend to outperform the broader gold mining indices, as they benefit the most from the move in the gold price. ASA has been largely underweight highly leveraged miners due to the Company's longer term, fundamentally based investment strategy, which emphasizes quality over operating or financial leverage. ASA prefers to invest in companies where management has demonstrated the ability to add value over time, build a strong balance sheet, and acquire low cost, long-lived assets.

In general, the higher gold price, improvement in corporate balance sheets and the shedding of lower quality assets by many of the senior gold producers have left the industry in better financial shape than it was a year ago, but largely devoid of production growth. As we head into the second half of this year, we anticipate that larger gold producers will begin to address their lack of growth by acquiring low

cost production through mergers and acquisitions. ASA has positioned its portfolio to benefit from this trend. In the first half of 2016, ASA added four new positions in development stage companies, which we believe are potential acquisition targets due to the quality of their assets. Even without corporate M&A activity, we believe the valuation of these companies should improve as they shift from developers to producers and begin to generate free cash flow. Typically, the market attributes a higher valuation to producing companies than it does to non-producers and the performance of these development companies should positively capture an improvement in valuation.

MAG Silver Corp., a partner in a high grade silver project currently under development in Mexico, was added to ASA's portfolio during the first quarter of 2016. ASA has followed MAG for several years and saw an attractive entry point as the company finalized financing for its project and in advance of what we anticipate to be positive exploration updates. ASA also established a new position in Lydian International Ltd. when the company sought financing for a permitted project. With financing now complete for its development project in Armenia, we expect positive updates as they commence construction.

Atlantic Gold Corp. was also added to ASA's portfolio during the first half of 2016. Atlantic was relatively new to ASA this year, but the management team has been known to us for many years. We believe that its simple, open-pit asset in Canada should have a quick development timeline and return of capital. Integra Gold Corp was the fourth new addition. Still in the exploration stage, Integra is more junior than the others additions, however, it is in a highly prospective region, has a robust exploration budget and plan for 2016, and a solid leadership team that we anticipate will deliver positive catalysts for the stock.

ASA's previous investments in development companies generally performed well in the first half of 2016 as Torex Gold Resources Inc., Asanko Gold Inc., and Guyana Goldfields Inc. completed construction, commenced production, and transitioned from developers to producers on time and on budget. ASA added to positions in Asanko and Guyana throughout the first half of 2016 to take advantage of a brief retracement in these issuers. In general, we have been pleased with how ASA's investment thesis in these developers has played out over the last few years and believe that the trend will continue.

The Company added to positions in AngloGold Ashanti Ltd., Detour Gold Corp. and SEMAFO Inc. early in 2016 as we viewed these companies as solid operators that would perform well in a flat to rising gold market while also being able to weather gold price volatility.

Several positions were reduced during the last six months as they either grew disproportionately large or reached, what we considered to be a full valuation, in order to re-deploy capital in the aforementioned companies. Five positions were sold entirely that no longer had compelling investment cases and which were expected to underperform other miners in a rising gold price environment. Among these were ASA's positions in Anglo American Platinum Ltd. and Impala Platinum Holdings Ltd. After decades of investment, we could no longer see an investment case for the South African platinum miners as they face ever increasing labor issues, cost pressure and capital requirements in the face of weak commodity prices. In addition to the sale of the platinum miners, positions in the platinum and palladium ETFs were also trimmed. While ASA's net platinum and palladium exposure decreased in the first half of 2016 in order to allocate more capital to the gold mining sector, ASA did increase its position in Stillwater Mining Company,

a North American platinum miner, that we believe operates efficiently and cost effectively and has the balance sheet to withstand the current price environment without sacrificing necessary capital investment.

Corporate

The Board recently appointed Robert Pilkington as Chairman of the Board effective July 1, 2016. Mr. Pilkington is a long serving Director of ASA. After an early career with Anglo American Plc., Mr. Pilkington was an Investment Banker and Managing Director at UBS Securities LLC and predecessor companies, working closely with some of the world's leading mining companies. Gary Glynn, former Chairman of the Board, is continuing to serve as a director on the ASA Board.

Management appreciates the continued support of the Board of Directors and our shareholders. For investors wishing for more information on ASA Gold and Precious Metals Limited, we encourage you to visit the Company's website (www.asaltd.com) or to call the Company directly at (650) 376-3135 or (800) 432-3378.

David Christensen

President, Chief Executive Officer and Chief Investment Officer
July 18, 2016

Forward-Looking Statements

This shareholder letter includes forward-looking statements, which involve known and unknown risks, uncertainties and other factors that may cause the actual results, levels of activity, performance or achievements of the Company, or industry results, to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. The Company's actual performance or results may differ from its beliefs, expectations, estimates, goals and projections, and consequently, investors should not rely on these forward-looking statements as predictions of future events. Forward-looking statements are not historical in nature and generally can be identified by words such as "believe," "anticipate," "estimate," "expect," "intend," "should," "may," "will," "could," "may be," "might," "possibly," "potentially," "likely," "unlikely," "may not," "could not," "might not," "possibly not," "potentially not," "likely not," "unlikely not," or their negative forms, or by references to strategy, plans, goals or intentions. The absence of these words or references does not mean that the statements are not forward-looking. The Company's performance or results can fluctuate from month to month depending on a variety of factors, a number of which are beyond the Company's control and/or are difficult to predict, including without limitation: the Company's investment decisions, the performance of the securities in its investment portfolio, economic, political, market and financial factors, and the prices of gold, platinum and other precious minerals that may fluctuate substantially over short periods of time. The Company may or may not revise, correct or update the forward-looking statements as a result of new information, future events or otherwise.

The Company concentrates its investments in the gold and precious minerals sector. This sector may be more volatile than other industries and may be affected by movements in commodity prices triggered by international monetary and political developments. The Company is organized as a non-diversified fund and, as such, may invest in fewer investments than that of a diversified portfolio. The Company may invest in smaller-sized companies that may be

more volatile and less liquid than larger more established companies. Investments in foreign securities, especially those in the emerging markets, may involve increased risk as well as exposure to currency fluctuations. Shares of closed-end funds frequently trade at a discount to net asset value. All performance information reflects past performance and is presented on a total return basis. Past performance is no guarantee of future results. Current performance may differ from the performance shown.

This shareholder letter does not constitute an offer to sell or solicitation of an offer to buy any securities.

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 a 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 Shareholders and the Board of Directors of ASA Gold and Precious Metals Limited

We have reviewed the accompanying statements of assets and liabilities of ASA Gold and Precious Metals Limited (the "Company"), including the schedules of investments, as of May 31, 2016 and May 31, 2015, and the related statements of operations for the six month periods ended May 31, 2016 and May 31, 2015, the statements of changes in net assets for the six month period ended May 31, 2016, and the financial highlights for the six-month periods ended May 31, 2016 and May 31, 2015. These financial statements and financial highlights are the responsibility of the Company's management.

We conducted our reviews in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit in accordance with the standards of the Public Company Accounting Oversight Board, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the interim financial statements referred to above for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board, the statement of changes in net assets for the year ended November 30, 2015 and the financial highlights for each of the four years in the period ended November 30, 2015, and in our report dated January 19, 2016, we expressed an unqualified opinion on those financial statements and financial highlights. Other auditors have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board, the financial highlights for the year ended November 30, 2011 and in their report, dated January 24, 2012, they expressed an unqualified opinion on those financial highlights.

Tait, Weller & Baker LLP
Philadelphia, Pennsylvania
July 18, 2016

Schedules of Investments (Unaudited)

May 31, 2016 and May 31, 2015

Name of Company	2016			2015		
	Shares/ Warrants	Value	Percent of Net Assets	Shares/ Warrants	Value	Percent of Net Assets
Common Shares						
Gold and Silver Investments						
Gold mining, exploration, development and royalty companies						
Australia						
Newcrest Mining Limited, (1)	1,215,000	\$16,767,000	6.4	% 1,215,000	\$13,219,200	5.8
Perseus Mining Limited, (1)	6,211,800	2,158,852	0.8	—	—	—
		18,925,852	7.3		13,219,200	5.8
Canada						
Agnico Eagle Mines Limited	519,300	23,326,956	9.0	479,300	15,419,081	6.8
Alacer Gold Corporation, (1)	918,200	2,082,993	0.8	918,200	2,086,651	0.9
Alamos Gold Inc.	600,000	3,845,096	1.5	450,000	2,941,460	1.3
Argonaut Gold Inc., (1)	—	—	—	430,000	600,819	0.3
Asanko Gold Inc., (1)	1,175,000	3,823,327	1.5	200,000	329,238	0.1
Atlantic Gold Corporation – 144A, (1)(2)(3)	3,000,000	1,306,141	0.5	—	—	—
B2Gold Corporation, (1)	1,594,338	2,947,065	1.1	1,594,338	2,701,400	1.2
Barrick Gold Corporation	1,330,000	22,304,100	8.6	1,375,000	16,307,500	7.2
Belo Sun Mining Corporation, (1)	2,600,000	1,727,773	0.7	2,600,000	501,084	0.2
Centerra Gold Inc.	—	—	—	300,000	1,850,157	0.8
Detour Gold Corporation, (1)	450,000	8,905,820	3.4	300,000	3,201,638	1.4
Eldorado Gold Corporation	650,000	2,756,000	1.1	650,000	3,139,500	1.4
Franco-Nevada Corporation	160,000	10,136,266	3.9	225,000	11,556,252	5.1
Goldcorp Inc.	932,400	15,682,968	6.0	932,400	16,559,424	7.3
Guyana Goldfields Inc., (1)	857,300	4,871,916	1.9	24,000	71,115	0.0
Integra Gold Corporation, (1)	620,500	303,330	0.1	—	—	—
Kinross Gold Corporation, (1)	1,000,000	4,260,000	1.6	1,000,000	2,350,000	1.0
New Gold Inc., (1)	600,000	2,298,000	0.9	600,000	1,908,000	0.8
OceanaGold Corporation	1,054,013	3,204,225	1.2	—	—	—
Primero Mining Corporation, (1)	—	—	—	200,000	824,000	0.4
Romarco Minerals Inc., (1)	—	—	—	1,373,500	490,811	0.2
Romarco Minerals Inc. – 144A, (1)(2)	—	—	—	3,000,000	1,072,031	0.5
Semafo Inc., (1)	900,000	3,450,962	1.3	700,000	2,074,199	0.9
Tahoe Resources Inc., (4)	708,200	8,471,137	3.3	—	—	—
TMAC Resources Inc. – 144A, (1)(2)	185,000	1,999,504	0.8	—	—	—
Torex Gold Resources Inc., (1)	2,800,000	4,042,163	1.6	2,800,000	2,495,784	1.1
Torex Gold Resources Inc. – 144A, (1)(2)	1,250,000	1,804,537	0.7	1,250,000	1,114,189	0.5
		133,550,280	51.3		89,594,333	39.4
Channel Islands						
Lydian International Ltd., (1)	780,000	184,693	0.1	—	—	—
Lydian International Ltd. – 144A, (1)(2)	6,879,300	1,628,921	0.6	—	—	—
Randgold Resources Limited – ADRs	282,100	23,783,851	9.1	329,600	23,807,008	10.5
		25,597,465	9.8		23,807,008	10.5
Peru						

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Compañía de Minas						
Buenaventura S.A.A. – ADRs, (5)	699,000	6,682,440	2.6	799,000	8,948,800	3.9
South Africa						
AngloGold Ashanti Limited, (1)	898,420	12,065,781	4.6	823,420	7,888,363	3.5
Gold Fields Limited	1,029,577	3,624,111	1.4	1,029,577	3,510,858	1.5
Harmony Gold Mining Company Limited, (1)	—	—	—	400,000	592,000	0.3
Sibanye Gold Limited	1,029,577	3,014,087	1.2	1,029,577	1,827,499	0.8
		18,703,978	7.2		13,818,720	6.1
United Kingdom						
Amara Mining plc, (1)	—	—	—	5,000,000	1,089,484	0.5
Amara Mining plc – 144A, (1)(2)	—	—	—	4,135,000	901,003	0.4
		—	—		1,990,487	0.9

Schedules of Investments (Unaudited) (continued)

May 31, 2016 and May 31, 2015

Name of Company	2016		Percent of Net Assets	2015		Percent of Net Assets
	Shares/ Warrants	Value		Shares/ Warrants	Value	
United States						
Newmont Mining Corporation	695,368	\$22,536,877	8.7 %	620,368	\$16,898,824	7.4 %
Royal Gold, Inc.	190,000	10,664,700	4.1	210,000	13,601,700	6.0
		33,201,577	12.8		30,500,524	13.4
Total gold mining, exploration, development and royalty companies (Cost \$208,309,237 – 2016, \$211,735,614 – 2015)		236,661,592	90.9		181,879,072	79.9
Silver mining, exploration and development companies						
Canada						
MAG Silver Corporation, (1)	275,000	3,371,334	1.3	—	—	—
Tahoe Resources Inc., (4)	—	—	—	708,200	9,827,107	4.3
Total silver mining, exploration and development companies (Cost \$2,007,500 – 2016, \$4,751,868 – 2015)		3,371,334	1.3		9,827,107	4.3
Total gold and silver investments (Cost \$210,316,737 – 2016, \$216,487,483 – 2015)		\$240,032,926	92.2 %		\$191,706,179	84.2 %
Platinum and Palladium Investments						
Platinum and palladium mining companies						
South Africa						
Anglo American Platinum Limited, (1)	—	—	—	135,100	3,212,405	1.4
Impala Platinum Holdings Limited, (1)	—	—	—	572,400	2,887,436	1.3
		—	—		6,099,841	2.7