

Gabelli Gold Fund, Inc.

Shareholder Commentary – December 31, 2016



Caesar M. P. Bryan
Portfolio Manager

To Our Shareholders,

For the quarter ended December 31, 2016, the net asset value (“NAV”) per Class AAA Share of the Gabelli Gold Fund, Inc. decreased 22.2% compared with a decrease of 16.1% for the Philadelphia Gold & Silver (“XAU”) Index. See page 2 for additional performance information.

A stronger dollar and improved investor confidence following the Presidential election helped cause the gold price to continue its decline during the fourth quarter. For the quarter, the gold price fell by 12.4% to end the year at \$1,152.27 per ounce. However, for the year the gold price appreciated by 8.6%.

Our Approach

We invest in attractively valued gold equities with a focus on gold producing companies. We are fundamental, research driven investors and follow gold producing, as well as exploration and development companies on a global basis and across all market capitalizations. We pay particular attention to the quality of a company's operating mines and exploration and development properties. Valuation is an important part of our investment methodology and we apply a variety of valuation metrics in our stock selection process. We seek to maintain close contact with the managements of potential and current Fund investments. We are long term investors and generally the Fund is fully invested and does not hedge currencies or use derivatives.

Comparative Results

Average Annual Returns through December 31, 2016 (a)

	Quarter	1 Year	5 Year	10 Year	15 Year	Since Inception (7/11/94)
Class AAA (GOLDX)	(22.20)%	53.46%	(10.30)%	(1.25)%	9.48%	4.35%
XAU Index	(16.11)	74.08	(15.28)	(5.73)	2.50	(1.58)
Lipper Precious Metals Fund Classification ...	(21.43)	54.78	(13.60)	(3.29)	7.47	2.46
Standard & Poor's ("S&P") 500 Index	3.82	11.96	14.66	6.95	6.69	9.52
Class A (GLDAX)	(22.17)	53.52	(10.30)	(1.22)	9.50	4.36
With sales charge (b)	(26.64)	44.69	(11.36)	(1.80)	9.07	4.09
Class C (GLDCX)	(22.28)	52.45	(10.97)	(1.98)	8.72	3.87
With contingent deferred sales charge (c)	(23.06)	51.45	(10.97)	(1.98)	8.72	3.87
Class I (GLDIX)	(22.09)	53.97	(10.07)	(1.02)	9.65	4.45

In the current prospectuses dated April 29, 2016, the expense ratios for Class AAA, A, C, and I Shares are 1.62%, 1.62%, 2.37%, and 1.37%, respectively. Class AAA and Class I Shares do not have a sales charge. The maximum sales charge for Class A Shares and Class C Shares is 5.75% and 1.00%, respectively.

- (a) Returns represent past performance and do not guarantee future results. Total returns and average annual returns reflect changes in share price, reinvestment of distributions, and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days of purchase. Performance returns for periods of less than one year are not annualized. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectuses contain information about these and other matters and should be read carefully before investing. To obtain a prospectus, please visit our website at www.gabelli.com. Investing in foreign securities involves risks not ordinarily associated with investments in domestic issues, including currency fluctuation, economic, and political risks. Investing in gold is considered speculative and is affected by a variety of worldwide economic, financial, and political factors. The Class AAA Share NAVs are used to calculate performance for the periods prior to the issuance of Class A Shares and Class C Shares on December 23, 2002, and Class I Shares on January 11, 2008. The actual performance of the Class A Shares and Class C Shares would have been lower due to the additional fees and expenses associated with the class of shares. The actual performance of the Class I Shares would have been higher due to lower expenses related to this class of shares. The XAU Index is an unmanaged indicator of stock market performance of large North American gold and silver companies, while the Lipper Precious Metals Fund Classification reflects the average performance of mutual funds classified in this particular category. The S&P 500 Index is a market capitalization weighted index of 500 large capitalization stocks commonly used to represent the U.S. equity market. Dividends are considered reinvested. You cannot invest directly in an index.
- (b) Performance results include the effect of the maximum 5.75% sales charge at the beginning of the period.
- (c) Assuming payment of the 1% maximum contingent deferred sales charge imposed on redemptions made within one year of purchase.

We have separated the portfolio manager's commentary from the financial statements and investment portfolio due to corporate governance regulations stipulated by the Sarbanes-Oxley Act of 2002. We have done this to ensure that the content of the portfolio manager's commentary is unrestricted. The financial statements and investment portfolio are mailed separately from the commentary. Both the commentary and the financial statements, including the portfolio of investments, will be available on our website at www.gabelli.com.

Global Allocation

The accompanying chart presents the Fund's holdings by geographic region as of December 31, 2016. The geographic allocation will change based on current global market conditions. Countries and/or regions represented in the chart may or may not be included in the Fund's future portfolio.

Commentary

The mild decline in the gold price that occurred between July and the U.S. Presidential election held in early November, accelerated following the victory of Donald Trump. In the hours following the election, the gold price surged by about \$70 per ounce to nearly \$1,340 per ounce. However, just as rapidly, it reversed as the equity market and the U.S. dollar appreciated. These moves seemed to reflect investor belief that a President Trump would be positive for economic growth.

The new administration is likely to be more pro business. This will manifest itself with reduced regulations, lower personal and corporate taxes, and higher military and infrastructure spending. There will also be changes in trade policy and healthcare reform. However these policies, if enacted, will tend to raise the government deficit and total government debt. Remember, U.S. government debt just about doubled during the past eight years. (Please see attached report "Trump's (Renzi's, Tsipras') Liability.")

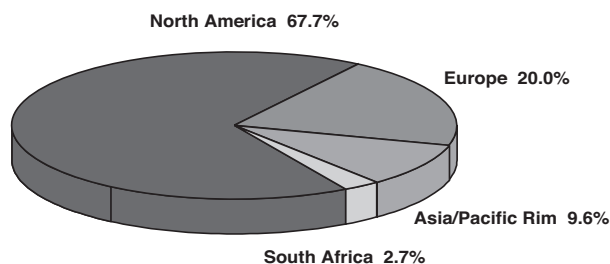
Comparisons have been made between now and 1980, when Mr. Reagan became President. However, public sector finances could not be more different. Back then, total federal government debt was \$800 billion and represented about 30% of GDP. Today, government debt is approaching \$20 trillion and is over 100% of the economy. Increased debt and higher deficits will be increasingly difficult to finance at current historically low interest rates. Higher interest rates will raise funding costs which will further negatively impact the deficit. Further, any restraints on trade will likely lead to higher prices. Higher inflation is generally positive for gold especially if real short term interest rates remain negative and the dollar weakens.

As expected, the Federal Reserve (Fed) raised short term interest rates by 25 basis points in December. This time last year, the Fed forecast that interest rates would be raised by that amount on three separate occasions. This did not happen. As usual the Fed was way too optimistic in its forecasts. The economy continues to underperform. Investment remains sluggish which results in low productivity growth and therefore anemic wage growth. It may turn out that the Fed raised rates last month just as the economy was slipping back into near recession like conditions.

Just like last year, the Fed may be unable to continue in its attempts to normalize monetary policy. Of course, there has been no attempt by the Fed to shrink its \$4.5 trillion balance sheet. A surprise for this year could be that the Fed is unable or unwilling to normalize monetary policy and bring an end to financial repression.

Following Mr. Trump's election, western investors aggressively sold gold as evidenced by gold bullion ETFs shedding ounces. This was in contrast to earlier in the year when investors added to their gold holdings

HOLDINGS BY GEOGRAPHIC REGION



even during periods when the gold price was flat or even declining. This recent period of weakness has been exacerbated by a decision taken by the Indian authorities in November to withdraw and replace about 85% of their currency in circulation. This is an attempt to restrict the informal economy. This sudden move has been rather disruptive to an economy which is heavily reliant on cash transactions. Of course, this move weakened demand for gold. However, we expect this decline in demand to be temporary and could, in the future, actually cause Indian savers to want to own more, rather than less, gold. Needless to say, this is not what the Indian authorities want.

The combination of the currency withdrawal and swap in India and the knee jerk reaction to Mr. Trump's election victory was damaging to the gold price and particularly hurtful to gold equities. This recent price weakness raises the question whether gold's powerful performance during the first half of last year was merely a rally in a bear market or the start of a new gold bull market. We think that the bear market lows for gold and gold equities occurred in January 2016 and the recent price weakness is a buying opportunity. This is based on the continuation of unprecedented monetary policies undertaken by the world's leading central banks which will likely lead to a further loss of purchasing power by the leading global fiat currencies.

Investment Scorecard

The Fund only had four holdings with positive returns in the quarter. Not surprisingly, all our gainers were exploration and development companies that can be less sensitive to short term changes in the gold price. Generally these are small positions in the portfolio.

By far and away our top performer was Northern Dynasty Minerals (1.2% of net assets as of December 31, 2016) which controls a very significant gold and base metals deposit in Alaska. The company's shares doubled during the quarter. The company has been prevented from seeking a permit to develop the project by the Environmental Protection Agency (EPA). The actions of the EPA are being challenged by the company and the market believes that the company's chances of success have been greatly improved by the change of administration. The stock, when we invested, was trading at a valuation that gave little chance of any progress in their project. But there is still a very long way to go before the deposit will be brought to account. Our other gainers were Merrex Gold (0.1%) (+7.8%), Continental Gold (1.6%) (+7.8%), and Redstar (0.4%) (+1.5%).

Among our larger holdings that outperformed the gold equity index were Oceana Gold (2.3%), Barrick Gold (3.0%), Newmont Mining (4.1%), and Franco Nevada (5.5%). These holdings declined by between 2.7% and 14.2%. In a poor quarter for gold investors, there were a number of holdings that disappointed. Among some of our other more significant holdings that underperformed included Hochschild Mining (2.4%), AngloGold Ashanti (1.4%), Fresnillo (6.2%), Detour Gold (3.5%), and Gold Fields (1.3%). Of these companies, only Detour had a fundamental reason for its underperformance. The company announced that there may be a change in their mine sequencing. This shook out some short term investors but does not impact the total amount of gold that will be produced and we took the opportunity provided by its share price weakness to add to our position.

During the quarter, we sold our holdings in IAMGOLD, Endeavour Mining, Regis Resources, Premier Gold Mines, and Harmony Gold.

Let's Talk Stocks

Acacia Mining (1.5% of net assets as of December 31, 2016) (ACA – \$4.61 | £3.74 – London Stock Exchange) is a London listed gold mining company with three mines in Tanzania. The company was formerly called African Barrick, and Barrick is still a large shareholder of Acacia. Acacia is in the process of transforming its two largest assets, the Bulyanhulu and North Mara mines. Bulyanhulu is beginning to mine higher grade material, and operating costs have been reduced at the mine, leading to higher production at lower unit costs. At North Mara, the company is beginning to mine an underground portion of the orebody. Currently a dividend paying stock, the amount of the dividend paid should increase as the company executes operationally.

Alamos Gold Inc. (2.3%) (AGI – \$6.84 – NYSE), (1.1%) (AGI CN – \$6.90 | \$9.26 CAD – Toronto Stock Exchange) is a Canadian listed gold miner with two primary operating assets, the Young Davidson mine in northern Ontario and the Mulatos mine in the Mexican state of Sonora. Young Davidson is in the process of ramping up to a full productive capacity of 8000 metric tons of ore processed per day. Once at full productive capacity, Young Davidson will be one of the lowest cost mines in Canada, producing 225,000 ounces of gold per year at a cash cost below \$600 per ounce. The Mulatos mine is an open pit heap leach operation which has been in operation for eight years. The mine is currently processing lower grade material, causing production to be lower and costs to be higher than previous years. As higher grade material is processed, production should increase and unit costs should decline.

Fresnillo, Plc (6.2%) (FRES LN – \$15.05 | £12.21 – London Stock Exchange), headquartered in Mexico City, is one of the largest primary silver producing companies in the world. The majority of the company's production is generated from its namesake Fresnillo Mine complex in the central Mexican state of Zacatecas. The Fresnillo vein system is comprised of very high grade, low cost, mineral bearing deposits containing silver, gold, zinc, and lead. The company is currently undertaking a meaningful growth plan, aiming to almost double production within the next four years. Fresnillo is very conscious of not diluting the quality of its operations by building substandard mines for the sake of growth. Fresnillo's new production will come from high quality, low cost operations which will generate significant additional free cash flow to the firm. Once these projects are complete, we estimate Fresnillo's dividends will increase.

Gold Road Resources (1.0%) (GOR – \$0.41 | \$0.58 AUD – Australian Stock Exchange) is an Western Australian based development company which controls a large gold deposit in Western Australia. Gold Road recently entered into a joint venture agreement with Gold Fields, a multi-million ounce South African based gold producer through which Gold Fields paid \$350 million in exchange for 50% of the project. The project is now fully funded, and Gold Road will have access to cash flow from mine once its built, plus cash available to explore along its 100% owned property package and potentially find another economic gold deposit.

Hochschild Mining (2.4%) (HOC – \$2.61 | £2.12 – London Stock Exchange), is a Peruvian based gold and silver miner. The company has one mine in Argentina and three mines in Peru. Hochschild are experts in mining high grade underground vein systems. The company's newest mine, Inmaculada in Peru will be its biggest and most cash flow generative asset. As Inmaculada begins to produce over the coming months, the company will be able to use cash flow from the mine to pay down debt and explore around its sites. We expect excess cash to be distributed to shareholders in the form of a dividend.

Klondex Mines (1.7%) (KDX – \$4.65 | \$6.25 CAD – Toronto Stock Exchange) is a mining company with two mines in Nevada and a development project in Manitoba. The company's Fire Creek mine in Nevada is a high grade, small tonnage deposit. The Midas mine is near Fire Creek, and both mines feed a single processing facility near the Midas site. Klondex recently agreed to acquire a third property in Nevada called Hollister. Hollister could be a third source of feed for the centralized Nevada processing facility. All of the mines in Klondex's portfolio are relatively short life, and will require meaningful exploration spending to extend their lives. If exploration efforts are successful, Klondex will be a low cost producer with meaningful free cash flow generation at current gold prices.

MAG Silver (1.6%) (MVG – \$11.01 | \$14.78 CAD – Toronto Stock Exchange) owns 44% of one of the highest quality silver deposits in the world. The Juanicipio project in Zacatecas, Mexico is adjacent to Fresnillo plc's, namesake silver mine. Having Fresnillo as the 56% majority partner and operator of the mine limits development risk for the asset, and should allow for the project to be financed with little trouble. Once operations, Juanicipio should be highly cash flow positive. A new discovery on the Juanicipio property has the potential to either extend the mine's life or increase production at the project meaningfully.

Northern Dynasty Minerals (1.2%) (NDM – \$2.06 | \$2.77 CAD – Toronto Stock Exchange) owns one of the largest copper/gold deposits in the world. We consider the company's Pebble deposit in southwestern Alaska to be world class relative to its size and potential operating margins once built. The deposit's development into a mine has been vehemently opposed by environmental groups due to its perceived risk to the Alaskan salmon population. We believe that a Republican EPA might be more helpful to Pebble's eventual development than were previous administrations.

Northern Star Resources (1.2%) (NST – \$2.61 | \$3.62 AUD – Australian Stock Exchange) is a Western Australia based mining company with three primary operating mines in Western Australia. The company acquired operating mines in the region from Barrick Gold and Newmont Mining during the downturn in the cycle when these two companies were selling assets to pay down over-levered balance sheets. The company has been successful in reducing costs at these operations and extending mine lives through exploration. Northern Star is a meaningful free cash flow generative company at the current Aussie dollar gold price, and pays a dividend to shareholders.

Torex Gold (2.5%) (TXG CN – \$15.48 | \$20.79 CAD – Toronto Stock Exchange) is a development company with a project in Guerrero, Mexico. The company recently completed construction of its Limon/Guajes project on time and on budget. Once at full commercial production, the company should produce over 300,000 ounces of gold per year at unit cash costs in the lower half of the cost curve. The company has a second deposit near

its current operation which can be its second mine. In developing its second deposit, the company has the ability to double production to 600,000 ounces while funding development with free cash flow from its first mine.

Conclusion

The global economy remains weak. The major central banks outside the U.S. remain highly accommodative. This, combined with sluggish growth in the US, will act as a constraint on the Fed in its attempt to normalize monetary policy. Very high debt levels will make the Fed and other central banks extremely cautious about raising interest rates.

The gold price may continue to be determined by western investor activity in the futures market, the performance of the equity market and the value of the dollar. (Please see attached report “Future Speculators Driving Gold.”) However, strategically gold provides portfolio diversification in the event that confidence in monetary policy erodes. In that case, somewhat higher short term interest rates or a stronger dollar in the exchange market will not matter. The gold price should move higher, probably much higher. In our belief, gold remains under owned. Further, unlike just about all other asset classes, gold and gold equities have just endured a major bear market.

January 30, 2017

Top Ten Holdings December 31, 2016

Randgold Resources Ltd.	8.1%	Royal Gold Inc.	4.4%
Agnico Eagle Mines Ltd.	7.0%	Newmont Mining Corp.	4.1%
Fresnillo plc	6.2%	Detour Gold Corp.	3.5%
Franco-Nevada Corp	5.5%	Alamos Gold Inc.	3.3%
Newcrest Mining Ltd.	4.8%	Tahoe Resources Inc.	3.0%

Note: The views expressed in this Shareholder Commentary reflect those of the Portfolio Manager only through the end of the period stated in this Shareholder Commentary. The Portfolio Manager’s views are subject to change at any time based on market and other conditions. The information in this Portfolio Manager’s Shareholder Commentary represents the opinions of the individual Portfolio Manager and is not intended to be a forecast of future events, a guarantee of future results, or investment advice. Views expressed are those of the Portfolio Manager and may differ from those of other portfolio managers or of the firm as a whole. This Shareholder Commentary does not constitute an offer of any transaction in any securities. Any recommendation contained herein may not be suitable for all investors. Information contained in this Shareholder Commentary has been obtained from sources we believe to be reliable, but cannot be guaranteed.

Minimum Initial Investment – \$1,000

The Fund's minimum initial investment for regular accounts is \$1,000. There are no subsequent investment minimums. No initial minimum is required for those establishing an Automatic Investment Plan. Additionally, the Fund and other Gabelli/GAMCO Funds are available through the no-transaction fee programs at many major brokerage firms. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days or less of a purchase. See the prospectuses for more details.

www.gabelli.com

Please visit us on the Internet. Our homepage at www.gabelli.com contains information about GAMCO Investors, Inc., the Gabelli/GAMCO Mutual Funds, IRAs, 401(k)s, current and historical quarterly reports, closing prices, and other current news. We welcome your comments and questions via e-mail at info@gabelli.com.

The Fund's daily NAVs are available in the financial press and each evening after 7:00 PM (Eastern Time) by calling 800-GABELLI (800-422-3554). Please call us during the business day, between 8:00 AM – 7:00 PM (Eastern Time), for further information.

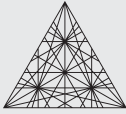
You may sign up for our e-mail alerts at www.gabelli.com and receive early notice of quarterly report availability, news events, media sightings, and mutual fund prices and performance.

e-delivery

We are pleased to offer electronic delivery of Gabelli fund documents. Direct shareholders of our mutual funds can elect to receive their Annual and Semiannual Reports, Manager Commentaries, and Prospectuses via e-delivery. For more information or to sign-up for e-delivery, please visit our website at www.gabelli.com.

Multi-Class Shares

The Gabelli Gold Fund began offering additional classes of Fund shares in December 2002. Class AAA Shares are no-load shares offered directly through selected broker/dealers. Class A and Class C Shares are targeted to the needs of investors who seek advice through financial consultants. Class I Shares are available directly through the Fund's distributor, or brokers that have entered into selling agreements specifically with respect to Class I Shares. The Board of Directors determined that expanding the types of Fund shares available through various distribution options would enhance the ability of the Fund to attract additional investors.



A GOLD Market Update from the Desk of Christopher Mancini, CFA

Gold is an asset which is no one's liability.

Government bonds are the liabilities of the taxpayers who must finance the borrowings of their governments. As government debts and deficits increase (or decrease) the likelihood of non-payment of these debts increase (or decrease).

As is demonstrated below, the gold price has historically been positively correlated to the U.S. federal budget deficit (left chart) and the ratio of U.S. federal debt outstanding to total Gross Domestic Product (GDP) (right chart).

Fig 20 The improvement in the deficit weighed on the gold quote, but this is set to soon reverse, likely even earlier than consensus and official projections expect

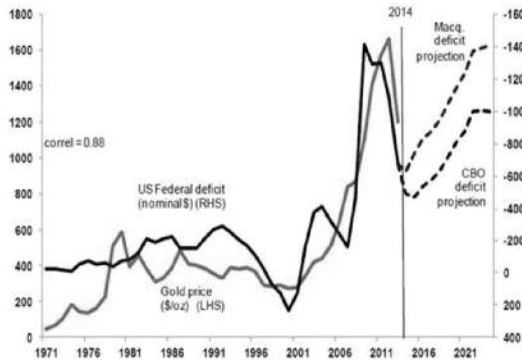
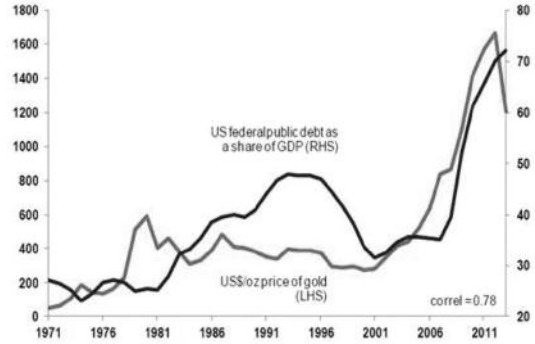


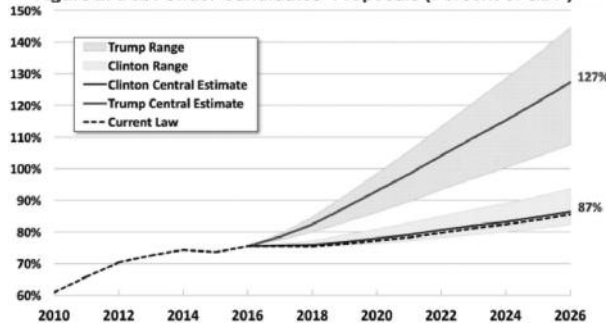
Fig 22 The gold price also has a strong relationship with the US federal debt level



Source: Macquarie Capital

According to the independent and bi-partisan Committee for a Responsible Federal Budget (CRFB), president-elect Trump's fiscal policies, including tax cuts and spending on infrastructure and defense, would add meaningfully to the federal debt over the course of his presidency.

Figure 2: Debt Under Candidates' Proposals (Percent of GDP)



Source: Committee for a Responsible Federal Budget

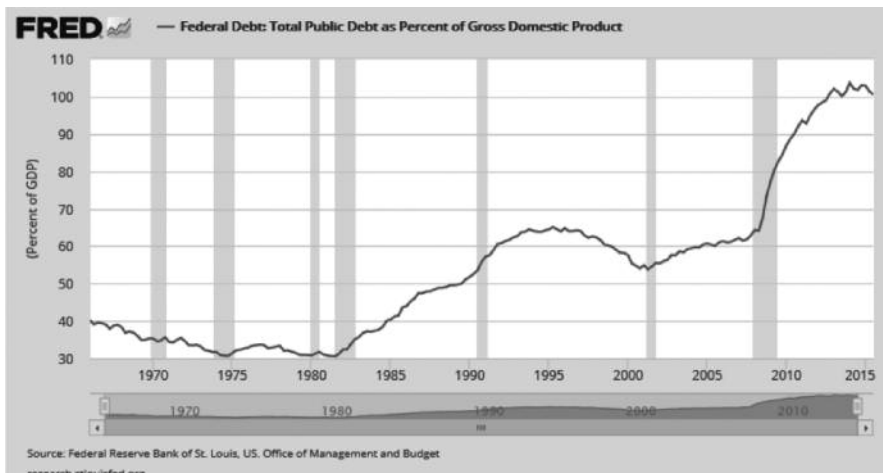
I think it's interesting to note that the CRFB's predictions of the increase in the ratio of debt held by the public (this doesn't include the \$4.5 trillion of treasuries held by the Federal Reserve) to GDP for a Trump presidency is similar to the increase in this ratio which occurred during the Reagan administration.



U.S. Federal Debt to GDP (source: Bloomberg)

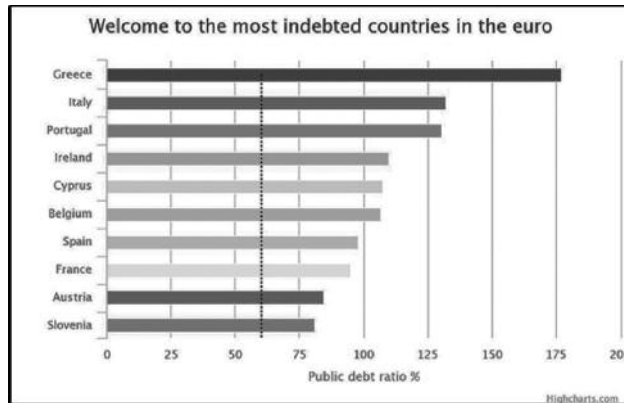
The ratio of federal debt to GDP during the Reagan administration increased from 30% to 50% (a 67% increase) compared to the CFRB's estimate of an increase of debt held by the public to GDP from 75% to 127% (a 69% increase) during a Trump administration.

Total federal debt outstanding is now 105% of GDP.



Source: Federal Reserve Bank of St. Louis

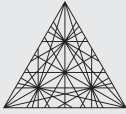
If total debt to GDP were to increase by 70% during a Trump administration, the ratio of U.S. government debt to GDP would be 180%. This ratio would be higher than the debt to GDP ratios of both Italy and Greece which currently stand at 130% and 175%, respectively.



Source: MoneyandMarkets.com

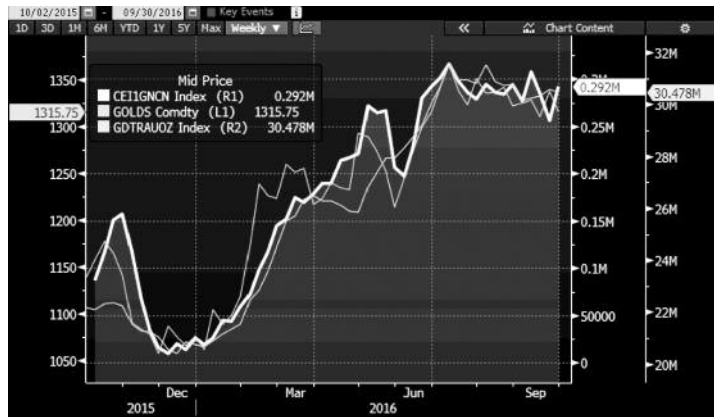
If federal government borrowing increases, gold could be an increasingly attractive alternative to holding government debt. We'll shortly see if a Trump administration's policies match its promises. If this does occur, then owning some gold might be prudent.

This report is not an offer to sell any security nor is it a solicitation of an offer to buy any security.



A GOLD Market Update from the Desk of Christopher Mancini, CFA

For the twelve months receding the U.S. presidential election, the price of gold closely tracked both total ounces in the SPDR Gold ETF (GLD) and the net non-commercial (speculative) position in the futures market. As ounces were added (subtracted) from the GLD and speculators in the futures market bought (sold) gold, the price of gold rose and fell.



Ounces in GLD (white), gold price (gold), and net speculative position in the futures market.

Since the election the gold price has been more closely correlated to the net futures position than to ounces held in GLD.



Ounces in GLD (white), gold price (gold), and net speculative position in the futures market.

The gold price has declined as speculators in the futures market have sold both long and short, while physical bullion sales from the GLD have been somewhat muted relative to the move in gold.

Perhaps speculators are using gold as a proxy to bet on a stronger dollar. As can be seen below, the correlation between the gold price and the dollar index (DXY) has been negatively correlated since the election. As the dollar has strengthened the price of gold has declined, and vice versa.



DXY Index (white) vs. gold price.

Maybe speculators are also using gold as a means to bet on a weaker Japanese yen, as some might consider both as “safe havens.” Perhaps there’s a view that the U.S. dollar will be the only haven necessary under a republican controlled U.S. government. From the election until the end of the year, the price of gold very closely tracked the value of the yen relative to the dollar.



Yen relative to dollar (white) vs. gold price.

However, in the past two weeks or so this extreme correlation has broken down to a degree as gold has rallied more than the yen.



Yen relative to dollar (white) vs. gold price

Speculators in the gold futures market have been dictating the gold price since the election as they have sold gold both long and short. Although it's uncertain as to what might be driving speculative positioning, the correlation of the gold price the dollar and yen has been remarkable.

To the degree that correlations persist, perhaps speculative correlation trading will as well. The recent decoupling of the yen to gold might portend an end to the latest (and very painful for gold investors) trend of speculative positioning. For investors in the metal, we can only be so hopeful.

This report is not an offer to sell any security nor is it a solicitation of an offer to buy any security.

GABELLI GOLD FUND, INC.
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Portfolio Manager Biography

Caesar M. P. Bryan joined GAMCO Asset Management in 1994. He is a member of the global investment team of Gabelli Funds, LLC and portfolio manager of several funds within the Gabelli/GAMCO Funds Complex. Prior to joining Gabelli, Mr. Bryan was a portfolio manager at Lexington Management. He began his investment career in 1979 at Samuel Montagu Company, the London based merchant bank. Mr. Bryan graduated from the University of Southampton in England with a Bachelor of Law and is a member of the English Bar.

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Net Asset Value per share available daily
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This report is submitted for the general information of the shareholders of the Gabelli Gold Fund, Inc. It is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus.



GABELLI
FUNDS

GABELLI GOLD FUND, INC.

Shareholder Commentary
December 31, 2016

Gabelli Gold Fund, Inc.

Annual Report — December 31, 2016



Caesar M. P. Bryan
Portfolio Manager

To Our Shareholders,

For the year ended December 31, 2016, the net asset value (“NAV”) per Class AAA Share of the Gabelli Gold Fund, Inc. increased 53.5% compared with an increase of 74.1% for the Philadelphia Gold & Silver (“XAU”) Index. See page 2 for additional performance information.

Enclosed are the financial statements, including the schedule of investments, as of December 31, 2016.

Performance Discussion (Unaudited)

The price of gold ended the year at \$1,152.27, a rise of \$91.05 per ounce or 8.6% for the year. The gold price continued to fall during the fourth quarter as investors focused on the timing of interest rate increases in the U.S. and the continued strength of the economy and the dollar.

The largest contributor to performance in 2016 was Agnico Eagle Mines (7.0% of net assets as of December 31, 2016), a mid-tier gold producer with operations in Canada, Mexico, and Finland. The company has a strong balance sheet and low unit cash costs which allow it to complete new projects comfortably while continuing to return cash to shareholders in the form of a dividend. Additional contributors included Randgold Resources (8.1%), an African based gold mining company. Randgold’s currently producing properties are lower cost, enabling the company to be cash flow positive in most gold price environments; and Barrick Gold (3.0%), the largest gold mining company in the world. Barrick is currently organized into multiple operating units and has recently reduced total debt while commencing commercial production in their Saudi Arabian copper mine, increasing their future copper guidance.

Detractors from performance all suffered from a steady decline in gold prices, most significantly following the November 8 election. These included South African gold mining firm Gold Fields Ltd. (1.3%), one of the world’s largest gold mining firms, which declined on worries about capital allocation strategies after the company acquired a 50% stake in Australian based Gold Road Resources (1.0%); Integra Gold Corp. (0.6%), a junior gold exploration company focused on advancing projects on the high grade Lamaque South mine in Val-d’Or, Québec, showed operational underperformance on its primary asset, Pensaquito Mine. Finally, Belo Sun Mining Corp. (0.6%), the Canadian headquartered gold exploration and development company, saw a below average growth rate in the latter half of 2016 and delays in receiving its permit at its development project in Brazil.

Thank you for your investment in the Gabelli Gold Fund.

We appreciate your confidence and trust.

Comparative Results

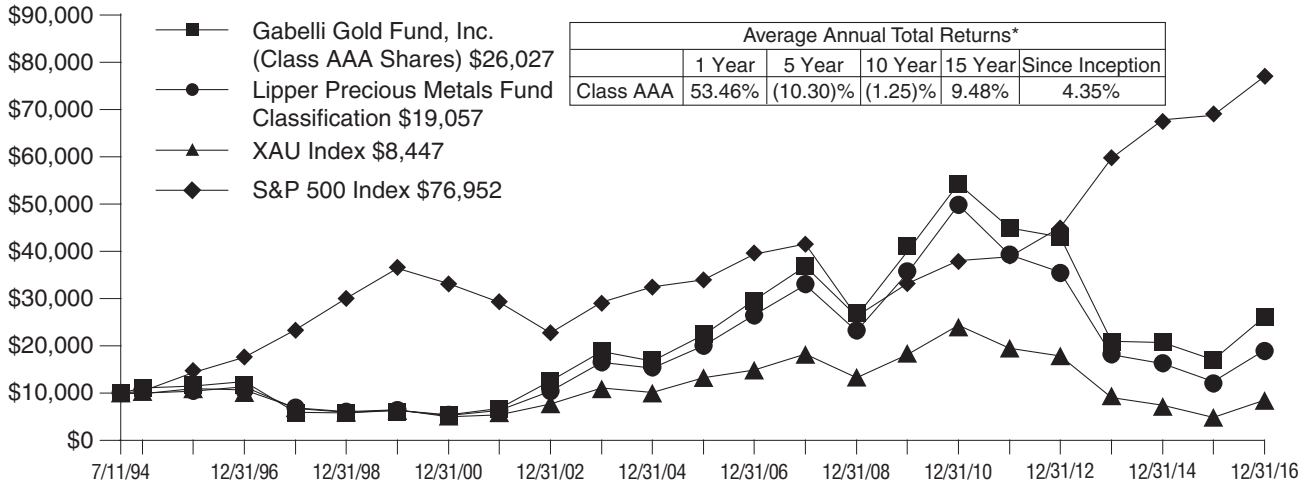
Average Annual Returns through December 31, 2016 (a) (Unaudited)

	1 Year	5 Year	10 Year	15 Year	Since Inception (7/11/94)
Class AAA (GOLDX)	53.46%	(10.30)%	(1.25)%	9.48%	4.35%
XAU Index	74.08	(15.28)	(5.73)	2.50	(1.58)
Lipper Precious Metals Fund Classification	54.78	(13.60)	(3.29)	7.47	2.46
Standard & Poor's ("S&P") 500 Index	11.96	14.66	6.95	6.69	9.52
Class A (GLDAX)	53.52	(10.30)	(1.22)	9.50	4.36
With sales charge (b)	44.69	(11.36)	(1.80)	9.07	4.09
Class C (GLDCX)	52.45	(10.97)	(1.98)	8.72	3.87
With contingent deferred sales charge (c)	51.45	(10.97)	(1.98)	8.72	3.87
Class I (GLDIX)	53.97	(10.07)	(1.02)	9.65	4.45

In the current prospectuses dated April 29, 2016, the expense ratios for Class AAA, A, C, and I Shares are 1.62%, 1.62%, 2.37%, and 1.37%, respectively. See page 10 for the expense ratios for the year ended December 31, 2016. Class AAA and Class I Shares do not have a sales charge. The maximum sales charge for Class A Shares and Class C Shares is 5.75% and 1.00%, respectively.

- (a) Returns represent past performance and do not guarantee future results. Total returns and average annual returns reflect changes in share price, reinvestment of distributions, and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days of purchase. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectuses contain information about these and other matters and should be read carefully before investing. To obtain a prospectus, please visit our website at www.gabelli.com. Investing in foreign securities involves risks not ordinarily associated with investments in domestic issues, including currency fluctuation, economic, and political risks. Investing in gold is considered speculative and is affected by a variety of worldwide economic, financial, and political factors. The Class AAA Share NAVs are used to calculate performance for the periods prior to the issuance of Class A Shares and Class C Shares on December 23, 2002, and Class I Shares on January 11, 2008. The actual performance of the Class A Shares and Class C Shares would have been lower due to the additional fees and expenses associated with these classes of shares. The actual performance of the Class I Shares would have been higher due to lower expenses related to this class of shares. The XAU Index is an unmanaged indicator of stock market performance of large North American gold and silver companies, while the Lipper Precious Metals Fund Classification reflects the average performance of mutual funds classified in this particular category. The S&P 500 Index is a market capitalization weighted index of 500 large capitalization stocks commonly used to represent the U.S. equity market. Dividends are considered reinvested. You cannot invest directly in an index.
- (b) Performance results include the effect of the maximum 5.75% sales charge at the beginning of the period.
- (c) Assuming payment of the 1 % maximum contingent deferred sales charge imposed on redemptions made within one year of purchase.

**COMPARISON OF CHANGE IN VALUE OF A \$10,000 INVESTMENT IN
GABELLI GOLD FUND, INC. (CLASS AAA SHARES), LIPPER PRECIOUS METALS FUND
CLASSIFICATION, XAU INDEX, AND S&P 500 INDEX (Unaudited)**



* Past performance is not predictive of future results. The performance tables and graph do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

Gabelli Gold Fund, Inc.

Disclosure of Fund Expenses (Unaudited)

For the Six Month Period from July 1, 2016 through December 31, 2016

Expense Table

We believe it is important for you to understand the impact of fees and expenses regarding your investment. All mutual funds have operating expenses. As a shareholder of a fund, you incur ongoing costs, which include costs for portfolio management, administrative services, and shareholder reports (like this one), among others. Operating expenses, which are deducted from a fund's gross income, directly reduce the investment return of a fund. When a fund's expenses are expressed as a percentage of its average net assets, this figure is known as the expense ratio. The following examples are intended to help you understand the ongoing costs (in dollars) of investing in your Fund and to compare these costs with those of other mutual funds. The examples are based on an investment of \$1,000 made at the beginning of the period shown and held for the entire period.

The Expense Table below illustrates your Fund's costs in two ways:

Actual Fund Return: This section provides information about actual account values and actual expenses. You may use this section to help you to estimate the actual expenses that you paid over the period after any fee waivers and expense reimbursements. The "Ending Account Value" shown is derived from the Fund's **actual** return during the past six months, and the "Expenses Paid During Period" shows the dollar amount that would have been paid by an investor who started with \$1,000 in the Fund. You may use this information, together with the amount you invested, to estimate the expenses that you paid over the period.

To do so, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number given for your Fund under the heading "Expenses Paid During Period" to estimate the expenses you paid during this period.

Hypothetical 5% Return: This section provides information about hypothetical account values and

hypothetical expenses based on the Fund's actual expense ratio. It assumes a hypothetical annualized return of 5% before expenses during the period shown. In this case – because the hypothetical return used is **not** the Fund's actual return – the results do not apply to your investment and you cannot use the hypothetical account value and expense to estimate the actual ending account balance or expenses you paid for the period. This example is useful in making comparisons of the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs such as sales charges (loads), redemption fees, or exchange fees, if any, which are described in the Prospectus. If these costs were applied to your account, your costs would be higher. Therefore, the 5% hypothetical return is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. The "Annualized Expense Ratio" represents the actual expenses for the last six months and may be different from the expense ratio in the Financial Highlights which is for the year ended December 31, 2016.

	Beginning Account Value 07/01/16	Ending Account Value 12/31/16	Annualized Expense Ratio	Expenses Paid During Period*
Gabelli Gold Fund, Inc.				
Actual Fund Return				
Class AAA	\$1,000.00	\$ 774.90	1.50%	\$ 6.69
Class A	\$1,000.00	\$ 775.20	1.50%	\$ 6.69
Class C	\$1,000.00	\$ 772.30	2.25%	\$10.02
Class I	\$1,000.00	\$ 776.40	1.25%	\$ 5.58
Hypothetical 5% Return				
Class AAA	\$1,000.00	\$1,017.60	1.50%	\$ 7.61
Class A	\$1,000.00	\$1,017.60	1.50%	\$ 7.61
Class C	\$1,000.00	\$1,013.83	2.25%	\$11.39
Class I	\$1,000.00	\$1,018.85	1.25%	\$ 6.34

* Expenses are equal to the Fund's annualized expense ratio for the last six months multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (184 days), then divided by 366.

Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of net assets as of December 31, 2016:

Gabelli Gold Fund, Inc.

North America	67.7%	Africa	2.7%
United Kingdom	20.0%	Other Assets and Liabilities (Net)...	<u>0.0%</u>
Australia.....	9.6%		<u><u>100.0%</u></u>

The Fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission (the "SEC") for the first and third quarters of each fiscal year on Form N-Q. Shareholders may obtain this information at www.gabelli.com or by calling the Fund at 800-GABELLI (800-422-3554). The Fund's Form N-Q is available on the SEC's website at www.sec.gov and may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 800-SEC-0330.

Proxy Voting

The Fund files Form N-PX with its complete proxy voting record for the twelve months ended June 30, no later than August 31 of each year. A description of the Fund's proxy voting policies, procedures, and how the Fund voted proxies relating to portfolio securities is available without charge, upon request, by (i) calling 800-GABELLI (800-422-3554); (ii) writing to The Gabelli Funds at One Corporate Center, Rye, NY 10580-1422; or (iii) visiting the SEC's website at www.sec.gov.

Gabelli Gold Fund, Inc.
Schedule of Investments — December 31, 2016

Shares		Cost	Market Value	Shares		Cost	Market Value
	COMMON STOCKS — 98.8%						
	Metals and Mining — 98.8%						
	Africa — 2.7%						
366,200	AngloGold Ashanti Ltd., ADR†	\$ 5,389,372	\$ 3,848,762	477,000	Golden Queen Mining Co. Ltd., Toronto†	\$ 305,450	\$ 287,767
1,200,000	Gold Fields Ltd., ADR	<u>5,414,952</u>	<u>3,612,000</u>	4,000,000	Integra Gold Corp.†	2,549,621	1,668,342
		<u>10,804,324</u>	<u>7,460,762</u>	972,600	Klondex Mines Ltd., New York†	3,279,459	4,542,042
				27,400	Klondex Mines Ltd., Toronto†	92,389	127,546
				300,000	MAG Silver Corp., New York†	2,314,338	3,309,000
				100,000	MAG Silver Corp., Toronto†	771,446	1,100,808
6,500,000	Australia — 9.6%			4,050,000	Mandalay Resources Corp.	3,426,638	2,413,138
927,079	Gold Road Resources Ltd.†	2,733,527	2,697,173	1,400,000	Merrex Gold Inc.†(a)	716,883	229,397
1,276,227	Newcrest Mining Ltd.	21,577,344	13,312,854	1,000,000	Midas Gold Corp., New York†	420,549	643,800
4,450,000	Northern Star Resources Ltd.	1,925,823	3,333,989	1,950,000	Midas Gold Corp., Toronto†	820,071	1,263,546
3,745,000	Perseus Mining Ltd.†	3,579,845	1,027,446	337,871	Newmont Mining Corp.	14,399,107	11,511,265
4,827,272	Perseus Mining Ltd.†	975,234	905,366	450,000	Northern Dynasty Minerals Ltd., New York†	220,896	931,500
1,656,756	Saracen Mineral Holdings Ltd.†	1,627,378	3,448,773	1,222,000	Northern Dynasty Minerals Ltd., Toronto†	599,854	2,521,089
	Westgold Resources Ltd.†	<u>1,921,617</u>	<u>1,972,741</u>	1,870,850	OceanaGold Corp., New York	5,593,903	5,425,465
		<u>34,340,768</u>	<u>26,698,342</u>	325,000	OceanaGold Corp., Toronto	971,761	946,449
				1,235,000	Orezone Gold Corp.†	1,027,263	1,487,506
				246,860	Osisko Gold Royalties Ltd.	3,480,164	2,406,731
				601,800	Osisko Mining Inc.†	1,306,359	1,093,652
				100,000	Petaquilla Minerals Ltd., New York†	91,327	1,844
462,432	North America — 66.5%			2,440,000	Petaquilla Minerals Ltd., Toronto†(a)(b)	2,250,401	45,451
200,000	Agnico Eagle Mines Ltd.	6,468,257	19,422,144	120,000	Pretium Resources Inc.†	1,258,925	988,800
800,000	Alacer Gold Corp., New York†	471,165	336,000	10,600,000	Redstar Gold Corp.†	463,869	1,144,751
1,367,675	Alacer Gold Corp., Toronto†	1,884,662	1,334,674	40,000	Richmont Mines Inc.†(a)	161,285	259,785
5,500,000	Alamos Gold Inc., Cl. A	9,678,342	9,354,897	450,000	Richmont Mines Inc., New York†	1,816,418	2,925,000
616,500	Alexandria Minerals Corp.†(a)	965,100	245,783	50,000	Richmont Mines Inc., Toronto†	201,824	324,732
233,500	Asanko Gold Inc., New York†	1,328,634	1,886,490	195,000	Royal Gold Inc.	10,564,224	12,353,250
1,624,232	Asanko Gold Inc., Toronto†	503,221	716,508	600,000	SEMAFO Inc.†(a)	1,780,070	1,975,198
1,000,000	AuRico Metals Inc., New York†	1,030,136	1,205,667	100,000	SEMAFO Inc., New York†	296,510	328,000
299,650	AuRico Metals Inc., Toronto†	634,229	752,244	150,000	SEMAFO Inc., Toronto†	444,765	493,800
550,000	B2Gold Corp., New York†	713,908	710,170	245,000	Silver Wheaton Corp.	5,373,881	4,733,400
521,361	B2Gold Corp., Toronto†	1,206,049	1,306,745	490,000	Tahoe Resources Inc., New York	6,351,453	4,615,800
3,250,000	Barrick Gold Corp.	8,594,363	8,331,349	410,000	Tahoe Resources Inc., Toronto	5,200,821	3,862,883
200,000	Belo Sun Mining Corp.†	2,198,434	1,645,999	100,000	TMAC Resources Inc.†	1,400,517	1,141,772
350,000	Centerra Gold Inc.,	821,097	936,953	50,000	Torex Gold Resources Inc., New York†(a)	543,060	774,215
600,000	Chesapeake Gold Corp.†	1,099,856	951,477	400,000	Torex Gold Resources Inc., Toronto†	5,814,822	6,193,721
1,400,000	Comstock Mining Inc.†	1,161,322	157,800	1,200,000	Victoria Gold Corp., New York†	582,210	498,000
620,000	Continental Gold Inc.†	2,436,036	4,587,942	2,000,000	Victoria Gold Corp., Toronto†	970,350	834,171
90,000	Detour Gold Corp., New York†	7,794,317	8,438,200	3,041,000	Wesdome Gold Mines Ltd.†	<u>3,665,558</u>	<u>4,733,691</u>
2,400,000	Detour Gold Corp., Toronto†	1,131,433	1,226,008			<u>165,965,656</u>	<u>185,258,312</u>
1,175,000	Eastmain Resources Inc., New York†	1,654,488	912,000		United Kingdom — 20.0%		
	Eastmain Resources Inc., Toronto†	810,010	446,319	925,000	Acacia Mining plc	3,602,354	4,261,233
467,500	Eldorado Gold Corp.†(a)	2,690,969	1,504,189	2,349,000	Centamin plc	2,333,984	4,009,471
795,833	Eldorado Gold Corp., New York†	4,247,613	2,562,582	1,160,500	Fresnillo plc	11,149,537	17,462,849
100,000	Eldorado Gold Corp., Toronto†	576,660	321,752	2,597,709	Hochschild Mining plc	5,111,367	6,771,037
400,000	Fortuna Silver Mines Inc.†	1,715,303	2,260,000				
244,700	Franco-Nevada Corp.(a)	6,599,423	14,631,152				
553,800	Goldcorp Inc.	3,550,464	7,531,680				
473,000	Golden Queen Mining Co. Ltd.†	231,169	285,354				
1,500,000	Golden Queen Mining Co. Ltd.†(a)	959,844	904,927				
2,000,000	Golden Queen Mining Co. Ltd., New York†	1,280,711	1,214,000				

See accompanying notes to financial statements.

Gabelli Gold Fund, Inc.

Schedule of Investments (Continued) — December 31, 2016

<u>Shares</u>	<u>Cost</u>	<u>Market Value</u>	
COMMON STOCKS (Continued)			(a) Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At December 31, 2016, the market value of Rule 144A securities amounted to \$20,570,097 or 7.38% of total net assets.
Metals and Mining (Continued)			
United Kingdom (Continued)			
3,000,000	Hummingbird Resources plc† \$ 1,082,952	\$ 674,743	
295,900	Randgold Resources Ltd., ADR <u>2,164,038</u>	<u>22,589,006</u>	(b) At December 31, 2016, the Fund held investments in restricted securities amounting to \$45,451 or 0.02% of net assets, which were valued as follows:
	<u>25,444,232</u>	<u>55,768,339</u>	
TOTAL COMMON STOCKS			
	<u>236,554,980</u>	<u>275,185,755</u>	
WARRANTS — 1.2%			
Metals and Mining — 1.2%			
North America — 1.2%			
87,500	Franco-Nevada Corp., expire 06/16/17†	0 883,048	<u>Acquisition Shares</u>
475,000	Golden Queen Mining Warrants, expire 08/03/19†	202,333 48,518	<u>Issuer</u>
1,222,000	Northern Dynasty Minerals Ltd., expire 06/15/21†	0 2,328,708	<u>Acquisition Date</u>
2,175,000	Redstar Gold Corp., expire 05/03/19†	51,378 125,418	<u>Acquisition Cost</u>
	<u>253,711</u>	<u>3,385,692</u>	<u>12/31/16 Carrying Value Per Share</u>
	TOTAL WARRANTS		
	<u>\$236,808,691</u>	<u>\$278,571,447</u>	
TOTAL INVESTMENTS — 100.0% ..			† Non-income producing security.
	<u>\$236,808,691</u>	<u>\$278,571,447</u>	ADR American Depositary Receipt
Other Assets and Liabilities (Net) — 0.0%			
		<u>(18,584)</u>	
NET ASSETS — 100.0%			
		<u>\$278,552,863</u>	

See accompanying notes to financial statements.

Gabelli Gold Fund, Inc.

Statement of Assets and Liabilities December 31, 2016

Assets:

Investments, at value (cost \$236,808,691)	\$278,571,447
Cash	34,485
Receivable for Fund shares sold	2,429,295
Prepaid expenses	50,974
Dividends receivable	6,251

Total Assets

281,092,452

Liabilities:

Payable for investments purchased	167,392
Payable for Fund shares redeemed	1,967,196
Payable for investment advisory fees	229,623
Payable for distribution fees	49,486
Payable for accounting fees	7,500
Other accrued expenses	118,392

Total Liabilities

2,539,589

Net Assets

(applicable to 21,336,176 shares outstanding)

\$278,552,863

Net Assets Consist of:

Paid-in capital	\$306,206,662
Accumulated net investment loss	(12,190,263)
Accumulated net realized loss on investments and foreign currency transactions	(57,226,361)
Net unrealized appreciation on investments	41,762,756
Net unrealized appreciation on foreign currency translations	69

Net Assets

\$278,552,863

Shares of Capital Stock, each at \$0.001 par value:
Class AAA:

Net Asset Value, offering, and redemption price per share (\$160,658,512 ÷ 12,324,067 shares outstanding; 375,000,000 shares authorized) ..

\$13.04

Class A:

Net Asset Value and redemption price per share (\$16,005,628 ÷ 1,224,612 shares outstanding; 250,000,000 shares authorized)

\$13.07

Maximum offering price per share (NAV ÷ 0.9425, based on maximum sales charge of 5.75% of the offering price)

\$13.87

Class C:

Net Asset Value and offering price per share (\$15,748,237 ÷ 1,303,694 shares outstanding; 125,000,000 shares authorized)

\$12.08(a)

Class I:

Net Asset Value, offering, and redemption price per share (\$86,140,486 ÷ 6,483,803 shares outstanding; 125,000,000 shares authorized) ..

\$13.29

(a) Redemption price varies based on the length of time held.

Statement of Operations For the Year Ended December 31, 2016

Investment Income:

Dividends (net of foreign withholding taxes of \$164,017)	\$ 3,742,595
Interest	4,678
Total Investment Income	<u>3,747,273</u>

Expenses:

Investment advisory fees	2,953,178
Distribution fees - Class AAA	477,951
Distribution fees - Class A	39,720
Distribution fees - Class C	139,374
Shareholder services fees	223,925
Shareholder communications expenses	109,266
Directors' fees	109,000
Registration expenses	89,983
Custodian fees	61,265
Legal and audit fees	48,107
Accounting fees	45,000
Interest expense	17,272
Miscellaneous expenses	55,829
Total Expenses	<u>4,369,870</u>

Less:

Reimbursement for custody fees*

(202,836)

Net Expenses

4,167,034

Net Investment Loss

(419,761)

Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency:

Net realized loss on investments	(2,379,412)
Net realized gain on foreign currency transactions	4,020
Net realized loss on investments and foreign currency transactions	<u>(2,375,392)</u>
Net change in unrealized appreciation/depreciation: on investments	68,552,639
on foreign currency translations	40
Net change in unrealized appreciation/depreciation on investments and foreign currency translations	<u>68,552,679</u>

Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency

66,177,287

Net Increase in Net Assets Resulting from Operations

\$65,757,526

* The Fund received a one time reimbursement of custody expenses paid in prior years.

See accompanying notes to financial statements.

Gabelli Gold Fund, Inc.

Statement of Changes in Net Assets

	<u>Year Ended</u> <u>December 31, 2016</u>	<u>Year Ended</u> <u>December 31, 2015</u>
Operations:		
Net investment loss.....	\$ (419,761)	\$ (1,000,827)
Net realized loss on investments and foreign currency transactions	(2,375,392)	(25,693,024)
Net change in unrealized appreciation/depreciation on investments and foreign currency translations.....	<u>68,552,679</u>	<u>(4,139,972)</u>
Net Increase/(Decrease) in Net Assets Resulting from Operations	<u>65,757,526</u>	<u>(30,833,823)</u>
Distributions to Shareholders:		
Net investment income		
Class AAA.....	(3,457,114)	—
Class A	(348,601)	—
Class C	(272,396)	—
Class I	<u>(2,048,475)</u>	<u>—</u>
Total Distributions to Shareholders	<u>(6,126,586)</u>	<u>—</u>
Capital Share Transactions:		
Class AAA.....	22,520,166	(9,296,355)
Class A	7,030,802	(2,825,703)
Class C	8,686,946	981,877
Class I	<u>38,904,819</u>	<u>4,075,732</u>
Net Increase/(Decrease) in Net Assets from Capital Share Transactions	<u>77,142,733</u>	<u>(7,064,449)</u>
Redemption Fees	<u>30,091</u>	<u>632</u>
Net Increase/(Decrease) in Net Assets	136,803,764	(37,897,640)
Net Assets:		
Beginning of year	<u>141,749,099</u>	<u>179,646,739</u>
End of year (including undistributed net investment income of \$0 and \$0, respectively)	<u>\$278,552,863</u>	<u>\$141,749,099</u>

See accompanying notes to financial statements.

Gabelli Gold Fund, Inc.

Financial Highlights

Selected data for a share of capital stock outstanding throughout each year:

Year Ended December 31	Income (Loss) from Investment Operations				Distributions			Ratios to Average Net Assets/ Supplemental Data					
	Net Asset Beginning of Year	Net Investment Income (Loss)(a)	Realized and Unrealized Losses Investments	Total from Investment Operations	Net Investment Income	Net Realized Gain on Investments	Total Distributions	Redemption Feasible(b)	Net Asset End of Year	Total Return†	Net Investment Income (Loss)	Operating Expenses(c)	Portfolio Turnover Rate
Class AAA													
2016	\$ 8.69	\$(0.03)	\$ 4.66	\$ 4.63	\$(0.28)	—	\$(0.28)	\$ 0.00	\$13.04	53.5%	(0.23)%	1.51%(d)	14%
2015	10.57	(0.06)	(1.82)	(1.88)	—	—	—	0.00	8.69	(17.8)	(0.62)	1.62(e)	18
2014	10.71	(0.10)	(0.04)	(0.14)	—	—	—	0.00	10.57	(1.3)	(0.78)	1.58	18
2013	21.99	(0.00)(b)	(11.28)	(11.28)	—	—	—	0.00	10.71	(51.3)	(0.03)	1.57	4
2012	23.54	(0.06)	(0.95)	(1.01)	—	\$(0.54)	(0.54)	(0.00)	21.99	(4.3)	(0.27)	1.48	5
Class A													
2016	\$ 8.71	\$(0.02)	\$ 4.67	\$ 4.65	\$(0.29)	—	\$(0.29)	\$ 0.00	\$13.07	53.5%	(0.12)%	1.51%(d)	14%
2015	10.60	(0.06)	(1.83)	(1.89)	—	—	—	0.00	8.71	(17.8)	(0.61)	1.62(e)	18
2014	10.73	(0.10)	(0.03)	(0.13)	—	—	—	0.00	10.60	(1.2)	(0.77)	1.58	18
2013	22.04	(0.00)(b)	(11.31)	(11.31)	—	—	—	0.00	10.73	(51.3)	(0.03)	1.57	4
2012	23.60	(0.07)	(0.95)	(1.02)	—	\$(0.54)	(0.54)	(0.00)	22.04	(4.3)	(0.28)	1.48	5
Class C													
2016	\$ 8.07	\$(0.11)	\$ 4.33	\$ 4.22	\$(0.21)	—	\$(0.21)	\$ 0.00	\$12.08	52.5%	(0.83)%	2.26%(d)	14%
2015	9.90	(0.13)	(1.70)	(1.83)	—	—	—	0.00	8.07	(18.5)	(1.37)	2.37(e)	18
2014	10.10	(0.18)	(0.02)	(0.20)	—	—	—	0.00	9.90	(2.0)	(1.52)	2.33	18
2013	20.89	(0.11)	(10.68)	(10.79)	—	—	—	0.00	10.10	(51.7)	(0.79)	2.32	4
2012	22.57	(0.22)	(0.92)	(1.14)	—	\$(0.54)	(0.54)	(0.00)	20.89	(5.0)	(1.01)	2.23	5
Class I													
2016	\$ 8.85	\$ 0.03	\$ 4.73	\$ 4.76	\$(0.32)	—	\$(0.32)	\$ 0.00	\$13.29	54.0%	0.20%	1.26%(d)	14%
2015	10.74	(0.04)	(1.85)	(1.89)	—	—	—	0.00	8.85	(17.6)	(0.37)	1.37(e)	18
2014	10.85	(0.06)	(0.05)	(0.11)	—	—	—	0.00	10.74	(1.0)	(0.51)	1.33	18
2013	22.23	0.03	(11.41)	(11.38)	—	—	—	0.00	10.85	(51.2)	0.21	1.32	4
2012	23.74	(0.01)	(0.96)	(0.97)	—	\$(0.54)	(0.54)	(0.00)	22.23	(4.1)	(0.03)	1.23	5

† Total return represents aggregate total return of a hypothetical \$1,000 investment at the beginning of the year and sold at the end of the year including reinvestment of distributions and does not reflect the applicable sales charges.

(a) Per share amounts have been calculated using the average shares outstanding method.

(b) Amount represents less than \$0.005 per share.

(c) The Fund incurred interest expense during the years ended 2016, 2015, and 2013. If interest expense had not been incurred, the ratio of operating expenses to average net assets would have been 1.50%, 1.62%, and 1.56% (Class AAA and Class A), 2.25%, 2.36%, and 2.31% (Class C), and 1.25%, 1.36%, and 1.31% (Class I), respectively. For the years ended December 31, 2014 and 2012, the effect of interest expense was minimal.

(d) During the year ended December 31, 2016, the Fund received a one time reimbursement of custody expenses paid in prior years. Had such reimbursement (allocated by relative net asset values of the Fund's share classes) been included in this year, the expense ratios would have been 1.43% (Class AAA and Class A), 2.18% (Class C), and 1.18% (Class I).

(e) The Fund received credits from a designated broker who agreed to pay certain Fund operating expenses. For the year ended December 31, 2015, there was no impact on the expense ratios.

See accompanying notes to financial statements.

Gabelli Gold Fund, Inc.

Notes to Financial Statements

1. Organization. Gabelli Gold Fund, Inc. was incorporated on May 13, 1994 in Maryland. The Fund is a diversified open-end management investment company registered under the Investment Company Act of 1940, as amended (the "1940 Act"). The Fund's primary objective is long term capital appreciation. The Fund commenced investment operations on July 11, 1994.

The Fund may invest a high percentage of its assets in specific sectors of the market in order to achieve a potentially greater investment return. As a result, the Fund may be more susceptible to economic, political, and regulatory developments in a particular sector of the market, positive or negative, and may experience increased volatility to the Fund's NAV and a magnified effect in its total return.

2. Significant Accounting Policies. As an investment company, the Fund follows the investment company accounting and reporting guidance, which is part of U.S. generally accepted accounting principles ("GAAP") that may require the use of management estimates and assumptions in the preparation of its financial statements. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

Security Valuation. Portfolio securities listed or traded on a nationally recognized securities exchange or traded in the U.S. over-the-counter market for which market quotations are readily available are valued at the last quoted sale price or a market's official closing price as of the close of business on the day the securities are being valued. If there were no sales that day, the security is valued at the average of the closing bid and asked prices or, if there were no asked prices quoted on that day, then the security is valued at the closing bid price on that day. If no bid or asked prices are quoted on such day, the security is valued at the most recently available price or, if the Board of Directors (the "Board") so determines, by such other method as the Board shall determine in good faith to reflect its fair market value. Portfolio securities traded on more than one national securities exchange or market are valued according to the broadest and most representative market, as determined by Gabelli Funds, LLC (the "Adviser").

Portfolio securities primarily traded on a foreign market are generally valued at the preceding closing values of such securities on the relevant market, but may be fair valued pursuant to procedures established by the Board if market conditions change significantly after the close of the foreign market, but prior to the close of business on the day the securities are being valued. Debt instruments with remaining maturities of sixty days or less that are not credit impaired are valued at amortized cost, unless the Board determines such amount does not reflect the securities' fair value, in which case these securities will be fair valued as determined by the Board. Debt instruments having a maturity greater than sixty days for which market quotations are readily available are valued at the average of the latest bid and asked prices. If there were no asked prices quoted on such day, the security is valued using the closing bid price. U.S. government obligations with maturities greater than sixty days are normally valued using a model that incorporates market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers, and reference data. Certain securities are valued principally using dealer quotations.

Securities and assets for which market quotations are not readily available are fair valued as determined by the Board. Fair valuation methodologies and procedures may include, but are not limited to: analysis and review of available financial and non-financial information about the company; comparisons with the valuation and changes in valuation of similar securities, including a comparison of foreign securities with the equivalent U.S.

Gabelli Gold Fund, Inc.

Notes to Financial Statements (Continued)

dollar value American Depositary Receipt securities at the close of the U.S. exchange; and evaluation of any other information that could be indicative of the value of the security.

The Fund employs a fair value model to adjust prices to reflect events affecting the values of certain portfolio securities which occur between the close of trading on the principal market for such securities (foreign exchanges and over-the-counter markets) at the time when net asset value of the Fund is determined. If the Fund's valuation committee believes that a particular event would materially affect net asset value, further adjustment is considered.

The inputs and valuation techniques used to measure fair value of the Fund's investments are summarized into three levels as described in the hierarchy below:

- Level 1 — quoted prices in active markets for identical securities;
- Level 2 — other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.); and
- Level 3 — significant unobservable inputs (including the Board's determinations as to the fair value of investments).

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input both individually and in the aggregate that is significant to the fair value measurement. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of the Fund's investments in securities by inputs used to value the Fund's investments as of December 31, 2016 is as follows:

	Valuation Inputs			Total Market Value at 12/31/16
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	
INVESTMENTS IN SECURITIES:				
ASSETS (Market Value):				
Common Stocks:				
Metals and Mining				
Africa	\$ 7,460,762	—	—	\$ 7,460,762
Australia	13,385,488	\$13,312,854	—	26,698,342
North America	185,211,017	—	\$47,295	185,258,312
United Kingdom	55,768,339	—	—	55,768,339
Total Common Stocks	261,825,606	13,312,854	47,295	275,185,755
Warrants:				
Metals and Mining				
North America	883,048	2,502,644	—	3,385,692
TOTAL INVESTMENTS IN SECURITIES – ASSETS	\$262,708,654	\$15,815,498	\$47,295	\$278,571,447

The Fund did not have material transfers among Level 1, Level 2, and Level 3 during the year ended December 31, 2016. The Fund's policy is to recognize transfers among Levels as of the beginning of the reporting period.

Gabelli Gold Fund, Inc.

Notes to Financial Statements (Continued)

Additional Information to Evaluate Qualitative Information.

General. The Fund uses recognized industry pricing services – approved by the Board and unaffiliated with the Adviser – to value most of its securities, and uses broker quotes provided by market makers of securities not valued by these and other recognized pricing sources. Several different pricing feeds are received to value domestic equity securities, international equity securities, preferred equity securities, and fixed income securities. The data within these feeds is ultimately sourced from major stock exchanges and trading systems where these securities trade. The prices supplied by external sources are checked by obtaining quotations or actual transaction prices from market participants. If a price obtained from the pricing source is deemed unreliable, prices will be sought from another pricing service or from a broker/dealer that trades that security or similar securities.

Fair Valuation. Fair valued securities may be common or preferred equities, warrants, options, rights, or fixed income obligations. Where appropriate, Level 3 securities are those for which market quotations are not available, such as securities not traded for several days, or for which current bids are not available, or which are restricted as to transfer. When fair valuing a security, factors to consider include recent prices of comparable securities that are publicly traded, reliable prices of securities not publicly traded, the use of valuation models, current analyst reports, valuing the income or cash flow of the issuer, or cost if the preceding factors do not apply. A significant change in the unobservable inputs could result in a lower or higher value in Level 3 securities. The circumstances of Level 3 securities are frequently monitored to determine if fair valuation measures continue to apply.

The Adviser reports quarterly to the Board the results of the application of fair valuation policies and procedures. These may include backtesting the prices realized in subsequent trades of these fair valued securities to fair values previously recognized.

Foreign Currency Translations. The books and records of the Fund are maintained in U.S. dollars. Foreign currencies, investments, and other assets and liabilities are translated into U.S. dollars at current exchange rates. Purchases and sales of investment securities, income, and expenses are translated at the exchange rate prevailing on the respective dates of such transactions. Unrealized gains and losses that result from changes in foreign exchange rates and/or changes in market prices of securities have been included in unrealized appreciation/depreciation on investments and foreign currency translations. Net realized foreign currency gains and losses resulting from changes in exchange rates include foreign currency gains and losses between trade date and settlement date on investment securities transactions, foreign currency transactions, and the difference between the amounts of interest and dividends recorded on the books of the Fund and the amounts actually received. The portion of foreign currency gains and losses related to fluctuation in exchange rates between the initial purchase trade date and subsequent sale trade date is included in realized gain/(loss) on investments.

Foreign Securities. The Fund may directly purchase securities of foreign issuers. Investing in securities of foreign issuers involves special risks not typically associated with investing in securities of U.S. issuers. The risks include possible revaluation of currencies, the inability to repatriate funds, less complete financial information about companies, and possible future adverse political and economic developments. Moreover, securities of many foreign issuers and their markets may be less liquid and their prices more volatile than securities of comparable U.S. issuers.

Gabelli Gold Fund, Inc.

Notes to Financial Statements (Continued)

Foreign Taxes. The Fund may be subject to foreign taxes on income, gains on investments, or currency repatriation, a portion of which may be recoverable. The Fund will accrue such taxes and recoveries as applicable, based upon its current interpretation of tax rules and regulations that exist in the markets in which it invests.

Restricted Securities. The Fund may invest up to 15% of its net assets in securities for which the markets are restricted. Restricted securities include securities whose disposition is subject to substantial legal or contractual restrictions. The sale of restricted securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. Securities freely saleable among qualified institutional investors under special rules adopted by the SEC may be treated as liquid if they satisfy liquidity standards established by the Board. The continued liquidity of such securities is not as well assured as that of publicly traded securities, and accordingly the Board will monitor their liquidity. For the restricted securities the Fund held at December 31, 2016, refer to the Schedule of Investments.

Securities Transactions and Investment Income. Securities transactions are accounted for on the trade date with realized gain/(loss) on investments determined by using the identified cost method. Interest income (including amortization of premium and accretion of discount) is recorded on the accrual basis. Premiums and discounts on debt securities are amortized using the effective yield to maturity method. Dividend income is recorded on the ex-dividend date, except for certain dividends from foreign securities that are recorded as soon after the ex-dividend date as the Fund becomes aware of such dividends.

Determination of Net Asset Value and Calculation of Expenses. Certain administrative expenses are common to, and allocated among, various affiliated funds. Such allocations are made on the basis of each fund's average net assets or other criteria directly affecting the expenses as determined by the Adviser pursuant to procedures established by the Board.

In calculating the NAV per share of each class, investment income, realized and unrealized gains and losses, redemption fees, and expenses other than class specific expenses are allocated daily to each class of shares based upon the proportion of net assets of each class at the beginning of each day. Distribution expenses are borne solely by the class incurring the expense.

Distributions to Shareholders. Distributions to shareholders are recorded on the ex-dividend date. Distributions to shareholders are based on income and capital gains as determined in accordance with federal income tax regulations, which may differ from income and capital gains as determined under GAAP. These differences are primarily due to differing treatments of income and gains on passive foreign investment companies and other investment securities and foreign currency transactions held by the Fund, timing differences, and differing characterizations of distributions made by the Fund. Distributions from net investment income for federal income tax purposes include net realized gains on foreign currency transactions. These book/tax differences are either temporary or permanent in nature. To the extent these differences are permanent, adjustments are made to the appropriate capital accounts in the period when the differences arise. Permanent differences were primarily due to tax treatment of passive foreign investment companies. These reclassifications have no impact on the NAV of the Fund. For the year ended December 31, 2016, reclassifications were made to decrease accumulated net investment loss by \$591,069 and increase accumulated net realized loss on investments and foreign currency transactions by \$591,069, with an offsetting adjustment to paid-in capital.

Gabelli Gold Fund, Inc.
Notes to Financial Statements (Continued)

As of December 31, 2016, the tax character of distributions paid was ordinary income.

Provision for Income Taxes. The Fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”). It is the policy of the Fund to comply with the requirements of the Code applicable to regulated investment companies and to distribute substantially all of its net investment company taxable income and net capital gains. Therefore, no provision for federal income taxes is required.

As of December 31, 2016, the components of accumulated earnings/losses on a tax basis were as follows:

Undistributed ordinary income	\$ 1,791,534
Accumulated capital loss carryforwards	(56,945,452)
Net unrealized appreciation on investments and foreign currency translations	<u>27,500,119</u>
Total	<u><u>\$(27,653,799)</u></u>

At December 31, 2016, the Fund had net capital loss carryforwards for federal income tax purposes which are available to reduce future required distributions of net capital gains to shareholders. The Fund is permitted to carry capital losses forward for an unlimited period. Capital losses that are carried forward will retain their character as either short term or long term capital losses.

Short term capital loss carryforward with no expiration	\$ 2,607,811
Long term capital loss carryforward with no expiration	<u>54,337,640</u>
Total capital loss carryforwards	<u><u>\$56,945,451</u></u>

During the year ended December 31, 2016, the Fund utilized capital loss carryforwards of \$208,305.

At December 31, 2016, the temporary differences between book basis and tax basis unrealized appreciation on investments were primarily due to deferral of losses from wash sales for tax purposes and mark-to-market adjustments on investments in passive foreign investment companies.

The following summarizes the tax cost of investments and the related net unrealized depreciation at December 31, 2016:

	<u>Cost</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation</u>
Investments	\$251,071,395	\$60,567,396	\$(33,067,344)	\$27,500,052

The Fund is required to evaluate tax positions taken or expected to be taken in the course of preparing the Fund’s tax returns to determine whether the tax positions are “more-likely-than-not” of being sustained by the applicable tax authority. Income tax and related interest and penalties would be recognized by the Fund as tax expense in the Statement of Operations if the tax positions were deemed not to meet the more-likely-than-not threshold. For the year ended December 31, 2016, the Fund did not incur any income tax, interest, or penalties. As of December 31, 2016, the Adviser has reviewed all open tax years and concluded that there was no impact to the Fund’s net assets or results of operations. The Fund’s federal and state tax returns for the prior three fiscal years remain open, subject to examination. On an ongoing basis, the Adviser will monitor the Fund’s tax positions to determine if adjustments to this conclusion are necessary.

3. Investment Advisory Agreement and Other Transactions. The Fund has entered into an investment advisory agreement (the “Advisory Agreement”) with the Adviser which provides that the Fund will pay the

Gabelli Gold Fund, Inc.

Notes to Financial Statements (Continued)

Adviser a fee, computed daily and paid monthly, at the annual rate of 1.00% of the value of its average daily net assets. In accordance with the Advisory Agreement, the Adviser provides a continuous investment program for the Fund's portfolio, oversees the administration of all aspects of the Fund's business and affairs, and pays the compensation of all Officers and Directors of the Fund who are affiliated persons of the Adviser.

The Fund pays each Director who is not considered to be an affiliated person an annual retainer of \$9,000 plus \$2,000 for each Board meeting attended. Each Director is reimbursed by the Fund for any out of pocket expenses incurred in attending meetings. All Board committee members receive \$500 per meeting attended and the Chairman of the Audit Committee and the Lead Director each receive a \$2,000 annual fee. A Director may receive a single meeting fee, allocated among the participating funds, for participation in certain meetings held on behalf of multiple funds. Directors who are directors or employees of the Adviser or an affiliated company receive no compensation or expense reimbursement from the Fund.

4. Distribution Plan. The Fund's Board has adopted a distribution plan (the "Plan") for each class of shares, except for Class I Shares, pursuant to Rule 12b-1 under the 1940 Act. Under the Class AAA, Class A, and Class C Share Plans, payments are authorized to G.distributors, LLC (the "Distributor"), an affiliate of the Adviser, at annual rates of 0.25%, 0.25%, and 1.00%, respectively, of the average daily net assets of those classes, the annual limitations under each Plan. Such payments are accrued daily and paid monthly.

5. Portfolio Securities. Purchases and sales of securities during the year ended December 31, 2016, other than short term securities and U.S. Government obligations, aggregated \$110,726,641 and \$39,721,164, respectively.

6. Transactions with Affiliates and Other Arrangements. During the year ended December 31, 2016, the Distributor retained a total of \$58,868 from investors representing commissions (sales charges and underwriting fees) on sales and redemptions of Fund shares.

The Fund receives credits from a designated broker who agrees to pay certain Fund operating expenses. For the years ended December 31, 2016 and 2015, the amount of such expenses paid through this directed brokerage arrangement were \$0 and \$3,464, respectively.

The cost of calculating the Fund's NAV per share is a Fund expense pursuant to the Advisory Agreement. During the year ended December 31, 2016, the Fund paid or accrued \$45,000 to the Adviser in connection with the cost of computing the Fund's NAV.

7. Line of Credit. The Fund participates in an unsecured line of credit, which expires on March 9, 2017 and may be renewed annually, of up to \$75,000,000 under which it may borrow up to 10% of its net assets from the custodian for temporary borrowing purposes. Borrowings under this arrangement bears interest at a floating rate equal to the higher of the overnight Federal Funds rate plus 125 basis points or the 30 day LIBOR plus 125 basis points in effect on that day. This amount, if any, would be included in "Interest expense" in the Statement of Operations. At December 31, 2016, there were no borrowings outstanding under the line of credit.

The average daily amount of borrowings outstanding under the line of credit during the year ended December 31, 2016 was \$1,175,771 with a weighted average interest rate of 1.27%. The maximum amount borrowed at any time during the year ended December 31, 2016 was \$14,807,000.

Gabelli Gold Fund, Inc.
Notes to Financial Statements (Continued)

8. Capital Stock. The Fund offers four classes of shares – Class AAA Shares, Class A Shares, Class C Shares, and Class I Shares. Class AAA and Class I Shares are offered without a sales charge. Class A Shares are subject to a maximum front-end sales charge of 5.75%, and Class C Shares are subject to a 1.00% contingent deferred sales charge for one year after purchase.

The Fund imposes a redemption fee of 2.00% on all classes of shares that are redeemed or exchanged on or before the seventh day after the date of a purchase. The redemption fee is deducted from the proceeds otherwise payable to the redeeming shareholders and is retained by the Fund as an increase in paid-in capital. The redemption fees retained by the Fund during the years ended December 31, 2016 and 2015, if any, can be found in the Statement of Changes in Net Assets under Redemption Fees.

Transactions in shares of capital stock were as follows:

	Year Ended December 31, 2016		Year Ended December 31, 2015	
	Shares	Amount	Shares	Amount
Class AAA				
Shares sold	10,744,574	\$ 160,742,846	2,955,549	\$ 30,651,301
Shares issued upon reinvestment of distributions	269,501	3,379,541	—	—
Shares redeemed	(9,464,413)	(141,602,221)	(3,859,858)	(39,947,656)
Net increase/(decrease)	<u>1,549,662</u>	<u>\$ 22,520,166</u>	<u>(904,309)</u>	<u>\$ (9,296,355)</u>
Class A				
Shares sold	1,174,245	\$ 17,694,695	350,507	\$ 3,701,915
Shares issued upon reinvestment of distributions	23,888	300,272	—	—
Shares redeemed	(730,020)	(10,964,165)	(663,481)	(6,527,618)
Net increase/(decrease)	<u>468,113</u>	<u>\$ 7,030,802</u>	<u>(312,974)</u>	<u>\$ (2,825,703)</u>
Class C				
Shares sold	907,569	\$ 12,666,506	280,268	\$ 2,814,030
Shares issued upon reinvestment of distributions	21,179	246,100	—	—
Shares redeemed	(301,924)	(4,225,660)	(199,425)	(1,832,153)
Net increase	<u>626,824</u>	<u>\$ 8,686,946</u>	<u>80,843</u>	<u>\$ 981,877</u>
Class I				
Shares sold	5,813,023	\$ 87,794,087	3,614,087	\$ 36,892,297
Shares issued upon reinvestment of distributions	136,376	1,742,887	—	—
Shares redeemed	(3,539,632)	(50,632,155)	(3,167,185)	(32,816,565)
Net increase	<u>2,409,767</u>	<u>\$ 38,904,819</u>	<u>446,902</u>	<u>\$ 4,075,732</u>

9. Indemnifications. The Fund enters into contracts that contain a variety of indemnifications. The Fund's maximum exposure under these arrangements is unknown. However, the Fund has not had prior claims or losses pursuant to these contracts. Management has reviewed the Fund's existing contracts and expects the risk of loss to be remote.

10. Subsequent Events. Management has evaluated the impact on the Fund of all subsequent events occurring through the date the financial statements were issued and has determined that there were no subsequent events requiring recognition or disclosure in the financial statements.

Gabelli Gold Fund, Inc.
Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of
Gabelli Gold Fund, Inc.

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Gabelli Gold Fund, Inc. (the "Fund"), as of December 31, 2016, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements 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 and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Fund'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 Fund'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 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 December 31, 2016, by correspondence with the Fund's custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the Fund at December 31, 2016, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Ernst + Young LLP

New York, New York
February 28, 2017

Gabelli Gold Fund, Inc. Additional Fund Information (Unaudited)

The business and affairs of the Fund are managed under the direction of the Fund's Board of Directors. Information pertaining to the Directors and officers of the Fund is set forth below. The Fund's Statement of Additional Information includes additional information about the Fund's Directors and is available without charge, upon request, by calling 800-GABELLI (800-422-3554) or by writing to the Gabelli Gold Fund, Inc. at One Corporate Center, Rye, NY 10580-1422.

<u>Name, Position(s) Address¹ and Age</u>	<u>Term of Office and Length of Time Served²</u>	<u>Number of Funds in Fund Complex Overseen by Director</u>	<u>Principal Occupation(s) During Past Five Years</u>	<u>Other Directorships Held by Director⁴</u>
INTERESTED DIRECTORS³:				
Mario J. Gabelli, CFA Director and Chief Investment Officer Age: 74	Since 1994	31	Chairman, Chief Executive Officer, and Chief Investment Officer—Value Portfolios of GAMCO Investors, Inc. and Chief Investment Officer—Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc.; Director/Trustee or Chief Investment Officer of other registered investment companies within the Gabelli/GAMCO Fund Complex; Chief Executive Officer of GGCP, Inc.; Executive Chairman of Associated Capital Group, Inc.	Director of Morgan Group Holdings, Inc. (holding company); Chairman of the Board and Chief Executive Officer of LICT Corp. (multimedia and communication services company); Director of CIBL, Inc. (broadcasting and wireless communications); Director of ICTC Group Inc. (communications); Director of RLJ Acquisition Inc. (blank check company) (2011-2012)
INDEPENDENT DIRECTORS⁵:				
E. Val Cerutti Director Age: 77	Since 1994	7	Chief Executive Officer of Cerutti Consultants, Inc.	—
Anthony J. Colavita Director Age: 81	Since 1994	36	President of the law firm of Anthony J. Colavita, P.C.	—
Werner J. Roeder, MD Director Age: 76	Since 1994	23	Practicing private physician; Former Medical Director of Lawrence Hospital (1999-2014)	—
Anthonie C. van Ekris Director Age: 82	Since 1994	22	Chairman and Chief Executive Officer of BALMAC International, Inc. (global import/export company)	—
Salvatore J. Zizza Director Age: 71	Since 2004	30	President of Zizza & Associates Corp. (private holding company); Chairman of Harbor Diversified, Inc. (pharmaceuticals); Chairman of BAM (semiconductor and aerospace manufacturing); Chairman of Bergen Cove Realty Inc.; Chairman of Metropolitan Paper Recycling Inc. (recycling) (2005-2014)	Director and Vice Chairman of Trans-Lux Corporation (business services); Director and Chairman of Harbor Diversified Inc. (pharmaceuticals); Director, Chairman, and CEO of General Employment Enterprises (staffing services) (2009-2012)
Daniel E. Zucchi Director Age: 76	Since 1994	2	President of Zucchi & Associates (general business consulting); Senior Vice President of Hearst Corp. (1984-1995)	Cypress Care LLC (health care) (2001-2009); Anduro Holdings Inc. (consumer packaging)

Gabelli Gold Fund, Inc. Additional Fund Information (Continued) (Unaudited)

<u>Name, Position(s) Address¹ and Age</u>	<u>Term of Office and Length of Time Served²</u>	<u>Principal Occupation(s) During Past Five Years</u>
OFFICERS:		
Bruce N. Alpert President Age: 65	Since 2003	Executive Vice President and Chief Operating Officer of Gabelli Funds, LLC since 1988; Officer of registered investment companies within the Gabelli/GAMCO Fund Complex; Senior Vice President of GAMCO Investors, Inc. since 2008; Director of Teton Advisors, Inc., 1998-2012; Chairman of Teton Advisors, Inc., 2008-2010
Andrea R. Mango Secretary Age: 44	Since 2013	Vice President of GAMCO Investors, Inc. since 2016; Counsel of Gabelli Funds, LLC since 2013; Secretary of all registered investment companies within the Gabelli/GAMCO Fund Complex since 2013; Vice President of all closed-end funds within the Gabelli/GAMCO Fund Complex since 2014; Corporate Vice President within the Corporate Compliance Department of New York Life Insurance Company, 2011-2013; Vice President and Counsel of Deutsche Bank, 2006-2011
Agnes Mullady Treasurer Age: 58	Since 2006	President and Chief Operating Officer of the Fund Division of Gabelli Funds, LLC since 2010; Chief Executive Officer of G.distributors, LLC since 2010; Senior Vice President of GAMCO Investors, Inc. since 2009; Vice President of Gabelli Funds, LLC since 2007; Executive Vice President of Associated Capital Group, Inc. since November 2016; Officer of all of the registered investment companies within the Gabelli/GAMCO Fund Complex
Richard J. Walz Chief Compliance Officer Age: 57	Since 2013	Chief Compliance Officer of all of the registered investment companies within the Gabelli/GAMCO Fund Complex since 2013; Chief Compliance Officer of AEGON USA Investment Management, 2011-2013; Chief Compliance Officer of Cutwater Asset Management, 2004-2011

¹ Address: One Corporate Center, Rye, NY 10580-1422, unless otherwise noted.

² Each Director will hold office for an indefinite term until the earliest of (i) the next meeting of shareholders, if any, called for the purpose of considering the election or re-election of such Director and until the election and qualification of his or her successor, if any, elected at such meeting, or (ii) the date a Director resigns or retires, or a Director is removed by the Board of Directors or shareholders, in accordance with the Fund's By-Laws and Articles of Incorporation. Each officer will hold office for an indefinite term until the date he or she resigns or retires or until his or her successor is elected and qualified.

³ "Interested person" of the Fund as defined in the 1940 Act. Mr. Gabelli is considered an "interested person" because of his affiliation with Gabelli Funds, LLC which acts as the Fund's investment adviser.

⁴ This column includes only directorships of companies required to report to the SEC under the Securities Exchange Act of 1934, as amended, i.e., public companies, or other investment companies registered under the 1940 Act.

⁵ Directors who are not interested persons are considered "Independent" Directors.

Gabelli/GAMCO Funds and Your Personal Privacy

Who are we?

The Gabelli/GAMCO Funds are investment companies registered with the Securities and Exchange Commission under the Investment Company Act of 1940. We are managed by Gabelli Funds, LLC and GAMCO Asset Management Inc., which are affiliated with GAMCO Investors, Inc. that is a publicly held company with subsidiaries and affiliates that provide investment advisory services for a variety of clients.

What kind of non-public information do we collect about you if you become a fund shareholder?

If you apply to open an account directly with us, you will be giving us some non-public information about yourself. The non-public information we collect about you is:

- *Information you give us on your application form.* This could include your name, address, telephone number, social security number, bank account number, and other information.
- *Information about your transactions with us, any transactions with our affiliates, and transactions with the entities we hire to provide services to you.* This would include information about the shares that you buy or redeem. If we hire someone else to provide services — like a transfer agent — we will also have information about the transactions that you conduct through them.

What information do we disclose and to whom do we disclose it?

We do not disclose any non-public personal information about our customers or former customers to anyone other than our affiliates, our service providers who need to know such information, and as otherwise permitted by law. If you want to find out what the law permits, you can read the privacy rules adopted by the Securities and Exchange Commission. They are in volume 17 of the Code of Federal Regulations, Part 248. The Commission often posts information about its regulations on its website, www.sec.gov.

What do we do to protect your personal information?

We restrict access to non-public personal information about you to the people who need to know that information in order to provide services to you or the fund and to ensure that we are complying with the laws governing the securities business. We maintain physical, electronic, and procedural safeguards to keep your personal information confidential.

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GABELLI GOLD FUND, INC.
One Corporate Center
Rye, NY 10580-1422

Portfolio Manager Biography

Caesar M. P. Bryan joined GAMCO Asset Management in 1994. He is a member of the global investment team of Gabelli Funds, LLC and portfolio manager of several funds within the Gabelli/GAMCO Fund Complex. Prior to joining Gabelli, Mr. Bryan was a portfolio manager at Lexington Management. He began his investment career at Samuel Montagu Company, the London based merchant bank. Mr. Bryan graduated from the University of Southampton in England with a Bachelor of Law and is a member of the English Bar.

2016 TAX NOTICE TO SHAREHOLDERS (Unaudited)

For the year ended December 31, 2016, the Fund paid to shareholders ordinary income distributions (comprised of net investment income) totaling \$0.284, \$0.290, \$0.214 and \$0.323 per share for Class AAA, Class A, Class C, and Class I Shares, respectively. For the year ended December 31, 2016, 2.46% of the ordinary income distribution qualifies for the dividends received deduction available to corporations. The Fund designates 44.81% of the ordinary income distribution as qualified dividend income pursuant to the Jobs and Growth Tax Relief Reconciliation Act of 2003. The Fund designates 0.04% of the ordinary income distribution as qualified interest income pursuant to the Tax Relief, Unemployment Reauthorization, and Job Creation Act of 2010. Also for the year 2016, the Fund passed through foreign tax credits of \$0.008, \$0.008, \$0.008, and \$0.008 per share to Class AAA, Class A, Class C, and Class I Shares, respectively.

U.S. Government Income

The percentage of the ordinary income distribution paid by the Fund during 2016 which was derived from U.S. Treasury securities was 0.00%.

All designations are based on financial information available as of the date of this annual report and, accordingly, are subject to change. For each item, it is the intention of the Fund to designate the maximum amount permitted under the Internal Revenue Code and the regulations thereunder.

We have separated the portfolio manager's commentary from the financial statements and investment portfolio due to corporate governance regulations stipulated by the Sarbanes-Oxley Act of 2002. We have done this to ensure that the content of the portfolio manager's commentary is unrestricted. Both the commentary and the financial statements, including the portfolio of investments, will be available on our website at www.gabelli.com.

GABELLI GOLD FUND, INC.

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GABELLI.COM

Net Asset Value per share available daily
by calling 800-GABELLI after 7:00 P.M.

BOARD OF DIRECTORS

Mario J. Gabelli, CFA
Chairman and
Chief Executive Officer,
GAMCO Investors, Inc.
Executive Chairman,
Associated Capital Group Inc.

E. Val Cerutti
Chief Executive Officer,
Cerutti Consultants, Inc.

Anthony J. Colavita
President,
Anthony J. Colavita, P.C.

Werner J. Roeder, MD
Former Medical Director,
Lawrence Hospital

Anthonie C. van Ekris
Chairman,
BALMAC International, Inc.

Salvatore J. Zizza
Chairman,
Zizza & Associates Corp.

Daniel E. Zucchi
President,
Daniel E. Zucchi Associates

OFFICERS

Bruce N. Alpert
President

Andrea R. Mango
Secretary

Agnes Mullady
Treasurer

Richard J. Walz
Chief Compliance
Officer

DISTRIBUTOR

G.distributors, LLC

CUSTODIAN, TRANSFER AGENT, AND DIVIDEND DISBURSING AGENT

State Street Bank and Trust
Company

LEGAL COUNSEL

Paul Hasting LLP

This report is submitted for the general information of the shareholders of the Gabelli Gold Fund, Inc. It is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus.



GABELLI
FUNDS

GABELLI GOLD FUND, INC.

*Annual Report
December 31, 2016*

