

# Gabelli Gold Fund, Inc.

## Shareholder Commentary – March 31, 2018



**Caesar M. P. Bryan**  
Portfolio Manager

### **To Our Shareholders,**

For the quarter ended March 31, 2018, the net asset value (“NAV”) per Class AAA Share of the Gabelli Gold Fund, Inc. decreased 8.8% compared with decreases of 4.6% and 5.5% for the Philadelphia Gold & Silver (“XAU”) Index and the NYSE Arca Gold Miners Index, respectively. Other classes of shares are available. See page 2 for performance information for all classes.

The price of gold rose by \$24.18 per ounce during the quarter and ended March at \$1,327.23 per ounce. This represents a gain of 1.8%.

### **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 March 31, 2018 (a)

	Quarter	1 Year	5 Year	10 Year	15 Year	Since Inception (7/11/94)
<b>Class AAA (GOLDX)</b> .....	(8.78)%	(12.62)%	(5.97)%	(4.40)%	5.66%	3.98%
XAU Index .....	(4.64)	(2.56)	(8.78)	(6.41)	2.46	(0.12)(b)
NYSE Arca Gold Miners Index .....	(5.50)	(2.12)	(9.10)	(6.40)	3.23	0.11 (c)
Lipper Precious Metals Fund Classification .....	(7.21)	(8.44)	(8.31)	(5.63)	5.07	2.12
Standard & Poor's ("S&P") 500 Index .....	(0.76)	13.99	13.31	9.49	10.10	9.88
<b>Class A (GLDAX)</b> .....	(8.77)	(12.60)	(5.97)	(4.37)	5.68	3.99
With sales charge (d) .....	(14.01)	(17.63)	(7.08)	(4.93)	5.26	3.73
<b>Class C (GLDCX)</b> .....	(8.88)	(13.17)	(6.67)	(5.10)	4.88	3.48
With contingent deferred sales charge (e) .....	(9.79)	(14.04)	(6.67)	(5.10)	4.88	3.48
<b>Class I (GLDIX)</b> .....	(8.76)	(12.42)	(5.74)	(4.16)	5.84	4.09
<b>Class T (GLDTX)</b> .....	(8.79)	(12.63)	(5.97)	(4.40)	5.65	3.97
With sales charge (f) .....	(11.07)	(14.81)	(6.45)	(4.64)	5.48	3.45

**In the current prospectuses dated April 30, 2018, the expense ratios for Class AAA, A, C, I, and T Shares are 1.52%, 1.52%, 2.27%, 1.27%, and 1.52%, respectively. Class AAA and Class I Shares do not have a sales charge. The maximum sales charge for Class A Shares, Class C Shares, and Class T Shares is 5.75%, 1.00%, and 2.50%, respectively.**

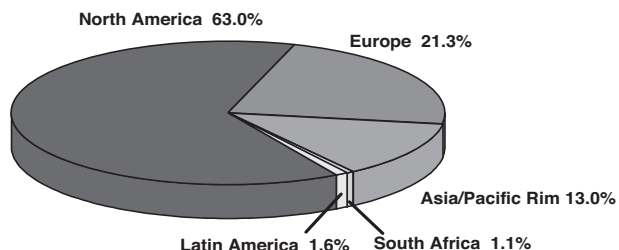
- (a) *Returns represent past performance and do not guarantee future results. Total returns and average annual returns reflect changes in share price, reinvestment of distributions, and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, 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](http://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](http://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, Class I Shares on January 11, 2008, and Class T Shares on July 5, 2017. The actual performance of the Class A Shares, Class C Shares, and Class T 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. The NYSE Arca Gold Miners Index is a modified market capitalization weighted index comprised of publicly traded companies involved primarily in the mining for gold and silver. 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) XAU Index since inception performance result as of June 30, 1994.
- (c) NYSE Arca Gold Miners Index since inception performance result as of June 30, 1994.
- (d) Performance results include the effect of the maximum 5.75% sales charge at the beginning of the period.
- (e) Assuming payment of the 1% maximum contingent deferred sales charge imposed on redemptions made within one year of purchase.
- (f) Performance results include the effect of the maximum 2.50% sales charge at the beginning of the period.

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](http://www.gabelli.com).

## Global Allocation

The accompanying chart presents the Fund's holdings by geographic region as of March 31, 2018. 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.

## HOLDINGS BY GEOGRAPHIC REGION



## Commentary

We believe that as the year progresses, risks to both the real economy and financial markets will rise. This may lead to increased volatility in asset markets as well as lower prices. In this event, gold and gold equities should attract renewed investor interest.

The Federal Reserve, under the new leadership of Mr. Powell, continues to tighten monetary policy. They raised short term interest rates by another 25 basis points during the first quarter and expectations are for a further two or three rate hikes during the remainder of the year.

Possibly of greater significance, is the Federal Reserve's asset disposal program. During the fourth quarter, the Federal Reserve will be reducing its balance sheet by \$50 billion per month. This is \$600 billion on an annualized basis, or nearly 3.0% of GDP. The economic expansion is one of the longest of record and the Federal Reserve may be tightening into a downturn. Recent evidence suggests consumers are tending to save and not spend their extra income from the tax cuts. However, inflation is rising as the labor market tightens and various commodities, such as oil, rise in price.

The recently enacted tax package will likely lead to a higher budget deficit, and at this point in the economic cycle, the deficit should be shrinking, not rising. If the economy slows or asset markets decline, the deficit will rise faster than currently projected. Added to this is the Federal Reserve's balance sheet reduction program and the burden of rising interest rates on the outstanding federal debt. A one percent rise in rate of interest the government pays on its debt, currently 2.3%, adds about \$150 billion to the deficit. This may put further downward pressure on the dollar which declined 2.2% during the quarter, as measured by the U.S. Dollar Index.

Exiting the extraordinary monetary policy of the last decade will likely prove more complex than many expect. The Federal Reserve has chosen to do this after a lengthy expansion, while the budget deficit is rising. This may prove to be risky. If something goes wrong, and the Federal Reserve changes course, the gold price should benefit meaningfully.

## Investment Scorecard

Gold equities remain an unloved and, in our opinion, an under owned segment of the market. Even though gold rose a little during the quarter, gold stocks declined. This reflects a lack of interest, as well as individual companies getting punished by the market as a result of any bad news. This is in spite of the efforts gold companies have made to improve operations resulting in lower costs and to reduce debt. As a result equity valuations are becoming more attractive.

There were three standout performers on the upside during the quarter. They included Midas Gold (0.7% of net assets as of March 31, 2018), a development company with a project in Idaho, which rose by 56.5%. This was followed by two West African gold producers, Asanko Gold (0.7%) and Perseus Mining (1.0%), that appreciated by 42.0% and 24.4% respectively.

On the other hand, we had a number of holdings that disappointed. These included some of our large positions that have performed well over the long term. For example, Newcrest Mining (4.9%) and Franco-Nevada (5.8%) declined by 15.5% and 14.7%, respectively. Both companies, in our estimation, suffered from some short term issues that will get resolved. Otherwise, Torex Gold (0.9%), a Mexican gold producer, suffered a mine closure due to a dispute about which union would represent workers. This has since been resolved and the stock has partially recovered.

During the quarter, we initiated three new positions. These included Harmony Gold Mining (0.6%), a South African gold producer with a potentially very valuable gold copper project in Papua New Guinea, Pan American Silver (0.3%), and RTG Mining (0.4%), an interesting Australian gold development company.

## Let's talk Stocks

The following are stock specifics on selected holdings of our Fund. Favorable earnings prospects do not necessarily translate into higher stock prices, but they do express a positive trend that we believe will develop over time. Individual securities mentioned are not necessarily representative of the entire portfolio. For the following holdings, the percentage of net assets and their share prices, stated first in U.S. dollars and then in local currency, are presented as of March 31, 2018.

*Alamos Gold Inc. (4.2%) (AGI CN – \$5.20 | CAD 6.70 – Toronto Stock Exchange)* is a Canadian listed gold miner with three primary operating assets, the Young Davidson and Island mines in northern Ontario and the Mulatos mine in the Mexican state of Sonora. Young Davidson is in the process of ramping up to full productive capacity of 8,000 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. Island mines is in the process of expanding production which should result in decreased unit costs. The Mulatos mine is an open-pit heap leach operation which has been in operation for nine 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.

*B2 Gold (2.5%) (BTO CN – \$2.74 | CAD 3.53 – Toronto Stock Exchange)* is a Canadian listed gold miner with operations in the Philippines, Namibia, and Nicaragua. The company is now developing the Fekola project in Mali. Fekola has the potential to be a world class asset with production of approximately 300,000 ounces per year at unit operating costs in the lower half of the cost curve. The company is borrowing to build Fekola. If the construction of Fekola goes well, B2 will be able to repay its debt and generate significant free cash flow which it could use to build its next deposit or return to shareholders in the form of a dividend.

*Fresnillo, plc (7.0%) (FRES LN – \$17.80 | £12.69 – 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.

*Hochschild Mining (1.7%) (HOC LN – \$2.79 | £1.99 – 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.

*Newmont Mining Corp. (4.1%) (NEM – \$39.07 – NYSE)* based in Denver, Colorado, is one of the largest gold mining companies in the world. Founded in 1921 and publicly traded since 1925, NEM is the only gold company included in the S&P 500 Index and Fortune 500. We expect the company to produce approximately 5.3 million ounces of gold and 120 million pounds of copper in 2017, with approximately 70% of this production coming from the United States and Australia. Newmont undertook company-wide cost cutting measures between 2013 and 2016, lowering its average unit costs base by over 20% during this period. The company has sold non-core assets and has deployed the proceeds from these sales into repaying debt and building new projects, which it expects will generate superior rates of return for shareholders.

*Northern Star Resources (2.0%) (NST – \$4.82 | AUD 6.28 – 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.

*Oceana Gold (2.5%) (OGC – \$2.68 | AUD 3.47 – Australian Stock Exchange)* is an Australian based multi-asset operator with mines in the Philippines, New Zealand, and United States. The company's Haile mine in South Carolina is just starting up. It is an open-pit operation of high grade and low cost, and has the potential to be the company's flagship operation if it has exploration success near the mine site. Oceana's Didipio mine in the Philippines is a copper/gold operation which is low cost and generates significant amounts of free cash flow. The company plans on paying down debt used to build Haile with its substantial free cash flow, and then building another mine if it finds the right opportunity to do so.

*Saracen Mineral Holdings (1.9%) (SAR – \$1.36 | AUD 1.78 – Australian Stock Exchange)* is an Australian based gold producer which owns and operates the Carosue Dam mining complex in Western Australia. The company is expected to produce 270,000 ounces of gold in the current fiscal year at an all-in sustaining cost below \$1,000 per ounce. The company has a positive net cash position and will use this cash and cash flow from operations to grow its mineral resource base on its land package and to expand production. The company has the ability to finance new construction through cash on its balance sheet and free cash flow generated from its two properties in Western Australia.

*Wesdome Gold Mines (1.6%) (WDO – \$1.52 | CAD 1.96 – Toronto Stock Exchange)* is a Toronto based gold mining company with a single operating mine in northern Ontario called Eagle River. The company is expected to produce 65,000 ounces of gold from the operation in 2017. Eagle River is expected to increase its production as the mine produces from a recently discovered higher grade region. Wesdome also made a significant new discovery at its Kiena operation in northern Quebec. Kiena is currently on care and maintenance, but recent exploration at the property has proven to be successful. It is likely that as more ounces are discovered at the property a restart of the operations will occur.

## **Conclusion**

Gold, we contend, is in a bull market. Admittedly, for the last few months it has traded sideways between \$1,300 and \$1,350 per ounces. From a longer term view, gold is in an uptrend. The low in gold occurred towards the end of 2015 at \$ 1,046 per ounce. This coincided with the high in the value of the dollar and the Federal Reserve's first interest rate rise since the financial crisis.

If, as we expect, financial volatility picks up, leading to a pull-back in financial assets, it is likely that the gold price will continue to move higher. Indeed, if gold decisively moves above about \$1,370 per ounce, its upside move may gather momentum. In this environment, gold equities would likely make a major move to the upside.

May 11, 2018

**Top Ten Holdings**  
**March 31, 2018**

Randgold Resources Ltd.	8.5%	Newcrest Mining Ltd.	4.9%
Fresnillo Plc.	7.0%	Alamos Gold Inc.	4.2%
Agnico Eagle Mines Ltd.	6.7%	Newmont Mining Corp.	4.1%
Royal Gold Inc.	6.3%	Goldcorp Inc.	3.3%
Franco-Nevada Corp.	5.8%	Detour Gold Corp.	2.8%

**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](http://www.gabelli.com)**

Please visit us on the Internet. Our homepage at [www.gabelli.com](http://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](mailto: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](http://www.gabelli.com) and receive early notice of quarterly report availability, news events, media sightings, and mutual fund prices and performance.

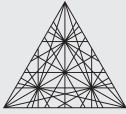
**e-delivery**

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](http://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, Class C, and Class T 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

Junior development companies with good assets are selling pieces of their companies or projects at discounts, hoping that full value for their assets will be realized in their share prices over time.

In 2016 we published a list of potential acquisition candidates in the gold mining sector. The list consisted of single asset development stage junior mining companies which owned high quality projects. We identified seven candidates at that time. Since then, one company built its project, one was acquired, and three have entered into the hybrid type of arrangement which we described above.

**Exhibit 1**

**Acquisition Candidates and Outcomes**

<u>Acquisition Target</u>	<u>Outcome</u>
Integra Resources	Sold
Torex Gold	Project built
Continental Gold	Partial Sale
Gold Road Resources	""
Victoria Gold	""
Belo Sun	Permitting delay
Eastmain Resources	Exploration continuing

*Source: Public data, Gabelli & Company*

Last week Victoria Gold entered into an arrangement to sell 35% of its company to two buyers, while also selling a royalty to one of the buyers and borrowing from the other. All in, the company raised C\$500 million to build its project in the Yukon. Victoria's shares were trading at C\$0.37 per share prior to announcement. The new partial owners of the company purchased their equity at C\$0.50 per share. We estimate that the diluted net present value of the project is C\$1 per share using the spot gold price and a 5% discount rate. The stock is currently trading at C\$0.40 per share. Victoria seems to be playing a time arbitrage. If it can build its mine according to plan, its shares should move towards its net present value.

**Table 1 Gold development companies which have sold pieces of their businesses**

<u>Company</u>	<u>Percentage Sold</u>	<u>Buyer</u>	<u>Sale Price</u>	<u>Trading Price</u>	<u>Estimated NPV/share</u>
Victoria Gold	35	Osisko, Orion	C\$0.50	C\$0.40	C\$1.10
Continental Gold	19.9	Newmont	C\$4.00	C\$3.50	C\$8.00
Gold Road Resources*	50	Gold Fields	A\$0.85	A\$0.80	A\$1.10

*\*Gold Road sold 50% of its primary asset to Gold Fields, not 50% of its corporation  
Source: Public data, Gabelli & Company*

The two other companies on my list which entered into similar types of transactions and also seem to be playing a “time arbitrage” are Continental Gold and Gold Road Resources. Please see the chart on the next page.

As can be seen in the above chart, a large arbitrage opportunity exists for potential buyers of each of these company’s stocks if buyers are willing to bear the risk of construction and endure the holding period until the mine is built. Investors even have the opportunity to invest in these companies at a discount to a strategic buyer’s purchase price.

In a difficult market for gold stocks, managements of development companies are taking bold steps to move projects forward. Fortune might favor bold investors willing to bear the risk of a mine construction and endure the time frame of a mine-build.

## **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  
by calling 800-GABELLI after 7:00 P.M.

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### LEGAL COUNSEL

Paul Hastings LLP

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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.

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# GABELLI GOLD FUND, INC.

*Shareholder Commentary*  
*March 31, 2018*

# Gabelli Gold Fund, Inc.

## First Quarter Report — March 31, 2018



**Caesar M. P. Bryan**  
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Enclosed is the schedule of investments as of March 31, 2018.

### Comparative Results

#### Average Annual Returns through March 31, 2018 (a) (Unaudited)

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With sales charge (f) . . . . .	(11.07)	(14.81)	(6.45)	(4.64)	5.48	3.45

In the current prospectuses dated April 30, 2018, the expense ratios for Class AAA, A, C, I, and T Shares are 1.52%, 1.52%, 2.27%, 1.27%, and 1.52%, respectively. Class AAA and Class I Shares do not have a sales charge. The maximum sales charge for Class A Shares, Class C Shares, and Class T Shares is 5.75%, 1.00%, and 2.50%, 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](http://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](http://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, Class I Shares on January 11, 2008, and Class T Shares on July 5, 2017. The actual performance of the Class A Shares, Class C Shares, and Class T 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. The NYSE Arca Gold Miners Index is a modified market capitalization weighted index comprised of publicly traded companies involved primarily in the mining for gold and silver. 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.
- (d) XAU Index since inception performance results is as of June 30, 1994.
- (e) NYSE Arca Gold Miners Index since inception performance results is as of June 30, 1994.
- (f) Performance results include the effect of the maximum 2.50% sales charge at the beginning of the period.

# Gabelli Gold Fund, Inc.

## Schedule of Investments — March 31, 2018 (Unaudited)

Shares	Market Value	Shares	Market Value
<b>COMMON STOCKS — 98.3%</b>			
<b>Metals and Mining — 98.3%</b>			
<b>Africa — 1.1%</b>			
50,000	AngloGold Ashanti Ltd., ADR	\$ 474,500	
250,000	Gold Fields Ltd., ADR	1,005,000	
750,000	Harmony Gold Mining Co. Ltd., ADR	1,792,500	
		<u>3,272,000</u>	
<b>Australia — 13.4%</b>			
1,000,000	Evolution Mining Ltd.	2,327,189	
7,000,000	Gold Road Resources Ltd.†	4,381,720	
947,079	Newcrest Mining Ltd.	14,234,597	
1,176,227	Northern Star Resources Ltd.	5,673,353	
3,745,000	Perseus Mining Ltd., Australia†	1,337,500	
4,450,000	Perseus Mining Ltd., Toronto†	1,640,664	
10,989,011	RTG Mining Inc., CDI†(a)	1,266,015	
4,027,272	Saracen Mineral Holdings Ltd.†	5,490,329	
2,206,756	Westgold Resources Ltd.†	2,542,346	
		<u>38,893,713</u>	
<b>Europe — 1.5%</b>			
115,000	Polysus PJSC, GDR	4,473,500	
<b>North America — 62.5%</b>			
140,246	Agnico Eagle Mines Ltd., New York	5,900,149	
322,186	Agnico Eagle Mines Ltd., Toronto	13,554,144	
600,000	Alacer Gold Corp., New York†	948,180	
700,000	Alacer Gold Corp., Toronto†	1,113,828	
1,037,675	Alamos Gold Inc., New York, Cl. A	5,406,287	
1,325,250	Alamos Gold Inc., Toronto, Cl. A	6,891,897	
5,500,000	Alexandria Minerals Corp.†(b)	362,867	
1,100,000	Amarillo Gold Corp.†	239,065	
1,766,500	Asanko Gold Inc., New York†	1,766,500	
233,500	Asanko Gold Inc., Toronto†	235,611	
2,224,650	B2Gold Corp., New York†	6,073,295	
400,000	B2Gold Corp., Toronto†	1,095,975	
408,700	Barrick Gold Corp., New York	5,088,315	
122,661	Barrick Gold Corp., Toronto	1,528,086	
4,600,000	Belo Sun Mining Corp.†	1,249,660	
335,000	Chesapeake Gold Corp.†	637,055	
52,700	Contango ORE Inc.†(b)(c)	975,477	
55,000	Contango ORE Inc., New York	1,018,050	
1,550,000	Continental Gold Inc.†	4,258,936	
685,000	Detour Gold Corp., New York†	6,951,037	
115,000	Detour Gold Corp., Toronto†	1,163,969	
1,169,311	Eldorado Gold Corp., New York†	982,221	
467,500	Eldorado Gold Corp., Toronto†(b)	391,897	
185,000	Endeavour Mining Corp., New York†	3,413,242	
675,000	Fortuna Silver Mines Inc.†	3,516,750	
244,700	Franco-Nevada Corp.(b)	16,695,098	
350,000	Gold Standard Ventures Corp.†	570,500	
270,000	Goldcorp Inc., New York	3,731,400	
433,800	Goldcorp Inc., Toronto	5,990,066	
1,500,000	Golden Queen Mining Co. Ltd.†(b)	\$ 210,930	
2,000,000	Golden Queen Mining Co. Ltd., New York†	281,240	
8,987,000	Golden Queen Mining Co. Ltd., Toronto†	1,213,547	
473,000	Golden Queen Mining Co. Ltd., Toronto†	64,249	
210,000	Kirkland Lake Gold Ltd.	3,255,094	
95,533	MAG Silver Corp.†(b)(c)	931,447	
330,000	MAG Silver Corp., New York†	3,232,507	
5,050,000	Mandalay Resources Corp.	764,350	
1,000,000	Midas Gold Corp., New York†	736,000	
1,950,000	Midas Gold Corp., Toronto†	1,437,886	
302,871	Newmont Mining Corp.	11,833,170	
200,000	Northern Dynasty Minerals Ltd., New York†	181,200	
1,672,000	Northern Dynasty Minerals Ltd., Toronto†	1,557,341	
2,220,850	OceanaGold Corp., New York	5,974,531	
425,000	OceanaGold Corp., Toronto	1,144,681	
306,860	Osisko Gold Royalties Ltd.	2,962,967	
50,000	Pan American Silver Corp.	807,500	
190,000	Pretium Resources Inc.†	1,265,400	
10,600,000	Redstar Gold Corp.†	411,379	
212,700	Royal Gold Inc.	18,264,549	
600,000	SEMAFO Inc.†(b)	1,727,791	
400,000	SEMAFO Inc., New York†	1,151,861	
75,000	Tahoe Resources Inc., New York	351,750	
850,000	Tahoe Resources Inc., Toronto	3,991,540	
240,000	TMAC Resources Inc.†	1,475,375	
50,000	Torex Gold Resources Inc., New York†(b)	306,982	
385,000	Torex Gold Resources Inc., Toronto†	2,363,760	
1,200,000	Victoria Gold Corp., New York†	336,000	
2,000,000	Victoria Gold Corp., Toronto†	558,854	
3,041,000	Wesdome Gold Mines Ltd.†	4,626,351	
290,000	Wheaton Precious Metals Corp., New York	5,907,300	
30,000	Wheaton Precious Metals Corp., Toronto	611,247	
		<u>181,688,336</u>	
<b>United Kingdom — 19.8%</b>			
2,349,000	Centamin plc	5,086,819	
1,803,054	Condor Gold plc†(b)	1,151,004	
1,135,500	Fresnillo plc	20,208,510	
1,797,709	Hochschild Mining plc	5,022,921	
3,000,000	Hummingbird Resources plc†	1,388,967	
295,900	Randgold Resources Ltd., ADR	24,630,716	
		<u>57,488,937</u>	
<b>TOTAL COMMON STOCKS</b>			<u>285,816,486</u>
<b>WARRANTS — 0.3%</b>			
<b>Metals and Mining — 0.3%</b>			
<b>Australia — 0.0%</b>			
441,351	Westgold Resources Ltd., expire 06/30/19†		66,101

See accompanying notes to schedule of investments.



## Gabelli Gold Fund, Inc.

### Notes to Schedule of Investments (Unaudited)

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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 schedule of investments. 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 schedule of investments.

**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 obligations 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, unless the Board determines such amount does not reflect the securities’ fair value, in which case the securities will be fair valued as determined by the Board. Such debt obligations are valued through prices provided by a pricing service approved by the Board. Certain securities are valued principally using dealer quotations. Futures contracts are valued at the closing settlement price of the exchange or board of trade on which the applicable contract is traded. OTC futures and options on futures for which market quotations are readily available will be valued by quotations received from a pricing service or, if no quotations are available from a pricing service, by quotations obtained from one or more dealers in the instrument in question by the Adviser.

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. 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.



**Gabelli Gold Fund, Inc.**  
**Notes to Schedule of Investments (Unaudited) (Continued)**

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 March 31, 2018 is as follows:

	Valuation Inputs		
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Total Market Value at 3/31/18
<b>INVESTMENTS IN SECURITIES:</b>			
<b>ASSETS (Market Value):</b>			
Common Stocks:			
Metals and Mining			
Africa	\$ 3,272,000	—	\$ 3,272,000
Australia	24,659,116	\$14,234,597	38,893,713
Europe	4,473,500	—	4,473,500
North America	178,763,362	2,924,974	181,688,336
United Kingdom	57,488,937	—	57,488,937
<b>Total Common Stocks</b>	<b>268,656,915</b>	<b>17,159,571</b>	<b>285,816,486</b>
Warrants:			
Metals and Mining			
Australia	66,101	—	66,101
North America	—	818,953	818,953
United Kingdom	—	37,497	37,497
<b>Total Warrants</b>	<b>66,101</b>	<b>856,450</b>	<b>922,551</b>
U.S. Government Obligations	—	4,005,430	4,005,430
<b>TOTAL INVESTMENTS IN SECURITIES – ASSETS</b>	<b>\$268,723,016</b>	<b>\$22,021,451</b>	<b>\$290,744,467</b>

**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 are 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

## Gabelli Gold Fund, Inc.

### Notes to Schedule of Investments (Unaudited) (Continued)

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available, such as securities not traded for several days, or for which current bids are not available, or which are restricted as to transfer. Among the factors to be considered to fair value a security are 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.

**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 illiquid 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

**Gabelli Gold Fund, Inc.**  
**Notes to Schedule of Investments (Unaudited) (Continued)**

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traded securities, and accordingly the Board will monitor their liquidity. For the restricted securities the Fund held at March 31, 2018, refer to the Schedule of Investments.

**Tax Information.** The Fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended.

**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.

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](http://www.gabelli.com).

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

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Solutions Inc.

### 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.

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GABELLI  
FUNDS

# GABELLI GOLD FUND, INC.

*First Quarter Report  
March 31, 2018*

