BLACKROCK WORLD MINING TRUST PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS 31 DECEMBER 2013

BLACKROCK®

Investment objective

The Company's objective is to maximise total returns to shareholders through a world-wide portfolio of mining and metal securities. Up to 20% of the assets may be invested in investments other than quoted securities, including unquoted equities and bonds, royalties, physical metals and derivatives.

Details about the Company are available on the BlackRock Investment Management (UK) Limited website at blackrock.co.uk/brwm

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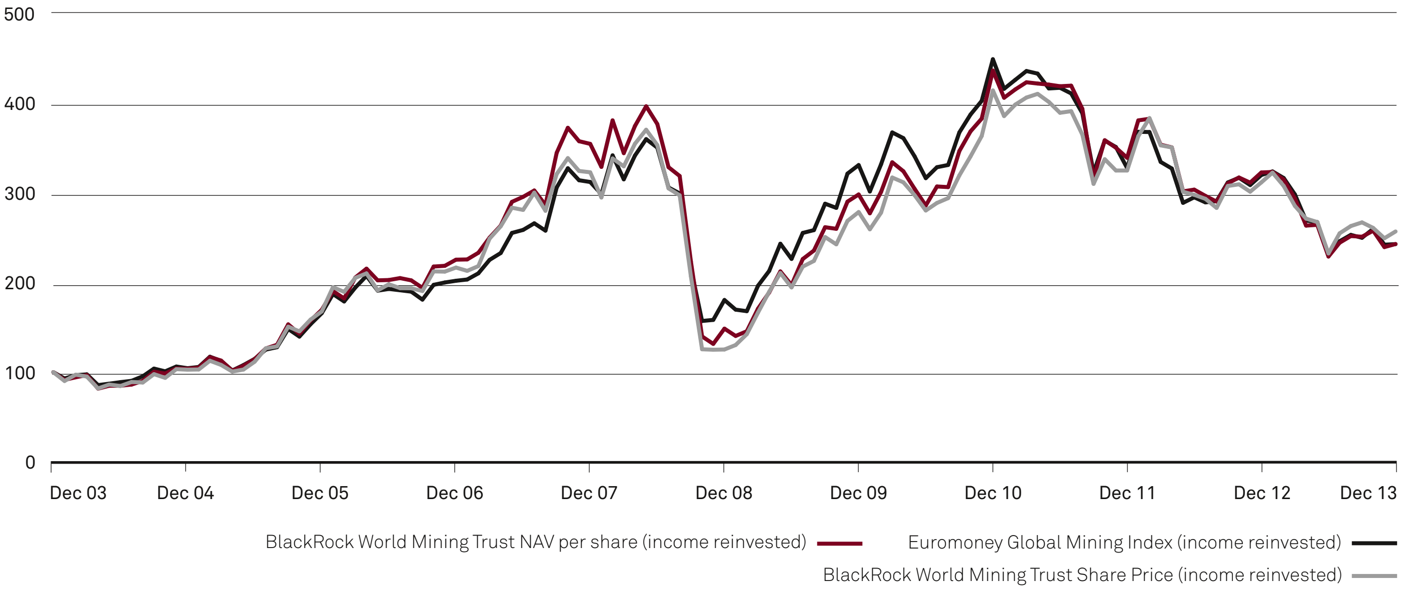
FINANCIAL HIGHLIGHTS

Attributable to ordinary shareholders	31 December 2013	31 December 2012	Change %
Assets			
Net assets (£'000)	885,346	1,215,743	-27.2
Net asset value per ordinary share	499.39p	685.75p	-27.2
– with income reinvested			-24.6
Ordinary share price (mid-market)	465.00p	586.50p	-20.7
– with income reinvested			-17.5
Euromoney Global Mining Index	466.03	613.72	-24.1
Discount to net asset value	6.9%	14.5%	

	For the year ended 31 December 2013	For the year ended 31 December 2012	Change %
Revenue			
Net revenue return after taxation (£'000)	39,633	38,614	+2.6
Revenue return per ordinary share	22.36p	21.78p	+2.6
Dividend per ordinary share			
– Final	14.00p	14.00p	–
– Interim	7.00p	7.00p	–

PERFORMANCE OVER THE TEN YEARS ENDED 31 DECEMBER 2013



Sources: BlackRock and Datastream.
Performance figures are calculated in sterling terms, rebased to 100.

Overview

Chairman's statement

OVERVIEW
Despite a generally improving economic environment, mining shares suffered poor returns in 2013. Fears of a worse than expected slowdown in China, which has been the main motor for demand growth in the last decade, led to price falls in most commodities. In addition, the breakdown in trust between mining companies and investors on the back of poor returns on investment and excessive capital spending, further derated mining company share prices. Accordingly, despite an otherwise strong recovery in broader equity markets generally, the mining sector has struggled.

Against this backdrop, the Company's net asset value ('NAV') per share returned -24.6% and the Company's share price returned -17.5% over the twelve months to 31 December 2013. The Company's benchmark index, the Euromoney Global Mining Index (formerly the HSBC Global Mining Index) returned -24.1% in the same period (all percentages calculated in sterling terms with income reinvested).

Since the year end, the Company's NAV has returned 4.7% compared with a return of 5.1% in the benchmark index.

REVENUE RETURN AND DIVIDEND
The Company's revenue return per share for the year to 31 December 2013 amounted to 22.36p compared with 21.78p for the previous year.

The Directors recommend the payment of a final dividend of 14.00p per share for the year ended 31 December 2013 (2012: 14.00p), which together with the interim dividend of 7.00p per share (2012: 7.00p), makes a total dividend of 21.00p per share (2012: 21.00p). The dividend will be paid on 15 May 2014 to shareholders on the register of members on 7 March 2014.

Since the launch of the Company in 1993 and following the payment of the forthcoming final dividend, total dividends paid will be greater than the initial public offering price paid on the Company's ordinary shares.

DISCOUNT
Your Board recognises that it is in the long term interests of shareholders that the discount to NAV at which the shares trade should be minimised as far as possible and will continue to focus on attempting to narrow this margin. The Company's discount has narrowed considerably in the last year and averaged 10.2% on a cum income NAV and 8.1% on a capital only NAV. Currently the shares are trading at a discount of 0.8% on a cum income basis and a premium of 2.5% on a capital only basis.

THE BOARD
We were pleased to welcome Ian Cockerill to the Board with effect from 14 November 2013. Mr Cockerill has nearly 40 years' experience in the mining industry, having previously been responsible for business development in AngloGold, and chief executive officer of both Gold Fields Ltd and AngloCoal, between 1999 and 2009.

Oliver Baring, who has served on the Board since November 2004, will retire as a Director at the forthcoming Annual General Meeting. I would like to thank Oliver on behalf of the Board for his wise counsel over this period and wish him every success for the future.

ROYALTY INVESTMENTS
In July, shareholders approved changes to the investment policy clarifying that the Company may, as part of its existing authority to invest in unquoted investments, invest in royalties which arise from the production of metals and minerals. The limit on unquoted investments was also raised from 10% to 20% of gross assets to allow greater exposure to metal and mining related royalties.

It was announced in October that the Company had reached a non-binding agreement on key commercial terms for a US$12 million smelter return royalty investment with Avanco Resources Limited. The Company and Avanco are currently working on heads of terms. Whilst this would represent a relatively small commitment for the Company, the Board believes that the investment will offer an attractive addition to the royalty portfolio and also diversify the Company's existing royalty holdings by type of asset.

ALTERNATIVE INVESTMENT FUND MANAGERS' DIRECTIVE
The Alternative Investment Fund Managers' Directive (the 'Directive') is a European Directive which seeks to reduce systemic risk by regulating alternative investment fund managers ('AIFMs'). AIFMs are responsible for managing investment products that fall within the category of Alternative Investment Funds ('AIFs') and investment trusts are included in this. The Directive was implemented on 22 July 2013, although the Financial Conduct Authority will permit a transitional period of one year after that during which UK AIFMs must seek authorisation. The Board has taken, and will continue to take, independent advice on the consequences for the Company and has decided in principle that BlackRock Fund Managers Limited will be appointed as its AIFM in advance of the end of the transitional period on 22 July 2014.

NEW REPORTING REQUIREMENTS

There have been a number of revisions to reporting requirements for companies with accounting periods ending on, or after, 30 September 2013. These changes are intended to increase the quality and structure of reporting and include the introduction of a new Strategic Report which is intended to replace the Business Review section of the Directors' Report, providing insight into the Company's objectives, strategy and principal risks. The Strategic Report should also enable shareholders to assess how effective Directors have been in promoting the success of the Company during the course of the year under review. Other changes comprise additional Audit Committee reporting requirements on the external audit process, as set out on pages 36 to 38, and changes to the structure and voting requirements in respect of the Directors' Remuneration Report which are explained in more detail on pages 27 to 29.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at the offices of BlackRock Investment Management (UK) Limited at 12 Throgmorton Avenue, London EC2N 2DL on Thursday, 8 May 2014 at 11.30 a.m. Details of the business of meeting are set out in the Notice of Meeting on pages 71 to 74 of this Annual Report. The Portfolio Managers will make a presentation to shareholders on the Company's performance and the outlook for the year ahead.

ARTICLES OF ASSOCIATION

At the forthcoming Annual General Meeting, shareholders will be asked to approve new Articles of Association in substitution for the current Articles. The Board is proposing to make these amendments to the Articles in response to the Alternative Investment Fund Managers' Directive; details of the principal changes are given on pages 25 and 26 of the Directors' Report.

OUTLOOK

The mining industry has faced many challenges since the start of the decade. However, much progress has now been made in trimming back the unwelcome increase in operating costs taken on in the boom years. In addition, much of the previously planned expansion in capacity has now also been reassessed resulting in cut backs in the light of the harsher operating environment and a need to reset the balance between reinvestment and shareholder returns. It is hoped that the consequence of these actions will result in a marked increase in free cash flow for the companies allowing them to better reward shareholders with increased returns.

A W LEA
Chairman
20 February 2014

Overview

Historical record

Year ended 31 December	Net Assets attributable to Ordinary Shareholders £'000	Undiluted Net Asset Value per Ordinary Share p	Diluted Net Asset Value per Ordinary Share p	Gearing %	Ordinary Share Price p	Revenue available for Ordinary Shareholders £'000	Revenue Earnings per Ordinary Share p	Dividends per Ordinary Share p
1994	446,816	104.94	104.12	–	93.50	3,642	0.86	0.77
1995	452,762	106.27	105.23	0.1	93.00	5,637	1.32	1.00
1996	424,774	99.70	–	–	86.50	5,082	1.19	1.15
1997	318,494	74.75	–	–	59.50	3,894	0.91	0.85
1998	230,284	60.92	–	–	55.75	5,619	1.43	2.35
1999	223,397	116.99	–	11.2	100.75	2,238	1.00	1.20
2000	186,022	109.36	–	8.3	91.50	2,939	1.63	1.30
2001	196,726	118.48	–	–	96.50	6,434	3.82	3.15
2002	243,350	149.48	–	–	131.75	4,110	2.52	2.10
2003	389,244	239.09	–	8.8	217.00	2,816	1.73	1.70
2004*	398,129	244.55	240.29	6.0	218.00	4,899	3.01	2.50
2005	668,202	397.03	–	0.7	351.50	5,642	3.39	2.80
2006	868,545	516.07	503.23	0.9	444.00	14,782	8.78	4.50
2007	1,268,120	804.13	752.28	–	655.00	13,391	8.25	5.50
2008	590,927	331.39	331.39	0.5	252.50	9,831	5.64	5.50
2009	1,176,813	662.02	662.02	3.6	550.00	8,714	4.90	4.75
2010	1,708,023	962.06	962.06	1.8	811.00	11,667	6.57	6.00
2011	1,317,004	742.86	742.86	2.5	631.50	26,099	14.71	14.00
2012	1,215,743	685.75	685.75	7.1	586.50	38,614	21.78	21.00
2013	885,346	499.39	499.39	9.6	465.00	39,633	22.36	21.00

* Prior to 2004, financial information has been prepared under UK GAAP. From 2004 all information is prepared under IFRS as set out in note 2 on pages 45 to 48.

Performance

Strategic report

The Directors present the Strategic Report of the Company for the year ended 31 December 2013. The aim of the Strategic Report is to provide shareholders with the ability to assess how the Directors have performed their duty to promote the success of the Company for the collective benefit of shareholders.

PRINCIPAL ACTIVITY

The Company carries on business as an investment trust. Its principal activity is portfolio investment and that of its subsidiary, BlackRock World Mining Investment Company Limited (the 'Group'), is investment dealing.

GENERAL MEETING

The Company held a general meeting on 21 August 2013 to amend the Company's investment policy. The principal changes clarified that the Company may invest in royalties derived from the production of metals and minerals as part of its permission to invest in unquoted investments; permit the Company to invest up to 20% of its gross assets in unquoted investments including royalties (previously 10%); and enable the Company to invest in any single holding that would represent up to 20% of gross assets at the time of acquisition, as compared with the previous 10%.

OBJECTIVE

The Company's objective is to maximise total returns to shareholders through a worldwide portfolio of mining and metal securities. The Board recognises the importance of dividends to shareholders in achieving that objective, in addition to capital returns.

STRATEGY, BUSINESS MODEL AND INVESTMENT POLICY

In order to achieve its objective, it is intended that the Group will normally be fully invested, which means at least 90% of the gross assets of the Company and its subsidiary will be invested in stocks, shares, royalties and physical metals. However, if such investments are deemed to be overvalued, or if the Investment Manager finds it difficult to identify attractively priced opportunities for investment, then up to 25% of the portfolio may be held in cash or cash equivalents.

The Company's investment policy is to provide a diversified investment in mining and metal securities worldwide. While the policy is to invest principally in quoted securities, the Company's investment policy includes investing in royalties derived from the production of metals and minerals, as well as physical metals. Risk is spread by investing in a number of holdings, many of which themselves are diversified companies.

The Group may occasionally utilise derivative instruments such as options, futures and contracts for difference, if it is deemed that these will, at a particular time or for a particular period, enhance the performance of the Group in the pursuit of its objective. The Company is permitted to enter into stock lending arrangements.

The Group may invest in any single holding, of quoted or unquoted investments, that would represent up to 20% of gross assets at the time of acquisition.

Although investments are principally in companies listed on recognised stock exchanges, the Company may invest up to 20% of the Group's gross assets in investments other than quoted securities. Such investments include unquoted equities or bonds, royalties, physical metals and derivatives. In order to afford the Company the flexibility of obtaining exposure to metal and mining related royalties, it is possible that, in order to diversify risk, all or part of such exposure may be obtained directly or indirectly through a holding company, a fund or another investment or special purpose vehicle, which may be quoted or unquoted. The Board will seek the prior approval of shareholders to any unquoted investment in a single company, fund or special purpose vehicle or any single royalty which represents more than 10% of the Group's assets at the time of acquisition.

As at 31 December 2013, the Company held two unquoted investments. Unquoted investments can prove to be more risky than listed investments. The two investments, the Marampa royalty contract and Banro gold-linked preference shares, are held at Directors' valuation.

In addition, while the Company may hold shares in other listed investment companies (including investment trusts) the Company will not invest more than 15% of the Group's gross assets in other UK listed investment companies.

The Group's financial statements are maintained in sterling. Although many investments are denominated and quoted in currencies other than sterling, the Board does not intend to employ a hedging strategy against fluctuations in exchange rates.

The Investment Manager believes that tactical use of gearing can add value from time to time. This gearing is typically in the form of an overdraft or short term loan facility, which can be repaid at any time or matched by cash. The level and benefit of gearing is discussed and agreed with the Board regularly. In order to provide flexibility for future royalty transactions, the Board would allow for gearing to increase but to no more than 25% of the Group's net assets, the limit stipulated in the Company's Articles of Association. The maximum level of gearing used during the year was 12.8% and, at the financial reporting date, net gearing (calculated as borrowings less cash as a percentage of net assets) stood at 9.6% of shareholders' funds (2012: 7.1%). For further details on borrowings refer to note 14 on page 53.

No material change will be made to the investment policy without shareholder approval.

Performance

Strategic report continued

PORTFOLIO ANALYSIS

Information regarding the Company's investment exposures is contained within the ten largest investments on pages 16 and 17, the investments listing on pages 18 and 19 and portfolio analysis on page 20. Further information regarding investment risk and activity throughout the year can be found in the Investment Manager's Report.

CONTINUATION OF THE COMPANY

As agreed by shareholders in 1998, an ordinary resolution for the continuance of the Company is proposed at each Annual General Meeting. The Company has a strong long term investment record, providing excellent returns to shareholders, and the Directors recommend that shareholders vote in support of the Company's continuation.

PERFORMANCE

In the year to 31 December 2013, the Company's net asset value per share returned -24.6% compared with a return in the Euromoney Global Mining Index of -24.1%. (The HSBC Global Mining Index was renamed on 1 October 2013.) The Company's share price returned -17.5% over the same period. (All figures calculated in sterling terms with income reinvested).

RESULTS AND DIVIDENDS

The results for the Company are set out in the Consolidated Statement of Comprehensive Income on page 41. The total loss for the year, after taxation, was £293,167,000 (2012: loss of £64,031,000) of which £39,633,000 (2012: £38,614,000) is revenue profit.

It is the Board's intention to distribute the maximum dividend possible in terms of earnings each year. The Directors recommend the payment of a final dividend of 14.00p per share in respect of the year ended 31 December 2013 (2012: 14.00p per share) which, together with the interim dividend of 7.00p per share (2012: 7.00p), makes a total of 21.00p per share in respect of the year ended 31 December 2013 (2012: 21.00p). The dividend will be paid on 15 May 2014 to shareholders on the register of members at close of business on 7 March 2014. Dividend payments for the year ended 31 December 2013 (including the interim dividend) amount to £37,230,000 (2012: £37,230,000).

KEY PERFORMANCE INDICATORS

The Directors consider a number of performance measures to assess the Company's success in achieving its objectives. The key performance indicators ('KPIs') used to measure the progress and performance of the Company over time and which are comparable to those reported by other investment trusts are set out below.

	2013	2012
Net asset value per share	499.39p	685.75p
Share price	465.00p	586.50p
Discount to net asset value	6.9%	14.5%
Revenue earnings per share	22.36p	21.78p
Ongoing charges[1]	1.4%	1.4%

1. Ongoing charges represent the management fee and all other operating expenses excluding interest as a % of average shareholders' funds.

The Board monitors the above KPIs on a regular basis. Additionally, it regularly reviews a number of indices and ratios to understand the impact on the Company's relative performance of the various components such as asset allocation and stock selection.

DISCOUNT

The Directors recognise that it is in the long term interests of shareholders that shares do not trade at a significant discount to their prevailing net asset value. In the year under review, the Company's shares traded at a discount to net asset value of between 5.4% and 15.8%, with the average being 10.2%. The shares ended the year at a discount of 6.9%.

PRINCIPAL RISKS

The key risks faced by the Company are set out below. The Board regularly reviews and agrees policies for managing each risk, as summarised below:

- Performance risk – The Board is responsible for deciding the investment strategy to fulfil the Company's objectives and for monitoring the performance of the Investment Manager and implementation of the strategy. An inappropriate strategy may lead to underperformance, against the benchmark index. To manage this risk the Investment Manager provides an explanation of significant stock selection decisions and the rationale for the composition of the investment portfolio. The Board monitors and mandates an adequate spread of investments in order to minimise the risks associated with particular countries or factors specific to particular sectors, based on the diversification requirements inherent in the Company's investment policy. The Board also receives and reviews regular reports showing an analysis of the Company's performance against the Euromoney Global Mining Index and other similar indices, including the performance of major companies in the sector. Past performance is not necessarily a guide to future performance and the value of an investment in the Company and the income from it can fluctuate as the value of the underlying investments fluctuate.

- Income/dividend risk – The amount of dividends and future dividend growth will depend on the Company's underlying portfolio and investment activity. Any change in the tax treatment of the dividends or interest received by the Company (including as a result of withholding taxes or exchange controls imposed by jurisdictions in which the Company invests) may reduce the level of dividends received by shareholders. The Board monitors this risk through the receipt of income forecasts and considers the level of income at each meeting.

- Market risk – Market risk arises from volatility in the prices of the Company's investments. It represents the potential loss the Company might suffer through realising investments in the face of negative market movements. Changes in general economic and market conditions, such as interest rates, rates of inflation, industry conditions, tax laws, political events and trends can also substantially and adversely affect the securities and, as a consequence, the Company's prospects and share price. The Board considers asset allocation, stock selection and levels of gearing on a regular basis and has set investment restrictions and guidelines which are monitored and reported on by the Investment Manager. The Board monitors the implementation and results of the investment process with the Investment Manager.

- Financial risk – The Company's investment activities expose it to a variety of financial risks which include market risk, currency risk, interest rate risk, market price risk, liquidity risk and credit risk. Further details are disclosed in note 18 on pages 55 to 63, together with a summary of the policies for managing these risks.

- Regulatory risk – The Company operates as an investment trust in accordance with the requirements of Chapter 4 of Part 24 of the Corporation Tax Act 2010. As such, the Company is exempt from capital gains tax on the profits realised from the sale of its investments. The Investment Manager monitors investment movements, the level and type of forecast income and expenditure and the amount of proposed dividends, if any, to ensure that the provisions of Chapter 4 of Part 24 of the Corporation Tax Act 2010 are not breached and the results are reported to the Board at each meeting. The Board and the Investment Manager also monitor changes in government policy and legislation which may have an impact on the Company. The Company must also comply with the provisions of the Companies Act 2006 and, as its shares are admitted to the Official List, the UKLA Listing Rules, the Disclosure and Transparency Rules and the Prospectus Rules. A breach of the Companies Act 2006 could result in the Company and/or the Directors being fined or the subject of criminal proceedings. A breach of the UKLA Listing Rules could result in the Company's shares being suspended from listing, which in turn would breach the requirements of Chapter 4 of Part 24 of the Corporation Tax Act 2010.

  The Board relies on the services of its professional advisers and its Company Secretary to ensure compliance with all relevant regulations. The Company Secretary has stringent compliance procedures in place and monitors regulatory developments and changes. Following authorisation under the Alternative Investment Fund Managers' Directive (the 'Directive') the Company and its appointed AIFM will be subject to the risk that the requirements of the Directive are not correctly complied with.

- Operational risk – In common with most other investment trust companies, the Company has no employees. The Company therefore relies upon the services provided by third parties and is dependent on the control systems of the Investment Manager and the Company's other service providers. The security, for example, of the Company's assets, dealing procedures, accounting records and maintenance of regulatory and legal requirements, depend on the effective operation of these systems. These have been regularly tested and monitored and an internal controls report, which includes an assessment of risks together with procedures to mitigate such risks, is prepared by the Investment Manager and reviewed by the Audit & Management Engagement Committee at least twice a year. The Investment Manager, the custodian and the fund accountant also produce regular Service Organisation Control reports (SOC 1) or AAF 01/06 reports which are reviewed by their reporting accountants and give assurance regarding the design and effective operation of controls.

- Resource risk – The quality of the investment management team employed by the Investment Manager is a crucial factor in delivering good performance and the loss by the management of key staff could affect investment returns. The Investment Manager has training and development programmes in place for its employees and its recruitment and remuneration packages are developed in order to retain key staff.

- Gearing risk – The Company has the power to borrow money (gearing) and does so when the Investment Manager is confident that market conditions and opportunities exist to enhance investment returns. However, if the investments fall in value, any borrowings will magnify the extent of this loss. All borrowings require the approval of the Board and gearing levels are discussed by the Board and Investment Manager.

FUTURE PROSPECTS

The Board's main focus is to maximise total returns over the longer term. The future performance of the Company is much dependent upon the success of the investment strategy and, to a large degree, on the performance of financial markets. The outlook for the Company in the next twelve months is discussed in both the Chairman's Statement on page 5 and the Investment Manager's Report on page 15.

Performance

Strategic report continued

SOCIAL, COMMUNITY AND HUMAN RIGHTS ISSUES

As an investment trust, the Company has no direct social or community responsibilities. However, the Company believes that it is in shareholders' interests to consider environmental, social and governance factors and human rights issues when selecting and retaining investments. Details of the Company's policy on socially responsible investment are set out on page 33.

DIRECTORS, EMPLOYEES AND GENDER REPRESENTATION

The Directors of the Company on 31 December 2013 are set out in the Directors' biographies on page 21. The Board consists of six male Directors and no female Directors. The Company does not have any employees.

BY ORDER OF THE BOARD

BLACKROCK INVESTMENT MANAGEMENT (UK) LIMITED
Secretary
20 February 2014

Performance

Investment manager's report

PORTFOLIO PERFORMANCE

2013 marked the third year in a row of negative returns for mining shares. Over this period a combination of moderating economic growth in China, rising metals and minerals supply, and a reduction in the mining sector's profitability and free cash flow weighed heavily on share prices. The mining sector had begun to respond to these changing conditions in 2012, accelerating in 2013 as new management teams at the largest mining companies implemented cost-cutting strategies and scaled back capital expenditures. However, it was only in the second half of 2013 that this began to translate into improving operating and financial results. Increasing stability in metals and minerals prices, as well as recognition of the widening disparity in valuations between the mining sector and other parts of the equity market, particularly with respect to dividend yields, helped the mining sector to stage a somewhat muted recovery in the second half of 2013.

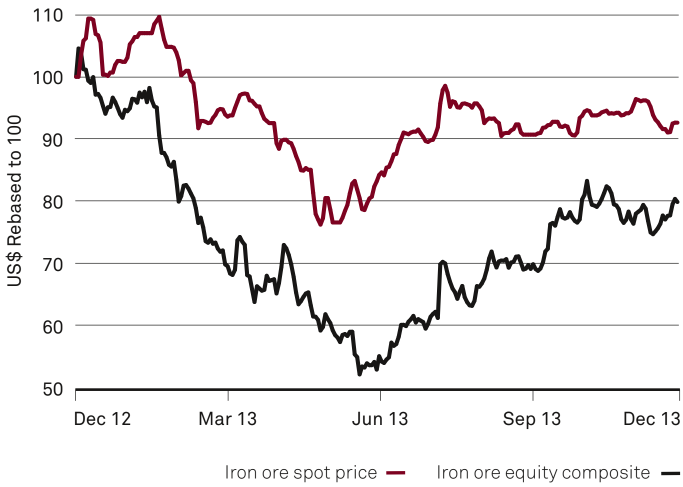
The Company's move to diversify its mining exposure into royalties and fixed income helped to partially offset the poor equity performance of the higher growth, more operationally leveraged producers within the portfolio. For the calendar year 2013, the Company's undiluted net asset value ('NAV') and share price fell by 24.6% and 17.5% respectively, in sterling terms with income reinvested. In 'capital' only terms, the NAV fell by 27.1% and the share price by 20.7%. By comparison, in sterling terms, the Euromoney Global Mining Index (formerly the HSBC Global Mining Index) fell by 26.2% (capital only) and 24.1% (with income reinvested).

MINING SECTOR OVERVIEW

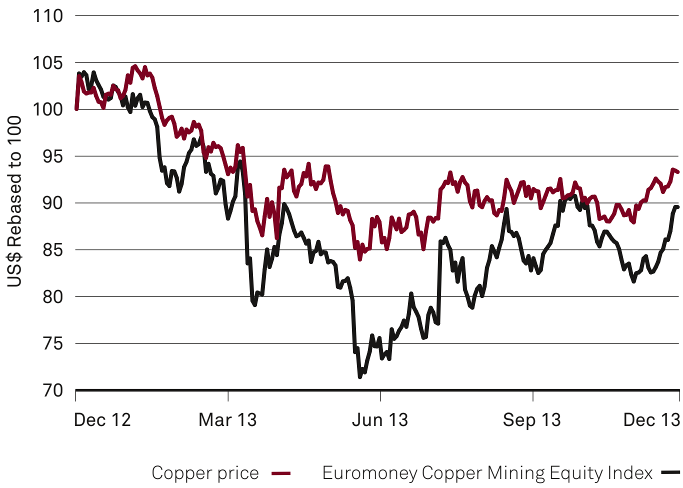
The mining sector entered 2013 in the throes of change. Managements were under attack from investors to rebalance the mix between returns to shareholders and reinvestment of cash flows back into the 'ground'. In addition, investors were nervous about the prospects for China, the world's largest commodity consumer, as media reports debated between hard and soft landings for the economy. In North America the economy finished 2012 showing signs of improvement and whilst monetary policy remained accommodative (through quantitative easing) so as not to allow economic momentum to stall, 'taper talk' was already beginning to creep into markets.

During the first half of the year, the bearish commentators won the debate. Share prices fell, demand fears increased and management teams at the world's largest mining companies were replaced with fresh blood. Write-downs in the carrying values of assets built or purchased during the good times were commonplace. Despite all of the negative headlines, demand for commodities continued to improve during the year rather than fall. This fact seemed to go unnoticed by investors as they reached for the sell button on their holdings. In fact, the dispersion in performance between the prices of iron ore and copper versus the respective producers of those commodities was startling (see charts to the right). The overwhelming urge to sell exposure to the sector resulted in the Euromoney Global Mining Index falling 24.9% in US dollar terms (26.2% in sterling terms in the first half of the year). All in all it was a sorry state of affairs.

RELATIVE PERFORMANCE OF IRON ORE PRODUCING EQUITIES VERSUS THE IRON ORE PRICE



RELATIVE PERFORMANCE OF COPPER PRODUCING EQUITIES VERSUS THE COPPER PRICE



Sources: Bloomberg and Datastream. Iron ore equity composite – average US$ share price performance of Rio Tinto, Vale, Fortescue, Atlas and Cliffs Natural Resources.

However, it looks as though the seeds of change were planted during this period and in the second half of the year fortunes started to show signs of improvement. New management teams appear to have embraced the challenges facing their businesses. Promises to cut operating costs, cancel or delay planned investments into new capacity, curtail M&A activity (after the overwhelmingly poor track record of returns from this endeavour), and when appropriate increase returns to shareholders, were all well-received. However, until the evidence of change has enough data points to prove the cynics wrong, investors will doubt that the leopards can change their spots. Asset sales were also showcased by majors keen to reduce debt, but to date completed transactions have not raised as much cash as had been hoped for. In fact, a number of assets have since been withdrawn from sale due to a lack of interest at the valuations being demanded by the vendors.

Of note, though, was the ability of mid-cap mining companies to pick up growth assets that have the potential to rerate their valuation. One such deal was done by Lundin Mining by purchasing the Eagle nickel project from Rio Tinto. This deal was taken well by investors and the shares of Lundin significantly outperformed post the deal's announcement.

This difficult environment provided fertile ground for the braver investors to seek out new opportunities to put capital to work. The Company was one such investor with the conclusion of two royalty related transactions in gold and copper. During the first half of the year we concluded a deal to help finance Banro in the DRC with gold linked preference shares. In the second half, we entered into a royalty agreement on the copper/gold project portfolio of Avanco in Brazil (there is more detail on these deals later in the report).

In the gold equity arena troubles were severe. The average gold equity fell by greater than 50% during the year as gold prices slumped by 27.3% (in US dollar terms). The compression of operating margins only served to add to the already damaging derating that gold equities have gone through during the last two years. The end result was a collapse in valuations and has left many gold companies perilously close to the edge in terms of their futures. For example, Barrick, the world's largest gold producer, opted to raise US$3 billion in an equity placement to help restore confidence in its balance sheet. Other gold producers have cut projects, reduced costs and many are seeking to adjust production profiles in order to survive at lower prices. However, for those that have been better guardians of shareholder capital, this price move has played into their hands. During the last few months of 2013 there were a number of smaller M&A deals done as mid-cap companies consolidated growth projects into their business plans. Should prices recover in the near term this strategy might easily serve them well.

Just as in previous years, commodity exposure in the Company has continued to be linked to companies that are likely to be able to generate healthy margins and not suffer unduly from the volatility in metal prices seen elsewhere in the commodity complex. As such, exposure in the Company during 2013 was again centred on copper and iron ore. The prices of these commodities averaged well above marginal production cost levels and as a result cash generation remained buoyant. In fact, iron ore prices not only remained high but the average price for 2013 was up 4.1% (in US dollar terms) on the previous year. When added to the movement in exchange rates during the year, for producers in Australia, Brazil and South Africa, margins should have been even better.

BASE METALS

The performance of base metals in 2013 reflected the fact that metal inventories ballooned to multi-year highs during the first half of the year and in the case of aluminium and nickel to record levels, primarily driven by growth in supply exceeding growth in demand. Unsurprisingly, aluminium and nickel were the worst performers over the year, down 14.0% and 18.6% respectively. For zinc and copper however, fears of a growing surplus in the second half of the year were proved wrong as consumers began to restock and inventory levels fell sharply. Combined copper exchange inventories hit a 10 year high at the end of June 2013 but then began an almost unbroken run of daily stock declines such that by the end of 2013, inventories had fallen by 45%. Zinc, used in galvanising steel and the best base metal price performer of 2013, also showed impressive inventory erosion with combined exchange inventories falling 23% from a record 1.5mt high at the end of January 2013. The zinc price was also buoyed by recognition in the market that a number of large zinc mines are coming to the end of their lives, as evidenced by the news in December 2013 of the closure in 2015 of Minmetals' Century mine in Australia, the world's third largest zinc mine. Zinc prices were flat over 2013 whilst copper prices closed down by 6.7%.

SELECTED COMMODITY PRICE CHANGES DURING 2013

	Price 31 December 2013	% change over 12 months	% change average 2013 vs. 2012
Tin (USc/lb)	10.13	-4.5	+7.9
Iron Ore – fines 62% Fe China Import US$/t	134.2	-7.4	+4.1
Lead (USc/lb)	0.99	-5.4	+1.0
Zinc (USc/lb)	0.93	+0.2	-1.7
Platinum (US$/troy oz)	1,357	-11.1	-8.0
Copper (USc/lb)	3.35	-6.7	-8.8
Aluminium (USc/lb)	0.80	-14.0	-9.5
Thermal Coal (US$/tonne)	86.3	-6.5	-12.2
Nickel (USc/lb)	6.27	-18.6	-16.4
Hard Coking Coal (US$/tonne)	133.0	-16.9	-22.4
Gold (US$/troy oz)	1,207.85	-27.3	-22.9
Uranium (US$/lb)	34.50	-21.1	-22.9
Silver (US$/oz)	19.50	-34.9	-32.5

Sources: Datastream and Bloomberg.

Copper remains the Company's largest single metal exposure, representing nearly 25% of the portfolio. This is due to the strong profit margins generated by existing producers and the metal's constructive medium to long term fundamentals. Poor scrap availability, robust demand and the scarcity of new discoveries have helped to keep prices firmer than many market commentators would have expected, despite the growth in mine production delivered in 2013 and expected in 2014. The Company's second largest copper holding, Freeport-McMoRan Copper & Gold (6.5% of the portfolio), was one of the strongest performers in the portfolio having had a poor 2012. The company rerated as management better articulated their strategy to reduce debt.

The Company's other core copper holding, First Quantum Minerals (7.8% of the portfolio), also contributed positively to relative performance although the shares began to struggle towards the end of the year as the eagerly awaited update on its development project, Cobre Panama, was pushed back into Q1 2014. The Company continued to add to its smaller market-cap copper exposure with new positions in Nevsun Resources (1.1% of the portfolio) and Tiger Resources (0.5% of the portfolio). These are both strong cash flow producers in Africa and good illustrations of the high quality opportunities that exist in this area of the market.

Exposure to the other base metals remains limited as the metal prices sit at or below the marginal cost of production and profit margins for the companies are correspondingly low or negative. A reluctance to cut high cost capacity coupled with strong growth in Chinese production has kept aluminium prices low, although premiums for the metal have been elevated owing to warehouse bottle-necks. Whilst the Company did have a trading position in Alcoa during the year, it had no direct exposure to aluminium producers at the end of the year under review. The nickel market is also suffering from severe oversupply; however, there is the potential for a price catalyst in the coming months with the Indonesian government restricting the export of all types of unbeneficiated ore from the country including nickel-rich low grade iron ore. This is significant for nickel as low grade nickel pig iron has become a major raw material for stainless steel production in China, displacing traditional nickel demand. Given the high level of inventories, these restrictions are unlikely to have any near term impact on the market surplus; however, it does suggest downside risk to the nickel price has reduced. During the year, the Company initiated a position in Norilsk Nickel (0.6% of the portfolio), the world's largest nickel producer, as well as a significant producer of palladium, platinum and copper. The Company increased its zinc exposure indirectly through the year by adding to its position in Vedanta (1.2% of the portfolio).

GOLD AND PRECIOUS METALS

Precious metals remained under pressure in 2013 with silver the worst performer, declining close to 35% over the year. Gold fared little better falling over 27%, the worst annual performance since 1981. Strong equity market performance, a firmer US dollar and an absence of inflationary pressures meant the demand from institutional investors for gold, which is treated as a store of value, diminished. Gold was particularly hard hit during the first half of the year as the market began to expect 'tapering' (the phasing out of the Federal Reserve's bond-buying programme, or quantitative easing) and the bears made the most of speculation that Cyprus could have to sell part of its gold holdings (which are only 13.9 tonnes) as part of its bailout terms. Liquidation in the futures market, followed by selling in the physically-backed exchange traded funds ('ETFs'), pushed the gold price to a low of US$1,180/oz in June 2013. At these lower levels, there was a surge in retail demand for jewellery, bars and coins in the second quarter, particularly from China and India. These two countries are now expected to represent around 60% of global demand. The challenge for the gold market is that for now this retail demand, Chinese demand in particular, is price sensitive, pulling back when prices neared US$1,300/oz. This meant that during the second half of the year the price was range-bound closing the year at US$1,207/oz.

The sharp fall in the gold price pushed the gold industry into loss-making territory and the sector has been forced to take drastic action. Going forward the gold industry will need to adjust mine plans for the new lower gold price environment in order to return to profitability. Those companies with the highest quality assets have the greatest flexibility and have already begun to announce their new production profiles and mine plans to the market. However, those with mines that are low grade, with short lives and limited scope for adjustment, will struggle. The impact of this will only become clear in the medium term but it is our expectation that we shall see global gold production start to fall in coming years.

The Company has been underweight gold producers for a number of years and this remains the case. The beta of the gold sector to the gold price has returned so we are watching carefully for an improvement in the fundamentals for gold and will adjust our exposure accordingly. There was one significant addition to the Company's gold exposure in the form of gold-linked preference shares issued by Banro, an African gold producer that is in the process of bringing its second operation online. As referred to earlier, the security's dividend is royalty-like in nature, linked to the level of production and the prevailing gold price.

Platinum and palladium, mainly used in auto catalysts, outperformed gold and silver with platinum falling by just over 11% and palladium rising by 2%. Supply for both metals has come under pressure owing to challenges facing the world's major producing countries. In the case of platinum, South Africa represents approximately 72% of world supply and mine production has been impacted by rising costs, frequent disruptions and a highly fractious and politicised relationship between the management of the platinum mining companies and the labour unions. Russia is the largest source of primary palladium, representing 42% of supply, with South Africa at 37%. Dwindling strategic stockpiles has meant the supply of Russian palladium into the market has declined. Unlike gold and silver, platinum and palladium did not see a sharp reduction in physically backed ETF holdings; palladium holdings ended 2013 virtually unchanged and platinum holdings rose to record levels owing predominantly to the launch of the South African NewPlat ETF in May 2013. By the end of the period under review, the NewPlat ETF represented 35% of all platinum ETF holdings.

Performance

Investment manager's report continued

The Company continued to reduce its overall exposure to South African platinum producers. However, owing to the improving outlook for platinum demand and the ongoing supply side challenges, the Company switched some of its exposure into Impala Platinum, a physically backed platinum ETF (0.6% of the portfolio), giving it direct exposure to the platinum price. In addition, the Company added to its holding in Platinum Group Metals (0.7% of the portfolio), an exciting development company with what looks to be a world-class discovery at its Waterberg joint venture.

ENERGY COMMODITIES

After sharp declines in 2012, thermal and coking coal markets continued to be challenged in 2013 due to oversupply. Spot thermal coal prices fell by over 6% and averaged over 12% down year-on-year. The impact of the closure of higher cost US coal production capacity and some let-up in the degree of coal-to-gas switching by the US power utilities was more than offset by growing production elsewhere in the world. Australian coal producers have sought to reduce operating costs through improving productivity via volume growth, adding to an already oversupplied market. In addition, a reduction in the use of higher cost contractors and a weaker Australian dollar have helped to make the Australian producers more competitive in a global context, bringing down the overall cost curve for the industry. In December, the Company initiated a position in China Shenhua Energy (0.2% of the portfolio), a Chinese coal producer. The outlook for the Chinese domestic coal market is significantly better than that for the seaborne market and the sell-off in Chinese equities provided what we believe will be an attractive entry point.

After a fall of over 40% in 2012, coking coal prices ended the year down a further 17% and average prices were down by over 22% year-on-year. Growth in seaborne supply from Australia and Canada, as well as increasing Chinese domestic production, counteracted the stronger than expected growth in production from the Chinese steel industry, the largest source of demand for coking coal. The Company's only major coking coal exposure is indirectly through the holding in Teck Resources.

Uranium prices fell for a third year in a row, closing the year down over 21%. Despite universal acknowledgement that the uranium price is unsustainably low, the uncertain demand environment (with Japanese nuclear reactors still off-line and power utilities stepping back from the market) has kept prices under pressure. The much anticipated end to the US-Russia Highly Enriched Uranium (HEU) Agreement had no obvious effect on the supply-side environment, although the full impact of this will only likely be felt from 2014 onwards. Whilst markets today remain in balance, it is our expectation that the fundamentals for the sector are beginning to show some signs of improvement over coming years as the nuclear reactors under construction in China come on-line and Japan potentially restarts at least part of their reactor fleet but with a lack of new uranium production being developed to meet that demand growth. As such we initiated a position in Cameco, the world's lowest cost, highest quality producer. Along with our existing position in the Canadian explorer UEX, uranium makes up 0.5% of the portfolio.

During the second half of the year, the Company re-entered the oil sands market by taking advantage of a failed corporate deal in producer Canadian Oil Sands. The holding provides direct exposure to the oil market as well as delivering a high yield, tied directly to the oil price.

ROYALTIES AND ILLIQUID INVESTMENTS

Marampa royalty contract (6.6% of the portfolio) – In July 2012, the Company purchased for US$110 million a 2% revenue-related royalty contract calculated on any iron ore sales over the life of mine from London Mining Plc's Marampa mine in Sierra Leone. The ramp-up of the Marampa operation successfully delivered over 100% growth in production year-on-year. The mine exited the year at a run-rate of 5.4 million tonnes per annum (mtpa). In September 2013, the company announced the results of its life of mine study including a JORC compliant reserve of 539mt which supports a life of over 40 years at an annual production rate of over 6.5mtpa. In addition, the company is looking at potential expansion options including 10mtpa and 16-20mtpa.

Banro gold-linked preference shares (1.7% of the portfolio) – In April 2013, the Company purchased US$30 million gold-linked preference shares from Banro Corporation to help fund the development of its second gold mine, Namoya. The gold-linked preference shares provide exposure to the gold price as well as to volume growth with the principal moving in-line with the gold price and the coupon ranging between 10-15% depending on Banro's overall level of production. The company has ramped-up quarterly gold production from Twangiza (its first operation) from 19.6koz in Q1 of 2013 to 22.9koz in Q4 2014 and has also announced first gold production from Namoya.

Avanco royalty contract – In October 2013, the Company entered into a royalty agreement with Avanco Resources over its exploration licenses within the world-class mineral district of Carajas in Brazil. The Company will provide US$12 million in return for Net Smelter Return (net revenue after deductions for freight, smelter and refining charges) royalty payments comprising 2% on copper, 25% on gold and 2% on all other metals that will be produced from their Antas North and Pedra Branca (Stage 1 and Stage 2) licenses. In addition, there will be a flat 2% royalty over all metals produced from any other discoveries within Avanco's license area as at the time of the agreement. The purchase of the royalty is conditional on the publication of a JORC compliant reserve statement, the receipt of a mining license for Stage 1 and will only be drawn-down in parallel with debt draw-downs. It is expected that this will take place from the middle of 2014.

FIXED INCOME SECURITIES

The Company's exposure to natural resource debt securities has been a significant contributor to overall performance since the decision was taken post the financial crisis to take advantage of the attractive yield opportunities available in the market. At the start of 2013, the Company switched its exposure from Glencore's convertible bond into the equity, taking advantage of the implied premium at which the bond was trading relative to the equity. As at the end of 2013, the Company had 3.7% of the portfolio in convertible debt and 4.9% in corporate debt. The First Quantum Minerals 8.75% coupon debt was our largest single position at 3.3%.

DERIVATIVES ACTIVITY

The Company sometimes holds positions in derivatives contracts with virtually all the activity focused on selling either puts or calls in order to increase or decrease position sizes. These derivative positions, which are small in comparison with the size of the Company, usually have the effect of obliging us to buy or sell stock or futures at levels we believe are attractive. During 2013, we primarily focused on writing short-dated calls in order to reduce some of our larger positions. The income generated by such option writing enables us to maximise the potential exit price from a position if the option is exercised. In addition to writing calls, we also took advantage of volatility in the market occasionally to write puts. Both strategies worked well during the year and income from option writing increased by over 150% from £2.1 million in 2012 to £5.4 million in 2013. At the end of 2013 we had one put option outstanding in the portfolio and this expired at the end of January.

GEARING

At 31 December 2013, the Company had net gearing (calculated as borrowings less cash) amounting to £85.4 million, dropping from around £86.4 million as a result of a call option exercise in December. For the most part, this gearing has been drawn-down against the higher yielding mining company corporate debt and royalty portfolios. Gearing, which can be drawn-down or repaid at any time, is used in the portfolio to take tactical advantage of market volatility and opportunities as well as enhance overall returns during the medium to long term. Once again the reduced risk appetite of banks around the world continues to present numerous investment opportunities especially in the mid-size part of the market. With this in mind it is likely that we could end up drawing-down more from our debt facilities during 2014.

OUTLOOK AND STRATEGY FOR 2014

Looking into 2014 it is clear that the world economy is now in a better state than it has been during the last few years. The overall macro picture is pointing towards synchronous global growth for the first time in years and with industrial production expanding in most of the world's key commodity-consuming countries the demand picture is supportive at worst. Should demand surprise to the upside, then the enormous supply surpluses that have been forecast to arrive each year for the past two might once again fail to be realised. This would certainly retire the bears into hibernation.

At the mining company level we remain optimistic that management teams will continue to deliver a strategy built around improved capital discipline and increased returns to shareholders. At the moment the sceptics remain convinced that this will not be the case and the sector is largely under-owned by generalist investors. If momentum starts to build on the back of better than expected results and a supportive metal price environment, then this should provide the necessary catalyst for these investors to return to the share registers of mining companies.

Meanwhile, we continue to search for new investment opportunities not only in the traditional equity environment but also looking to add new royalties to the portfolio as companies find it difficult to raise development capital. With the mandate from shareholders to go beyond the previous 10% ceiling we are well placed to add new royalty deals during 2014.

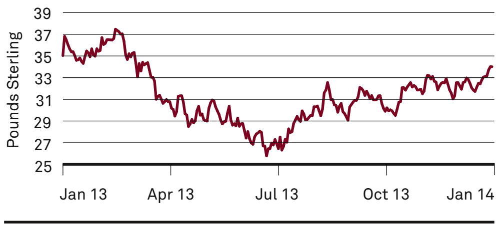
EVY HAMBRO AND CATHERINE RAW
BlackRock Investment Management (UK) Limited
20 February 2014

Performance

Ten largest investments as at 31 December 2013

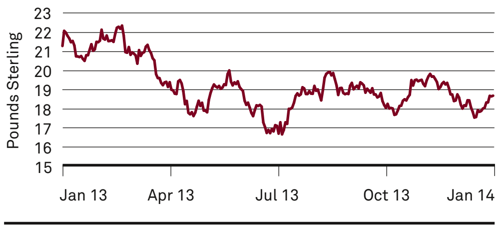
Set out below is a brief description by the Investment Manager of the Company's ten largest investments.

RIO TINTO



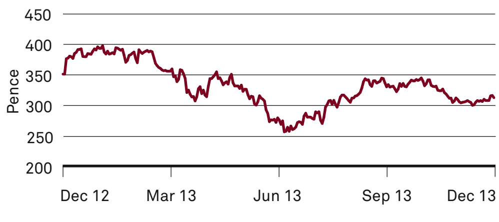
Rio Tinto* – 11.9% (2012: 10.1%) is a leading mining company by market cap. It has interests over a broad range of metals and minerals including iron ore, aluminium, copper, coal, industrial minerals, gold and uranium. As part of its annual investment seminar in November 2013, Rio Tinto announced a revised expansion plan of its Australian iron at a significantly lower capital cost than previous expectations. The company continues to remain focused on delivering greater value for shareholders. Rio Tinto remains on track to achieve its US$5 billion cost savings target by 2014; capital expenditure in 2013 was 20% lower than in 2012 and US$3.3 billion of divestments were announced or completed during the year.

BHP BILLITON



BHP Billiton – 10.6% (2012: 9.4%) is a leading diversified natural resource company, formed in 2001 from the merger of BHP and Billiton. The company is an important global player in a number of commodities including iron ore, copper, coal, manganese, aluminium, diamonds and uranium. The company is the only sizeable holding in the portfolio with significant oil and gas assets. In December 2013, the company hosted an important analyst site visit to its US Petroleum business focusing on its longer term growth potential. Productivity improvement is a key focus at BHP with the company reducing controllable costs by US$2.7 billion at the year end in June 2013.

GLENCOREXSTRATA



GlencoreXstrata† – 9.9% (2012: 9.1%) is a leading, diversified natural resources group with activities in mining, smelting, refining, processing and marketing of metals and minerals, energy products and agricultural products globally. It provides financing, logistics, marketing and purchasing services to producers and consumers of commodities. In May 2013, Glencore announced completion of the merger with Xstrata to form GlencoreXstrata. As part of its investor day in September 2013, the company announced synergies of at least US$2 billion for 2014 via head office cuts with further benefits to come from operational efficiencies.

FIRST QUANTUM MINERALS

First Quantum Minerals*† – 7.8% (2012: 7.6%) is an integrated copper producer whose principal operating assets are in Africa, but also with nickel assets in Australia and Finland. In April 2013, the company completed its C$5.1 billion offer for Inmet, a copper producer who is currently developing the Cobre Panama project in Panama. First Quantum is in the midst of a significant expansion of the business comprising of six major projects. The company is due to provide a revised capital cost estimate and project schedule for its Cobre Panama project in the first quarter of 2014.

In addition to the equity, the Company holds a corporate bond originally issued by Inmet to fund the development of Cobre Panama. The bond has a coupon of 8.75% and matures in 2020.

Marampa Royalty Contract# – 6.6% (2012: 5.1%) is a 2% revenue-related royalty calculated on any iron ore sales over the life of mine from London Mining Plc's Marampa mine in Sierra Leone. The royalty is payable quarterly in arrears calculated on the amount receivable at the relevant point of sale, currently calculated with reference to the net freight on board price received from sales of iron ore in Sierra Leone (terms similar to that of the existing royalty payable to the Government of Sierra Leone). In September 2013, the company announced the results of the Marampa Life of Mine study which shows that the asset is capable of supporting a 40 year operation at 6mtpa, with the potential for further expansions over time.

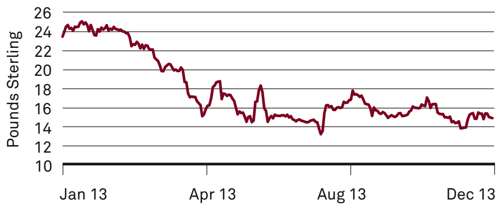
FREEPORT-MCMORAN

Freeport-McMoRan Copper & Gold – 6.5% (2012: 3.8%) is a leading copper producer, accounting for 9% of global mined copper production annually. It is also a major producer of gold and molybdenum from mines in North and South America, as well as Indonesia and the DRC. Its Grasberg mine in Indonesia contains the world's largest recoverable copper and gold reserves. In May 2013, the mine was temporarily shut down following an underground incident which reduced 2013 production by 115mlbs copper and 115koz gold. In June 2013, the company announced the completion of the acquisition of Plains Exploration & Production and McMoRan Exploration to enter into US oil & gas.

VALE

Vale* – 4.1% (2012: 3.5%) is a leading producer of iron ore. Based in Brazil, the company also has significant interests in other commodities such as nickel, aluminium, copper, gold and coal. In addition, Vale owns and operates transport infrastructure. The company made a transformational acquisition in 2006, acquiring Canadian nickel miner Inco, which considerably broadened the company's asset mix away from just iron ore. More recently they have ventured into the fertiliser sector, Zambian copper and Guinean iron ore. Since 2011, under the leadership of new CEO Murilo Ferreira, Vale has revised down its capital expenditure and growth forecasts. At its most recent annual investor day in November 2013, the company announced a capital expenditure budget of US$14.8 billion for 2014, 18% lower than its peak in 2011.

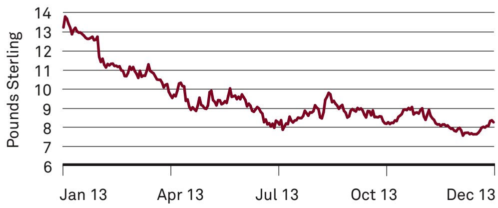
CERRO VERDE



Cerro Verde – 2.5% (2012: 3.0%) is a copper and molybdenum operation in Peru operated by Freeport-McMoRan Copper & Gold where they maintain a 53.6% ownership in the company. During the first quarter of 2013 construction activities commenced on the US$4.4 billion large-scale expansion of the asset to triple production at the concentrator facilities and provide an incremental 600mlbs of copper and 15mlbs of molybdenum from 2016.

Banro*# – 2.5% (2012: 0.8%) is a Canadian listed gold company that is operating and developing assets in the DRC. The Company has a position in a preference share that is royalty-like in its return profile in that the coupon varies with the amount of gold produced and the gold price in each quarter and the principal due at maturity also varies with the gold price. In addition, the Company holds a position in a 10% coupon 2017 corporate bond. Although at the higher end of the geo-political risk spectrum, the assets are geologically high quality with the potential to operate towards the lower end of the cost curve. There is also a high degree of exploration potential across the large land package over which the company has licenses.

ANTOFAGASTA



Antofagasta – 2.3% (2012: 3.0%) is a Chilean-based copper company with interests in energy, transport and water distribution. The company is 65% owned by the Luksic family of Chile with the remaining 35% free float listed on the London Stock Exchange. Antofagasta is expected to produce 700kt of copper during 2013, with additional growth via the already approved Antucoya expansion project, as well as yet to be approved expansions at Los Pelambres and the Centinela District.

Chart sources: Bloomberg and Thomson Reuters Datastream.

* Includes fixed interest securities.
# Investments held at Directors' valuation.
All percentages reflect the value of the holding as a percentage of total investments. Percentages in brackets represent the value of the holding as at 31 December 2012. Together, the ten largest investments represent 64.7% of total investments (ten largest investments as at 31 December 2012: 53.6%).
† 2012 percentages reflects Glencore and Xstrata combined and First Quantum Minerals and Inmet Mining combined.

Performance

Investments as at 31 December 2013

	Main geographical exposure	Market value £'000	% of investments
Diversified			
Rio Tinto*	Global	117,010	11.9
BHP Billiton	Global	104,664	10.6
GlencoreXstrata	Global	97,875	9.9
Vale*	Global	40,191	4.1
Teck Resources	Global	19,612	2.0
Vedanta	Global	11,669	1.2
African Rainbow Minerals	South Africa	10,866	1.1
Lundin Mining	Global	8,849	0.9
		410,736	**41.7**
Copper			
First Quantum Minerals*	Global	77,341	7.8
Freeport-McMoRan Copper & Gold	Global	63,802	6.5
Cerro Verde	Peru	24,408	2.5
Antofagasta	Chile	23,072	2.3
Southern Copper	Peru	14,729	1.5
Nevsun Resources	Eritrea	11,108	1.1
Imperial Metals	Canada	4,540	0.5
Tiger Resources	DRC	4,481	0.5
Katanga Mining	DRC	2,813	0.3
Ivanhoe Mines	DRC	2,573	0.2
Avanco Resources	Brazil	2,470	0.2
Oz Minerals	Australia	1,272	0.1
Nevada Copper	USA	756	0.1
Mawson West	DRC	620	0.1
		233,985	**23.7**
Iron Ore			
Marampa Royalty Contract#	Sierra Leone	65,342	6.6
African Minerals*~	Sierra Leone	22,259	2.3
London Mining convertible	Sierra Leone	14,151	1.4
Kumba Iron Ore	South Africa	12,653	1.3
Fortescue Metals	Australia	6,266	0.6
IRC	Russia	1,493	0.2
Equatorial Resources	Republic of Congo	1,360	0.1
		123,524	**12.5**
Gold			
Banro*+#	DRC	24,398	2.5
Franco Nevada	Global	7,325	0.7
Randgold Resources	Mali	6,633	0.7
Polymetal International	Russia	6,372	0.6
Eldorado Gold	Global	4,618	0.5
Newcrest Mining	Australia	4,424	0.4
Yamana Gold	Global	3,636	0.4
New Gold	Global	2,985	0.3
Minas Buenaventura	Peru	2,915	0.3
Shanta Gold convertible	Tanzania	2,777	0.3
G Resources	Indonesia	2,370	0.2
Barrick Gold	Global	1,702	0.2

	Main geographical exposure	Market value	% of investments
		£'000	
Gold (continued)			
Stratex	Ethiopia	1,237	0.1
Pacific Niugini	Papua New Guinea	36	0.0
		71,428	**7.2**
Silver & Diamonds			
Fresnillo	Mexico	21,620	2.2
Industrias Penoles	Mexico	20,226	2.1
Dominion Diamond	Canada	4,267	0.4
Gem Diamonds	Lesotho	4,247	0.4
Tahoe Resources	Guatemala	3,984	0.4
Lucara Diamond	Botswana	2,753	0.3
Petra Diamonds	South Africa	2,660	0.3
Sierra Metals	Peru	2,069	0.2
Volcan	Peru	1,404	0.1
		63,230	**6.4**
Industrial Minerals			
Iluka Resources	Australia	20,113	2.0
Kenmare Resources	Mozambique	9,125	0.9
Sirocco Mining	Chile	1,698	0.2
Mineral Deposits	Senegal	1,420	0.2
		32,356	**3.3**
Platinum			
Platinum Group Metals	South Africa	6,478	0.7
Impala Platinum	South Africa	5,311	0.6
Source Physical Platinum MA Platinum P-ETC	Global	4,056	0.4
Aquarius Platinum 4% 18/12/15 convertible	South Africa	2,414	0.2
		18,259	**1.9**
Coal			
China Shenhua Energy	Peoples' Republic of China	2,291	0.2
China Shenhua Energy put option	Peoples' Republic of China	(276)	0.0
		2,015	**0.2**
Other			
Minsur sa 'I'	Peru	6,982	0.7
Canadian Oil Sands	Canada	6,809	0.7
Norilsk Nickel	Russia	6,010	0.6
Potash Corp of Saskatchewan	Canada	3,980	0.4
Cameco	Canada	2,881	0.3
UEX	Canada	1,939	0.2
Metals X	Australia	1,111	0.1
Soc Min El Brocal	Peru	563	0.1
Bindura Nickel	Zimbabwe	38	0.0
		30,313	**3.1**
Portfolio		**985,846**	**100.0**

* Includes fixed interest investments.
# Investments held at Directors' valuation.
+ Includes Banro Gold-Linked preference shares.
~ Includes group holdings.

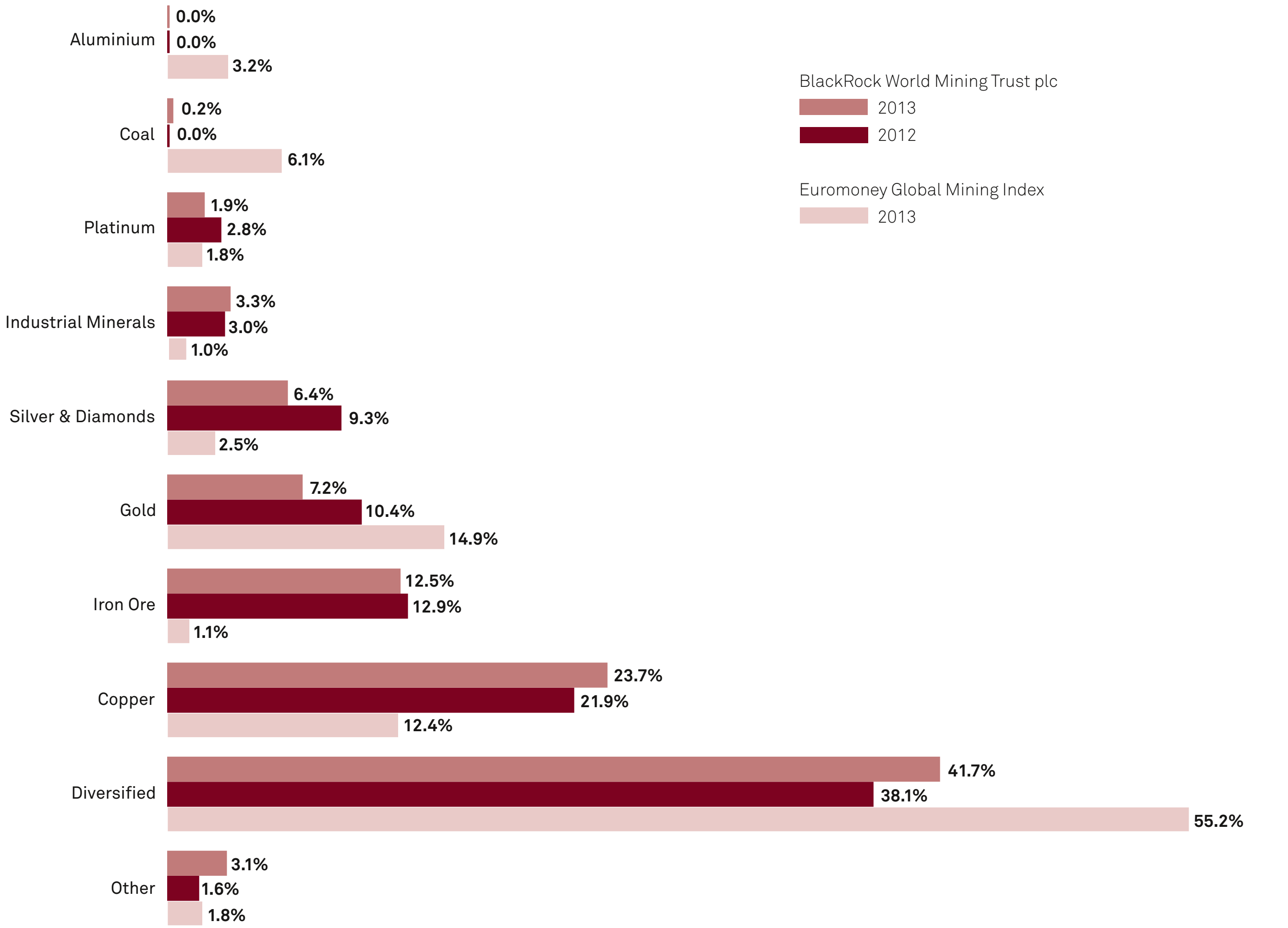
All investments are in equity shares unless otherwise stated.

The total number of investments as at 31 December 2013 (including options classified as liabilities on the balance sheet) was 71 (31 December 2012: 77).

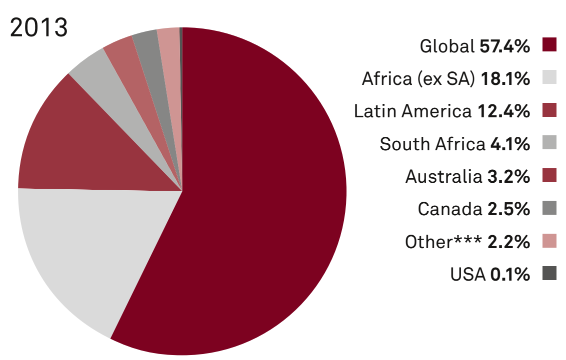
Performance

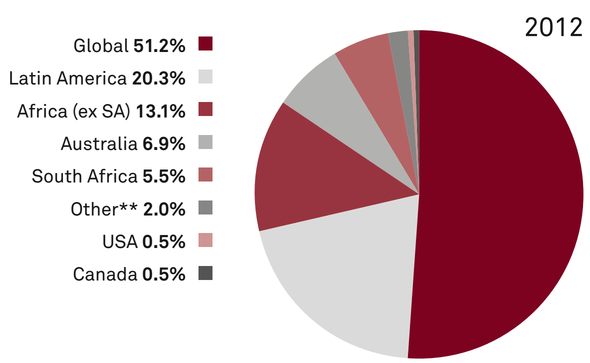
Portfolio analysis as at 31 December 2013

COMMODITY EXPOSURE*



GEOGRAPHICAL EXPOSURE*





* Based on the principal commodity exposure and place of operation of each investment.

** Consists of Indonesia, Kazakhstan, Mongolia, Oman, Papua New Guinea and Russia.

*** Consists of Guatemala, Indonesia, Papua New Guinea, People's Republic of China and Russia.

Governance

Directors

Anthony W Lea (Chairman) (appointed 29 July 2005) is a non-executive director of BSI Group and The Office of Fair Trading, and a trustee of the RAF Benevolent Fund. He was the finance director of Anglo American plc in London from 1999 to 2005, one of the world's leading mining and natural resources companies. He was also a non-executive director of AngloGold Ashanti Limited, at the time the world's second largest gold producer, and De Beers Investments SA.

Ian C S Barby (appointed 1 December 2003) is non-executive chairman of Ecofin Water & Power Opportunities plc, INVESCO Perpetual UK Smaller Companies Investment Trust plc and Schroder Income Growth Fund PLC and a non-executive director of Pantheon International Participations PLC. He was managing director of Merrill Lynch Investment Managers' (now BlackRock Investment Management (UK) Limited) Investment Trusts division until 2003.

Oliver A G Baring (appointed 4 November 2004) is chairman of First Africa Group Holdings Limited, as well as holding directorships in Robert Fox Limited, Tilley International plc and Ferrexpo plc, and is a council member of the Sentient Group, a private equity mining fund. He was previously chairman of Mwana Africa PLC.

Colin A M Buchan (Chairman of the Audit & Management Engagement Committee and Senior Independent Director) (appointed 25 July 2001) is a non-executive director of Standard Life plc, Environcom Ltd, The Fettes Foundation, Regent Acquisitions Limited, TTT Moneycorp Limited and the Scottish Chamber Orchestra. He was Global Head of Equities at UBS Warburg and a member of the Group Management Board of UBS AG until his retirement in March 2001.

David W Cheyne (appointed 1 June 2012) is vice chairman Europe, Middle East and Africa of Moelis & Company and a consultant at Linklaters where he was senior partner from 2006 to 2011 and a partner from 1980. Throughout his career at Linklaters he played a central role in a wide range of corporate transactions, including M&A deals, joint ventures, flotations and general corporate finance work. In particular, he advised on a number of large mining transactions.

Ian D Cockerill (appointed 14 November 2013) is chairman of Petmin Ltd and Hummingbird Resources and an independent non-executive director and vice chairman of African Minerals. He is a non-executive director of Orica Ltd, the senior lead independent director of Ivanhoe Mines Ltd, and a non-executive director at Endeavour Mining Corporation. In addition, he is chairman of Leadership for Conservation in Africa, a not-for-profit organisation promoting sustainable employment opportunities linked to conservation projects across the African continent. He has nearly 40 years' experience in the mining industry, having previously been responsible for business development in AngloGold and chief executive of both Gold Fields Ltd and AngloCoal between 1999 and 2009.

All the Directors are non-executive. The Board as a whole constitutes the Audit & Management Engagement Committee.

Governance

Directors' report

The Directors present the Annual Report and Financial Statements of the Company and its subsidiary for the year ended 31 December 2013.

STATUS OF THE COMPANY

In the opinion of the Directors, the Company has conducted its affairs during the year under review, and subsequently, so as to qualify as an investment trust for the purposes of Chapter 4 of Part 24 of the Corporation Tax Act 2010. The Company has also received approval from HMRC on the basis of an application made under Regulation 5 of the Investment Trust (Approved Company) (Tax) Regulations 2011 for investment trust status for all accounting periods starting on or after 1 January 2012. This is subject to the Company continuing to meet the eligibility conditions in section 1158 of the Corporation Tax Act 2010 and the ongoing requirements for approved companies in Chapter 3 of Part 2 Investment Trust (Approved Company) (Tax) Regulations 2011.

The Company is registered in England with number 2868209 and is domiciled in the United Kingdom. The Company is registered as an investment company as defined in section 833 of the Companies Act 2006 and operates as such. The Company is not a close company within the meaning of the provisions of the Corporation Tax Act 2010 and, as the Directors are non-executive, has no employees.

The Company's shares are eligible for inclusion in the stocks and shares component of an Individual Savings Account.

FACILITATING RETAIL INVESTMENTS

The Company currently conducts its affairs so that its securities can be recommended by independent financial advisers to ordinary retail investors in accordance with the Financial Conduct Authority ('FCA') rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The securities are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

INVESTMENT MANAGEMENT AND ADMINISTRATION

BlackRock Investment Management (UK) Limited ('BlackRock') provides management services to the Company under a contract terminable on six months' notice. BlackRock also acted as the Secretary and Administrator of the Company throughout the year. BlackRock receives an annual management fee of 1.3% of gross assets. Where the Company invests in other investment or cash funds managed by BlackRock, any underlying fee is rebated.

No penalty on termination of the investment management contract would be payable by the Company in the event that six months' written notice is given to BlackRock. There are no provisions relating to payment of fees in lieu of notice.

The Company contributes to a focused investment trust sales and marketing initiative operated by BlackRock on behalf of the investment trusts under its management, which commenced on 1 November 2013. The Company's contribution to the consortium element of the initiative, which enables the trusts to achieve efficiencies by combining certain sales and marketing activities, will be a fixed amount of £136,000 and this contribution is matched by BlackRock. In addition, a budget of £120,000 has been allocated for Company specific sales and marketing activity. For the year ended 31 December 2013, £42,700 (excluding VAT) has been accrued in respect of these initiatives. The purpose of the programme overall is to ensure effective communication with existing shareholders and to attract new shareholders to the Company. This has the benefits of improving liquidity in the Company's shares and helps sustain the stock market rating of the Company.

BlackRock is a subsidiary of BlackRock, Inc. which is a publicly traded corporation on the New York Stock Exchange operating as an independent firm. The PNC Financial Services Group, Inc. has a significant economic interest in BlackRock, Inc. PNC Financial Services Group, Inc. is a US public company.

BNYM is the custodian of the Company's assets. BNYM receives a fee payable at rates depending on the number of trades effected and location of securities held. The custodian agreement is subject to six months' notice by either party.

Appointment of the Investment Manager

The Board considers the arrangements for the provision of investment management services to the Company on an ongoing basis and a formal review is conducted annually. The Board believes that the continuing appointment of the Investment Manager, on the terms disclosed previously, is in the interests of shareholders as a whole.

As part of the annual review the Board considered the quality and continuity of the personnel assigned to handle the Company's affairs, the investment process and the results achieved to date. The specialist nature of the Company's investment remit is, in the Board's view, best served by the Natural Resources team at BlackRock, who have a proven track record in successfully investing in the mining sector.

CHANGE OF CONTROL

There are no agreements which the Company is party to that might be affected by a change of control of the Company.

EXERCISE OF VOTING RIGHTS IN INVESTEE COMPANIES

The exercise of voting rights attached to the Company's portfolio has been delegated to the Investment Manager. BlackRock's approach to voting at shareholder meetings, engagement with companies and corporate governance is framed within an investment context. BlackRock believes that sound corporate governance practices by companies contribute to their long term financial performance and thus to better risk-adjusted returns. BlackRock's proxy voting process is led by its Corporate Governance and Responsible Investment team, located in five offices around the world. In addition to its own professional staff, the Corporate Governance and Responsible Investment team draws upon the expertise of BlackRock's portfolio managers, researchers and other internal and external resources globally.

BlackRock's global corporate governance and engagement principles are published on the website blackrock.com/corporate/en-gb/about-us/responsible-investment/responsible-investment reports. The principles set out BlackRock's views on the overarching features of corporate governance that apply in all markets. For each region, BlackRock also publish market-specific policies, which are updated every year to ensure that they remain relevant.

The voting guidelines are principles-based and not prescriptive because BlackRock believes that each voting situation needs to be assessed on its merits. Voting decisions are taken to support the outcome that BlackRock believe in their professional judgement will best protect the economic interests of their clients.

During the year under review, the Investment Manager voted on 770 proposals at 67 general meetings on behalf of the Company. At these meetings the Investment Manager voted in favour of most resolutions, as should be expected when investing in well-run companies, but voted against 20 management resolutions, withheld the vote on 18 director election resolutions and abstained from voting on 12 resolutions. Most of the votes against were in respect of executive remuneration packages where there was no clear link between pay and performance, board composition where there was a perceived lack of independence and proposals which contained insufficient disclosure for the Investment Manager to make an informed decision.

GOING CONCERN

The Directors, having considered the nature and liquidity of the portfolio, the Company's investment objective, the continuation vote requirement set out on page 8 and the Group's projected income and expenditure, are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future and is financially sound. For this reason, they continue to adopt the going concern basis in preparing the financial statements. The Group is able to meet all of its liabilities from its assets and the ongoing charges are approximately 1.4% of net assets.

DIRECTORS

The Directors of the Company as at 31 December 2013, and their biographies, are set out on page 21. Details of Directors' interests in the shares of the Company are set out on page 29 of the Directors' Remuneration Report.

The Company's Articles of Association require that one third of Directors retire by rotation each year and that each Director shall retire and seek re-election at intervals of no more than three years. The Board may also appoint Directors to the Board but any Director so appointed must stand for election by shareholders at the next Annual General Meeting in accordance with the Articles of Association. Directors are also required to retire if they have served more than nine years on the Board, but then may offer themselves for annual re-election.

Notwithstanding these requirements, in accordance with the recommendations of the UK Corporate Governance Code that directors of FTSE 350 companies should be subject to annual re-election by shareholders, all the members of the Board will retire at the forthcoming Annual General Meeting and will offer themselves for re-election with the exception of Mr Cockerill and Mr Baring. Mr Cockerill was appointed during the year and he retires in accordance with the Articles of Association of the Company at the Annual General Meeting and, being eligible, offers himself for election. Mr Baring, who has served as a Director of the Company for more than nine years, will retire but will not offer himself for re-election.

There were no contracts subsisting during or at the end of the year in which a Director of the Company is or was materially interested and which is or was significant in relation to the Company's business. None of the Directors has a service contract with the Company. No Director is entitled to compensation for loss of office on the takeover of the Company.

DIRECTORS' INDEMNITY

In addition to Directors' and Officers' Liability Insurance cover, the Company's Articles of Association provide, subject to the provisions of applicable UK legislation, an indemnity for Directors in respect of costs incurred in the defence of any proceedings brought against them by third parties arising out of their positions as Directors, in which they are acquitted or judgement is given in their favour. The Company has entered into Deeds of Indemnity with each of the Directors individually which are available for inspection at the registered office of the Company and will be available at the Annual General Meeting.

CONFLICTS OF INTEREST

The Board has put in place a framework for Directors to report conflicts of interest or potential conflicts of interest which it believes has worked effectively during the year. All Directors are required to notify the Company Secretary of any situations where they considered that they had a direct or indirect interest, or duty that conflicted or possibly conflicted, with the interests of the Company. All such situations were reviewed by the Board and duly authorised. Directors were also made aware that there remains a continuing obligation to notify the Company Secretary of any new situation that may arise, or any change to a situation previously notified. It is the Board's intention to continue to review all notified situations on an annual basis.

DIRECTORS' REMUNERATION REPORT

The Directors' Remuneration Report is set out on pages 27 to 29. Ordinary resolutions to approve this report and also to approve the remuneration policy as set out in the future policy table on page 28 will be put to members at the forthcoming Annual General Meeting.

NOTIFIABLE INTEREST IN THE COMPANY'S VOTING RIGHTS

As at 31 December 2013, the following had declared a notifiable interest in the Company's voting rights.

	Holding	%
Investec Wealth & Management Ltd	11,521,360	6.5
BlackRock Investment Management (UK) Limited*	11,256,677	6.3
Lazard Asset Management Ltd	10,697,742	6.0
Yale University	7,295,331	4.1

The Company is aware that as at 31 December 2013, 1.1% of the Company's voting rights were held by investors through the BlackRock Investment Trusts Savings Plan and ISA.

As at 14 February 2014, the following had declared a notifiable interest in the Company's voting rights.

	Holding	%
BlackRock Investment Management (UK) Limited*	11,236,669	6.3
Investec Wealth & Management Ltd	11,150,328	6.3
Lazard Asset Management Ltd	10,493,026	5.9
Yale University	7,295,331	4.1

The Company is also aware that 1.0% of the Company's voting rights were held by investors through the BlackRock Investment Trusts Savings Plan and ISA as at 14 February 2014. If those voting rights are not exercised by the beneficial holders, under certain circumstances BlackRock has the right to exercise those voting rights. That right is subject to limits and restrictions and falls away at the conclusion of the relevant general meeting.

FOREIGN EXCHANGE

At the financial year end, approximately 59.0% of the Company's portfolio was invested in non-sterling assets, with 32.7% invested in US dollar denominated assets. The Investment Manager does not actively hedge currency exposure.

DERIVATIVE TRANSACTIONS

During the year the Group entered into a number of derivative put and call option contracts generating option premium income of £5,440,000 (2012: £2,114,000). One put option contract remained open at 31 December 2013 (2012: three call option contracts), details of which are given in the investment listing on pages 18 and 19. All open options were fully covered.

SHARE CAPITAL AND SHARE REPURCHASES

Full details of the Company's share capital are given in note 16 on page 54. Details of the voting rights in the Company's shares as at the date of this report are given in note 17 to the Notice of Annual General Meeting on page 74. The ordinary shares carry the right to receive dividends and have one voting right per share. There are no restrictions on the voting rights of the shares or on the transfer of shares, and there are no shares that carry specific rights with regard to the control of the Company.

Shares may be repurchased when, in the opinion of the Directors, the discount appears high or wider than the peer group average and shares are available in the market. The main objective of any buy back should be to enhance the net asset value per share of the remaining shares and to reduce the absolute level and volatility of any discount to net asset value at which shares may trade. Although the Investment Manager initiates the buy backs, the policy and parameters are set by the Board and reviewed at regular intervals. The Company intends to raise the cash needed to finance the purchase of ordinary shares either by selling securities in the Company's portfolio or by short term borrowing.

No shares were repurchased during the year. At 31 December 2013, the Company's issued share capital was 177,287,242 ordinary shares, excluding 15,724,600 shares held in treasury. The latest authority to purchase ordinary shares for cancellation or to be held in treasury was granted to the Directors on 25 April 2013 and expires on 8 May 2014. The Directors are proposing that their authority to buy back shares be renewed at the forthcoming Annual General Meeting.

TREASURY SHARES

The Board has determined that up to 10% of the Company's issued shares may be held in treasury and may be subsequently cancelled or sold for cash in the market. This would give the Company the ability to reissue shares quickly and cost efficiently, thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base. The Board currently intends only to authorise the sale of shares from treasury at prices at or above the prevailing net asset value per share (plus costs of the relevant sale). This should result in a positive overall effect on shareholders if shares are bought back at a discount and then sold at a price at or above the net asset value per share (plus costs of the relevant sale).

In the interests of all shareholders, the Board will continue to keep the matter of treasury shares under review.

GLOBAL GREENHOUSE GAS EMISSIONS FOR THE PERIOD 1 JANUARY 2013 TO 31 DECEMBER 2013

The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

ARTICLES OF ASSOCIATION

Any amendments to the Company's Articles of Association must be made by special resolution.

ANNUAL GENERAL MEETING

The following information to be discussed at the forthcoming Annual General Meeting is important and requires your immediate attention. If you are in any doubt about the action you should take, you should seek advice from your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 (as amended).

If you have sold or transferred all of your ordinary shares in the Company, you should pass this document, together with any other accompanying documents (but not the personalised Form of Proxy or Form of Direction) as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

Following publication by the Department of Business, Innovation and Skills ('BIS') of final remuneration disclosure regulations effective from 1 October 2013, the Company's remuneration policy will be subject to a triennial binding shareholder vote. The rest of the Directors' Remuneration Report will continue to be subject to an annual advisory vote. These resolutions are included as items of ordinary business as Resolution 2 and Resolution 3 in the Notice of Annual General Meeting on page 71 of the Annual Report.

Resolutions relating to the following items of special business will be proposed at the forthcoming Annual General Meeting.

Resolution 12 Continuation of the Company as an investment trust

The ordinary resolution to be proposed will seek shareholders' authority that the Company shall continue in being as an investment trust.

Resolution 13 Authority to allot shares

The Directors may only allot shares for cash if authorised to do so by shareholders in general meeting. This resolution seeks authority for the Directors to allot shares for cash up to an aggregate nominal amount of £443,218 which is equivalent to 8,864,362 ordinary shares of 5p each and represents 5% of the current issued share capital, excluding treasury shares, as at the date of the Notice of Annual General Meeting. This authority will expire at the conclusion of next year's Annual General Meeting, unless renewed prior to that date at an earlier general meeting.

Resolution 14 Authority to disapply pre-emption rights

By law, Directors require specific authority from shareholders before allotting new shares or selling shares out of treasury for cash without first offering them to existing shareholders in proportion to their holdings. Resolution 14 empowers the Directors to allot new shares for cash or to sell shares which are held by the Company in treasury, otherwise than to existing shareholders on a pro rata basis, up to an aggregate nominal amount of £443,218 which is equivalent to 8,864,362 ordinary shares of 5p each and 5% of the Company's issued ordinary share capital, excluding treasury shares, as at the date of the Notice of Annual General Meeting. Unless renewed at a general meeting prior to such time, this authority will expire at the conclusion of the Annual General Meeting of the Company to be held in 2015.

Resolution 15 Authority to buy back shares

The resolution to be proposed will seek to renew the authority granted to Directors enabling the Company to purchase its own shares. The Directors will only consider repurchasing shares in the market if they believe it to be in shareholders' interests and as a means of correcting any imbalance between supply and demand for the Company's shares.

The Directors are seeking authority to purchase up to 26,575,357 ordinary shares (being 14.99% of the issued share capital, excluding treasury shares, as at the date of this report) or, if less, 14.99% of the ordinary shares in issue at 8 May 2014. This authority, unless renewed at an earlier general meeting, will expire at the conclusion of next year's Annual General Meeting.

Resolution 16 Changes to the Articles of Association

Regulations implementing the Alternative Investment Fund Managers Directive (the 'AIFMD Regulations') came into force in the UK on 22 July 2013. The Board is proposing to make amendments to the Company's Articles of Association (the 'Articles') in response to the AIFMD Regulations.

The principal changes proposed to be introduced in the Articles, and their effect, are set out below.

(i) Net asset value

The Articles will now provide that the net asset value of the Company shall be calculated at least annually and be disclosed to shareholders from time to time in such manner as may be determined by the Board. The amendment will have no bearing on current practice and simply articulates the minimum requirements of the AIFMD Regulations.

(ii) Annual Report and Financial Statements

The Articles will now provide that the Company's Annual Report and Financial Statements may be prepared either in accordance with generally acceptable accounting principles of the UK or such other international accounting standards as may be permitted under the law of the UK. The amendment will have no bearing on current practice and simply articulates the minimum requirements of the AIFMD Regulations.

(iii) Information made available to shareholders

The AIFMD Regulations require that prior to any new or existing investor making an investment in the Company certain prescribed information is to be made available to them. Therefore, the Articles will include language with the effect that such information shall be made available to prospective and existing shareholders from time to time in such manner as may be determined by the Board (including, in certain cases, on the Company's website or by electronic notice).

(iv) Liability for loss of financial assets held in custody

The AIFMD Regulations require that the Company has a depositary. Under the AIFMD Regulations, the depositary has strict liability for the loss of the Company's financial assets in respect of which it has safe-keeping duties. This rule applies even where the depositary has delegated the actual custody of an asset to another entity. The Company may wish to hold assets in a country where the depositary is required by local law to use a local sub-custodian to hold the relevant asset. The depositary may not wish the Company to acquire or retain such an asset, unless it can discharge its strict liability to the local sub-custodian. A discharge of strict liability in these circumstances will only be possible if the Company's 'rules or instruments of incorporation' (for example, the Articles) permit such a discharge. The Board is cognisant that situations may arise where allowing the depositary to discharge its strict liability will be commercially necessary. An amendment to the Articles is therefore proposed with the effect of enabling the Board, should the need arise and subject to applicable laws, to allow a depositary to discharge its strict liability for loss of certain of the Company's assets. This proposed amendment provides the Company with commercial flexibility and the Board will exercise its discretion in the usual way in determining whether or not to provide such a discharge.

(v) Valuation

In line with early guidance from the Financial Conduct Authority, the Articles will now provide that valuation of the Company's assets shall be performed in accordance with prevailing accounting standards.

The full terms of the proposed amendments to the Articles will be available for inspection from the date of this report until the conclusion of the forthcoming Annual General Meeting at the Company's registered office at 12 Throgmorton Avenue, London EC2N 2DL. The full terms of the proposed amendments to the Articles will also be available for inspection at the place of the forthcoming Annual General Meeting for at least 15 minutes before and during that Annual General Meeting.

RECOMMENDATION

The Board considers that the resolutions to be proposed at the Annual General Meeting are likely to promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that shareholders vote in favour of these resolutions as they intend to do so in respect of their own beneficial holdings.

CORPORATE GOVERNANCE

Full details are given in the Corporate Governance Statement on pages 30 to 34. The Corporate Governance Statement forms part of this Directors' Report.

AUDIT INFORMATION

As required by section 418 of the Companies Act 2006, the Directors in office at the date of approval of this report each confirm that, so far as they are aware, there is no relevant audit information of which the Group's auditor is unaware and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

AUDITOR

The auditor, Ernst & Young LLP, has indicated its willingness to continue in office and resolutions proposing its reappointment and authorising the Directors to determine their remuneration for the ensuing year will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD

BLACKROCK INVESTMENT MANAGEMENT (UK) LIMITED
Secretary
20 February 2014

Directors' remuneration report

INTRODUCTION

The Board presents the Directors' Remuneration Report for the year ended 31 December 2013 which has been prepared in accordance with section 420-422 of the Companies Act 2006. In addition, following the publication by the Department for Business, Innovation and Skills ('BIS') of final remuneration disclosure regulations effective from 1 October 2013, the Company's remuneration policy will be subject to a triennial binding shareholder vote. The rest of the Directors' Remuneration Report will continue to be subject to an annual advisory vote. These resolutions are items of ordinary business and are included as Resolution 2 and Resolution 3 in the Notice of Meeting on page 71 of the Annual Report.

The law requires the Company's auditor to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The auditor's opinion is included in their report on pages 39 and 40. The statement by the Chairman and the policy report are not subject to audit.

STATEMENT BY THE CHAIRMAN

The Board's policy on remuneration is set out below. A key element is that fees payable to Directors should reflect the time spent by them on the Company's affairs, and should be sufficient to attract and retain individuals with suitable knowledge and experience. Following a review, with effect from 1 October 2013 the Board agreed that the Chairman's fees increase from £30,000 to £45,000, the Chairman of the Audit & Management Engagement Committee receive a fee increase from £25,000 to £37,500 and Directors' fees increase from £20,000 to £30,000. The basis for determining the level of increase in Directors' remuneration is set out in the Policy Report below.

REMUNERATION COMMITTEE

The Board as a whole fulfils the function of the Remuneration Committee and considers any change in the Directors' remuneration policy. A separate Committee has therefore not been established. The Company's Directors are all non-executive and are independent of the Investment Manager.

POLICY REPORT

During the year, the Board employed the services of an independent firm, Trust Associates, to carry out a review to see whether any change in remuneration was necessary. In setting the appropriate level of Directors' fees a number of factors were considered including the workload of the Directors, their responsibilities, the relationship with their suppliers and the size and complexity of the Company. Fees were also compared with the levels of directors' remuneration for other investment companies with similarities, such as size, specialisation, emerging markets, illiquidity of investments and valuation issues.

Having taken account of all the relevant factors and the analysis of fees paid in the investment companies sector, the conclusion was that the level of Directors' fees should be higher for the time and challenges which the Board faces in carrying out its responsibilities, together with the associated risks.

It is the Company's policy that no Director shall be entitled to any performance related remuneration, benefits in kind, long term incentive schemes, share options, pensions or other retirement benefits or, compensation for loss of office. Directors are entitled to claim expenses in respect of their duties.

Other than the Directors, the Company has no employees and consequently no consideration is required to be given to employment conditions elsewhere in setting Directors' pay.

REMUNERATION/SERVICE CONTRACTS

The maximum remuneration of the Directors is determined within the limits of the Company's Articles of Association and currently amounts in aggregate to £250,000 per annum. None of the Directors has a service contract with the Company or receive any non cash benefits or pension entitlements. The terms of their appointment are detailed in a letter sent to them when they join the Board. These letters are available for inspection at the registered office of the Company.

CONSIDERATION OF SHAREHOLDERS' VIEWS

An ordinary resolution to approve the remuneration report is put to members at each Annual General Meeting, and shareholders have the opportunity to express their views and raise any queries in respect of remuneration policy at this meeting. To date, no shareholders have commented in respect of remuneration policy.

In accordance with recent changes to the Companies Act 2006, the Company is required to seek shareholder approval of its remuneration policy. Consequently, an ordinary resolution for the approval of the remuneration policy as set out in the table on page 28 will be put to shareholders at the forthcoming Annual General Meeting. It is the intention of the Board that the policy on remuneration will take effect from the date of the Annual General Meeting and will continue to apply for the next three years.

This will be the first year that a binding vote is put to shareholders in respect of the Company's remuneration policy. In previous years, the remuneration report has been subject to an advisory vote by shareholders. At the Company's previous Annual General Meeting, held on 25 April 2013, 99.91% of votes cast were in favour of the resolution to approve the Directors' Remuneration Report in respect of the year ended 31 December 2012.

Governance

Directors' remuneration report continued

FUTURE POLICY TABLE

Purpose and link to strategy		Fees payable to Directors should be sufficient to attract and retain individuals of high calibre with suitable knowledge and experience. Those chairing the Board and key Committees should be paid higher fees than other Directors in recognition of their more demanding roles. Fees should reflect the time spent by Directors on the Company's affairs and the responsibilities borne by the Directors. It is the Company's policy that no Director shall be entitled to any performance related remuneration, benefits in kind, long term incentive schemes, share options, pensions or other retirement benefits or, compensation for loss of office. Directors are entitled to claim expenses in respect of duties undertaken on behalf of the Company.
Description		Current levels of fixed annual fee: Chairman – £45,000 Audit & Management Engagement Committee Chairman – £37,500 Directors – £30,000 All reasonable expenses to be reimbursed.
Maximum and minimum levels		Remuneration consists of a fixed fee each year, set in accordance with the stated policies and as such there is no set maximum threshold; however, any increase granted must be in line with the stated policies. The Company's Articles of Association set a limit of £250,000 in respect of the total remuneration that may be paid to Directors in any financial year. In addition, the Directors propose a limit of £50,000 per annum in relation to the maximum that may be paid in respect of taxable benefits. These ceilings have been set at a level to provide flexibility in respect of the recruitment of additional Board members and inflation.
Operation	Fixed fee element	The Board reviews the quantum of Directors' pay each year to ensure that it is in line with the level of Directors' remuneration for other investment trusts of a similar size. When making recommendations for any changes in pay, the Committee will consider wider factors such as the average rate of inflation over the period since the previous review, and the level and any change in complexity of the Directors' responsibilities (including additional time commitments as a result of increased regulatory or corporate governance requirements). There is no compensation for loss of office.
Operation	Taxable benefits	Taxable benefits comprise travel expenses incurred by the Directors in the course of travel to attend Board and Committee meetings which are held at the Company's registered office in London, and which are reimbursed by the Company and therefore treated as a benefit in kind and are subject to tax and national insurance. The Company's policy in respect of this element of remuneration is that all reasonable costs of this nature will be reimbursed as they are incurred.

REMUNERATION IMPLEMENTATION REPORT

A single figure for the total remuneration of each Director is set out in the table below for the years ended 31 December 2013 and 31 December 2012:

	Base salary		Taxable benefits		Total	
Directors	2013	2012	2013	2012	2013	2012
Anthony Lea[1]	33,750	30,000	262	–	34,012	30,000
Colin Buchan[2]	28,119	25,000	2,693	33	30,812	25,033
Ian Barby	22,500	20,000	–	–	22,500	20,000
Oliver Baring	22,500	20,000	2,291	1,192	24,791	21,192
David Cheyne[3]	22,500	11,667	–	–	22,500	11,667
Ian Cockerill[4]	3,863	n/a	–	n/a	3,863	n/a
Gordon Sage[5]	n/a	12,174	n/a	–	n/a	12,174
Total	133,232	118,841	5,246	1,225	138,478	120,066

1. Chairman.
2. Chairman of the Audit & Management Engagement Committee.
3. Appointed 1 June 2012.
4. Appointed 14 November 2013.
5. Retired 9 August 2012.

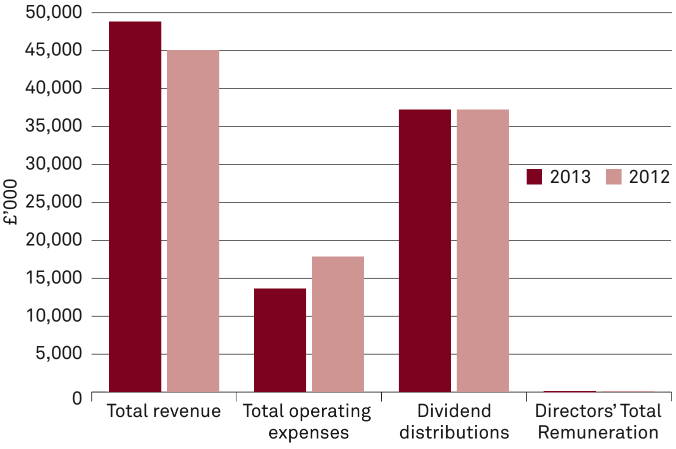
The information in the above table has been audited.

The amounts paid by the Company to the Directors were for services as non-executive Directors. No past Director has been compensated for loss of office.

RELATIVE IMPORTANCE OF SPEND ON PAY

As the Company has no employees, the table on page 28 also comprises the total remuneration costs and benefits paid by the Company. To enable shareholders to assess the relative importance of spend on pay, this has been shown in the chart below compared with the Company's total revenue, operating expenses and dividend distributions.

RELATIVE IMPORTANCE OF SPEND

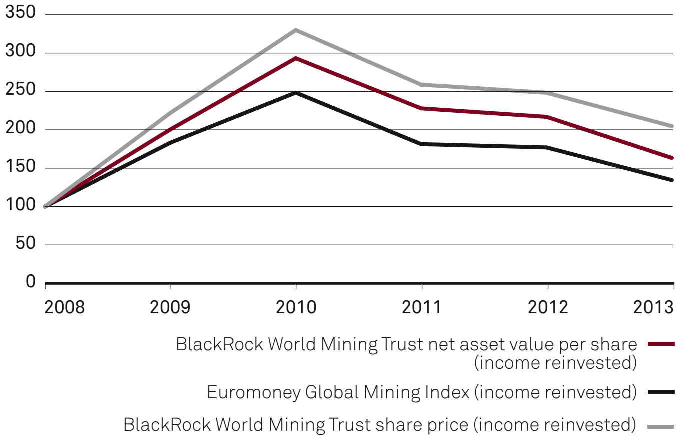


Directors' total remuneration as a % of total revenue for the year ended 31 December 2013 was 0.3% (2012: 0.3%).

PERFORMANCE

The graph which follows compares the Company's net asset value and mid-market share price (with income reinvested) with the Euromoney Global Mining Index (income reinvested). This Index was chosen for comparison purposes as it is deemed to be the most relevant to the Company's investment objective and is the benchmark used when reporting to shareholders.

PERFORMANCE 1 JANUARY 2008 TO 31 DECEMBER 2013



Total return performance record rebased to 100.
Sources: BlackRock and Datastream.

SHAREHOLDINGS

The Board has not adopted a policy that Directors are required to own shares in the Company, although all Directors are currently shareholders.

The interests of the Directors in the ordinary shares of the Company are set out in the table below. None of the Directors has an interest in share options in the Company.

	31 December 2013	31 December 2012
A W Lea	6,000	6,000
I C S Barby	25,000	25,000
O A G Baring	3,000	3,000
C A M Buchan	24,000	24,000
D W Cheyne	4,000	4,000
I D Cockerill*	17,630	–

* appointed to the Board on 14 November 2013.

The information in the above table has been audited.

All of the holdings of the Directors are beneficial. No changes to these holdings have been notified up to the date of this report.

RETIREMENT OF DIRECTORS

All of the Company's Directors are subject to retirement by rotation in accordance with the Company's Articles of Association. Directors are appointed for an initial term covering the period from the date of their appointment until the first Annual General Meeting thereafter, at which time they are required to stand for election in accordance with the Articles of Association. Subsequently, Directors retire by rotation at least every three years.

BY ORDER OF THE BOARD

BLACKROCK INVESTMENT MANAGEMENT (UK) LIMITED
Secretary
20 February 2014

Governance

Corporate governance statement

CHAIRMAN'S INTRODUCTION

Corporate governance is the process by which the board of directors of a company looks after shareholders' interests and by which it seeks to enhance shareholder value. Shareholders hold the directors responsible for the stewardship of a company's affairs, delegating authority and responsibility to the directors to manage the company on their behalf and holding them accountable for its performance.

The Board is ultimately responsible for framing and executing the Company's strategy and for closely monitoring risks. We aim to run our Company in a manner which is responsible and consistent with our belief in honesty, transparency and accountability. In our view, good governance means managing our business well and engaging effectively with investors. We consider the practice of good governance to be an integral part of the way we manage the Company and we are committed to maintaining high standards of financial reporting, transparency and business integrity.

As a UK-listed investment trust company our principal reporting obligation is driven by the UK Corporate Governance Code (the 'UK Code') issued by the Financial Reporting Council in September 2012. However, as listed investment trust companies differ in many ways from other listed companies, the Association of Investment Companies has drawn up its own set of guidelines, the AIC Code of Corporate Governance (the 'AIC Code') issued in February 2013, which addresses the governance issues relevant to investment companies and meets the approval of the Financial Reporting Council.

The UK Code is available from the Financial Reporting Council's website at frc.org.uk. The AIC Code is available from the Association of Investment Companies at theaic.co.uk.

This report, which forms part of the Directors' Report, explains how the Board deals with its responsibility, authority and accountability.

CORPORATE GOVERNANCE COMPLIANCE STATEMENT

The Board has made the appropriate disclosures in this report to ensure the Company meets its continuing obligations. It should be noted that as an investment trust, most of the Company's day-to-day responsibilities are delegated to third parties, the Company has no employees and the Directors are non-executive. Thus, not all of the provisions of the UK Code are directly applicable to the Company.

The Board considers that the Company has complied with the recommendations of the AIC Code and the provisions contained within the UK Code that are relevant to the Company throughout this accounting period, except where explained below, and this statement describes how the relevant principles of governance are applied to the Company.

THE BOARD

Board composition

The Board currently consists of six non-executive Directors, all of whom are independent of the Company's Investment Manager. Mr Buchan acted as Senior Independent Director during the year. The provision of the UK Code (A.2.1) which relates to the combination of the roles of the chairman and chief executive does not apply as the Company has no executive directors. The Directors' biographies, on page 21, demonstrate a breadth of investment, commercial, accounting, finance and professional experience which enables them to provide effective strategic leadership and proper governance of the Company.

Board independence and tenure

The Board's individual independence, including that of the Chairman, has been considered and confirmed, and this independence allows all of the Directors to sit on the Company's various Committees. The Board is of the view that length of service will not necessarily compromise the independence or contribution of directors of an investment trust company, where continuity and experience can add significantly to the strength of the Board. It is considered that Messrs Barby and Buchan, who have each served as a Director for over nine years, continue to be independent in both character and judgement and that there are no relationships or circumstances which are likely to affect the judgement of any Director.

The Company does not have a chief executive as day-to-day management of the Company's affairs is delegated to the Investment Manager. None of the Directors has a service contract with the Company. The terms of their appointment are detailed in a letter sent to them when they join the Board. Copies of these letters are available on request from the Company's registered office and will be available at the Annual General Meeting.

Diversity

The Board supports the principle of boardroom diversity raised in Lord Davies' review of 'Women on Boards'. Our Company is highly specialised and our priority to shareholders is to have a Board with the specialist abilities and technical mining experience to look after the Company's investments. In addition, the Board should be able to demonstrate with conviction that any new appointee would make a meaningful contribution. We also focus on diversity in its broadest sense, in terms of expertise, geographic background, gender and race. The Board should have a blend of skills and attributes that is appropriate to its needs; we believe that gender is an important element and one we should aspire to on the basis that the expertise is available.

Catherine Raw, who is joint Fund Manager of the Company, is on the advisory board of Women in Mining (UK), an organisation which seeks to promote the employment, retention and professional development of women in mining.

Directors' appointment, retirement and rotation

All non-executive Directors are appointed for an initial term of three years, subject to re-election and Companies Act provisions, and in accordance with the Articles of Association stand for election at the first Annual General Meeting following their appointment. Although the Articles of Association state that Directors must offer themselves for re-election at least once every three years, in accordance with corporate governance best practice, each Director will be subject to annual re-election by shareholders. Mr Baring retires, having served as a Director of the Company for more than nine years, but will not be seeking reappointment. Mr Cockerill is standing for election to the Board, having been appointed as a Director during the year. The Board did not employ the services of a search company in the appointment of Mr Cockerill. The existing Directors identified Mr Cockerill as a suitable candidate from their range of contacts and his appointment was fully debated by all of the Directors.

The Board has considered the positions of the retiring Directors as part of the evaluation process and believes that it would be in the Company's best interests for the Directors to be proposed for re-election/election at the forthcoming Annual General Meeting, given their material level of contribution. The Directors support a planned and progressive renewing of the Board. The Board's tenure and succession policy seeks to ensure that the Board is well-balanced through the appointment of new Directors with the skills and experience necessary. In the forthcoming year, the Board will be seeking two appropriate candidates and hopes to appoint at least one female Board member with relevant expertise. Directors must be able to demonstrate commitment to the Company, including in terms of time.

Directors' training and induction

When a new Director is appointed to the Board, he or she is provided with all relevant information regarding the Company and his or her duties and responsibilities as a Director. In addition, a new Director will also spend some time with representatives of the Investment Manager whereby he or she will become familiar with the various processes which the Manager considers necessary for the performance of its duties and responsibilities to the Company. The Company's policy is to encourage Directors to keep up to date and attend training courses on matters which are directly relevant to their involvement with the Company. The Directors also receive regular briefings from, amongst others, the auditor and Company Secretary regarding any proposed developments or changes in laws or regulations that could affect the Company and/or the Directors.

Directors' liability insurance

The Company has maintained appropriate Directors' Liability Insurance cover throughout the year, in respect of legal action against its Directors.

BOARD'S RESPONSIBILITIES

The Board currently has five scheduled meetings each year and may have additional meetings to consider strategy and other issues. Between these meetings there is regular contact with the Investment Manager. The Board is responsible to shareholders for the overall management of the Company. It reserves to itself decisions relating to the determination of investment policy, any change in investment strategy, strategic gearing policy, policy on the buy back and issue of shares, whether to hold shares in treasury, and entering into any material contracts.

The Board also sets investment parameters and the maximum amount that can be invested in unquoted investments. In addition, changes relating to the Group's capital structure, approval of circulars to shareholders and listing particulars, relevant press releases and any significant change in accounting policies or practices must also be approved by the Board. A formal schedule of matters specifically reserved for decision by the Board has been defined.

The Board is supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties. Strategic issues and all operational matters of a material nature are determined by the Board.

The Directors also have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that Board procedures are followed and that it complies with applicable rules and regulations. Where necessary, in the furtherance of their duties, the Directors may seek independent professional advice at the expense of the Company.

The Board has responsibility for ensuring that the Company keeps proper accounting records which are sufficient to show and explain the Company's transactions and which disclose with reasonable accuracy at any time the financial position of the Company and which enable it to ensure that the financial statements comply with the Companies Act 2006. It is the Board's responsibility to present a balanced and understandable assessment, which extends to interim and other price-sensitive public reports.

The Board is also responsible for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Corporate governance statement continued

BOARD EVALUATION

The Board has undertaken the annual evaluation of its own performance and that of its Committees and individual Directors including the Chairman. The process was based on questionnaires followed by discussions on the experience, balance of skills, diversity and knowledge of the Board, as well as Board effectiveness, role and structure. Discussions between the Chairman and each Director were held and the appraisal of the Chairman by his fellow Directors was facilitated by the Senior Independent Director. The Board has also reviewed the Chairman's and Directors' other commitments and are satisfied that the Chairman and other Directors are capable of devoting sufficient time to the Company and contribute to the effective running of the Company. It was agreed that the current composition of the Board and its Committees reflected a suitable mix of skills and experience and that the Board, as a whole, and its Committees were functioning effectively.

In 2012 the Board employed the services of an independent firm, BoardAlpha Limited, to carry out an external evaluation of the Board and its Committees, together with individual Directors' performance. Formal performance evaluations will continue to take place annually with the appointment of an external facilitator at least every three years.

DELEGATION OF RESPONSIBILITIES

The Board has delegated the following areas of responsibility:

Management and administration

The management of the investment portfolio and the administration of the Company have been delegated to the Investment Manager. The Investment Manager, operating under guidelines determined by the Board, has direct responsibility for the decisions relating to the day-to-day running of the Company and is accountable to the Board for the investment, financial and operating performance of the Company. The Board has final investment authority on unquoted investments. Custody and settlement services are provided by Bank of New York Mellon (International) Limited ('BNYM').

The Board has delegated the exercise of voting rights attaching to the securities held in the portfolio to the Investment Manager. Details of the Investment Manager's approach to voting at shareholder meetings are set out on pages 22 and 23.

COMMITTEES OF THE BOARD

Nomination Committee

As the Board is small and comprises only non-executive Directors it fulfils the function of the Nomination Committee which will meet when necessary to select and propose suitable candidates for appointment. Should a vacancy occur or the Board decide to recruit new members, the Board will take into account the size, balance and profile of the Board as a whole to identify any areas that need strengthening. Due to the specialist nature of the investment mandate, and the difficulty in finding new Directors with knowledge of the mining sector, the existing Directors will try to identify suitable individuals from their range of contacts, although other sources, including external search consultants, may also be used as required.

Audit & Management Engagement Committee

A separately chaired Audit & Management Engagement Committee has been established and is made up of all the independent Directors, including the Chairman of the Company. Further details are given in the Report of the Audit & Management Engagement Committee on pages 36 to 38.

Remuneration Committee

The remuneration of the Chairman and the Directors is determined by the Board. It is not considered necessary to have a separate Remuneration Committee as the Directors are not currently employed by the Investment Manager and were not so employed within the last five years. The Company's policy on Directors' remuneration, together with details of the remuneration of each Director, is detailed in the Directors' Remuneration Report on pages 27 to 29.

ATTENDANCE RECORD

The Board meets formally to review investment performance, financial reports and other reports of a strategic nature. Board or Board Committee meetings are also held on an ad hoc basis to consider particular issues as they arise.

The following table sets out the number of scheduled Board meetings and Committee meetings held during the year under review and the number of meetings attended by each Director.

	Scheduled Board	Audit
Number of Meetings held	5	2
Number of Meetings attended:		
Anthony Lea	5	2
Ian Barby	5	2
Colin Buchan	5	2
Oliver Baring	4	2
David Cheyne	5	2
Ian Cockerill*	1	–

* Mr Cockerill was appointed on 14 November 2013.

INTERNAL CONTROLS

The Board is responsible for establishing and maintaining the Company's systems of internal control and for reviewing their effectiveness, for ensuring that financial information published or used within the business is reliable, and for regularly monitoring compliance with regulations governing the operation of investment trusts. The Board reviews the effectiveness of the internal control systems on an ongoing basis to identify, evaluate and manage the Company's significant risks. As part of that process, there are procedures designed to capture and evaluate any failings or weaknesses and should a case be categorised by the Board as significant, procedures exist to ensure that necessary action is taken to remedy the failings. The Board is not aware of any significant failings or weaknesses arising in the year under review.

Control of the risks identified, covering financial, operational, compliance and risk management, is embedded in the operations of the Investment Manager and BNYM. There is a monitoring and reporting process to review these controls, which has been in place throughout the year under review and up to the date of this report, carried out by the Investment Manager's corporate audit department. This accords with the Financial Reporting Council's 'Internal Control: Revised Guidance for Directors on the UK Corporate Governance Code'.

The Investment Manager reports to the Company on its review of internal controls, formally on a semi-annual basis and verbally at each Board and Audit & Management Engagement Committee meeting, and provides an annual report from the Investment Manager's reporting accountants on the control policies and procedures in operation. The Audit & Management Engagement Committee also receives quarterly reports from BNYM on the internal controls of its custodial operations, together with the opinion of their reporting accountants.

The Board recognises that these control systems can only be designed to manage rather than eliminate the risk of failure to achieve business objectives, and to provide reasonable, but not absolute, assurance against material misstatement or loss, and relies on the operating controls established by the Investment Manager and BNYM. The Investment Manager prepares revenue forecasts and management accounts which allow the Board to assess the Company's activities and review its performance. The Board and the Investment Manager have agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are submitted to the Board at each meeting.

The Company does not have its own internal audit function, as all the administration is delegated to the Investment Manager and other third party service providers. The Board monitors the controls in place through the Investment Manager's internal audit department and feels that there is currently no need for the Company to have its own internal audit function although this matter is kept under review.

FINANCIAL REPORTING

The Statement of Directors' Responsibilities in respect of the Annual Report and Financial Statements is set out on page 35, the Independent Auditor's Report on pages 39 and 40 and the Statement of Going Concern on page 23.

SOCIALLY RESPONSIBLE INVESTMENT

Investment trusts do not employ staff and accordingly have no direct impact on social matters but can be significant investors in the economies of the regions in which they invest. The Company invests in mining companies around the world. The Investment Manager's evaluation procedures and financial analysis of the companies within the portfolio includes research and appraisal, and also takes into account environmental policies and other business issues. The Company invests primarily on financial grounds to meet its stated objectives.

The Investment Manager is supportive of the UK Stewardship Code, which sets out the responsibilities of institutional shareholders in respect of investee companies, and is voluntary and operates on a 'comply or explain' basis. The Investment Manager's approach to the UK Stewardship Code, and policies on Socially Responsible Investment, are detailed on the website at blackrock.com/corporate/en-gb/about-us/responsible-investment/responsible-investment reports.

BRIBERY PREVENTION POLICY

The provision of bribes of any nature to third parties in order to gain a commercial advantage is prohibited and is a criminal offence. The Board has a zero tolerance policy towards bribery and a commitment to carry out business fairly, honestly and openly. The Board takes its responsibility to prevent bribery by the Company's Investment Manager on its behalf very seriously and BlackRock has anti-bribery policies and procedures in place which are high level, proportionate and risk based. The Company's service providers have been contacted in respect of their anti-bribery policies and, where necessary, contractual changes are made to existing agreements in respect of anti-bribery provisions.

Corporate governance statement continued

COMMUNICATION WITH SHAREHOLDERS

All shareholders have the opportunity to attend and vote at the Annual General Meeting. The Notice of the Annual General Meeting sets out the business of the Meeting and any item not of an entirely routine nature is explained in the Directors' Report on pages 25 and 26. The Notice of Annual General Meeting and related papers are sent to shareholders at least 20 working days before the Meeting. Separate resolutions are proposed for substantive issues.

In addition, regular updates on performance are available to shareholders on the website and the Investment Manager reviews the Company's activities at the Annual General Meeting, where the Chairman of the Board and the Chairman of the Audit & Management Engagement Committee and representatives of the Investment Manager are available to answer shareholders' queries. Proxy voting figures will be announced to shareholders at the Annual General Meeting and will be made available on the Investment Manager's website shortly after the Meeting.

The Company's willingness to enter into discussions with institutional shareholders is also demonstrated by the programmes of institutional presentations by the Investment Manager. The Board discusses with the Investment Manager at each Board meeting any feedback from meetings with shareholders and it also receives reports from its corporate broker.

There is a section within this report entitled 'Shareholder Information', on pages 65 to 67, which provides an overview of useful information available to shareholders.

The Company's annual and half yearly financial reports, regular factsheets and other information are also published on blackrock.co.uk/brwm which is the website maintained by the Company's Investment Manager, BlackRock Investment Management (UK) Limited. The work undertaken by the auditor does not involve consideration of the maintenance and integrity of the website and, accordingly, the auditor accepts no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the accounts may differ from legislation in their jurisdiction.

DISCLOSURE AND TRANSPARENCY RULES

Other information required to be disclosed pursuant to the Disclosure and Transparency Rules has been placed in the Directors' Report on pages 22 to 26 because it is information which refers to events that have taken place during the course of the year.

The following is a list of that information:

- Substantial share interests;
- Share capital;
- Share issues;
- Share repurchases; and
- Greenhouse gas emissions.

In addition, information on Directors' shareholdings is given on page 29 of the Directors' Remuneration Report.

FOR AND ON BEHALF OF THE BOARD

A W LEA
Chairman
20 February 2014

Governance

Statement of directors' responsibilities

The Directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors are required to prepare the financial statements under IFRS as adopted by the European Union. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- present fairly the financial position, financial performance and cash flows of the Company;
- select suitable accounting policies in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IFRS as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
- provide additional disclosures when compliance with the specific requirements in IFRS as adopted by the European Union is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are also responsible for preparing the Strategic Report, Directors' Report, the Directors' Remuneration Report, the Corporate Governance Statement and the Report of the Audit & Management Engagement Committee in accordance with the Companies Act 2006 and applicable regulations, including the requirements of the Listing Rules and the Disclosure and Transparency Rules. The Directors have delegated responsibility to the Investment Manager for the maintenance and integrity of the Company's corporate and financial information included on the Investment Manager's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Directors at the date of this report, whose names are listed on page 21, confirm to the best of their knowledge that:

- the financial statements, which have been prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and net return of the Company; and
- the Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

The 2012 UK Corporate Governance Code also requires Directors to ensure that the Annual Report and Financial Statements are fair, balanced and understandable. In order to reach a conclusion on this matter, the Board has requested that the Audit & Management Engagement Committee advise on whether it considers that the Annual Report and Financial Statements fulfils these requirements. The process by which the Committee has reached these conclusions is set out in the Audit & Management Engagement Committee's Report on pages 36 to 38. As a result, the Board has concluded that the Annual Report for the year ended 31 December 2013, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

FOR AND ON BEHALF OF THE BOARD
A W LEA
Chairman
20 February 2014

Governance

Report of the audit & management engagement committee

As Chairman of the Company's Audit & Management Engagement Committee (the 'Committee') I am pleased to present the Committee's first formal report to shareholders on the effectiveness of the external audit process and how this has been assessed for the year ended 31 December 2013.

ROLE AND RESPONSIBILITIES

The Company has established a separately chaired Committee whose duties include considering and recommending to the Board for approval the contents of the half yearly and annual financial statements, and providing an opinion as to whether the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy. The Committee also reviews the external auditor's report thereon and is responsible for reviewing and forming an opinion on the effectiveness of the external audit process and audit quality. Other duties which include reviewing the appropriateness of the Company's accounting policies, ensuring the adequacy of the internal control systems and standards, considering the remuneration of the Investment Manager and reviewing the terms of the investment management agreement are set out in more detail below. The terms of reference of the Committee are available on the website at blackrock.co.uk/brwm.

The Committee meets at least twice a year. The two planned meetings are held prior to the Board meetings to approve the half yearly and annual results and the Committee receives information from the Investment Manager's corporate audit and compliance departments. The Committee does not consider that as an investment trust company it needs to hold an additional meeting, although this is kept under review.

COMPOSITION

All of the Directors are members of the Committee, which is chaired by Mr Buchan. The Directors' biographies are given on page 21 of the Annual Report and the Board considers that at least one member of the Committee has sufficient recent and relevant financial experience for the Committee to discharge its function effectively. The Chairman of the Company is a member of the Committee to enable him to be kept fully informed of any issues which may arise.

RESPONSIBILITIES AND REVIEW OF THE EXTERNAL AUDIT

During the year, the principal activities of the Committee included:

- considering and recommending to the Board for approval the contents of the half yearly and annual financial statements and reviewing the external auditor's report thereon;
- reviewing the scope, execution, results, cost effectiveness, independence and objectivity of the external auditor;
- reviewing and recommending to the Board for approval the audit and non-audit fees payable to the external auditor and the terms of its engagement;
- reviewing and approving the external auditor's plan for the following financial year, with a focus on the identification of areas of audit risk, and consideration of the appropriateness of the level of audit materiality adopted;
- reviewing the role of the Board, the Investment Manager and third party service providers in an effective audit process;
- reviewing the efficiency of the external audit process and the quality of the audit engagement partner and the audit team, and making a recommendation to the Board with respect to the reappointment of the auditor;
- considering the quality of the formal audit report to shareholders;
- reviewing the appropriateness of the Company's accounting policies;
- ensuring the adequacy of the internal control systems and standards; and
- considering the remuneration of the Investment Manager and reviewing the terms of the investment management agreement.

The Committee has also reviewed and accepted the 'whistleblowing' policy that has been put in place by the Investment Manager under which its staff, in confidence, can raise concerns about possible improprieties in matters of financial reporting or other matters, insofar as they affect the Company.

SIGNIFICANT ISSUES CONSIDERED REGARDING THE ANNUAL REPORT AND FINANCIAL STATEMENTS

During the year, the Committee considered a number of significant issues and areas of key audit risk in respect of the Annual Report and Financial Statements. The Committee reviewed the external audit plan at an early stage and concluded that the appropriate areas of audit risk relevant to the Company had been identified and that suitable audit procedures had been put in place to obtain reasonable assurance that the financial statements as a whole would be free of material misstatements. The table on page 37 sets out the key areas of risk identified and also explains how these were addressed.

Significant issue	How the issue was addressed
The accuracy of the valuation of the investment portfolio	The Board reviews detailed portfolio valuations on a regular basis throughout the year and receives confirmation from the Investment Manager that the pricing basis is appropriate and in line with relevant accounting standards as adopted by the Company. The audit includes checks on the existence and ownership of investments. The audit also includes a check of pricing back to source data to confirm that the correct valuation basis has been adopted in accordance with the accounting policies as disclosed in note 2 to the Financial Statements.
The risk of misappropriation of assets and unsecured ownership of investments	The Board reviews reports of the service providers on key controls over assets of the Company. Any significant issues are reported by the Investment Manager to the Board. The audit includes checks on the existence and ownership of investments. This includes reviewing the period end reconciliation of the Company's records to those of the custodian and obtaining confirmation of all securities held at the period end and agreeing all securities held from the Company's records to those of the custodian.
The accuracy of the calculation of management fees	The management fee is calculated in accordance with the contractual terms in the investment management agreement by the administrator, BNP Paribas, and is reviewed in detail by the Investment Manager and is also subject to a review by the Board. The audit includes a re-performance test to confirm that the management fees were correctly calculated in accordance with the investment management agreement.
The risk that income is overstated, incomplete or inaccurate through failure to recognise proper income entitlements or to apply the appropriate accounting treatment for recognition of income	The Board reviews income forecasts, including special dividends, and receives explanations from the Investment Manager for any variations or significant movements from previous forecasts and prior year numbers. The audit includes checks on the completeness and accuracy of income, and also checks that this has been recognised in accordance with stated accounting policies.

As the provision of portfolio valuation, fund accounting and administration services is delegated to the Company's Investment Manager, BlackRock Investment Management (UK) Limited, who sub-delegate fund accounting to a third party service provider, and the provision of custody services is provided by Bank of New York Mellon (International) Limited, the Committee has also reviewed the Service Organisation Control reports ('SOC 1') and Audit and Assurance Faculty (AAF) reports prepared by the Investment Manager, custodian and fund accountants (where relevant) to ensure that the relevant control procedures are in place to cover these areas of risk as identified above and are adequate and appropriate and have been confirmed as operating effectively by their reporting accountants.

AUDITOR AND AUDIT TENURE

The Company's current auditor, Ernst & Young LLP, has acted in this role since the launch of the Company in December 1993. The Committee, in conjunction with the Board, is committed to reviewing this appointment on a regular basis to ensure that the Company is receiving an optimal level of service. The Committee also considers the risk associated with audit firms withdrawing from the market and the relationship with the Company's auditor. The appointment of the auditor is reviewed each year and the audit partner changes at least every five years. The Committee is mindful that under provision C.3.7 of the UK Corporate Governance Code the external audit contract of FTSE 350 companies should be put out to tender at least every ten years. The Board will therefore review alternative audit service providers during 2015, the final year of the current tenure of the audit partner. EU audit reform proposals are also currently under consideration.

There are no contractual obligations that restrict the Company's choice of auditor. Other assurance service fees of £6,000 (excluding VAT) paid to Ernst and Young LLP relate to their review of the half yearly financial statements (2012: £6,000 relating to the review of the half yearly financial statements and £198,000 relating to tax and structuring services provided in connection with the acquisition of investments).

The auditor has indicated its willingness to continue in office and resolutions proposing its reappointment and authorising the Directors to determine its remuneration for the ensuing year will be proposed at the Annual General Meeting.

ASSESSMENT OF THE EFFICACY OF THE EXTERNAL AUDIT PROCESS

To assess the effectiveness of the external audit, members of the Committee work closely with BlackRock to obtain a good understanding of the progress and efficiency of the audit. The Committee has adopted a formal framework in its review of the effectiveness of the external audit process and audit quality. This includes a review of the following areas:

- the quality of the audit engagement partner and the audit team;
- the expertise of the audit firm and the resources available to it;
- identification of areas of audit risk;
- planning, scope and execution of the audit;
- consideration of the appropriateness of the level of audit materiality adopted;

Report of the audit & management engagement committee continued

- the role of the Board, the Manager and third party service providers in an effective audit process;
- communications by the auditor with the Committee;
- how the auditor supports the work of the Committee and how the audit contributes added value;
- a review of independence and objectivity of the audit firm; and
- the quality of the formal audit report to shareholders.

Feedback in relation to the audit process and the efficacy of the Investment Manager in performing their role is also sought from relevant involved parties, notably the audit partner and team. The external auditor is invited to attend the Committee meetings at which they have the opportunity to meet with the Committee without representatives of the Investment Manager being present.

The effectiveness of the Board and the Investment Manager in the external audit process is assessed principally in relation to the timely identification and resolution of any process errors or control breaches that might impact the Company's net asset values and accounting records. It is also assessed by reference to how successfully any issues in respect of areas of accounting judgement are identified and resolved, the quality and timeliness of papers analysing these judgements, the booking of any audit adjustments arising, and the timely provision of draft public documents for review by the auditor and the Committee.

To form a conclusion with regard to the independence of the external auditor, the Committee considers whether the skills and experience of the auditor make them a suitable supplier of non-audit services and whether there are safeguards in place to ensure that there is no threat to their objectivity and independence in the conduct of the audit resulting from the provision of such services. On an annual basis, Ernst & Young LLP review the independence of their relationship with the Company and report to the Board, providing details of any other relationship with the Investment Manager. As part of this review, the Committee also receives information about policies and processes for maintaining independence and monitoring compliance with relevant requirements from the Company's auditor, including information on the rotation of audit partners and staff, the level of fees that the Company pays in proportion to the overall fee income of the firm, and the level of related fees, details of any relationships between the audit firm and its staff and the Company as well as an overall confirmation from the auditor of their independence and objectivity. As a result of their review, the Committee has concluded that Ernst & Young LLP is independent of the Company and the Investment Manager.

The Committee has concluded that the audit in respect of the year ended 31 December 2013 was effective.

CONCLUSIONS IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

The production and the audit of the Company's Annual Report and Financial Statements is a comprehensive process requiring input from a number of different contributors. One of the key governance requirements of a Company's financial statements is for the Annual Report and Financial Statements to be fair, balanced and understandable. In order to reach a conclusion on this matter, the Board has requested that the Committee advise on whether it considers that the Annual Report and Financial Statements fulfils these requirements, and in so doing the Committee has given consideration to the following:

- the comprehensive documentation that is in place setting out the controls over the production of the Annual Report, including the verification processes in place to deal with the factual content;
- the comprehensive reviews that are undertaken at different levels in the production process, by the Investment Manager, the third party service providers responsible for accounting services and the Committee that aim to ensure consistency and overall balance;
- the controls that are in place at the Investment Manager and third party service providers to ensure the completeness and accuracy of the Company's financial records and the security of the Company's assets; and
- the existence of satisfactory control reports that have been reviewed and reported on by external auditors to verify the effectiveness of the internal controls of the Investment Manager and the Company's third party service providers (SOC 1) reports and Audit and Assurance Faculty (AAF) reports.

As a result of the work performed the Committee has concluded that the Annual Report for the year ended 31 December 2013, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy and has reported on these findings to the Board. The Board's conclusions in this respect are set out in the Statement of Directors' Responsibilities on page 35.

COLIN BUCHAN
Chairman
Audit & Management Engagement Committee
20 February 2014

Financial statements

Independent auditor's report to the members of BlackRock World Mining Trust plc

We have audited the financial statements of BlackRock World Mining Trust plc for the year ended 31 December 2013 which comprise the Consolidated Statement of Comprehensive Income, Group and Company Statements of Changes in Equity, Group and Company Statements of Financial Position, Group and Company Cash Flow Statements and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Statement of Directors' Responsibilities set out on page 35, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Group's and Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2013 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Company's financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

OUR ASSESSMENT OF RISKS OF MATERIAL MISSTATEMENT

We identified the following risks of material misstatement that had the greatest effect on the overall audit strategy and the allocation of resources in the audit:

- incorrect valuation of the investment portfolio, including incorrect application of exchange rates and assessment of stock liquidity;
- incorrect calculation of management fees or that they were not calculated and recorded in accordance with the investment management agreement;
- misappropriation of the Company's assets and unsecured ownership of investments; and
- incomplete or inaccurate income recognition through failure to recognise proper income entitlements.

OUR APPLICATION OF MATERIALITY

We determined planning materiality for the Company to be £8.9 million, which is 1% of equity. This provided a basis for determining the nature, timing and extent of our risk assessment procedures, identifying and assessing the risk of material misstatement and determining the nature, timing and extent of further audit procedures.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgment was that overall performance materiality (i.e. our tolerance for misstatement in an individual account or balance) for the Company should be 75% of planning materiality,

Independent auditor's report continued

namely £6.6 million. Our objective in adopting this approach was to ensure that total detected and undetected audit differences in all accounts did not exceed our planning materiality level.

Given the importance of the distinction between revenue and capital for the Company we have also applied a separate performance materiality of £2.2 million for the Income Statement, being 5% of the return on ordinary activities before taxation.

We reported to the Committee all audit differences in excess of £443,000, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Our response to the risks identified on page 39 was as follows:

- we agreed a sample of year end prices to an independent source and obtained sufficient supporting evidence for any unlisted valuations where management have exercised judgement;
- we re-performed the management fee calculations for the year to confirm they were correctly calculated in accordance with the investment management agreement;
- we obtained independent confirmation from the custodian and bank of the investment portfolio and cash balances, agreeing them to the books and records; and
- we have tested on a sample basis the completeness and accuracy of income receipts and confirmed that income was recorded in accordance with the Group's accounting policy for revenue recognition. In addition, we confirmed that the accounting policy is consistent with IFRS and the SORP.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following:

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the Annual Report is fair, balanced and understandable and whether the Annual Report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed.

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company's financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 23 in relation to going concern; and
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review.

MATTHEW PRICE (SENIOR STATUTORY AUDITOR)
For and on behalf of Ernst & Young LLP
Statutory Auditor
London
20 February 2014

Financial statements

Consolidated statement of comprehensive income for the year ended 31 December 2013

	Notes	Revenue 2013	Revenue 2012	Capital 2013	Capital 2012	Total 2013	Total 2012
		£'000	£'000	£'000	£'000	£'000	£'000
Income from investments held at fair value through profit or loss	3	42,865	42,508	–	–	42,865	42,508
Other income	3	5,937	2,553	–	–	5,937	2,553
Total revenue		48,802	45,061	–	–	48,802	45,061
Losses on investments held at fair value through profit or loss	10	–	–	(324,228)	(93,808)	(324,228)	(93,808)
Realised (losses)/gains on foreign exchange		–	–	(718)	1,705	(718)	1,705
		48,802	45,061	(324,946)	(92,103)	(276,144)	(47,042)
Expenses							
Investment management fees	4	(3,164)	(4,046)	(9,492)	(12,139)	(12,656)	(16,185)
Other expenses	5	(975)	(902)	–	(766)	(975)	(1,668)
Total operating expenses		(4,139)	(4,948)	(9,492)	(12,905)	(13,631)	(17,853)
Net profit/(loss) before finance costs and taxation		44,663	40,113	(334,438)	(105,008)	(289,775)	(64,895)
Finance costs	6	(391)	(299)	(1,175)	(895)	(1,566)	(1,194)
Net profit/(loss) on ordinary activities before taxation		44,272	39,814	(335,613)	(105,903)	(291,341)	(66,089)
Taxation	7	(4,639)	(1,200)	2,813	3,258	(1,826)	2,058
Net profit/(loss) for the year		39,633	38,614	(332,800)	(102,645)	(293,167)	(64,031)
Earnings/(loss) per ordinary share	9	22.36p	21.78p	(187.72p)	(57.90p)	(165.36p)	(36.12p)

The total column of this statement represents the Consolidated Statement of Comprehensive Income, prepared in accordance with International Financial Reporting Standards ('IFRS'), as adopted by the European Union. The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies ('AIC'). All items in the above statement derive from continuing operations. No operations were acquired or discontinued during the year. All income is attributable to the equity holders of BlackRock World Mining Trust plc. There were no minority interests.

The net loss of the Company for the year was £293,167,000 (2012: loss of £64,031,000).

The Group does not have any other comprehensive income. The net return for the year disclosed above represents the Group's comprehensive income.

The notes on pages 45 to 64 form part of these financial statements.

Financial statements

Statements of changes in equity for the year ended 31 December 2013

Group	Note	Ordinary share capital	Share premium account	Special reserve	Capital redemption reserve	Capital reserves	Revenue reserve	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
For the year ended 31 December 2012								
At 31 December 2011		9,651	127,155	116,471	22,779	994,236	46,712	1,317,004
Total comprehensive income:								
(Loss)/profit for the year		–	–	–	–	(102,645)	38,614	(64,031)
Transactions with owners:								
Dividend paid	8	–	–	–	–	–	(37,230)	(37,230)
At 31 December 2012		9,651	127,155	116,471	22,779	891,591	48,096	1,215,743
For the year ended 31 December 2013								
At 31 December 2012		9,651	127,155	116,471	22,779	891,591	48,096	1,215,743
Total comprehensive income:								
(Loss)/profit for the year		–	–	–	–	(332,800)	39,633	(293,167)
Transactions with owners:								
Dividend paid	8	–	–	–	–	–	(37,230)	(37,230)
At 31 December 2013		9,651	127,155	116,471	22,779	558,791	50,499	885,346

Company	Note	Ordinary share capital	Share premium account	Special reserve	Capital redemption reserve	Capital reserves	Revenue reserve	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
For the year ended 31 December 2012								
At 31 December 2011		9,651	127,155	116,471	22,779	1,005,137	35,811	1,317,004
Total comprehensive income:								
(Loss)/profit for the year		–	–	–	–	(102,640)	38,609	(64,031)
Transactions with owners:								
Dividend paid	8	–	–	–	–	–	(37,230)	(37,230)
At 31 December 2012		9,651	127,155	116,471	22,779	902,497	37,190	1,215,743
For the year ended 31 December 2013								
At 31 December 2012		9,651	127,155	116,471	22,779	902,497	37,190	1,215,743
Total comprehensive income:								
(Loss)/profit for the year		–	–	–	–	(332,792)	39,625	(293,167)
Transactions with owners:								
Dividend paid	8	–	–	–	–	–	(37,230)	(37,230)
At 31 December 2013		9,651	127,155	116,471	22,779	569,705	39,585	885,346

The notes on pages 45 to 64 form part of these financial statements.

Financial statements

Statements of financial position as at 31 December 2013

	Notes	2013 Group £'000	2013 Company £'000	2012 Group £'000	2012 Company £'000
Non current assets					
Investments held at fair value through profit or loss	10	986,122	998,536	1,318,360	1,330,766
Deferred tax asset	15	1,795	1,795	3,002	3,002
		987,917	1,000,331	1,321,362	1,333,768
Current assets					
Cash and cash equivalents		16,553	5,273	14,493	3,224
Other receivables	12	6,293	6,293	3,693	3,693
		22,846	11,566	18,186	6,917
Total assets		1,010,763	1,011,897	1,339,548	1,340,685
Current liabilities					
Other payables	13	(22,949)	(24,083)	(21,672)	(22,809)
Derivative financial instruments – written options	10	(276)	(276)	(250)	(250)
Bank loans and bank overdrafts	14	(101,915)	(101,915)	(100,892)	(100,892)
		(125,140)	(126,274)	(122,814)	(123,951)
Total assets less current liabilities		885,623	885,623	1,216,734	1,216,734
Non current liabilities					
Deferred tax liabilities	15	(277)	(277)	(991)	(991)
Net assets		885,346	885,346	1,215,743	1,215,743
Equity attributable to equity holders					
Ordinary share capital	16	9,651	9,651	9,651	9,651
Share premium account	17	127,155	127,155	127,155	127,155
Special reserve	17	116,471	116,471	116,471	116,471
Capital redemption reserve	17	22,779	22,779	22,779	22,779
Capital reserves	17	558,791	569,705	891,591	902,497
Revenue reserve	17	50,499	39,585	48,096	37,190
Total equity		885,346	885,346	1,215,743	1,215,743
Net asset value per ordinary share	9	499.39p	499.39p	685.75p	685.75p

The financial statements on pages 41 to 64 were approved by the Board of Directors and authorised for issue by the Board on 20 February 2014 and signed on its behalf by Mr A W Lea, Chairman.

BlackRock World Mining Trust plc

Registered in England, No. 2868209

The notes on pages 45 to 64 form part of these financial statements.

Financial statements

Cash flow statements for the year ended 31 December 2013

	2013 Group	2013 Company	2012 Group	2012 Company
	£'000	£'000	£'000	£'000
Operating activities				
Loss before taxation	(291,341)	(291,344)	(66,089)	(66,091)
Add back interest paid	1,566	1,566	1,194	1,194
Losses on investments held at fair value through profit or loss including transaction costs	324,228	324,220	93,808	93,803
Net losses/(gains) on foreign exchange	718	718	(1,705)	(1,705)
Sales of investments held at fair value through profit or loss	317,195	317,195	281,719	281,719
Purchases of investments held at fair value through profit or loss	(309,159)	(309,159)	(340,539)	(340,539)
Increase in other receivables	(94)	(94)	(138)	(138)
Increase in amounts due from brokers	(2,610)	(2,610)	(189)	(189)
(Decrease)/increase in amounts due to brokers	(11,125)	(11,125)	12,462	12,462
Increase in other payables	12,399	12,399	3,927	3,927
Net cash inflow/(outflow) from operating activities before interest and taxation	41,777	41,766	(15,550)	(15,557)
Interest paid	(1,566)	(1,566)	(1,194)	(1,194)
Taxation paid	–	–	(40)	(40)
Taxation on overseas income	(1,226)	(1,226)	(1,144)	(1,144)
Net cash inflow/(outflow) from operating activities before financing activities	38,985	38,974	(17,928)	(17,935)
Financing activities				
Drawdown of loan	168	168	40,624	40,624
Dividend paid	(37,230)	(37,230)	(37,230)	(37,230)
Net cash (outflow)/inflow from financing activities	(37,062)	(37,062)	3,394	3,394
Increase/(decrease) in cash and cash equivalents	1,923	1,912	(14,534)	(14,541)
Effect of foreign exchange rate changes	137	137	(1,086)	(1,086)
Change in cash and cash equivalents	2,060	2,049	(15,620)	(15,627)
Cash and cash equivalents at start of year	14,493	3,224	30,113	18,851
Cash and cash equivalents at end of year	16,553	5,273	14,493	3,224
Comprised of:				
Cash	15,261	3,981	13,325	2,056
Collateral pledged for written option contracts	1,292	1,292	1,168	1,168
	16,553	5,273	14,493	3,224

The notes on pages 45 to 64 form part of these financial statements.

Financial statements

Notes to the financial statements

1. PRINCIPAL ACTIVITY

The principal activity of the Company is that of an investment trust company within the meaning of section 1158 of the Corporation Tax Act 2010.

The principal activity of the subsidiary, BlackRock World Mining Investment Company Limited, is investment dealing.

2. ACCOUNTING POLICIES

The principal accounting policies adopted by the Group and the Company are set out below.

(a) Basis of preparation

The Group and Parent Company financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006. The Group has taken advantage of the exemption provided under section 408 of the Companies Act 2006 not to publish its individual income statement and related notes.

The Group's financial statements are presented in sterling, which is the currency of the primary economic environment in which the Group operates. All values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

New standards, amendments to standards and interpretations effective for annual periods beginning after 1 January 2013 that have been adopted by the Group in preparing these financial statements are:

IFRS 13 – 'Fair Value Measurement' (effective 1 January 2013) establishes a single source of guidance under IFRS for all fair value measurements. It does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. IFRS 13 defines fair value as an exit price. The standard does not have any impact on the classification and/or valuation of the Group and Company's financial instruments. IFRS 13 also requires additional disclosures, and these are provided in Note 18 on pages 55 to 63.

IFRS 7 (amendment), 'Financial Instruments – Disclosures' (effective for periods beginning on or after 1 January 2013) – amendments enhancing disclosures about offsetting financial assets and financial liabilities. The disclosures required by this standard are given in Note 18 on pages 55 to 63.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the measurement of the amounts recognised in the financial statements of the Company; however, additional disclosures will be required. However, IFRS 9 'Financial Instruments' issued in November 2009 will change the classification of financial assets, but is not expected to have an impact on the measurement basis of the financial assets since the majority of the Company's financial assets are measured at fair value through profit or loss.

IFRS 9 – 'Financial Instruments' deals with classification and measurement of financial assets and its requirements represent a significant change from the existing requirements in IAS 39 in respect of financial assets. The standard contains two primary measurement categories for financial assets: at amortised cost and fair value. A financial asset would be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the asset's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value. The standard eliminates the existing IAS 39 categories of 'held to maturity', 'available for sale' and 'loans and receivables'.

The standard is not yet approved by the EU.

IFRS 10 – 'Consolidated Financial Statements' (effective 1 January 2014) establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore are required to be consolidated by a parent. The standard is not likely to have any impact on the Group.

IFRS 11 – 'Joint Arrangements' (effective 1 January 2014) removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. This is not applicable to the Group as it holds no interests in joint arrangements.

IFRS 12 – 'Disclosure of Involvement with Other Entities' (effective 1 January 2014) now requires additional disclosures that relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities.

Notes to the financial statements continued

2. ACCOUNTING POLICIES continued

This standard is not expected to apply to the Group as it does not invest in structured entities.

Insofar as the Statement of Recommended Practice ('SORP') for investment trusts and venture capital trusts issued by the Association of Investment Companies ('AIC'), revised in January 2009 is compatible with IFRS, the financial statements have been prepared in accordance with the guidance set out in the SORP.

(b) Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its wholly owned subsidiary, BlackRock World Mining Investment Company Limited, which are registered and operate in England and Wales.

(c) Presentation of the Consolidated Statement of Comprehensive Income

In order to better reflect the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Consolidated Statement of Comprehensive Income between items of a revenue and a capital nature has been presented alongside the Consolidated Statement of Comprehensive Income.

(d) Segmental reporting

The Directors are of the opinion that the Group is engaged in a single segment of business being investment business.

(e) Income

Dividends receivable on equity shares are recognised on an ex-dividend basis. Where no ex-dividend date is available, dividends receivable on or before the year end are treated as revenue for the year. Provision is made for any dividends not expected to be received. Interest income is accounted for on an accruals basis.

Income from contractual rights is measured at the fair value of the consideration received or receivable where the Investment Manager can reliably estimate the amount, pursuant to the terms of the agreement. Income from contractual rights received comprise of a return of income and a return of capital based on the underlying cost of the contract and, accordingly, the return of income element is taken to the revenue account and the return of capital element is taken to the capital account. These amounts are disclosed in the Consolidated Statement of Comprehensive Income within income from investments and gains/losses on investments held at fair value through profit or loss, respectively.

The useful life of the contractual rights will be determined by reference to the contractual arrangements, the planned mine life on commencement of mining and the underlying cost of the contractual rights will be revalued on a systematic basis using the units of production method over the life of the contractual rights which is estimated using available estimated proved and probable reserves specifically associated with the mine. The Investment Manager relies on public disclosures for information on proven and probable reserves from the operators of the mine. Amortisation rates are adjusted on a prospective basis for all changes to estimates of the life of contractual rights and iron ore reserves. These are disclosed in the Consolidated Statement of Comprehensive Income within gains/losses on investments held at fair value through profit or loss.

Option premium income is recognised as revenue evenly over the life of the option contract and included in the revenue column of the Consolidated Statement of Comprehensive Income unless the option has been written for the maintenance and enhancement of the Company's investment portfolio and represents an incidental part of a larger capital transaction, in which case any premia arising are allocated to the capital column of the Consolidated Statement of Comprehensive Income. When an option is closed out or exercised the gain or loss is accounted for as capital.

(f) Expenses

All expenses, including finance costs, are accounted for on an accruals basis. Expenses have been charged wholly to the revenue column of the Consolidated Statement of Comprehensive Income, except as follows:

- expenses which are incidental to the acquisition of an investment are included within the cost of the investment. Details of transaction costs on the purchases and sales of investments are disclosed in Note 10 on page 52.

- effective from 1 January 2012, the investment management fee and finance costs have been allocated 75% to the capital column and 25% to the revenue column of the Consolidated Statement of Comprehensive Income in line with the Board's expected long term split of returns, in the form of capital gains and income, respectively, from the investment portfolio;

- expenses are treated as capital where a connection with the maintenance or enhancement of the value of the investments can be demonstrated.

(g) Taxation

Deferred taxation is recognised in respect of all temporary differences that have originated but not reversed at the financial reporting date, where transactions or events that result in an obligation to pay more tax in the future or right to pay less tax in the future have occurred at the financial reporting date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the temporary differences can be deducted. Deferred tax assets and liabilities are measured at the rates applicable to the legal jurisdictions in which they arise.

(h) Investments held at fair value through profit or loss

The Company's investments, including contractual rights, are classified as held at fair value through profit or loss in accordance with IAS 39 – 'Financial Instruments: Recognition and Measurement' and are managed and evaluated on a fair value basis in accordance with its investment strategy.

All investments, including contractual rights, are designated upon initial recognition as held at fair value through profit or loss. Purchases of investments are recognised on a trade date basis. The sales of assets are recognised at the trade date of the disposal. Proceeds are measured at fair value which will be regarded as the proceeds of sale less any transaction costs. Contractual rights are recognised on the completion date, where a purchase of the rights is under a contract, and is initially measured at fair value excluding transaction costs.

The fair value of the financial investments is based on their quoted bid price at the financial reporting date, without deduction for the estimated selling costs. For all financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed by the Board to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

Gains and losses arising from changes in fair value of investments and on disposal of investments are recognised directly in the Consolidated Statement of Comprehensive Income. The gains and losses from changes in fair value of contractual rights are taken to the Consolidated Statement of Comprehensive Income and arise as a result of the revaluation of the underlying cost of the contractual rights, changes in commodity prices and changes in estimates of proven and probable reserves specifically associated with the mine.

In order to improve the disclosure of how companies measure the fair value of their financial investments, the disclosure requirements in IFRS 13 have been extended to include a fair value hierarchy. The fair value hierarchy consists of the following three levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – valued by reference to valuation techniques using market observable inputs such as quoted prices;

Level 3 – inputs for the asset or liability that are not based on observable market data.

Under IFRS, the investment in the subsidiary is fair valued which is deemed to be the net asset value of the subsidiary. Changes in the fair value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Consolidated Statement of Comprehensive Income as 'Gains or losses on investments held at fair value through profit or loss'. Also included within this heading are transaction costs in relation to the purchase or sale of investments.

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(i) Other receivables and other payables

Other receivables and other payables do not carry any interest and are short term in nature and are accordingly stated at their nominal value.

2. ACCOUNTING POLICIES continued

(j) Dividends payable

Under IFRS, final dividends should not be accrued in the financial statements unless they have been approved by shareholders before the financial reporting date. Interim dividends should not be accrued in the financial statements unless they have been paid.

Dividends payable to equity shareholders are recognised in the Statements of Changes in Equity when they have been approved by shareholders in the case of a final dividend, or paid in the case of an interim dividend, and have become a liability of the Group.

(k) Foreign currency translation

Transactions involving foreign currencies are converted at the rate ruling at the date of the transaction. Foreign currency monetary assets and liabilities are translated into sterling at the rate ruling on the financial reporting date. Foreign exchange differences arising on translation are recognised in the Consolidated Statement of Comprehensive Income.

(l) Cash and cash equivalents

Cash comprises cash in hand and on demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

(m) Bank borrowings

Bank overdrafts and loans are recorded as the proceeds received. Finance charges, including any premia payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the Consolidated Statement of Comprehensive Income using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

(n) Critical accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. Estimates and judgements are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Fair value of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Statements of Financial Position cannot be derived from active markets, their fair value is determined using a variety of valuation techniques that include the use of valuation models. The fair value of contractual rights was assessed by IMC Group Consulting Limited, an independent valuer with a recognised and relevant professional qualification. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. The estimates include considerations of production profiles, commodity prices, cash flows and discount rates. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statements of Financial Position and the level where the instruments are disclosed in the fair value hierarchy. To assess the significance of a particular input to the entire measurement, the external valuer performs sensitivity analysis. The key assumptions used to determine the fair value of the contractual rights and sensitivity analyses are provided in note 18.

3. INCOME

	2013 £'000	2012 £'000
Investment income:		
UK listed dividends	10,870	9,264
Overseas listed dividends	15,209	20,759
Overseas listed special dividends	4,130	446
Income from contractual rights	2,984	266
Fixed interest income	9,672	11,773
	42,865	42,508

	2013 £'000	2012 £'000
Other income:		
Option premiums	5,440	2,114
Deposit interest	22	21
Underwriting commission and other income	475	418
	5,937	2,553
Total income	48,802	45,061
Total income comprises:		
Dividends	30,209	30,469
Deposit interest	22	21
Option premiums	5,440	2,114
Income from contractual rights	2,984	266
Fixed interest income	9,672	11,773
Other income	475	418
	48,802	45,061

The Company considers the treatment of premium arising on option transactions on a case-by-case basis. During the year ended 31 December 2013, the option premium income of £5,521,000 (2012: £2,114,000) received by the Company was from options written for income purposes of which £5,440,000 has been credited to the revenue column of the Consolidated Statement of Comprehensive Income as it is recognised evenly over the life of the option contract.

4. MANAGEMENT FEE

	2013			2012		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	3,164	9,492	12,656	4,046	12,139	16,185

The investment management fee is levied quarterly at a rate of 1.3% per annum, based on the value of gross assets on the last day of each quarter and, effective from 1 January 2012, 75% of investment management fees are allocated to the capital column and 25% to the revenue column of the Consolidated Statement of Comprehensive Income.

5. OTHER EXPENSES

	2013			2012		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Custody fee	183	–	183	379	–	379
Auditor's remuneration:						
– audit services	28	–	28	39	–	39
– other assurance services*#	6	–	6	6	198	204
Registrar's fee	98	–	98	72	–	72
Directors' emoluments**	133	–	133	119	–	119
Other administrative costs#	527	–	527	287	568	855
	975	–	975	902	766	1,668

	2013	2012
The Company's ongoing charges, calculated as a percentage of average net assets for the year and using expenses, excluding finance costs were:	1.4%	1.4%

* Other assurance services relate to the review of the half yearly financial statements.
** The emoluments of the Chairman, who was also the highest paid Director, were £33,750 (2012: £30,000).
# In 2012, expenses charged to capital include £198,000 paid to the auditors relating to tax and structuring services and £568,000 paid to legal and corporate finance advisers relating to advice provided for a proposed but not completed corporate acquisition.

Notes to the financial statements continued

6. FINANCE COSTS

	2013			2012		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Interest on bank loans	390	1,172	1,562	297	890	1,187
Interest on bank overdrafts	1	3	4	2	5	7
	391	1,175	1,566	299	895	1,194

7. TAXATION

a) Analysis of charge in year

	2013			2012		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Corporation tax	2,233	(2,230)	3	–	–	–
Overseas tax	1,330	–	1,330	1,229	–	1,229
Deferred tax	1,076	(583)	493	(29)	(3,258)	(3,287)
Total tax (note 7(b))	4,639	(2,813)	1,826	1,200	(3,258)	(2,058)

b) Factors affecting total tax charge for the year

The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for a large company of 23.25% (2012: 24.5%). The differences are explained below:

	2013			2012		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Profit/(loss) on ordinary activities before taxation	44,272	(335,613)	(291,341)	39,814	(105,903)	(66,089)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax (23.25%) (2012: 24.5%)	10,293	(78,029)	(67,736)	9,754	(25,946)	(16,192)
Effects of:						
Non taxable UK dividends	(2,527)	–	(2,527)	(2,270)	–	(2,270)
Income taxable in different periods	(238)	–	(238)	–	–	–
Non taxable overseas dividends	(4,401)	–	(4,401)	(4,443)	–	(4,443)
Withholding tax suffered	1,330	–	1,330	1,229	–	1,229
Non taxable foreign exchange losses	–	167	167	–	–	–
Utilisation of brought forward expenses against revenue income	(29)	–	(29)	–	–	–
Overseas tax taken as an allowable deduction	(60)	–	(60)	(116)	–	(116)
Losses on investments held at fair value through profit or loss not subject to tax	–	75,632	75,632	–	22,565	22,565
Deferred tax recognised on brought forward losses utilised	–	–	–	(2,925)	–	(2,925)
Disallowable expenses	23	–	23	–	187	187
Deferred tax recognised at lower rate	–	–	–	–	3,194	3,194
	4,391	(2,230)	2,161	1,229	–	1,229
Effect of deferred tax	248	(583)	(335)	(29)	(3,258)	(3,287)
Total taxation charge for the year (note 7(a))	4,639	(2,813)	1,826	1,200	(3,258)	(2,058)

Investment trusts are exempt from corporation tax on capital gains provided the Company obtains agreement from HM Revenue & Customs that section 1158 of the Corporation Tax Act 2010 tests have been met.

8. DIVIDENDS

Under IFRS, final dividends are not recognised until they are approved by shareholders, and special and interim dividends are not recognised until they are paid. They are also debited directly to reserves. Amounts recognised as distributable to ordinary shareholders for the period to 31 December were as follows:

	2013 £'000	2012 £'000
Interim ordinary dividend in respect of the year ended 31 December 2013 of 7.00p per share, declared on 21 August 2013	12,410	12,410
Final ordinary dividend in respect of the year ended 31 December 2012 of 14.00p per share, approved by shareholders on 25 April 2013	24,820	24,820
	37,230	37,230

The total dividends payable in respect of the year which form the basis of section 1158 of the Corporation Tax Act 2010 and section 833 of the Companies Act 2006, and the amounts proposed, meet the relevant requirements as set out in this legislation.

	2013 £'000	2012 £'000
Dividends paid or proposed on equity shares:		
Interim ordinary dividend paid of 7.00p (2012: 7.00p)*	12,410	12,410
Proposed final ordinary dividend of 14.00p per share (2012: 14.00p)*	24,820	24,820
	37,230	37,230

* Based on 177,287,242 (2012: 177,287,242) ordinary shares.

9. CONSOLIDATED EARNINGS AND NET ASSET VALUE PER ORDINARY SHARE

Revenue and capital returns per share and net asset value per share are shown below and have been calculated using the following:

	2013	2012
Net revenue profit attributable to ordinary shareholders (£'000)	39,633	38,614
Net capital loss attributable to ordinary shareholders (£'000)	(332,800)	(102,645)
Total loss attributable to ordinary shareholders (£'000)	(293,167)	(64,031)
Total equity attributable to ordinary shareholders (£'000)	885,346	1,215,743
The weighted average number of ordinary shares in issue during each year, on which the return per ordinary share was calculated was:	177,287,242	177,287,242
The number of ordinary shares in issue at the year end, on which the net asset value per ordinary share was calculated was:	177,287,242	177,287,242
Revenue earnings per share	22.36p	21.78p
Capital loss per share	(187.72p)	(57.90p)
Total loss per share	(165.36p)	(36.12p)
Net asset value per share	499.39p	685.75p
Share price	465.00p	586.50p

At 31 December 2013, the 15,724,600 (2012: 15,724,600) shares held in treasury were not dilutive to earnings per share, as the share price was below the net asset value.

10. INVESTMENTS

	Group 2013 £'000	Company 2013 £'000	Group 2012 £'000	Company 2012 £'000
UK listed investments held at fair value through profit or loss	404,640	404,640	441,735	441,735
Overseas listed investments held at fair value through profit or loss	516,140	516,140	809,123	809,123
Contractual rights held at fair value through profit or loss	65,342	65,342	67,502	67,502
Investment in subsidiary held at fair value through profit or loss	–	12,414	–	12,406
Total value of financial asset investments	986,122	998,536	1,318,360	1,330,766
Derivative financial instruments – written option contracts	(276)	(276)	(250)	(250)
Valuation of investments at 31 December	985,846	998,260	1,318,110	1,330,516
Valuation brought forward	1,318,110	1,330,516	1,353,098	1,365,499
Investment holdings gains	(401,505)	(412,411)	(529,323)	(540,224)
Opening cost of investments	916,605	918,105	823,775	825,275
Acquisitions at cost	309,159	309,159	340,539	340,539
Disposal proceeds	(317,195)	(317,195)	(281,719)	(281,719)
Realised gains on sales	28,881	28,881	33,841	33,841
Contractual rights – return of capital	1,072	1,072	169	169
Cost carried forward	938,522	940,022	916,605	918,105
Investment holdings gains	47,324	58,238	401,505	412,411
Closing valuation of investments	985,846	998,260	1,318,110	1,330,516

During the year, transaction costs of £662,000 (2012: £340,000) were incurred on the acquisition of investments. Costs relating to the disposal of investments during the year amounted to £474,000 (2012: £453,000). All transaction costs have been included within the capital reserves. Income from contractual rights considered as a return of capital and disclosed in the capital column of the Consolidated Statement of Comprehensive Income amounted to £1,072,000 (2012: £169,000).

At 31 December 2013, the Company held equity interests comprising more than 3% of a company's share capital in the following: Stratex 6.62%; Avanco Resources 4.82%; Source Physical 4.06%; UEX 3.84%; Sirocco Mining 3.32%; and Tiger Resources 3.04%.

(Losses)/gains on investments held at fair value through profit or loss

	Group 2013 £'000	Company 2013 £'000	Group 2012 £'000	Company 2012 £'000
Realised gains on sales	28,881	28,881	33,841	33,841
Changes in investment and derivative holding gains	(352,021)	(352,013)	(125,230)	(125,225)
Contractual rights – return of capital	1,072	1,072	169	169
Revaluation of contractual rights	(2,160)	(2,160)	(2,588)	(2,588)
	(324,228)	(324,220)	(93,808)	(93,803)

The Group's contractual rights entitle the Group to a net revenue income stream for the life of the mine. Details of the Group's contractual rights are summarised below:

Project	Commodity	Cost £'000	Income rate	Value of contractual rights £'000
Marampa, Sierra Leone	Iron Ore	70,090	2% of net revenues	65,342

11. SUBSIDIARY UNDERTAKING

At 31 December 2013, the Company had one wholly owned subsidiary, which was registered in England and Wales. During the year the Company's subsidiary did not trade.

	Description of shares	Issued share capital	
		2013	2012
BlackRock World Mining Investment Company Limited	Ordinary shares of £1	£100	£100

Under IFRS, the investment in the subsidiary is fair valued which is deemed to be the total equity of the company which equates to £12,414,000 (2012: £12,406,000).

12. OTHER RECEIVABLES

	Group 2013 £'000	Company 2013 £'000	Group 2012 £'000	Company 2012 £'000
Prepayments and accrued income	3,419	3,419	3,338	3,338
Amounts due from brokers	2,805	2,805	195	195
Other receivables	69	69	56	56
Taxation recoverable	–	–	104	104
	6,293	6,293	3,693	3,693

13. OTHER PAYABLES

	Group 2013 £'000	Company 2013 £'000	Group 2012 £'000	Company 2012 £'000
Accruals for expenses and interest payable	21,581	21,581	9,155	9,155
Amounts due to brokers	1,346	1,346	12,471	12,471
Other payables	19	19	46	46
Tax payable	3	–	–	–
Amounts due to subsidiary	–	1,137	–	1,137
	22,949	24,083	21,672	22,809

14. INTEREST BEARING LOANS AND BORROWINGS

	Group 2013 £'000	Company 2013 £'000	Group 2012 £'000	Company 2012 £'000
Bank loans (US$ and GBP)	101,915	101,915	100,892	100,892

At 31 December 2013, the Company had one loan outstanding for US$110,000,000 and another for £35,500,000 which will mature on 7 May 2014 (2012: one loan of US$164,000,000 which matured on 4 February 2013). The loans are provided by Bank of New York Mellon. The average effective interest rate on bank overdrafts/loans and cash balances respectively approximate to 1.63% and 0.15% per annum for USD balances and 1.25% and 0.15% for GBP balances (2012: 1.75% and 0.15% per annum for USD balances).

15. DEFERRED TAX ASSETS/LIABILITIES

	Group and Company 2013 £'000	Group and Company 2012 £'000
Deferred tax asset in respect of timing differences		
At 1 January	3,002	–
Deferred tax asset recognised in respect of timing differences	–	3,002
Utilisation of deferred tax asset	(1,207)	–
At 31 December	1,795	3,002
Deferred tax liability in respect of timing differences		
At 1 January	(991)	(1,316)
Movement in Peruvian capital gains tax liability	714	285
Payments of Peruvian capital gains tax	–	40
At 31 December	(277)	(991)
Comprised of:		
Deferred tax assets	1,795	3,002
Deferred tax liabilities	(277)	(991)
	1,518	2,011

At 31 December 2013, the Company had net excess management expenses of £9.4million (2012: £13.1 million). A deferred tax asset of £1.8 million has been recognised at the tax rate of 21.5% in respect of these management expenses adjusted for accrued income as the Company is expected to generate taxable income in the future in excess of the deductible expenses of that future period and, accordingly, it is likely that the Company will be able to reduce future tax liabilities through the use of existing excess expenses. There was no unrecognised deferred tax asset at 31 December 2013 (2012: nil).

Following the changes in Peruvian tax legislation effective from 1 January 2011, a capital gains tax is imposed on gains realised by non-residents at rates of 5% or 30% depending on whether the transaction took place inside or outside of Peru. The Group has accrued a capital gains tax liability of £277,000 (2012: £991,000) for unrealised capital gains arising on investments in stocks listed on the Peruvian stock exchange. The tax has been calculated at the rate of 30% of the unrealised capital gains, being the difference between the market value of the investments at the year end and their average purchase cost.

16. SHARE CAPITAL

	Ordinary shares number (nominal)	Treasury shares number (nominal)	Total shares	£'000
Allotted, called up and fully paid share capital comprised:				
Ordinary shares of 5p each				
At 1 January 2013	177,287,242	15,724,600	193,011,842	9,651
At 31 December 2013	177,287,242	15,724,600	193,011,842	9,651

During the year, no shares (2012: nil) were repurchased (2012: cost of £nil).

17. RESERVES

Group	Share premium account £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserve – arising on investments sold £'000	Capital reserve – arising on revaluation of investments held £'000	Revenue reserve £'000
At 1 January 2013	127,155	116,471	22,779	490,086	401,505	48,096
Movement during the year:						
Total comprehensive income:						
Profit/(loss) for the year	–	–	–	21,381	(354,181)	39,633
Transactions with owners:						
Dividend paid	–	–	–	–	–	(37,230)
At 31 December 2013	127,155	116,471	22,779	511,467	47,324	50,499

Company	Share premium account £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserve – arising on investments sold £'000	Capital reserve – arising on revaluation of investments held £'000	Revenue reserve £'000
At 1 January 2013	127,155	116,471	22,779	490,086	412,411	37,190
Movement during the year:						
Total comprehensive income:						
Profit/(loss) for the year	–	–	–	21,381	(354,173)	39,625
Transactions with owners:						
Dividend paid	–	–	–	–	–	(37,230)
At 31 December 2013	127,155	116,471	22,779	511,467	58,238	39,585

The net revenue profit before distribution dealt with in the financial statements of the parent company was £39,625,000 (2012: £38,609,000). As permitted under section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

The special reserve may be used as distributable profits for all purposes and in particular the repurchase by the Company of its ordinary shares.

18. RISK MANAGEMENT POLICIES AND PROCEDURES

As an investment trust, the Group invests in equities and other investments for the long term so as to achieve its investment objective as stated on page 7. In pursuing its investment objective, the Group is exposed to a variety of risks that could result in either a reduction in the Group's net assets or a reduction in the revenue available for distribution by way of dividends.

These financial risks, market risk (comprising currency risk, interest rate risk and market price risk), liquidity and credit risk, and the Directors' approach to the management of them, are set out below. The Investment Manager, in close co-operation with the Board of Directors, coordinates the Group's risk management.

The objectives, policies and processes for managing these risks are set out below and have not changed from the previous accounting period.

(i) Market risk

The fair value or future cash flows of a financial instrument held by the Group may fluctuate due to changes in market valuation. This market risk comprises currency risk (see note 18(ii)), interest rate risk (see note 18(iii)) and market price risk (see note 18(iv)). The Board of Directors reviews and agrees policies for managing these risks. The Investment Manager assesses the exposure to market risk when making each investment decision and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

18. RISK MANAGEMENT POLICIES AND PROCEDURES continued

(ii) Currency risk

A proportion of the Group's assets, liabilities and income are denominated in currencies other than sterling (the Group's functional currency, in which it reports its results). As a result, movements in exchange rates will affect the sterling value of those items. At 31 December 2013 the value of non-sterling denominated investments amounted to £581,206,000 (2012: £876,374,000).

Management of the risk

The Investment Manager monitors the Group's exposure to foreign currencies on a daily basis and reports to the Board on a regular basis.

Foreign currency borrowing and forward currency contracts were used to limit the Group's exposure to anticipated future changes in exchange rates which might otherwise adversely affect the value of the portfolio of investments. No forward currency contracts were open at the year end.

Income denominated in foreign currency is converted into sterling on receipt. The Group does not use financial instruments to mitigate the currency exposure in the period between the time that income is included in the financial statements and its receipt.

Foreign currency exposure

The fair values of the Company's monetary items which have foreign currency exposure at 31 December 2013 are shown below. Where the Company's equity investments which are not monetary items are denominated in a foreign currency, the principals have been included separately in the analysis so as to show the overall exposure.

2013	US dollar £'000	Canadian dollar £'000	Australian dollar £'000	South African rand £'000	Others £'000
Receivables (due from brokers, dividends and other income receivable)	2,151	315	–	–	2,806
Cash	454	9	–	–	–
Loans	(66,415)	–	–	–	–
Payables	(205)	–	–	–	(1,346)
Total foreign currency exposure on net monetary items	(64,015)	324	–	–	1,460
Investments at fair value through profit and loss	322,346	146,955	42,953	28,830	40,122
Total net foreign currency exposure	258,331	147,279	42,953	28,830	41,582

2012	US dollar £'000	Canadian dollar £'000	Australian dollar £'000	Peru nuevo sol £'000	Others £'000
Receivables (due from brokers, dividends and other income receivable)	2,593	508	12	47	240
Cash	21,273	3	–	–	–
Loans	(100,892)	–	–	–	–
Payables	(198)	(4,987)	–	–	–
Total foreign currency exposure on net monetary items	(77,224)	(4,476)	12	47	240
Investments at fair value through profit and loss	403,890	188,366	95,313	67,651	121,154
Total net foreign currency exposure	326,666	183,890	95,325	67,698	121,394

The above amounts are not representative of the net exposure to risk during the year as levels of monetary foreign currency exposure change significantly during the year.

Foreign currency sensitivity

The following table illustrates the sensitivity of the profit after tax for the year and the equity in regard to the Group's financial assets and financial liabilities and the exchange rates for sterling/US dollar, sterling/Canadian dollar, sterling/Australian dollar and sterling/South African rand.

It assumes the following changes in exchange rates:

Sterling/US dollar +/-5% (2012: 5%)
Sterling/Canadian dollar +/-5% (2012: 5%)
Sterling/Australian dollar +/-10% (2012: 10%)
Sterling/South African rand +/-20% (2012: Sterling/Peru nuevo sol +/-20%)

These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Group's foreign currency financial instruments held at each financial reporting date. If sterling had weakened against the currencies shown below, this would have had the following effect:

	2013				2012			
	US dollar £'000	Canadian dollar £'000	Australian dollar £'000	South African rand £'000	US dollar £'000	Canadian dollar £'000	Australian dollar £'000	Peru nuevo sol £'000
Projected change	5%	5%	10%	20%	5%	5%	10%	20%
Impact on revenue return	1,249	3	51	294	1,067	20	361	245
Impact on capital return	13,540	7,759	4,773	7,208	15,444	9,914	10,590	16,913
Total return after taxation for the year/effect on shareholders' funds	14,789	7,762	4,824	7,502	16,511	9,934	10,951	17,158

If sterling had strengthened against the currencies shown below, this would have had the following effect:

	2013				2012			
	US dollar £'000	Canadian dollar £'000	Australian dollar £'000	South African rand £'000	US dollar £'000	Canadian dollar £'000	Australian dollar £'000	Peru nuevo sol £'000
Projected change	5%	5%	10%	20%	5%	5%	10%	20%
Impact on revenue return	(1,130)	(3)	(41)	(196)	(963)	(21)	(295)	(163)
Impact on capital return	(12,251)	(7,020)	(3,905)	(4,805)	(13,974)	(8,970)	(8,665)	(11,275)
Total return after taxation for the year/effect on shareholders' funds	(13,381)	(7,023)	(3,946)	(5,001)	(14,937)	(8,991)	(8,960)	(11,438)

(iii) Interest rate risk

Interest rate risk movements may affect the interest payable on the Company's variable rate borrowings, the valuation of the Group's fixed interest securities and the level of income receivable on cash deposits.

Management of the risk

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment decisions and borrowing under the multi-currency loan and overdraft facilities.

The Group, generally, does not hold significant cash balances, with short term borrowings being used when required.

The Company finances part of its activities through borrowings at levels approved and monitored by the Board.

Derivative contracts are not used to hedge against the exposure to interest rate risk.

18. RISK MANAGEMENT POLICIES AND PROCEDURES continued

(iii) Interest rate risk continued

Interest rate exposure

The exposure at 31 December of financial assets and liabilities to interest rate risk is shown by reference to:

- floating interest rates – when the interest rate is due to be re-set
- fixed interest rates – when the financial instrument is due for repayment

	2013			2012		
	Within one year £'000	More than one year £'000	Total £'000	Within one year £'000	More than one year £'000	Total £'000
Exposure to floating interest rates:						
Cash balances (excluding collateral pledged)	15,261	–	15,261	13,325	–	13,325
Bank loans	(101,915)	–	(101,915)	(100,892)	–	(100,892)
	(86,654)	–	(86,654)	(87,567)	–	(87,567)

The above year end amounts are not representative of the exposure to interest rates during the year, as the level of exposure changes as investments are made in fixed interest securities, borrowings are drawn down and repaid, and the mix of borrowings between floating and fixed interest rates change. At 31 December 2013, the Group's fixed interest securities amounted to 8.6% (2012: 13.8%) of the portfolio. These fixed interest investments are susceptible to changes in market value which would therefore impact their yield.

Interest receivable and finance costs are at the following rates:

- Interest received on cash balances or paid on bank overdrafts/loans respectively is approximately 0.15% and 1.63% per annum for USD balances and 0.15% and 1.25% for GBP balances (2012: 0.15% and 1.75% per annum for USD balances).

Interest rate sensitivity

Should a 0.5% interest rate variance occur, the impact of this on the Company would be approximately £108,000 (2012: £110,000) on the revenue return and £324,000 (2012: £330,000) on the capital return for the year ended 31 December 2013. Therefore, on this basis, the Company is not materially exposed to changes in interest rates.

(iv) Market price risk

Market price risk (i.e. changes in market prices other than those arising from interest rate risk or currency risk) may affect the value of the investments. The Group's investments are susceptible to market price risk arising from uncertainties about future prices of investments. The Group's investment in contractual rights is exposed to commodity price risk arising from uncertainties about future prices of iron ore (in addition to variables regarding the volume and quality of the iron ore produced).

Management of the risk

The Board of Directors manages the risks inherent in the investment portfolio by ensuring full and timely access to relevant information from the Investment Manager. The Board meets regularly and at each meeting reviews investment performance. The Board monitors the Investment Manager's compliance with the Group's objective and is directly responsible for investment strategy and asset allocation.

Use of derivatives

When appropriate, the Group manages its exposure to risk by buying/selling put or call options on indices and on equity or commodity investments in its portfolio. Options written by the Group provide the purchaser with the opportunity to purchase from or sell the Group the underlying asset at an agreed-upon value either on or before the expiration of the option. Options are generally settled on a net basis. During the year ended 31 December 2013 and 2012, the Group wrote covered call and put option contracts to generate revenue income for the Company. As the call and put options are covered by dedicated cash resources and no call and put option contracts were written to manage price risk, there is no impact on the Group's exposure to gearing or leverage as a result of writing covered call and put options. The notional amount of put/call options written that were open at 31 December 2013 was £4,050,000 (2012: £13,500,000).

The Group's exposure to other changes in market prices at 31 December 2013 on its quoted and unquoted equity or commodity investments and investment in contractual rights was £820,279,000 (2012: £1,068,302,000).

Concentration of exposure to market price risks

An analysis of the Group's investment portfolio is shown on pages 18 to 20. At 31 December 2013, this shows that the portfolio had significant levels of investments in Africa, Latin America, Australia and South Africa. Accordingly, there is a concentration of exposure to those countries, though it is recognised that an investment's country of domicile or of listing does not necessarily equate to its exposure to the economic conditions in that country.

Valuation process for Level 3 valuations

The Directors engage a mining consultant, an independent valuer with a recognised and relevant professional qualification, to conduct a periodic valuation of the contractual rights and the fair value of the contractual rights is assessed with reference to relevant factors. At the reporting date the income streams from contractual rights have been valued on the net present value of the pre-tax cash flows discounted at a rate the external valuer considers reflects the risk associated with the project. The valuation model uses discounted cash flow analysis which incorporates both observable and non-observable data. Observable inputs include assumptions regarding current rates of interest and commodity prices. Unobservable inputs include assumptions regarding production profiles, price realisations, cost of capital and discount rates. In determining the discount rate to be applied, the external valuer considers the country and sovereign risk associated with the project, together with the time horizon to the commencement of production and the success or failure of projects of a similar nature. To assess the significance of a particular input to the entire measurement, the external valuer performs sensitivity analysis. The external valuer has undertaken an analysis of the impact of using alternative discount rates on the fair value of contractual rights.

This investment in contractual rights is reviewed regularly to ensure that the initial classification remains correct given the asset's characteristics and the Group's investment policies. The contractual rights are initially recognised using the transaction price as the best evidence of fair value at acquisition and are subsequently measured at fair value, taking into consideration the relevant IFRS 13 requirements. In arriving at their estimates of market values, the valuers have used their market knowledge and professional judgement. The Group classifies the fair value of this investment as Level 3.

Valuations are the responsibility of the Directors of the Company. In arriving at a final valuation, the Directors consider the independent valuer's report, the significant assumptions used in the fair valuation and the review process undertaken by the Pricing Committee. The valuation of unquoted investments is performed on a quarterly basis by the Portfolio Manager and reviewed by the Pricing Committee of the Investment Manager. On a quarterly basis the Portfolio Manager will review the valuation of the contractual rights and inputs for significant changes. A valuation of contractual rights is performed annually by an external valuer, IMC Group Consulting Limited, and reviewed by the Pricing Committee of the Investment Manager. The valuations are also subject to quality assurance procedures performed within the Pricing Committee. On a semi-annual basis, after the checks above have been performed, the Investment Manager presents the valuation results to the Directors. This includes a discussion of the major assumptions used in the valuations. There were no changes in valuation techniques during the year.

Market price risk sensitivity

The following illustrates the sensitivity of the profit after taxation for the year and the shareholders' equity to an increase or decrease of 20% in the fair values of the Group's investments (including equity exposure through options). This level of change is considered to be reasonably possible based on observation of market conditions in 2012. The sensitivity analysis is based on the Group's equities and equity exposure through options at each financial reporting date, with all other variables held constant.

The impact of a 20% increase in the value of investments on the revenue return for the year ended 31 December 2013 is a decrease of £533,000 (2012: £651,000) and on the capital return is an increase of £162,456,000 (2012: £198,208,000).

The impact of a 20% decrease in the value of investments on the revenue return for the year ended 31 December 2013 is an increase of £533,000 (2012: £651,000) and on the capital return is a decrease of £162,456,000 (2012: £198,208,000).

Fair values of financial assets and financial liabilities

Financial assets and financial liabilities are either carried in the Statements of Financial Position at their fair value (investment and derivatives) or at an amount which is a reasonable approximation of fair value (due from brokers, dividends and interest receivable, due to brokers, accruals, cash at bank, bank overdrafts and amounts due under the multi-currency loan facility).

18. RISK MANAGEMENT POLICIES AND PROCEDURES continued

(iv) Market price risk continued

Fair value hierarchy disclosures

The table below sets out fair value measurements using the IFRS 13 fair value hierarchy:

Financial assets at fair value through profit or loss At 31 December 2013	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity	818,271	17,557	–	835,828
Investment in contractual rights	–	–	65,342	65,342
Fixed interest securities	84,952	–	–	84,952
Derivative financial instruments – written options	–	(276)	–	(276)
Total	903,223	17,281	65,342	985,846

Financial assets at fair value through profit or loss At 31 December 2012	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity	1,059,834	8,718	–	1,068,552
Investment in contractual rights	–	–	67,502	67,502
Fixed interest securities	182,306	–	–	182,306
Derivative financial instruments – written options	–	(250)	–	(250)
Total	1,242,140	8,468	67,502	1,318,110

Level 2 investments are valued using observable inputs such as quoted prices in an active market and adjustments are made to these valuations when necessary to recognise differences in the instrument's terms. To the extent that the significant inputs are observable, the Group categorises these investments as Level 2.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 – valued using quoted prices in an active market for identical assets;

Level 2 – valued by reference to valuation techniques using market observable inputs such as quoted prices;

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

During 2012, following the listing of one of its unquoted investments, the Group's investment in that entity totalling £9,826,000 was reclassified from Level 3 to Level 2. This investment is valued after applying an illiquidity discount to quoted prices to reflect the staggered lock-up and liquidity levels in the stock. Transfers between levels of the fair value hierarchy, are deemed to have occurred at the beginning of the reporting period. A reconciliation of fair value measurement in Level 3 is set out below.

Level 3 Financial assets at fair value through profit or loss At 31 December	2013 £'000	2012 £'000
Opening fair value	67,502	32,017
Purchases at cost	–	70,090
Disposals	–	(18,270)
Transferred to Level 2	–	(9,826)
Total gains or losses included in gains on investments in the Consolidated Statement of Comprehensive Income:		
– on assets disposed of during the year	–	(390)
– on assets held at the end of the year	(2,160)	(6,119)
Closing fair value	65,342	67,502

Level 3 valuation techniques used by the Company are explained in the accounting policies in note 2(h).

Quantitative information of significant unobservable inputs – Level 3

Description	2013 £'000	Valuation technique	Unobservable input
Marampa royalty	65,342	Discounted cash flows	Discount rate – weighted average cost of capital
			Average iron ore prices – China Spot (62% Fe, CFR)

The range of the unobservable inputs have not been disclosed as this is considered to be commercially sensitive information.

Sensitivity analysis to significant changes in unobservable inputs within Level 3 hierarchy

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy, together with an estimated quantitative sensitivity analysis, as at 31 December 2013 are as shown below:

Description	Input	Estimated sensitivity used*	Impact on fair value £'000
Marampa royalty	Discount rate – weighted average cost of capital	1%	£10m
	Average iron ore prices – China Spot (62% Fe, CFR)	10%	£10m

* The sensitivity analysis refers to a percentage amount added or deducted from the input and the effect this has on the fair value.

The sensitivity impact on fair value is calculated based on the sensitivity estimates set out by the independent valuer in its report on the valuation of contractual rights. Significant increases (decreases) in estimated iron ore prices and discount rates in isolation would result in a significantly higher (lower) fair value measurement. Generally, a change in the assumption made for the estimated value is accompanied by a directionally similar change in the iron ore prices and discount rates.

(v) Liquidity risk

This is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities.

Management of the risk

Liquidity risk is not significant as the majority of the Group's assets are investments in quoted equities and other quoted securities that are readily realisable. The Group has an overdraft facility of £30 million (2012: £30 million) and a multi-currency loan facility of £170 million (2012: £120 million).

The Board gives guidance to the Investment Manager as to the maximum amounts of the Group's resources that should be invested in any one company. The policy is that the Group should remain 75% invested in normal market conditions and that 25% of the Group's assets may be invested in cash or cash equivalents. Short term borrowings may be used to manage short term cash requirements.

Liquidity risk exposure

The remaining contractual maturities of the financial liabilities at 31 December, based on the earliest date on which payment can be required, was as follows:

2013	3 months or less £'000	Not more than one year £'000	More than one year £'000	Total £'000
Current liabilities:				
Bank loans and bank overdrafts	102,262	–	–	102,262
Amounts due to brokers, accruals and provisions	22,949	–	277	23,226
Derivative financial instruments – written options	276	–	–	276
	125,487	–	277	125,764

18. RISK MANAGEMENT POLICIES AND PROCEDURES continued

(v) Liquidity risk continued

2012	3 months or less £'000	Not more than one year £'000	More than one year £'000	Total £'000
Current liabilities:				
Bank loans and bank overdrafts	101,036	–	–	101,036
Amounts due to brokers, accruals and provisions	21,672	–	991	22,663
Derivative financial instruments – written options	250	–	–	250
	122,958	–	991	123,949

(vi) Credit risk

The failure of the counterparty to a transaction to discharge its obligations under that transaction could result in the Company suffering a loss.

Management of the risk

The risk is managed as follows:

- where the Investment Manager makes an investment in a bond, corporate or otherwise, the credit rating of the issuer is taken into account so as to determine the risk to the Group of default;
- transactions involving derivatives are either exchange traded where the relevant exchange guarantees settlement or on an over-the-counter basis. Transactions are entered into only with those counterparties approved by the credit department of the Investment Manager. Counterparties are selected on the basis of a number of risk migration criteria designed to reduce the risk to the Group of default;
- investment transactions are carried out with a large number of brokers, whose credit-standard is reviewed periodically by the Investment Manager, and limits are set on the amount that may be due from any one broker;
- the credit worthiness of financial institutions with whom cash is held is reviewed regularly by the Investment Manager;
- the credit worthiness of counterparties to stock lending is assessed by the Investment Manager prior to trading and on a regular ongoing basis. All transactions are secured with collateral to 105% of the value of the stock on loan.

Credit risk exposure

In summary, the maximum exposure to credit risk at 31 December was as follows:

Group	2013 £'000	2012 £'000
Fixed interest securities	84,952	182,306
Cash and cash equivalents	16,553	14,493
Other receivables (amounts due from brokers, dividends and interest receivable)*	6,293	3,693
	107,798	200,492

* Includes income from fixed interest securities.

None of the Company's financial liabilities are past due or impaired.

(vii) Capital management policies and procedures

The Company's capital management objectives are:

- to ensure it will be able to continue as a going concern; and
- to achieve a balanced return of dividends and capital growth over the longer term, by investing primarily in securities of companies in the mining and metals sectors.

This is to be achieved through an appropriate balance of equity capital and gearing. The Group operates a flexible gearing policy which depends on prevailing conditions. The policy is that debt should not be more than 25% of the Group's net assets.

The Group's total capital at 31 December 2013 was £987,261,000 (2012: £1,316,635,000) comprising £101,915,000 (2012: £100,892,000) of bank loans and overdrafts and £885,346,000 (2012: £1,215,743,000) of equity shares, capital and reserves.

(viii) Offsetting disclosures

In order to better define its contractual rights and to secure rights that will help the Company mitigate its counterparty risk, the Company may enter into an ISDA Master Agreement or similar agreement with its OTC derivative contract counterparties. An ISDA Master Agreement is an agreement between the Company and the counterparty that governs OTC derivatives and foreign exchange contracts and typically contains, among other things, collateral posting terms and netting provisions in the event of a default and/or termination event. Under an ISDA Master Agreement, the Company has a contractual right to offset with the counterparty certain derivative financial instruments payables and/or receivables with collateral held and/or posted and create one single net payment in the event of default including the bankruptcy or insolvency of the counterparty. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against the right of offset in bankruptcy, insolvency or other events.

For financial reporting purposes, the Company does not offset derivative assets and derivative liabilities that are subject to netting arrangements in the Statements of Financial Position.

At 31 December 2013, the Company's derivative assets and liabilities (by type) are as follows:

	At 31 December 2013		At 31 December 2012	
Derivatives	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Written option contracts	–	(276)	–	(250)
Total derivative assets and liabilities in the Statements of Financial Position	–	(276)	–	(250)
Derivatives not subject to a master netting agreement	–	–	–	–
Total assets and liabilities subject to a master netting agreement	–	(276)	–	(250)

The following table presents the Company's derivative liabilities by counterparty, net of amounts available for offset, under a master netting agreement and net of any related collateral paid by the Company at 31 December 2013:

	Derivative liabilities subject to a master netting agreement by a counterparty	Derivatives available for offset	Non-cash collateral given	Cash collateral given	Net amount of derivative liabilities
Counterparty	£'000	£'000	£'000	£'000	£'000
At 31 December 2013 Merrill Lynch International	(276)	–	–	1,292	1,016
At 31 December 2012 Merrill Lynch International	(250)	–	–	1,168	918

19. RELATED PARTY DISCLOSURE

The related party transactions with Directors are set out in the Directors' Remuneration Report on pages 28 and 29. The amount of Directors' fees outstanding at 31 December 2013 was £72,000 (2012: £29,000).

Notes to the financial statements continued

20. TRANSACTIONS WITH INVESTMENT MANAGER

The related party transaction with BlackRock Investment Management (UK) Limited is set out in the Directors' Report on page 22.

The investment management fee for the year (including secretarial and administration fees) was £12,656,000 (2012: £16,185,000). At the year end, the following amount was outstanding in respect of the investment management fee: £20,752,000 (2012: £8,096,000).

In addition to the above services, BlackRock has provided the Company with marketing services. The total fees paid or payable for these services for the year ended 31 December 2013 amounted to £51,200 including VAT (2012: nil), of which £51,200 (2012: nil) was outstanding at 31 December 2013.

21. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2013 (2012: nil).

Additional information

Shareholder information

FINANCIAL CALENDAR

The timing of the announcement and publication of the Company's results may normally be expected in the months shown below:

February

Annual results and final dividend for year announced.

March

Annual report and financial statements published.

April/May

Annual General Meeting.
Final dividend paid.

August

Half yearly figures and interim dividend announced and half yearly financial report published.

September

Interim dividend paid.

DIVIDEND – 2013

The proposed final dividend in respect of the year ended 31 December 2013 is 14.00p per share.

Ex-dividend date (shares transferred without the dividend)	5 March 2014
Record date (last date for registering transfers to receive the dividend)	7 March 2014
Last date for registering DRIP instructions	23 April 2014
Dividend payment date	15 May 2014

PAYMENT OF DIVIDENDS

Cash dividends will be sent by cheque to the first-named shareholder at their registered address. Dividends may also be paid direct into a shareholder's bank account via BACSTEL-IP (Bankers' Automated Clearing Service – Telecom Internet Protocol). This may be arranged by contacting the Company's registrar, Computershare Investor Services PLC, through their secure website investorcentre.co.uk, or by telephone on 0870 707 1187, or by completing the Mandate Instructions section on the reverse of your dividend counterfoil and sending this to the Company's registrar, Computershare. Tax vouchers will be sent to shareholders at their registered address, unless other instructions have been given, to arrive on the payment date.

DIVIDEND REINVESTMENT SCHEME ('DRIP')

Shareholders may request that their dividends be used to purchase further shares in the Company. Dividend reinvestment forms may be obtained from Computershare Investor Services PLC through their secure website investorcentre.co.uk, or on 0870 707 1187. Shareholders who have already opted to have their dividends reinvested do not need to reapply. The last date for registering for this service for the forthcoming dividend is 23 April 2014.

SHARE PRICE

The Company's mid-market ordinary share price is quoted daily in The Financial Times and the Times under 'Investment Companies' and in The Daily Telegraph under 'Investment Trusts'. The share price is also available on the BlackRock Investment Management (UK) Limited (BlackRock) website at blackrock.co.uk/brwm.

ISIN/SEDOL NUMBERS

The ISIN/SEDOL numbers and mnemonic codes for the Company's shares are:

	Ordinary shares
ISIN	GB0005774855
SEDOL	0577485
Reuters Code	BRWM.L
Bloomberg Code	BRWM LN

SHARE DEALING

Investors wishing to purchase more shares in the Company or sell all or part of their existing holding may do so through a stockbroker. Most banks also offer this service.

For existing shareholders the Company's registrar, Computershare Investor Services PLC, has both internet and telephone share dealing services. To access the internet share dealing log on to computershare.com/sharedealingcentre. The telephone share dealing service is available on 0870 703 0084. To use these services, you will need your shareholder reference number, which is detailed on your share certificate.

Internet dealing – The fee for this service is 1% of the value of each sale or purchase of shares (subject to a minimum of £30). Stamp duty of 0.5% is payable on purchases.

Telephone dealing – The fee for this service will be 1% of the value of the transaction (plus £35). Stamp duty of 0.5% is payable on purchases.

Additional information

Shareholder information continued

CREST

The Company's shares may be held in CREST, an electronic system for uncertificated securities trading.

Private investors can continue to retain their share certificates and remain outside the CREST system. Private investors are able to buy and sell their holdings in the same way as they did prior to the introduction of CREST, although there may be differences in dealing charges.

ELECTRONIC COMMUNICATIONS

We encourage you to play your part in reducing our impact on the environment and elect to be notified by email when your shareholder communications become available online. This means you will receive timely, cost-effective and greener online annual reports, half yearly financial reports and other relevant documentation.

Shareholders who opt for this service will receive an e-mail from Computershare with a link to the relevant section of the BlackRock website where the documents can be viewed and downloaded. Please submit your email address by visiting investorcentre.co.uk/ecomms. You will require your shareholder reference number which you will find on your share certificate or tax voucher.

You will continue to receive a printed copy of these reports if you have elected to do so. Alternatively, if you have not submitted your email address nor have elected to receive printed reports, we will write and let you know where you can view these reports online.

ELECTRONIC PROXY VOTING

Shareholders are able to submit their proxy votes electronically via Computershare's internet site at eproxyappointment.com using their shareholder reference number, control number and a unique identification PIN which will be provided with voting instructions and the Notice of Annual General Meeting.

CREST members who wish to appoint one or more proxies or give an instruction through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST manual. More details are set out in the notes on the Form of Proxy and the Notice of Annual General Meeting.

DURATION OF THE COMPANY

Shareholders are given an opportunity at each Annual General Meeting to vote on an ordinary resolution to continue the life of the Company for a further twelve months.

NOMINEE CODE

Where shares are held in a nominee company name, the Company undertakes:

- to provide the nominee company with multiple copies of shareholder communications, so long as an indication of quantities has been provided in advance;
- to allow investors holding shares through a nominee company to attend general meetings, provided the correct authority from the nominee company is available; and
- that investors in the BlackRock Investment Trusts Savings Plan and ISA are automatically sent shareholder communications, including details of general meetings, together with a Form of Direction to facilitate voting and to seek authority to attend.

Nominee companies are encouraged to provide the necessary authority to underlying shareholders to attend the Company's general meetings.

PUBLICATION OF NET ASSET VALUE/PORTFOLIO ANALYSIS

The net asset value ('NAV') per share of the Company is calculated daily, with details of the Company's investments and performance being published monthly.

The daily NAV per share and monthly information are released through the London Stock Exchange's Regulatory News Service and are available on the BlackRock website at blackrock.co.uk/brwm and through the Reuters News Service under the code 'BLRKINDEX', on page 8800 on Topic 3 (ICV terminals) and under 'BLRK' on Bloomberg (monthly information only).

ONLINE ACCESS

Other details about the Company are also available on the BlackRock website at blackrock.co.uk/brwm. The financial statements and other literature are published on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

Shareholders can also manage their shareholding online by using Investor Centre, Computershare's secure website at investorcentre.co.uk.

To access Computershare's website you will need your shareholder reference number ('SRN') which can be found on paper or electronic communications you have previously received from Computershare. Listed below are the most frequently used features of the website.

- Holding enquiry – view balances, values, history, payments and reinvestments.
- Payments enquiry – view your dividends and other payment types.
- Address change – change your registered address.
- Bank details update – choose to receive your dividend payment directly into your bank account instead of by cheque.
- e-Comms sign-up – choose to receive email notification when your shareholder communications become available instead of paper communications.
- Outstanding payments – reissue payments using the online replacement service.
- Downloadable forms – including dividend mandates, stock transfer, dividend reinvestment and change of address forms.

SAVINGS PLAN

The Company participates in the BlackRock Investment Trust Savings Plan, which facilitates both regular monthly investments and occasional lump sum investments in the Company's ordinary shares. Shareholders who would like information on the Savings Plan should call BlackRock free on 0800 44 55 22.

STOCKS AND SHARES INDIVIDUAL SAVINGS ACCOUNTS ('ISA')

ISAs are a tax-efficient method of investment and the Company's shares are eligible investments within the BlackRock Investment Trust stocks and shares Individual Savings Account. Investors currently have an annual ISA allowance of £11,520 which will increase to £11,880 for the 2014/2015 tax year. Details are available from BlackRock by calling free on 0800 44 55 22.

SHAREHOLDER ENQUIRIES

The Company's registrar is Computershare Investor Services PLC. Certain details relating to your holding can be checked through the Computershare Investor Centre website. As a security check, specific information needs to be input accurately to gain access to an individual's account. This includes your shareholder reference number, available from your share certificate, tax voucher or other electronic communications you have previously received from Computershare. The address of the Computershare website is investorcentre.co.uk. Alternatively, please contact the registrar on 0870 707 1187.

Changes of name or address must be notified in writing either through Computershare's website, or to the registrar at:

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ

GENERAL ENQUIRIES

Enquiries about the Company should be directed to:

The Secretary
BlackRock World Mining Trust plc
12 Throgmorton Avenue
London EC2N 2DL
Telephone: 020 7743 3000

Enquiries about the Savings Plan or ISA should be directed to:

Freepost RLTZ-KHUH-KZSB
BlackRock Investment Management (UK) Limited
PO Box 9036
Chelmsford CM99 2XD
Telephone: 0800 44 55 22

Additional information

Analysis of ordinary shareholders as at 31 December 2013

BY TYPE OF HOLDER

	Number of shares	% of total 2013	% of total 2012	Number of holders	% of total 2013	% of total 2012
Direct private investors	5,175,291	2.9	3.0	2,359	32.9	36.4
Nominee companies	170,452,148	96.0	95.8	4,677	65.1	61.0
Others	1,659,803	1.1	1.2	146	2.0	2.6
	177,287,242	100.0	100.0	7,182	100.0	100.0

BY SIZE OF HOLDING

	Number of shares	% of total 2013	% of total 2012	Number of holders	% of total 2013	% of total 2012
1-10,000	11,485,539	6.5	5.7	6,686	93.1	92.6
10,001-100,000	10,045,491	5.7	5.6	326	4.5	4.8
100,001-1,000,000	46,457,510	26.2	27.0	129	1.8	2.0
1,000,001-5,000,000	76,439,236	43.1	37.0	36	0.5	0.5
Over 5,000,000	32,859,466	18.5	24.7	5	0.1	0.1
	177,287,242	100.0	100.0	7,182	100.0	100.0

Additional information

Base costs

The base cost for UK taxpayers who invested in the Company's ordinary shares on its launch on 15 December 1993 (capital gains tax prices on the first day of dealing) is 92.11p per share.

For indicative purposes, the base cost of the warrants (for the purpose of calculating capital gains tax) for UK tax payers who acquired them on issue on 20 March 2006 is 28.25p per warrant. For holders who purchased their warrants subsequently, the base cost of the warrants for the purpose of calculating capital gains tax will generally be the amount paid for the warrants, together with any allowable costs of acquisition.

These figures have not been approved by HM Revenue & Customs and are subject to its agreement with investors on a case-by-case basis.

Additional information

Management & administration

REGISTERED OFFICE
(Registered in England, No. 2868209)
12 Throgmorton Avenue
London EC2N 2DL

INVESTMENT MANAGER
BlackRock Investment Management (UK) Limited*
12 Throgmorton Avenue
London EC2N 2DL

SECRETARY AND ADMINISTRATOR
BlackRock Investment Management (UK) Limited*
12 Throgmorton Avenue
London EC2N 2DL
Telephone: 020 7743 3000

REGISTRAR
Computershare Investor Services PLC*
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Telephone: 0870 707 1187

AUDITOR
Ernst & Young LLP
Chartered Accountants and Statutory Auditors
1 More London Place
London SE1 2AF

STOCKBROKERS
J.P.Morgan Cazenove Limited*
25 Bank Street
Canary Wharf
London E14 5JP

Winterflood Securities Limited*
The Atrium Building
Cannon Bridge
25 Dowgate Hill
London EC4R 2GA

SOLICITORS
Herbert Smith Freehills LLP
Exchange House
Primrose Street
London EC2A 2EG

CUSTODIAN AND BANKER
The Bank of New York Mellon (International) Ltd*
One Canada Square
London E14 5AL

SAVINGS PLAN AND ISA ADMINISTRATOR
FREEPOST RLTZ-KHUH-KZSB
BlackRock Investment Management (UK) Limited*
PO Box 9036
Chelmsford CM99 2XD
Telephone: 0800 44 55 22

* Authorised and regulated by the Financial Conduct Authority.

Annual General Meeting

Notice of annual general meeting

Notice is hereby given that the twentieth Annual General Meeting of BlackRock World Mining Trust plc will be held at the offices of BlackRock Investment Management (UK) Limited, 12 Throgmorton Avenue, London EC2N 2DL on Thursday, 8 May 2014 at 11.30 a.m. to consider and, if thought fit, pass resolutions 1 to 13 as ordinary resolutions and resolutions 14 to 16 as special resolutions.

Resolution 2 is an advisory vote on the Directors' Remuneration Report, excluding any content relating to the proposed future remuneration policy as set out in the future policy table on page 28. Resolution 3 is a new resolution subject to a binding vote, required as a result of new remuneration disclosure regulations published by the Department for Business, Innovation and Skills ('BIS') which are effective from 1 October 2013. As required under the regulations, the Company is seeking approval in this resolution for its remuneration policy as set out in the future policy table on page 28 of the Directors' Remuneration Report. The remuneration policy will take effect immediately on approval by shareholders and will continue to apply for the next three years, unless amended by the Company in general meeting at an earlier date.

ORDINARY BUSINESS

1. To receive the report of the Directors and the financial statements for the year ended 31 December 2013, together with the report of the auditor thereon.

2. To approve the Directors' Remuneration Report for the year ended 31 December 2013, excluding the remuneration policy of the Company (as set out in the future policy table on page 28).

3. To approve the remuneration policy of the Company, as set out in the future policy table in the Directors' Remuneration Report on page 28.

4. To declare a final dividend of 14.00p per ordinary share.

5. To re-elect Mr I C S Barby as a Director.

6. To re-elect Mr C A M Buchan as a Director.

7. To elect Mr I D Cockerill as a Director.

8. To re-elect Mr D W Cheyne as a Director.

9. To re-elect Mr A W Lea as a Director.

10. To reappoint Ernst & Young LLP as auditor of the Company to hold office until the conclusion of the next Annual General Meeting of the Company.

11. To authorise the Directors to determine the auditor's remuneration.

SPECIAL BUSINESS

Ordinary resolutions

12. That the Company shall continue in being as an investment trust.

13. That in substitution for all existing authorities, the Directors of the Company be and they are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the 'Act'), to exercise all the powers of the Company to allot relevant securities in the Company (as described in that section) up to an aggregate nominal amount of £443,218 (being 5% of the aggregate nominal amount of the issued share capital, excluding treasury shares, of the Company at the date of this notice) provided that this authority shall (unless previously revoked) expire at the conclusion of the Company's Annual General Meeting to be held in 2015, but the Company shall be entitled to make offers or agreements before the expiry of this authority which would or might require relevant securities to be allotted after such expiry and the Directors may allot such securities pursuant to any such offer or agreement as if the power conferred hereby had not expired.

Special resolutions

14. That in substitution for all existing authorities and subject to the passing of resolution numbered 13 above, the Directors of the Company be and are hereby empowered pursuant to sections 570 and 573 of the Companies Act 2006 (the 'Act') to allot equity securities (as defined in section 560 of the Act) and to sell equity securities held by the Company as treasury shares (as defined in section 724 of the Act) for cash pursuant to the authority granted by the resolution numbered 13 above, as if section 561(1) of the Act did not apply to any such allotments and sales of equity securities, provided that this power:

    (a) shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2015, expect that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted or sold after such expiry and notwithstanding such expiry the Directors may allot and sell equity securities in pursuance of such offer or agreements;

    (b) shall be limited to the allotment of equity securities and/or the sale of equity securities held in treasury for cash up to an aggregate nominal amount of £443,218 (representing 5% of the aggregate nominal amount of the issued share capital, excluding treasury shares, of the Company at the date of this notice); and

    (c) shall be limited to the allotment or sale of equity securities at a price of not less than the net asset value per share as close as practicable to the allotment or sale.

Annual General Meeting

Notice of annual general meeting continued

15. That in substitution for the Company's existing authority to make market purchases of ordinary shares of 5p each in the Company ('Shares'), the Company be and is hereby generally and, subject as hereinafter appears, unconditionally authorised in accordance with section 701 of the Companies Act 2006 (the 'Act') to make market purchases of Shares (within the meaning of section 693 of the Act) provided that:

    (a) the maximum number of Shares hereby authorised to be purchased shall be 26,575,357, or if less, that number of Shares which is equal to 14.99% of the Company's issued share capital (excluding treasury shares) as at 8 May 2014;

    (b) the minimum price which may be paid for any such Share shall be 5p;

    (c) the maximum price which may be paid for any such Share shall be the higher of (i) 105% of the average of the middle market quotations (as derived from the Official List) of the Shares for the five dealing days prior to the date on which the market purchase is made and (ii) the higher of the price quoted for the last independent trade and the highest current independent bid as stipulated by Article 5(1) of Commission Regulation (EC) 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buyback programmes and stabilisation of financial instruments (No 2273/2003); and

    (d) unless renewed, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company in 2015 save that the Company may, prior to such expiry, enter into a contract to purchase Shares under the authority hereby conferred and may make a purchase of Shares pursuant to any such contract notwithstanding such expiry.

    All Shares purchased pursuant to the above authority shall be either:

    (i) held, sold, transferred or otherwise dealt with as treasury shares in accordance with the provisions of the Act; or

    (ii) cancelled immediately upon completion of the purchase.

16. That the regulations contained in the printed document and produced to the meeting and marked 'A' (and for the purposes of identification initialled by the Chairman of the meeting) be hereby approved and adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, all existing Articles of Association.

BY ORDER OF THE BOARD
BLACKROCK INVESTMENT MANAGEMENT (UK) LIMITED
Secretary
20 February 2014

Registered Office:
12 Throgmorton Avenue
London EC2N 2DL

Notes:

1. A member entitled to attend and vote at the meeting convened by the above Notice is entitled to appoint one or more proxies to exercise all or any of the rights of the member to attend, speak and vote in his place. A proxy need not be a member of the Company. If a member appoints more than one proxy to attend the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the member.
2. To appoint a proxy you may use the form of proxy enclosed with this annual report. To be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, must be completed and returned to the office of the Company's registrar in accordance with the instructions printed thereon as soon as possible and in any event by not later than 11.30 a.m. on 6 May 2014. Amended instructions must also be received by the Company's registrar by the deadline for receipt of proxies. Alternatively you can vote or appoint a proxy electronically by visiting eproxyappointment.com. You will be asked to enter the Control Number, the Shareholder Reference Number and PIN which are printed on the form of proxy. The latest time for the submission of proxy votes electronically is 11.30 a.m. on 6 May 2014.
3. Completion and return of the form of proxy will not prevent a member from attending the meeting and voting in person.
4. Any person receiving a copy of this Notice as a person nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a Nominated Person) should note that the provisions in Notes 1 and 2 above concerning the appointment of a proxy or proxies to attend the meeting in place of a member, do not apply to a Nominated Person as only shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such agreement to give instructions to the member as to the exercise of voting rights at the meeting.
5. Nominated Persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy the information rights (or perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from the Nominated Person.
6. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only shareholders registered in the register of members of the Company by not later than 6.00 p.m. two days prior to the time fixed for the meeting shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at such time. If the meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is 6.00 p.m. two days prior to the time of the adjournment. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the meeting.
7. In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
8. Holders of shares through the Savings Schemes are entitled to attend and vote at the meeting if the voting instruction form, which is enclosed with this document, is correctly completed and returned in accordance with the instructions printed thereon.
9. Shareholders who hold their shares electronically may submit their votes through CREST, by submitting the appropriate and authenticated CREST message so as to be received by the Company's registrar not later than 48 hours before the start of the meeting. Instructions on how to vote through CREST can be found by accessing the following website: euroclear.com/CREST. Shareholders are advised that CREST and the internet are the only methods by which completed proxies can be submitted electronically.
10. If you are a CREST system user (including a CREST personal member) you can appoint one or more proxies or give an instruction to a proxy by having an appropriate CREST message transmitted. To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by Computershare (ID number 3RA50) not later than 48 hours before the time appointed for holding the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which Computershare is able to retrieve the message. CREST personal members or other CREST sponsored members should contact their CREST sponsor for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST manual. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
11. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes subject of those proxies are cast and voting rights in respect of those discretionary proxies, when added to the interest in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any member holding 3 per cent. or more of the voting rights in the Company, who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.
12. Any question relevant to the business of the meeting may be asked at the meeting by anyone permitted to speak at the meeting. A shareholder may alternatively submit a question in advance by a letter addressed to the Company Secretary at the Company's registered office. Under section 319A of the Companies Act 2006, the Company must answer any question a shareholder asks relating to the business being dealt with at the meeting, unless (i) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (ii) the answer had already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
13. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that, if it is appointing more than one corporate representative, it does not do so in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative. Representatives should bring to the meeting evidence of their appointment, including any authority under which it is signed.

Annual General Meeting

Notice of annual general meeting continued

14. Under section 527 of the Companies Act 2006, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to:
    (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are laid before the meeting; or
    (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006.

    The Company may not require the members requesting such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
15. Under sections 338 and 338A of the Companies Act 2006, members meeting the threshold requirements in those sections have the right to require the Company:
    (i) to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting; and/or
    (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business.

    A resolution may properly be moved or a matter may properly be included in the business unless:
    (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise);
    (b) it is defamatory of any person; or
    (c) it is frivolous or vexatious.

    Such a request may be in hard copy form or in electronic form, and must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than 26 March 2014, being the date six weeks clear before the meeting and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.
16. Further information regarding the meeting which the Company is required by section 311A of the Companies Act 2006 to publish on a website in advance of the meeting (including this Notice), can be accessed at blackrock.co.uk/brwm.
17. As at the date of this report, the Company's issued share capital comprised 177,287,242 ordinary shares of 5 pence each, excluding shares held in treasury. Each ordinary share carries the right to one vote and therefore the total number of voting rights in the Company on 20 February 2014 is 177,287,242.
18. No service contracts exist between the Company and any of the Directors, who hold office in accordance with letters of appointment and the Articles of Association.

Glossary

NET ASSET VALUE PER SHARE ('NAV')

This is the value of the Company's assets attributable to one ordinary share. It is calculated by dividing shareholders' funds by the total number of ordinary shares in issue. For example, as at 31 December 2013 equity shareholders' funds were £885,346,000 and there were 177,287,242 ordinary shares in issue (excluding shares held in treasury); the NAV was therefore 499.39p per share.

Shareholders' funds are calculated by deducting the Company's current and long term liabilities and any provision for liabilities and charges from its assets.

DISCOUNT

Investment trust shares frequently trade at a discount to NAV. This occurs when the share price (based on the mid-market share price) is less than the NAV and investors may therefore buy shares at less than the value attributable to them by reference to the underlying assets. The discount is the difference between the share price and the NAV, expressed as a percentage of the NAV. For example, if the share price was 460p and the NAV 490p, the discount would be 6.1%.

PREMIUM

A premium occurs when the share price (based on the mid-market share price) is more than the NAV and investors would therefore be paying more than the value attributable to the shares by reference to the underlying assets. For example, if the share price was 470p and the NAV 465p, the premium would be 1.1%.

Discounts and premiums are mainly the consequence of supply and demand for the shares on the stock market.

Warning to Shareholders

SHARE FRAUD WARNING

Share fraud includes scams where investors are called out of the blue and offered shares that often turn out to be worthless or non-existent, or an inflated price for shares they own. These calls come from fraudsters operating in 'boiler rooms' that are mostly based abroad.

While high profits are promised, those who buy or sell shares in this way usually lose their money.

The Financial Conduct Authority ('FCA') (formerly the Financial Services Authority ('FSA')) has found most share fraud victims are experienced investors who lose an average of £20,000, with around £200m lost in the UK each year.

PROTECT YOURSELF

If you are offered unsolicited investment advice, discounted shares, a premium price for shares you own, or free company or research reports, you should take these steps before handing over any money:

1. Get the name of the person and organisation contacting you.
2. Check the FCA Register via **fca.org.uk** to ensure they are authorised.
3. Use the details on the FCA Register to contact the firm.
4. Call the FCA Consumer Helpline on **0800 111 6768** if there are no contact details on the Register or you are told they are out of date.
5. Search the FCA's website list of unauthorised firms and individuals to avoid doing business with.
6. **REMEMBER: if it sounds too good to be true, it probably is!**

If you use an unauthorised firm to buy or sell shares or other investments, you will not have access to the Financial Ombudsman Service ('FOS') or Financial Services Compensation Scheme ('FSCS') if things go wrong.

REPORT A SCAM

If you are approached about a share scam you should tell the FCA using the share fraud reporting form at **fca.org.uk/consumers/scams**, where you can find out about the latest investment scams. You can also call the Consumer Helpline on **0800 111 6768**.

If you have already paid money to share fraudsters you should contact Action Fraud on

0300 123 2040

MIX
Paper from responsible sources
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