Contents

BlackRock

BlackRock World Mining Trust plc

Half Yearly Financial Report 30 June 2020

Why BlackRock World Mining Trust plc?

Investment objective

The Company's investment policy is to provide a diversified investment in mining and metal assets worldwide, actively managed with the objective of maximising total returns. 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. Up to 10% of gross assets may be held in physical metals and up to 20% may be invested in unquoted investments.

Reasons to invest

Conviction

A conviction-led approach to adding value by truly understanding and comparing companies in the mining sector, rather than by betting on the short-term direction of commodity prices. Unconstrained by market cap, sub-sector or region, the Portfolio Managers can invest in a wide range of opportunities.

Yield

The Company offers an attractive net dividend yield of 5.9% as at 30 June 2020. Whilst mainly invested in equities, the Company makes use of fixed income and unquoted instruments to enhance revenue. The Company's global remit means that the majority of its holdings generate earnings from around the world.

Flexibility

The Company provides a diversified exposure to the mining sector, with a total return approach. The Portfolio Managers have the ability to use investment tools such as option writing and gearing.

Opportunity

There is an increased focus on sustainability and, globally, regulation is stepping up as the world looks to crack down on pollution and carbon emissions. The Company seeks opportunities in mining companies that produce materials that will help advance these changes, including the need for metals such as nickel, cobalt and lithium to supply the world's growing demand for batteries in everything from iPads to electric vehicles.

Expertise

The Company is managed by BlackRock's Natural Resources team, one of the largest investors in natural resources. The team has the resources to travel the globe to undertake extensive, proprietary, on-the-ground research to get to know the management of the companies in which they invest.

ESG

Environmental, Social and Governance (ESG) is a key consideration. Success in mining requires a long-term view given the time it takes to move from first discovery to production and eventually through to mine closure. Due to the high impact that mining has on communities, countries and the world we live in, it is essential for companies to maintain high ESG standards throughout.

aic
The Association of Investment Companies

A member of the Association of Investment Companies

Details about the Company are available on the website at blackrock.com/uk/brwm

Contents

Section 1: Overview and performance

Performance record	2
Chairman's statement	3
Investment manager's report	5

Section 2: Portfolio

Ten largest investments	14
Investments	16
Portfolio analysis	18

Section 3: Governance

Interim management report and responsibility statement	20

Section 4: Financial statements

Consolidated statement of comprehensive income	22
Consolidated statement of changes in equity	23
Consolidated statement of financial position	24
Consolidated cash flow statement	25
Notes to the financial statements	26
Independent review report	38

Section 5: Additional information

Management and other service providers	39
Directors	40
Shareholder information	41
Glossary	44

Contents

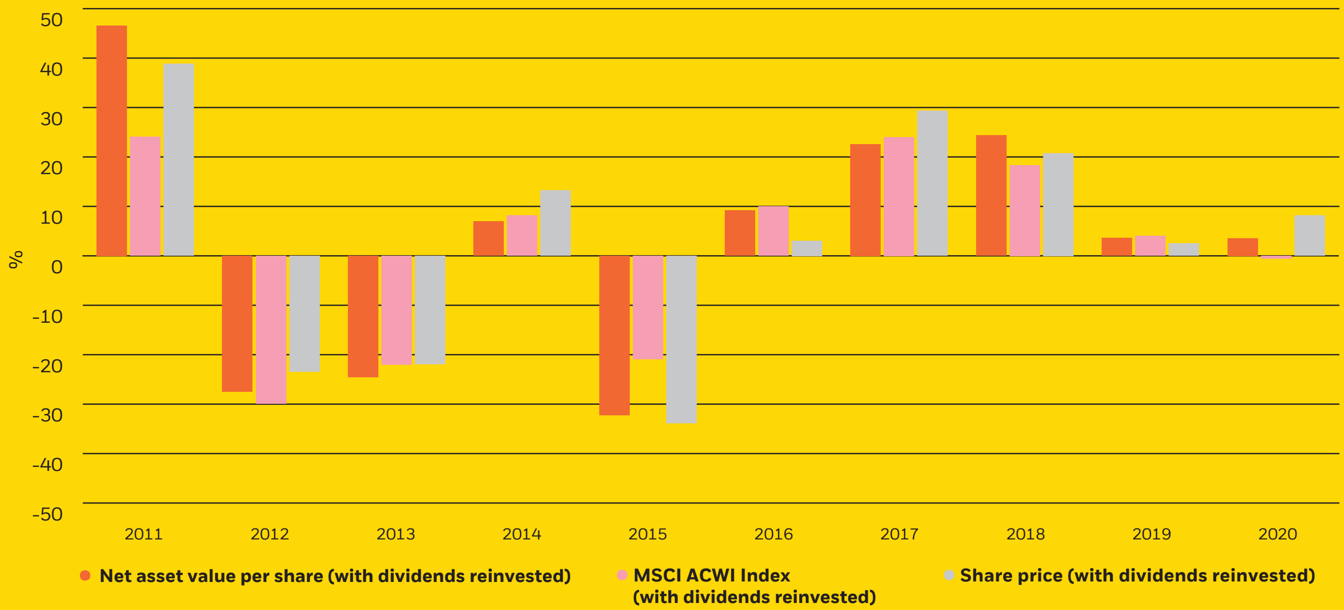
Performance record

	As at 30 June 2020 (unaudited)	As at 31 December 2019 (audited)
Net assets (£'000)[1]	743,443	757,110
Net asset value per ordinary share (NAV) (pence)	428.24	433.17
Ordinary share price (mid-market) (pence)	376.00	383.00
Discount to net asset value[2,3]	12.2%	11.6%
Performance		
Net asset value per share (with dividends reinvested)[3]	+3.4%	+17.2%
Ordinary share price (with dividends reinvested)[3]	+3.7%	+19.4%
Reference index[4]	-0.7%	+15.3%

1 The change in net assets reflects market movements, dividends paid and the buyback of ordinary shares into treasury during the period/year.
2 This is the difference between the share price and NAV per share with debt at par. Further details of the calculation of the discount are given in the Glossary on page 44.
3 Alternative Performance Measures, see Glossary on page 45. Performance figures are calculated in sterling terms with dividends reinvested.
4 MSCI ACWI Metals & Mining 30% Buffer 10/40 Index (net return) (MSCI ACWI).

	For the six months ended 30 June 2020 (unaudited)	For the six months ended 30 June 2019 (unaudited)	Change %
Revenue			
Net revenue profit after taxation (£'000)	15,342	20,160	-23.9
Revenue return per ordinary share (pence)	8.82	11.43	-22.8
Dividend per ordinary share (pence)			
- 1st interim	4.00	4.00	+0.0
- 2nd interim	4.00	4.00	+0.0
Total dividends paid and payable	8.00	8.00	+0.0

Performance from 30 June 2011 to 30 June 2020



Sources: BlackRock and Datastream.
Performance data relates to annual performance for the years ended 30 June 2011 to 30 June 2020.
For reference, the EMIX Global Mining Index (net total return) was +5.7% for the period ended 30 June 2020 and +22.1% for the year ended 31 December 2019.

Chairman's Statement

for the six months ended 30 June 2020

David Cheyne
Chairman

Market overview

The past six months have proved extremely challenging for markets, with all-time highs in global equities in February 2020 followed by the outbreak of the COVID-19 pandemic. The pandemic prompted countries to adopt varying degrees of social distancing, self-quarantine and lockdown measures which severely curtailed economic activity in most economies and resulted in an unprecedented near-term contraction. Market jitters were compounded by plunging oil prices, following heightened political tensions between the major oil producing nations.

Policy response, with significant fiscal and monetary stimulus, cushioned the devastating impact of the virus shock and helped turn markets around in late March. Oil prices also partially recovered and most mined commodity prices have remained resilient. The rebound in global equity markets has been sharp and they have continued to recover on the back of improving economic data and as economies gradually begin to emerge from lockdown. However, high market volatility is expected to continue until the full implications of COVID-19 become clearer.

Performance

Over the six months ended 30 June 2020, the Company's net asset value (NAV) returned +3.4% and the share price +3.7%. The Company's reference index, the MSCI ACWI Metals & Mining 30% Buffer 10/40 Index (MSCI ACWI) returned -0.7% (all percentages calculated in sterling terms with dividends reinvested). As discussed in my annual statement to shareholders, the Board concluded that the MSCI ACWI is a better reference tool to measure the Company's performance over time and was therefore introduced from the start of the new financial year.

As mentioned in the Investment Manager's Report, the Company's strong relative result compared with most other sectors has been as a result of its exposure to highly cash generative companies such as iron ore producers, as well as to gold miners which have continued to sell production at gradually rising prices.

Since the period end and up to the close of business on 17 August 2020, the Company's NAV has increased by 10.3% compared to a rise of 10.2% (on a net return basis) in the reference index (with income reinvested).

Revenue return and dividends

The Company's net revenue earnings for the six months to 30 June 2020 amounted to 8.82p per share (six months to 30 June 2019: 11.43p per share) a decrease of 22.8%. Only four special dividends totalling £330,000 were received in the period under review, whilst six special dividends totalling £10.2 million were received during the corresponding six-month period in 2019. All special dividends have been taken to revenue, with the

Mining companies should be well placed to withstand the economic weakness relative to other sectors given their balance sheet strength

exception of one special dividend amounting to £34,000 which was taken to capital (2019: one special dividend of £5.2 million taken to capital).

Despite many sectors struggling to pay dividends during the COVID-19 crisis, there are others that are proving to be more resilient. Some of the mining companies in the Company's portfolio are well-positioned on the dividend front, given their balance sheet strength and free cash flow generation.

The first quarterly dividend of 4.00p per share was paid on 26 June 2020 and, today, the Board has announced a second quarterly dividend of 4.00p per share which will be paid on 25 September 2020 to shareholders on the register on 28 August 2020, the ex-dividend date being 27 August 2020.

Discount

The discount of the Company's share price to the underlying NAV per share finished the period under review at 12.2% on a cum income basis, having stood at 11.6% at the beginning of the period. At the close of business on 17 August 2020, the Company's shares were trading at a discount of 11.9% on a cum income basis.

During January and February, the Company bought back 1,179,707 shares into treasury at a total cost of £4,400,000. As the COVID-19 pandemic took hold and market conditions deteriorated during March, the Company's share price fell sharply and the discount briefly widened to 22.5% before rapidly narrowing again. The Board recognises the importance to investors that the market price of the Company's shares should not trade at a significant discount to the underlying NAV, and share buybacks will be undertaken in normal market conditions when, in the view of the Board, it is in the best interests of shareholders to do so.

Gearing

The Company operates a flexible gearing policy which depends on prevailing market conditions. It is not intended that gearing will exceed 25% of the net assets of the Company and its subsidiary. Gearing as at 30 June 2020 was 9.8% and maximum gearing during the period was 15.6%.

Franked Investment Income Group Litigation Order v HMRC

As reported in the Company's 2018 Annual Report, we were pleased to receive a positive outcome on a tax ruling relating to overseas dividends with the UK Supreme Court handing down its judgement in the Prudential Case on 25 July 2018. In August 2020, HM Revenue & Customs (HMRC) accepted that the Company was entitled to claim double tax relief in relation to underlying tax suffered on dividends received from non-UK companies in a number of past accounting periods.

While the amount of repayment has not been formally agreed with HMRC and, as such, a degree of uncertainty still remains, the Board has been advised that the receipt of a repayment in respect of these amounts had become sufficiently probable to merit recognition in the Company's NAV. As a result, it was announced today that an asset of £2,560,568 had been reflected in the NAV in respect of these claims. As the original tax expense fell within the revenue column of the consolidated income statement, the benefit of this recovery has been credited to the revenue column of the consolidated income statement. It will result in an increase of 1.47 pence per share to the Company's revenue earnings per share for the year ending 31 December 2020. More information is given in note 17 on pages 36 and 37.

Outlook

At the beginning of the year a continuation of modest economic growth was the base case expectation but now we are contemplating a deep economic downturn of unknown duration. We anticipate continued volatility for the mining sector and broader equity market. Economies are slowly restarting, but the pace of activity depends on how successful countries are in suppressing the virus as they reopen.

Mining companies should be well-placed to withstand the economic weakness relative to other sectors given their balance sheet strength. Strong capital discipline should also help miners weather the volatility, as well as the sector being a key beneficiary of increased infrastructure spending and a recovery in demand. Whilst huge uncertainties remain over the short-term outlook, the quality bias in the portfolio, with a focus on companies with stronger balance sheets and lower costs, should hold the Company in good stead.

David Cheyne
Chairman
19 August 2020

Investment manager’s report

Evy Hambro

Olivia Markham

The first half of 2020, whilst being extremely volatile, ended far better than expected given the massive economic tremors caused by the outbreak of the COVID-19 virus. The prior years of capital discipline and shrewd management decisions meant mining companies were in a strong position to navigate through this period far better than in prior recessions. The reference index, the MSCI ACWI Metals & Mining 30% Buffer 10/40 Index net total return in sterling, was down by 0.7% during the period, versus the FTSE All Share (with dividends reinvested) in sterling which was down by 17.4%.

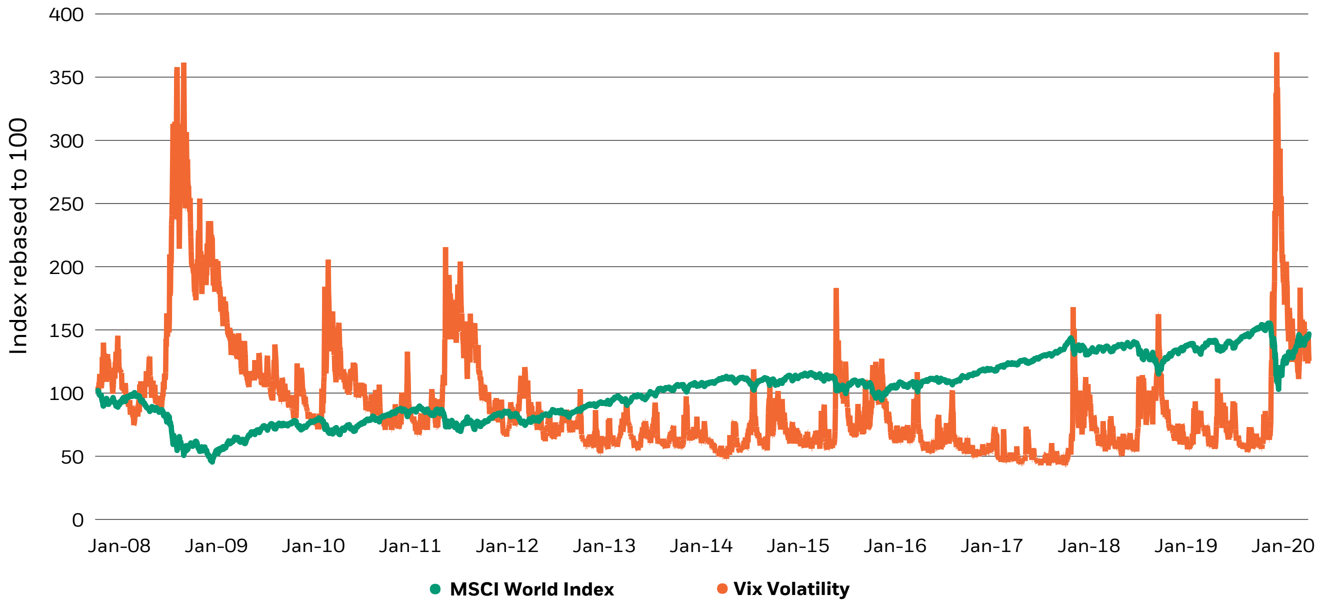
The impact of the virus on the global economy has been enormous. The way in which it rapidly moved around the world likened it to a rolling blackout of economic activity. Businesses and general industry were rapidly shut down, people were moved into lockdown and financial markets responded with huge downward moves. The uncertainty generated by this, combined with the still fresh memories of the 2008 global financial crisis, triggered a rush for cash which meant waves of selling by investors. Fortunately, central banks were quick to act, and they put in place unprecedented measures designed to protect the financial plumbing of world markets. This stabilised indices and allowed the least impacted sectors to recover swiftly in terms of valuations.

Over the period the net asset value (NAV) of the Company was up by 3.4% with dividends reinvested. Given the huge falls in other sectors, this is a strong relative result especially when compared to previous crises where the mining sector has more often than not been one of the worst places to be invested. In addition, compared to the relative return of world markets, the Company also benefited from its exposure to highly cash generative companies, such as iron ore producers, as well as to gold miners who continue to sell production at gradually rising prices.

Hard work pays off

For the last few years we have written about the lengths mining company management teams and Boards have gone to rebuild trust between the companies and their owners, the shareholders. New frameworks were put into place to reduce the chance of poor capital allocation decisions and entrench the businesses into a culture of shareholder driven returns. The consequence of this was a much more robust business model, where companies have underspent compared to the previous period of extravagance and a more prudent level of balance sheet gearing. During the last few years, this generated large amounts of free cash flow which was returned to shareholders. This left the sector in the unusual position of being much better prepared for a crisis, which was fortunate given the recent events in the first half of the year.

Volatility relative to the MSCI World Index



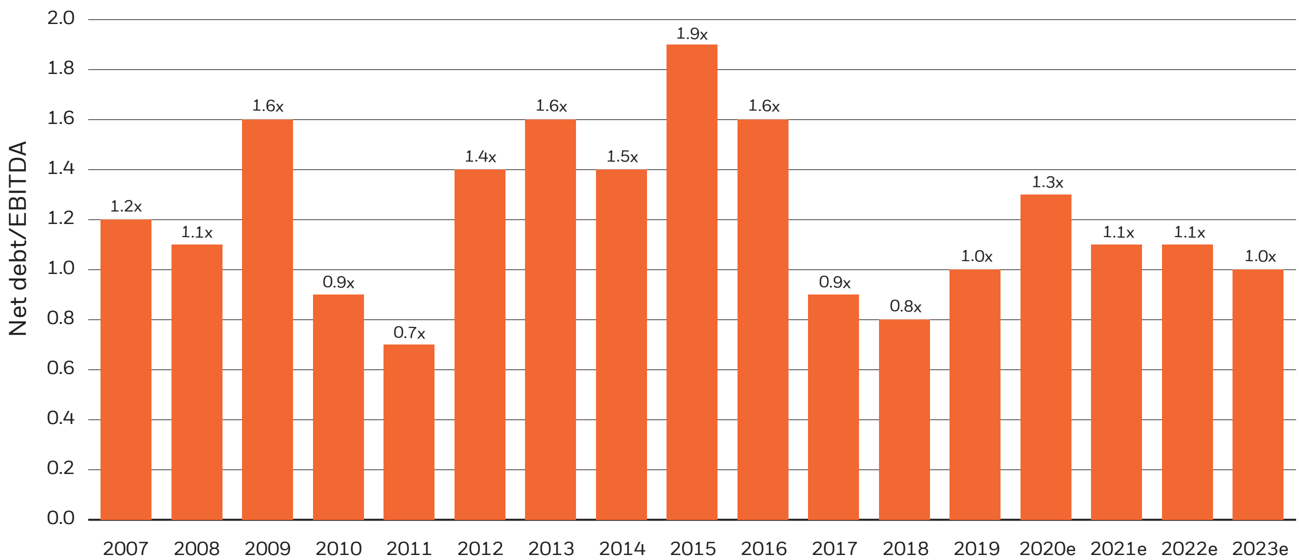
Source: Datastream.

Balance sheet strength

On top of robust finances, the sector has broadly managed the operational side very well. There has been limited interruption to business in key regions such as the Pilbara in Australia, but the same cannot be said for other areas such as the Andean copper belt in Peru and Chile. These two areas have seen significant falls in copper production during the last few months as operations ceased to help manage the virus outbreak. Other notable areas impacted by the lockdowns were platinum supply from South Africa and physical gold supply from refineries. In summary, the main impact has been to reduce production of raw materials at a time of demand weakness, which has reduced the build-up of inventories normally associated with an economic slowdown. The absence of a typical overhang has allowed prices to recover sharply from the initial economic shock and bodes well for future returns should the virus now be contained.

The US-China trade war has overshadowed the sector since mid-2018. Following months of prolonged negotiations, the long-awaited phase one deal was signed in January this year with China pledging to buy US$200 billion of US goods. Initially, despite scepticism over targets being met, this provided some relief to the sector. However, it was quickly forgotten, with governments' focus turning to managing the COVID-19 pandemic. In recent months US-China relations have continued to worsen with the US President blaming the Chinese government for failing to contain the COVID-19 outbreak, putting further progress on trade negotiations at risk. At first pass this would appear negative for industrial demand. However, the impact of

Balance sheet strength



Source: Morgan Stanley, June 2020. EBITDA stands for earnings before interest, taxes, depreciation and amortisation.

deglobalisation and a greater desire for onshoring has the potential to be inflationary and actually positive for commodity demand. While we continue to see trade tensions as a risk factor for the sector, we anticipate the impact to be more muted in the medium term.

ESG and the social license to operate

Environmental, Social and Governance (ESG) is of critical importance to the mining sector and the Portfolio Managers spend a considerable amount of time understanding the ESG risks and opportunities facing companies and industries in the portfolio. As an extractive industry, the mining sector naturally faces a number of ESG challenges given its dependence on water, carbon emissions and geographical location of assets. However, we feel the sector underemphasises the many positive ESG benefits it provides to society through the provision of critical infrastructure, taxes and employment to local communities, providing materials essential to human progress, enabling the carbon transition through the production of sustainable metals and the continuing improvements to health & safety standards across the industry.

Rio Tinto, Norilsk Nickel and Vale have been the key ESG focus areas during the first half of the year. Following the events at Juukan Gorge in late May, Rio Tinto has launched a board-led review of its heritage management processes and will examine the company's relationship and communications with the Puutu Kunti Kurrama and Pinikura people (PKKP). The review will be made public and is due to be released in October 2020, involving consultation with the indigenous leaders, traditional owners, subject matter experts and Rio Tinto employees. We look forward to receipt of the report.

Norilsk Nickel has been under significant scrutiny following an oil spill in May which saw circa 21,000 tonnes of diesel spill into the Artic region with the Russian President declaring a state of emergency in the region. Norilsk Nickel has been ordered to pay US$2.1 billion in fines and damages, with Norilsk Nickel disputing the methodology used to calculate the damage caused by the oil spill.

Vale has been under ESG scrutiny following the tailings dam incidents at Samarco in 2015 and the Brumadinho collapse in 2019. Both events saw tragic loss of life and resulted in a heavy focus on tailings dam management across the sector. Vale is committed to restoring Brumadinho and rebuilding its pact with society. The company has US$4 billion in provisions related to Brumadinho and will also invest US$1.8 billion in dry stacking to reduce the reliance on tailings dams. Vale has implemented a number of changes to its tailings dam management process following an independent review to ensure it is aligned with the highest level of international practices.

Divergence

During the first half of 2020 the spread of returns within the commodity complex has been as wide as we have ever seen. Iron ore prices remained rock solid throughout the period, as ongoing supply issues in Brazil kept markets tight despite the COVID-19 led recession. Gold prices have been stellar due to the move to near zero interest rates across the world and the weak US dollar. Finally, the price of palladium moved to unprecedented levels on the back of supply concerns and improved loadings in heavy duty vehicles. These rises are in stark contrast to the large falls in base metals prices during the period. Miners of zinc, tin, aluminium, copper and lead saw double digit percentage falls in average prices year-on-year leaving some metal prices below marginal costs of supply, for example aluminium where capacity is being closed by key supply producers such as Rio Tinto. Coal miners also suffered as prices fell deep into the cost curve on the back of ongoing cuts to demand, as the world transitions more rapidly towards a lower carbon economy.

On the back of the wide range of moves in metal prices, the spread of returns in the equities has been equally wide. Amongst the industrial commodities, key holdings such as Rio Tinto, BHP and Anglo American have materially outperformed others with greater exposure to base metals such as Glencore. In addition, non-copper producers have fared far worse than key holdings in Freeport-McMoRan Copper & Gold, Lundin Mining and Antofagasta. Finally, the gold equities outperformed almost all other holdings as margins and cash flow meaningfully expanded as the gold price rose and by the end of the period our position in gold companies had risen to 35.2% of the portfolio (31 December 2019: 23.2%).

In addition to commodity prices, geographic location has been a significant driver of returns as governments imposed different restrictions on mining operations in response to COVID-19. For example, in Australia, iron producers have been able to operate at close to full capacity throughout the period, versus producers in Peru, South Africa, Mexico and Canada that were forced to reduce people at site and mining rates in response to the virus. We have also seen a large divergence in demand by geography, the most notable in steel, where Chinese steel demand has recovered strongly underpinning demand for iron ore, whilst European steel demand has waned putting pressure on coking coal prices which were down by 43% during the first half of the year.

Amidst the commodity price volatility in the first half of the year, margins have generally held up better across the sector given the absence of cost inflation. The sharp move down in oil prices and commodity currencies such as the Brazilian real and South African rand, has helped to buffer the downward move in prices year to date. Anglo American and Vale have enjoyed a strong tailwind from foreign exchange rates this year and we expect this to become apparent in the second half as operating volumes improve for both companies.

Selected commodity price changes during first half of 2020

Commodity	30 June 2020	% Change YTD in 1H 20	% Change average price 1H20 vs 1H19
Gold US$/oz	1,783.7	17.3%	26.1%
Silver US$/oz	18.2	1.5%	9.2%
Platinum US$/oz	814.0	-16.7%	1.7%
Palladium US$/oz	1,905.0	-0.8%	50.8%
Copper US$/lb	2.72	-2.4%	-10.8%
Nickel US$/lb	5.79	-8.6%	1.5%
Aluminium US$/lb	0.73	-10.1%	-12.7%
Zinc US$/lb	0.92	-10.7%	-25.0%
Lead US$/lb	0.80	-7.9%	-10.0%
Tin US$/lb	7.63	-2.1%	-21.4%
Uranium US$/lb	46.5	-1.1%	14.2%
Iron Ore (China 62% fines) US$/t	101.5	10.3%	-0.5%
Thermal Coal (Newcastle) US$/t	50.3	-22.6%	-31.1%
Met Coal US$/t	111.0	-43.5%	-32.8%
Lithium (Battery Grade China)	6,750	-27.0%	-39.4%
WTI (Cushing) US$/barrel	39.27	-32.6%	-35.1%

Sources: Datastream and Macquarie.

Dividend led rotation?

In recent reports we have emphasised and applauded the improved capital discipline across the sector, which today sees the sector with one of the strongest balance sheets globally, enabling the companies to offer an attractive dividend yield to investors. Since 2018 we have seen a step up in returns via dividends and last year we saw record dividends paid by BHP and Rio Tinto due to a combination of high iron ore prices and asset sales.

Given the dividend challenges faced by companies globally and especially in the UK, versus the market's ongoing desire for yield, we believe there is potential for investors who are desperately searching for income to increasingly look towards this sector for income. Should this come to pass it might trigger a rotation of capital from other sectors back into the mining shares and in turn compress the dividend yield premium that the mining sector trades on.

As we look towards the second half of the year, we remain broadly optimistic on the outlook for dividends particularly for the iron ore exposed diversified miners given the strength in prices year to date. The absolute level of dividends will be ultimately dictated by the underlying commodity prices. However, given balance sheet strength, the limited calls on growth capital and companies' strong commitment to adhere to their capital allocation strategies, we continue to believe the mining sector can deliver a healthy level of income for shareholders. To date, we have seen limited dividend cuts across the sector, with Glencore (not in the portfolio) cutting its dividend, Antofagasta reducing its announced dividend and Freeport-McMoRan Copper & Gold cutting its quarterly dividend in March, as the copper price bottomed. Conversely, we have seen strong dividend increases from a number of gold companies with Newmont Corporation raising its quarterly dividend by 79% and other smaller players doubling dividend payments. Today, the gold companies trade on modest dividend yields in absolute terms. However, given the increase in free cash flow generation this year, we look forward to higher distributions coming through and with fixed income returns setting a low bar maybe even a premium yield is reached.

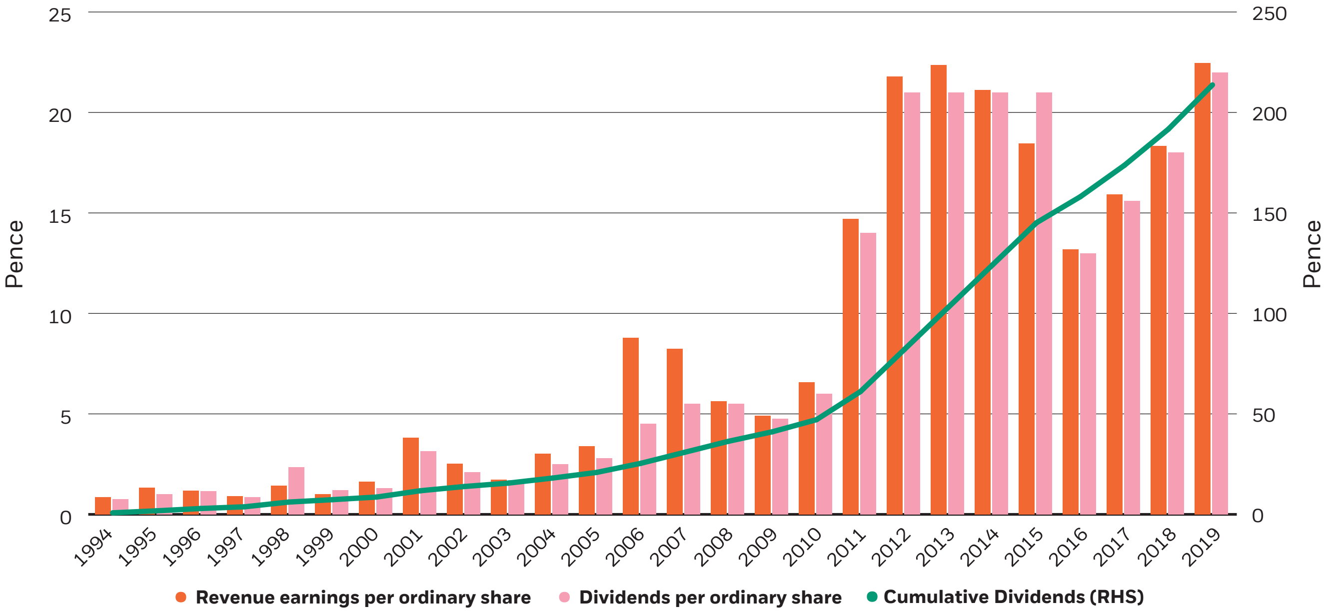
Growth and resource replenishment

Volume growth across the sector has been limited in recent years. However, we continue to selectively look for and invest in quality growth companies. The majority of the Company's growth focused investments are copper and gold producers given the need for additional supply to be added to these markets longer term. Key growth investments in the portfolio include Ero Copper, Ivanhoe Mines, Anglo American, Nickel Mines, Northern Star Resources and Teranga Gold.

Ero Copper, a Brazilian based copper producer, has been a standout investment for the Company, up almost 400% since its Initial Public Offering (IPO) in 2017. While the shares have traded down in the first half of 2020, Ero Copper continues to have exploration success, most

Contents

Long-term dividend chart



Source: BlackRock.

recently drilling its highest grade-meter intercept at the Pilar mine in the company's new 'Superpod' discovery – the Pilar Deepening Extension zone. Ero Copper continues to pursue its significant exploration programme, focused on existing assets and regional exploration, which has the potential to both increase production and extend mine life.

Another successful growth investment for the Company has been Nickel Mines, an Australian listed, Indonesian based nickel producer. In less than two years since its IPO, Nickel Mines has become a globally significant nickel producer with attributable nickel production of 35ktpa. During the first half of the year, the company exercised its right to increase its interest in two Rotary Kiln Electric Furnace (RKEF) projects to 80% raising A$231 million via a fully underwritten entitlement offer. This transformative transaction consolidates Nickel Mines' position as a Tier 1 global nickel producer.

Among the Company's larger holdings, Anglo American is actively pursuing growth targeting to increase copper production to circa 1Mt via the development of Quellaveco in Peru and is also studying an expansion of the Collahuasi Copper mine in Chile. In addition to copper, Anglo American has near-term growth in iron ore and metallurgical coal and in the first half of the year acquired the Woodsmith project via the acquisition of Sirius Minerals. Woodsmith is a longer-dated growth option for Anglo American which believes this has the potential to be a Tier 1 asset for the company with US$1.1 billion already invested in the project and all key permits in place.

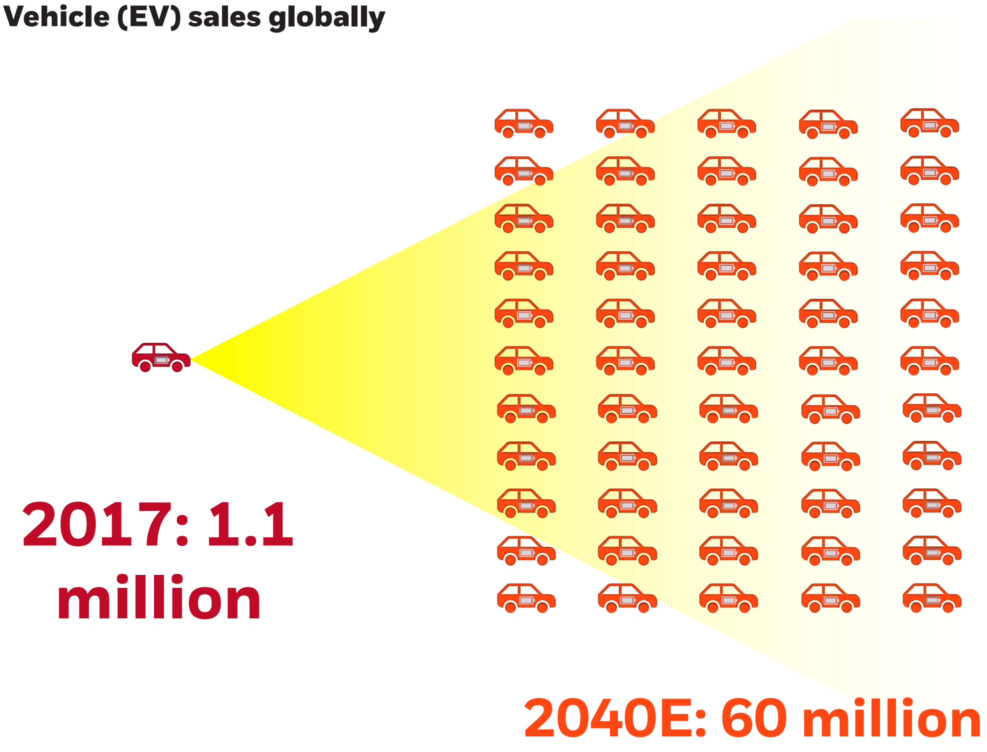
In addition to volume growth, companies that have successfully invested in exploration through the cycle and have sufficient asset quality to replenish reserves and resources, we believe will be strong outperformers in this next phase of the cycle. This is particularly prevalent amongst the gold companies given their shorter mine lives and greater need for reinvestment. There has been a resurgence in junior and mid-cap gold companies this year with a number of deals announced during the first half of 2020. In the Company, we have been able to take advantage of this via our holding in Teranga Gold which acquired the Massawa project from Barrick Gold, as well as Northern Star Resources which raised equity at the end of 2019 to acquire 50% of KCGM (the Superpit) from Newmont Mining. Northern Star Resources along with its joint venture partner at the asset, Saracen, will look to update the market on the longer-term potential of the asset in September, which has the potential to be a cornerstone asset for the company.

Sustainable metals

The shift towards electric vehicles (EVs) is one of the strongest trends we foresee. We expect a more than 10-fold increase in the size of the market by 2030, which creates growth opportunities for those companies supplying the materials that enable that transition.

Contents

Annual Electric Vehicle (EV) sales globally



Source: BlackRock and Bloomberg New Energy Finance estimates, 2019. There is no guarantee that any forecasts made will come to pass.

Transportation has been impacted by the COVID-19 pandemic given the significant restrictions imposed on the movement of individuals over recent months. The sale of new vehicles has been significantly affected, with passenger car sales falling 80% year-on-year at the trough in both China and Europe. Encouragingly, sales in China have rebounded sharply and there is evidence in China that the virus is encouraging people to favour car ownership in order to avoid the use of public transport.

Looking ahead, it is actually possible that the outlook for the theme has been strengthened by recent events. More importantly, we are seeing government stimulus focused on restarting economies post lockdown target sustainable themes, with EVs an important pillar of that, which has the potential to further accelerate the transport revolution. In Europe, for instance, the market share of EVs has increased every month so far this year and, overall, the year to date share of EVs is around 7%, which is more than double what it was in 2019.

In China, the government has extended its subsidies for EVs by two years. In Europe, France has increased its EV subsidies by over 15%. Germany has gone even further, announcing a doubling of its EV subsidy and a temporary reduction in VAT, and has mandated that refuelling stations install EV charging points. The decision by the German government to only introduce automotive support measures for EVs is an incredibly powerful message about the industry's future direction.

The main raw materials that go into EV batteries are cobalt, nickel and lithium. For cobalt we saw a price recovery, post a weak second half in 2019, with London Metal Exchange prices up by 12.9% in the first half of 2020. Last year Glencore acted to balance the cobalt market with a decision to suspend the Mutanda project in the Democratic Republic of Congo for two years, impacting 20% of global supply. In April, Glencore announced the acquisition of Katanga Mining from the minority equity holders, including the Company. This transaction was completed in June 2020.

Prices for lithium moved lower throughout the year, down 27% in the first half of 2020. As well as the tempered growth outlook, prices have been hit by increased supply of Australian lithium concentrate. Prices continue to be low enough for supply to be exiting the market and projects to be halted. In March 2020, we saw China's Tianqi Lithium postpone commissioning of their Australian lithium conversion project in Kwinana and we have also seen Albemarle cut capital expenditure and delay projects whilst preserving optionality. The Company exited Albemarle during the first half of the year, redeploying this capital into other opportunities. The Company continues to be exposed to lithium through its holdings in the Pilgangoora Bond and Neo Lithium. Another major battery metal is nickel where demand is likely to benefit from the increased penetration of EVs and thus demand for lithium batteries which contain nickel in the cathode of the battery.

2020 has seen growing excitement about the potential for hydrogen to disrupt the commercial vehicle market.

Compared to batteries, hydrogen and fuel cells offer better energy density, improved range and faster refuelling, giving them an inherent advantage in efforts to decarbonise the heavy truck market. That said, there are substantial hurdles to overcome, with costs needing to fall dramatically for the switch to be economic. We see the technology's long-term potential but believe that we are still in the early stages of its development. Technologies involving platinum are crucial to the adoption of hydrogen fuel cell and electrolyser technologies. The Company's positions in Impala Platinum, Northam Platinum, Anglo American and Norilsk Nickel provide exposure here.

Royalties and unquoted investments

The Company currently has one unquoted investment, the OZ Minerals Brazil Royalty representing 2.1% of the portfolio as at the end of June. The Company has an additional quoted royalty investment, the Vale Debentures, representing 3.3% of the portfolio, with total royalty investments equal to 5.4% of the portfolio. These, and any future investments, will be managed in line with the guidelines set by the Board, as outlined to shareholders in the Strategic Report in the Annual Report.

OZ Minerals Brazil Royalty Contract (2.1%)

In July 2014 the Company signed a binding royalty agreement with Avanco Minerals. The Company provided 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 produced from mines built on Avanco's Antas North and Pedra Branca licenses. In addition, there is a flat 2% royalty over all metals produced from any other discoveries within Avanco's license area as at the time of the agreement.

In 2018 we were delighted to report that Avanco was successfully acquired by OZ Minerals, an Australian based copper and gold producer for A$418 million, with the royalty now assumed by OZ Minerals. Since our initial US$12 million investment was made, we have received US$13.4 million in royalty payments, with the royalty achieving full payback on the initial investment. As at the end of June 2020, the royalty was valued at £16.8 million (2.1% of the portfolio) which equates to a 185.0% total return since our investment.

In November 2019, OZ Minerals approved the development of the Pedra Branca underground mine and released a feasibility study and mine plan detailing an eight year life of the mine. This mine will provide ore to the existing processing facilities at Antas from mid-2021. OZ Minerals has guided for the Antas North mine to be closed in 2021. The Pedra Branca mine is the first spoke in the Carajas Antas Hub strategy which OZ Minerals outlined in July 2019, a low risk, modest capital, hub strategy with processing infrastructure serving multiple small to mid-scale mines. Exploration activities continue in the Carajas region with OZ Minerals detailing an Exploration Target of 2.0 to 4.0 million tonnes at a grade of 3.1% to 5.0% copper at their Clovis Prospect, which is around 2km from Antas.

From a valuation perspective, last year's positive decision to mine on Pedra Branca resulted in a lower discount rate applied on the cash flow from this mine in the valuation, which offset the more conservative assumptions on the Pedra Branca mine. Since then the Antas mine operation, Pedra Branca development and royalty payments have continued to plan, with no material impact from the COVID-19 pandemic on production

Royalty payments from the OZ Minerals Brazil royalty contract have exceeded the initial investment

Source: BlackRock.

or costs. As such, the Directors have chosen to keep the value unchanged, save for the impact of royalty payments paid. An independent valuation of the royalty was also completed at the end of 2019.

Vale Debentures (3.3%)

At the beginning of 2019, the Company completed a significant transaction to increase its holding in Vale Debentures. The debentures consist of a 1.8% net revenue royalty over Vale's Northern System and Southeastern System iron ore assets in Brazil, as well as a 1.25% royalty over the Sossego copper mine. The iron ore assets are world class given their grade, cost position, infrastructure and resource life which is well in excess of 50 years. As at the end of June 2020, the portfolio's exposure to the Vale Debentures was 3.3%.

The iron ore market has been significantly altered following Vale's tragic tailings dam incident at the beginning of 2019. In 2019, Vale's production was circa 80Mt lower than initially forecast following the tailings dam failure and the requirement to suspend all upstream tailings dams. This saw the iron ore price increase by 28.1% in 2019, significantly above the market's expectation of prices. This year, the iron ore market has continued to remain tight with disappointing production volumes from Vale due to the heavy wet season in Brazil and rising COVID-19 risk in the country. This has seen the iron ore price average at US$92/t during the first half of 2020, well above estimates used when the deal was concluded to increase the holding two years ago.

Vale has provisioned US$4 billion (as at March 2020) for Brumadinho to restore the environment and communities impacted by the incident. However, it is important to note that this cost is not borne by the debentures as it is a revenue royalty with payments directly linked to the iron ore price. At present, the Vale Debentures are only making royalty payments from the Northern System, with a total dividend payment of R$2.32/debenture in 2019 (equivalent to US$172.8 million), of which R$1.30/debenture was received in the first half of 2020. Vale currently anticipates that royalty payments from the Southeastern System will commence in June 2024 versus previous guidance of 2023, due to the impact of Brumadinho.

Vale's Northern System is currently producing at 200Mt and forecast to grow to 230Mt once S11D ramps up, while the Southeastern System is currently operating at circa 70Mt and is expected to remain around this level. Vale has indicated that it is studying increasing production at the Northern System to further increase dry-processing operations and reduce its usage of tailings dams, which provides additional upside to our original expectations.

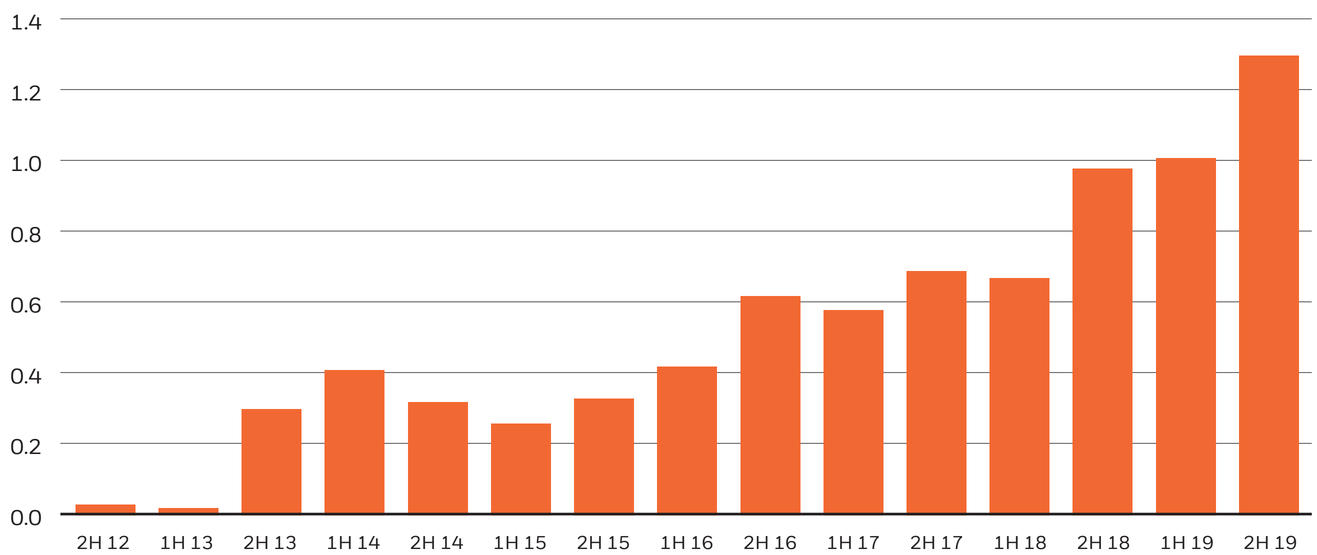
Whilst the Vale Debentures are a royalty, they are also a listed security on the Brazilian National Debentures System. However, shareholders should be aware that historically there has been a low level of liquidity in the debentures and price volatility is to be expected.

We continue to actively look for opportunities to grow royalty exposure, given it is a key differentiator of the Company and an effective mechanism to lock-in long-term income which further diversifies the Company's revenues.

Derivatives activity

The Company from time to time enters into derivatives contracts, mostly involving the sale of 'put' and 'call' options. These are taken to revenue and are subject to strict Board guidelines which limit their magnitude to an aggregate 10% of the portfolio.

Distribution on Vale Shareholders' Debentures



Source: Vale.

Unlike in previous periods of economic disruption, the mining sector has fared much better largely due to the time spent rebuilding the businesses post the 2015 low

In the first half of 2020 income generated from options was £4.4 million. During the period, the increase in market volatility presented a range of opportunities to monetise value for the Company and this resulted in a 40.4% increase in option income versus the first half of 2019. At the end of the period, the Company had 2.5% of net assets exposed to derivatives and the average exposure to derivatives during the period was once again less than 5%.

Gearing

At 30 June 2020, the Company had £97.1 million of net debt, with a gearing level of 9.8%. The debt is held principally in US dollar rolling short-term loans and managed against the value of the debt securities and the high yielding royalty positions in the Company. During the period, the underlying investments in fixed income securities evolved as some were reduced and one new position was added. Outside of this, total indebtedness has been reduced over the period due to the uncertainty in markets and the better returns available outside of the fixed income sector.

Outlook

Given the rapid response from central banks and governments, financial markets have reacted well to the support mechanisms put in place. The next phase is a balancing act between restarting the economy, whilst trying to minimise a sizable second wave virus outbreak. At the time of writing, the fiscal measures that have been announced are extremely supportive for growth and should the dollars be deployed in a reasonable time then industrial commodities are likely to benefit from this.

Unlike in previous periods of economic disruption, the mining sector has fared much better largely due to the time spent rebuilding the businesses post the 2015 low. With first half results highlighting the strong cash flows and decent yields, there is the prospect that those investors looking for quality equity income investments rotate into the resources sector allowing the consensus underweight positions to reduce. If this happens, the shares are likely to rerate towards historic multiples delivering material upside from current levels.

Historic data shows that the largest and most consistent contributor to total shareholder returns in the mining sector comes from dividends. With this in mind, it is the aim of the Company to maximise the opportunities to enhance the yield of the portfolio to allow the Company to deliver a superior total return for its shareholders through the cycle.

Evy Hambro and Olivia Markham
BlackRock Investment Management (UK) Limited
19 August 2020

Ten largest investments

1 ▶ **BHP** (2019: 1st)

Diversified mining company

Market value: £71,958,000
Share of investments: 8.8% (2019: 9.7%)

The world's largest diversified mining company by market capitalisation. The company is an important global player in a number of commodities including iron ore, copper, thermal and metallurgical coal, manganese, nickel, silver and diamonds. The company also has significant interests in oil, gas and liquefied natural gas.

2 ▲ **Vale[1,2]** (2019: 3rd)

Diversified mining company

Market value: £71,127,000
Share of investments: 8.7% (2019: 8.6%)

One of the largest mining companies in the world, with operations in 30 countries. Vale is the world's largest producer of iron ore and iron ore pellets and the world's largest producer of nickel. The company also produces manganese ore, ferroalloys, metallurgical and thermal coal, copper, platinum group metals, gold, silver and cobalt.

3 ▼ **Rio Tinto[3]** (2019: 2nd)

Diversified mining company

Market value: £68,161,000
Share of investments: 8.4% (2019: 9.3%)

One of the world's leading mining companies. The company's primary product is iron ore, but it also produces aluminium, copper, diamonds, gold, industrial minerals and energy products.

4 ▲ Barrick Gold (2019: 5th)

Gold producer

Market value: £61,430,000
Share of investments: 7.5% (2019: 4.4%)

Following the merger with Randgold Resources in 2018, Barrick Gold is the second largest gold company by market capitalisation and has operations and projects in fifteen countries across the world. In 2019 the company successfully established a joint venture with Newmont Corporation across their Nevada assets to maximise the synergies across both sets of assets.

5 ▲ Newmont Corporation (2019: 6th)

Gold producer

Market value: £60,042,000
Share of investments: 7.4% (2019: 4.4%)

Following the acquisition of Goldcorp in the first half of 2019, Newmont Corporation is the world's largest gold producer by market capitalisation. The company has gold and copper operations on five continents, with active gold mines in Nevada, Australia, Ghana, Peru and Suriname.

6 ▼ Anglo American (2019: 4th)

Diversified mining company

Market value: £48,505,000
Share of investments: 5.9% (2019: 6.1%)

A global mining company. The company's mining portfolio includes bulk commodities including iron ore, manganese and metallurgical coal, base metals including copper, nickel and precious metals and minerals including platinum and diamonds. Anglo American has mining operations globally, with significant assets in Africa and South America.

7 ▲ Wheaton Precious Metals (2019: 9th)

Gold streaming company

Market value: £37,001,000
Share of investments: 4.5% (2019: 3.7%)

A precious metals streaming company that purchases silver and gold production from mines that it does not own and operate. The company has streaming agreements with 22 operating mines worldwide including Newmont Corporation's Penasquito, HudBay's Constancia and Vale's Salobo and Sudbury mines.

8 ▲ OZ Minerals[2,4] (2019: 10th)

Copper producer

Market value: £29,277,000
Share of investments: 3.6% (2019: 3.3%)

An Australian based mining company, with a primary focus on copper. The company owns and operates the high-quality Prominent Hill copper-gold mine and the Carrapateena advanced exploration copper-gold project, both situated in South Australia. In 2018 OZ Minerals successfully acquired Avanco Resources, with the Company's royalty assumed by OZ Minerals.

9 ▲ Freeport-McMoRan Copper & Gold[3] (2019: 16th)

Copper producer

Market value: £28,474,000
Share of investments: 3.5% (2019: 2.2%)

A leading international mining company headquartered in Arizona. The company operates long-lived geographically diverse assets with reserves of copper, gold and molybdenum. The company's portfolio of assets includes one of the world's largest copper and gold deposits within the Grasberg minerals district in Indonesia, as well as mining operations in the Americas.

10 ▲ Franco-Nevada (2019: 11th)

Gold company

Market value: £28,310,000
Share of investments: 3.5% (2019: 2.8%)

A gold focused royalty investment company which aims for 80% of revenue from precious metal royalties and 20% from oil and natural gas, mostly located in geopolitically secure countries. In total, Franco-Nevada owns more than 300 royalty interests that span a range of commodities and stages of development.

1 Includes fixed income securities.
2 Includes investments held at Directors' valuation.
3 Includes options.
4 Includes mining royalty contract.

All percentages reflect the value of the holding as a percentage of total investments. Together, the ten largest investments represent 61.8% of total investments (ten largest investments as at 31 December 2019: 57.4%). Amounts in the table above are shown in pounds sterling.

Investments

as at 30 June 2020

	Main geographical exposure	Market value £'000	% of investments
Gold			
Barrick Gold	Global	61,430	7.5
Newmont Corporation	Global	60,042	7.4
Wheaton Precious Metals	Global	37,001	4.5
Franco-Nevada	Global	28,310	3.5
Northern Star Resources	Australasia	16,850	2.1
Polymetal International	Russia	13,302	1.6
Agnico Eagle Mines	Canada	11,454	1.4
B2Gold	Canada	11,454	1.4
Polyus	Russia	11,169	1.4
Teranga Gold	Other Africa	8,676	1.1
Gold Fields	South Africa	6,519	0.8
Alamos Gold	Latin America	5,915	0.7
Kinross Gold	Global	4,142	0.5
Evolution Mining	Global	3,991	0.5
Kirkland Lake Gold	Australasia	3,743	0.5
Shanta Gold Convertible*	Other Africa	1,498	0.2
Pretium Resources	Canada	936	0.1
Carawine Resources+	Australasia	1	–
		286,433	**35.2**
Diversified			
BHP	Global	71,958	8.8
Vale	Global	43,823	5.4
Vale 0% Debentures*#	Latin America	27,304	3.3
Rio Tinto	Global	68,379	8.4
Rio Tinto Call Option 17/07/20 £46	Global	(218)	-
Anglo American	Global	48,505	5.9
Teck Resources	Global	11,739	1.4
		271,490	**33.2**
Copper			
OZ Minerals Brazil Royalty#~	Latin America	16,805	2.1
OZ Minerals	Global	12,472	1.5
Freeport-McMoRan Copper & Gold	Global	28,681	3.5
Freeport-McMoRan Copper & Gold Put Option 17/07/20 US$11	Global	(207)	-
First Quantum Minerals*	Global	23,061	2.8
Sociedad Minera Cerro Verde	Latin America	22,852	2.8
Lundin Mining	Global	14,220	1.7
Ero Copper	Latin America	9,737	1.2
Ivanhoe Mines	Other Africa	6,971	0.8
Antofagasta	Latin America	6,425	0.8
Nevada Copper	USA	3,522	0.4
SolGold	Latin America	3,049	0.4
		147,588	**18.0**

	Main geographical exposure	Market value £'000	% of investments
Nickel			
Norilsk Nickel	Russia	18,935	2.3
Nickel Mines	Indonesia	8,955	1.1
Bindura Nickel	Other Africa	175	–
		28,065	**3.4**
Industrial Minerals			
Iluka Resources	Global	10,963	1.3
Pilgangoora*	Australasia	7,625	0.9
Umicore	Global	5,377	0.7
Sheffield Resources	Australasia	1,605	0.2
Neo Lithium	Latin America	547	0.1
Australian Carbon	Australasia	–	–
		26,117	**3.2**
Platinum Group Metals			
Impala Platinum	South Africa	9,532	1.2
Northam Platinum	South Africa	9,232	1.1
		18,764	**2.3**
Steel			
ArcelorMittal*	Global	14,670	1.8
Steel Dynamics	USA	3,377	0.4
		18,047	**2.2**
Iron ore			
Labrador Iron	Canada	14,634	1.8
Equatorial Resources	Other Africa	451	0.1
		15,085	**1.9**
Silver & Diamonds			
Sierra Metals	Latin America	1,477	0.2
Petra Diamonds*	South Africa	1,155	0.1
		2,632	**0.3**
Aluminium			
Metro Mining	Australasia	1,233	0.2
		1,233	**0.2**
Zinc			
Titan Mining	USA	718	0.1
		718	**0.1**
Portfolio		**816,172**	**100.0**
Comprising			
– Investments		816,597	100.1
– Written options		(425)	(0.1)
		816,172	**100.0**

* Includes fixed income securities.
\+ Includes warrant investments.
\# Includes investments held at Directors' valuation.
~ Mining royalty contract.

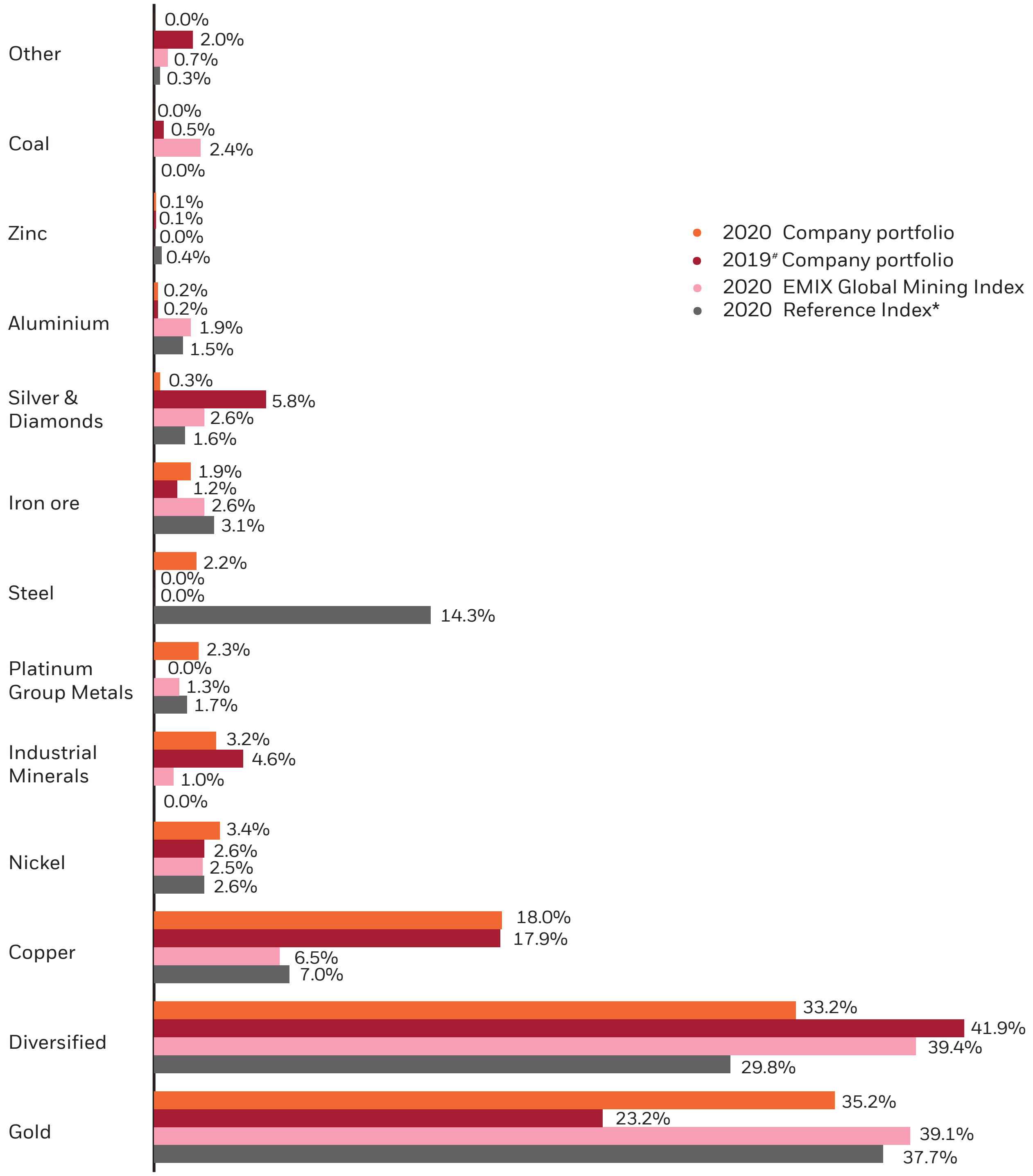
All investments are in equity shares unless otherwise stated. The total number of investments as at 30 June 2020 (including options classified as liabilities on the balance sheet) was 56 (31 December 2019: 65). As at 30 June 2020 the Company held equity interests in three companies comprising more than 3% of a company's share capital as follows: Nevada Copper, Sheffield Resources and Titan Mining.

Contents

Portfolio analysis

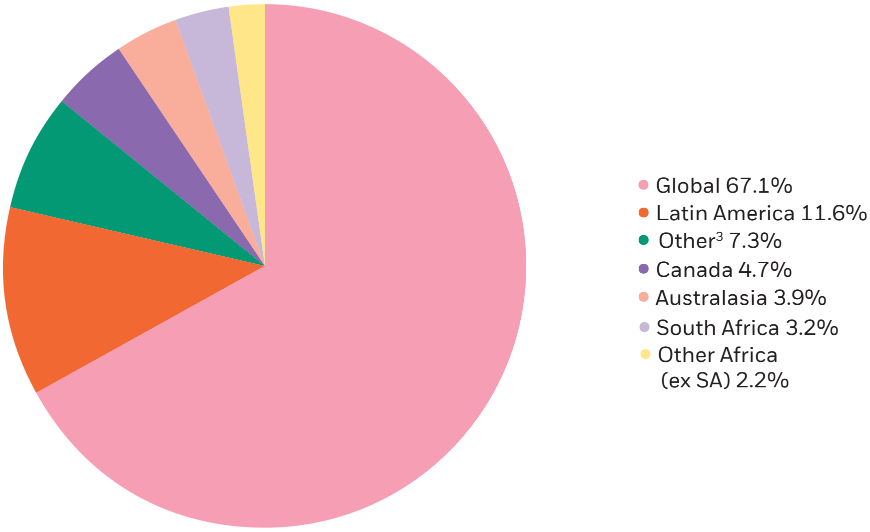
as at 30 June 2020

Commodity Exposure[1]

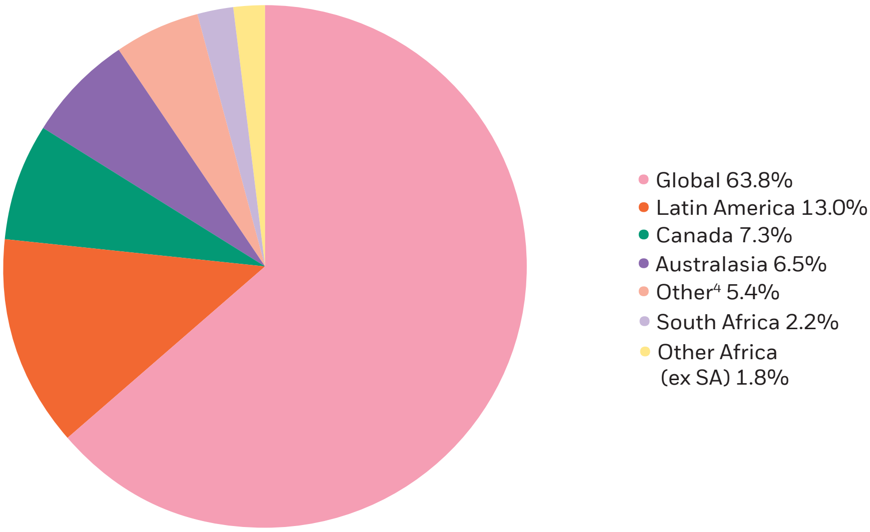


Geographical Exposure[2]

2020



2019#



[1] Based on index classifications.
[2] Based on the principal commodity exposure and place of operation of each investment.
[3] Consists of Indonesia, Russia and USA.
[4] Consists of Indonesia, Kazakhstan, Russia, Sweden, United Kingdom and USA.
Represents exposure as at 31 December 2019.
* MSCI ACWI Metals & Mining 30% Buffer 10/40 Index.

Interim Management Report and Responsibility Statement

The Chairman's Statement on pages 3 and 4 and the Investment Manager's Report on pages 5 to 13 give details of the important events which have occurred during the period and their impact on the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks faced by the Company can be divided into various areas as follows:

- Counterparty;
- Investment performance;
- Legal & Compliance;
- Market;
- Operational;
- Financial;
- Marketing; and
- Securities lending.

The Board reported on the principal risks and uncertainties faced by the Company in the Annual Report and Financial Statements for the year ended 31 December 2019. A detailed explanation can be found in the Strategic Report on pages 44 to 46 and note 18 on pages 99 to 115 of the Annual Report and Financial Statements which is available on the website maintained by BlackRock at www.blackrock.com/uk/brwm.

In the view of the Board, the outbreak of an infectious respiratory illness caused by a novel coronavirus known as COVID-19, that was first detected in China in December 2019 and has developed into a global pandemic, has fundamentally altered the nature of the risks reported in the Annual Report and Financial Statements. The coronavirus has resulted in travel restrictions, closed international borders, enhanced health screenings at ports of entry and elsewhere, disruption of and delays in healthcare service preparation and delivery, prolonged quarantines, cancellations, supply chain disruptions, and lower consumer demand, as well as general concern and uncertainty. The impact of COVID-19 has adversely affected the economies of many nations across the entire global economy, individual issuers and capital markets, and could continue to an extent that cannot necessarily be foreseen. In addition, the impact of infectious illnesses in emerging market countries may be greater due to generally less established healthcare systems. Public health crises caused by the COVID-19 outbreak may exacerbate other pre-existing political, social and economic risks in certain countries or globally. The duration of the COVID-19 outbreak and its effects cannot be determined with certainty.

In the view of the Board, with the exception of COVID-19, there have not been any changes to the fundamental nature of the risks set out in the Annual Report and these principal risks and uncertainties are equally applicable to the remaining six months of the financial year as they were to the six months under review. The Board recognises the benefits of a closed-end structure in extremely volatile markets such as those experienced during the COVID-19 pandemic. Unlike open ended counterparts, closed-end funds are not obliged to sell down portfolio holdings at low valuations to meet liquidity requirements for redemptions. During times of elevated volatility and market stress, the ability of the closed-end structure to remain invested for the long term enables the Portfolio Managers to adhere to disciplined fundamental analysis from a bottom-up perspective and be ready to respond to dislocations in the market as opportunities present themselves.

Going concern

The Board is mindful of the uncertainty surrounding the potential duration of the COVID-19 pandemic and its impact on the global economy, the Company's assets and the potential for the level of revenue derived from the portfolio to reduce versus the prior year. The Portfolio Managers will continue to review the composition of the Company's portfolio and to be pro-active in taking investment decisions as necessary.

The Directors, having considered the nature and liquidity of the portfolio, the Company's investment objective and the Company's projected income and expenditure, are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and is financially sound. The Board believes that the Company and its key third party service providers have in place appropriate business continuity plans and these services have continued to be supplied without interruption throughout the COVID-19 pandemic.

The Company has a portfolio of investments which are predominantly readily realisable and is able to meet all of its liabilities from its assets and income generated from these assets. Accounting revenue and expense forecasts are maintained and reported to the Board regularly and it is expected that the Company will be able to meet all its obligations. Borrowings under the overdraft and revolving credit facilities shall at no time exceed £180 million or 25% of the Group's net asset value (whichever is the lower) and this covenant was complied with during the period. Based on the above, the Board is satisfied that it is appropriate to continue to adopt the going concern basis in preparing the financial statements. Ongoing charges (excluding finance costs, direct transaction costs, custody transaction charges, non-recurring charges and taxation) for the year ended 31 December 2019 were approximately 1.02% of net assets.

Related party disclosure and transactions with the AIFM and Investment Manager

BlackRock Fund Managers Limited (BFM) was appointed as the Company's Alternative Investment Fund Manager (AIFM) with effect from 2 July 2014. BFM has (with the Company's consent) delegated certain portfolio and risk management services, and other ancillary services, to BlackRock Investment Management (UK) Limited (BIM (UK)). Both BFM and BIM (UK) are regarded as related parties under the Listing Rules. Details of the management and marketing fees payable are set out in notes 4 and 5 respectively on pages 28 and 29 and note 12 on page 35.

The related party transactions with the Directors are set out in note 13 on page 36.

Directors' responsibility statement

The Disclosure Guidance and Transparency Rules (DTR) of the UK Listing Authority require the Directors to confirm their responsibilities in relation to the preparation and publication of the Interim Management Report and Financial Statements.

The Directors confirm to the best of their knowledge that:

- the condensed set of financial statements contained within the half yearly financial report has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting'; and
- the Interim Management Report, together with the Chairman's Statement and Investment Manager's Report, include a fair review of the information required by 4.2.7R and 4.2.8R of the FCA's Disclosure Guidance and Transparency Rules.

This half yearly financial report has been reviewed by the Company's auditors and their report is set out on page 38.

The half yearly financial report was approved by the Board on 19 August 2020 and the above responsibility statement was signed on its behalf by the Chairman.

David Cheyne
For and on behalf of the Board
19 August 2020

Consolidated statement of comprehensive income

for the six months ended 30 June 2020

		Six months ended 30 June 2020 (unaudited)			Six months ended 30 June 2019 (unaudited)			Year ended 31 December 2019 (audited)		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income from investments held at fair value through profit or loss	3	14,923	–	14,923	20,677	–	20,677	40,880	–	40,880
Other income	3	3,335	–	3,335	3,100	–	3,100	5,634	–	5,634
Total income		**18,258**	**–**	**18,258**	**23,777**	**-**	**23,777**	**46,514**	**–**	**46,514**
Net profit on investments and derivatives held at fair value through profit or loss		–	8,902	8,902	–	98,159	98,159	-	77,517	77,517
Net (loss)/profit on foreign exchange		–	(6,896)	(6,896)	–	(214)	(214)	-	3,230	3,230
Total		**18,258**	**2,006**	**20,264**	**23,777**	**97,945**	**121,722**	**46,514**	**80,747**	**127,261**
Expenses										
Investment management fee	4	(623)	(1,980)	(2,603)	(793)	(2,491)	(3,284)	(1,564)	(4,916)	(6,480)
Other operating expenses	5	(471)	(13)	(484)	(517)	(8)	(525)	(1,030)	(20)	(1,050)
Total operating expenses		**(1,094)**	**(1,993)**	**(3,087)**	**(1,310)**	**(2,499)**	**(3,809)**	**(2,594)**	**(4,936)**	**(7,530)**
Net profit on ordinary activities before finance costs and taxation		**17,164**	**13**	**17,177**	**22,467**	**95,446**	**117,913**	**43,920**	**75,811**	**119,731**
Finance costs	6	(280)	(827)	(1,107)	(471)	(1,404)	(1,875)	(896)	(2,683)	(3,579)
Net profit/(loss) on ordinary activities before taxation		**16,884**	**(814)**	**16,070**	**21,996**	**94,042**	**116,038**	**43,024**	**73,128**	**116,152**
Taxation		(1,542)	510	(1,032)	(1,836)	697	(1,139)	(3,463)	1,377	(2,086)
Profit/(loss) for the period	8	**15,342**	**(304)**	**15,038**	**20,160**	**94,739**	**114,899**	**39,561**	**74,505**	**114,066**
Earnings/(loss) per ordinary share (pence)	8	**8.82**	**(0.17)**	**8.65**	**11.43**	**53.73**	**65.16**	**22.46**	**42.30**	**64.76**

The total column of this statement represents the Group's Consolidated Statement of Comprehensive Income, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). 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 period. All income is attributable to the equity holders of the Group.

The Group does not have any other comprehensive income/(loss). The net profit/(loss) for the period disclosed above represents the Group's total comprehensive income/(loss).

Consolidated statement of changes in equity

for the six months ended 30 June 2020

	Note	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
For the six months ended 30 June 2020 (unaudited)								
At 31 December 2019		9,651	127,155	22,779	108,601	447,806	41,118	757,110
Total comprehensive income:								
Net (loss)/profit for the period		–	–	–	–	(304)	15,342	15,038
Transactions with owners, recorded directly to equity:								
Ordinary shares purchased into treasury		–	–	–	(4,363)	–	–	(4,363)
Share purchase costs		–	–	–	(37)	–	–	(37)
Dividends paid[1]	7	–	–	–	–	–	(24,305)	(24,305)
At 30 June 2020		**9,651**	**127,155**	**22,779**	**104,201**	**447,502**	**32,155**	**743,443**
For the six months ended 30 June 2019 (unaudited)								
At 31 December 2018		9,651	127,155	22,779	114,147	373,301	38,562	685,595
Total comprehensive income:								
Net profit for the period		–	–	–	–	94,739	20,160	114,899
Transactions with owners, recorded directly to equity:								
Dividends paid[2]	7	–	–	–	–	–	(22,923)	(22,923)
At 30 June 2019		**9,651**	**127,155**	**22,779**	**114,147**	**468,040**	**35,799**	**777,571**
For the year ended 31 December 2019 (audited)								
At 31 December 2018		9,651	127,155	22,779	114,147	373,301	38,562	685,595
Total comprehensive income:								
Net profit for the year		–	–	–	–	74,505	39,561	114,066
Transactions with owners, recorded directly to equity:								
Ordinary shares purchased into treasury		–	–	–	(5,512)	–	–	(5,512)
Share purchase costs		–	–	–	(34)	–	–	(34)
Dividends paid[3]	7	–	–	–	–	–	(37,005)	(37,005)
At 31 December 2019		**9,651**	**127,155**	**22,779**	**108,601**	**447,806**	**41,118**	**757,110**

[1] The final dividend for the year ended 31 December 2019 of 10.00p per share, declared on 27 February 2020 and paid on 7 May 2020, and 1st quarterly interim dividend for the year ended 31 December 2020 of 4.00p per share, declared on 30 April 2020 and paid on 26 June 2020.

[2] The final dividend for the year ended 31 December 2018 of 9.00p per share, declared on 28 February 2019 and paid on 10 May 2019, and 1st quarterly interim dividend for the year ended 31 December 2019 of 4.00p per share, declared on 2 May 2019 and paid on 28 June 2019.

[3] The final dividend of 9.00p per share for the year ended 31 December 2018, declared on 28 February 2019 and paid on 10 May 2019; 1st quarterly interim dividend of 4.00p per share for the year ended 31 December 2019, declared on 2 May 2019 and paid on 28 June 2019; 2nd quarterly interim dividend of 4.00p per share for the year ended 31 December 2019, declared on 20 August 2019 and paid on 1 October 2019; and 3rd quarterly interim dividend of 4.00p per share for the year ended 31 December 2019, declared on 14 November 2019 and paid on 20 December 2019.

The transaction costs relating to the acquisition and disposal of investments amounted to £248,000 and £140,000 respectively for the six months ended 30 June 2020 (six months ended 30 June 2019: £309,000 and £198,000; year ended 31 December 2019: £868,000 and £323,000). All transaction costs have been included within the capital reserve.

The share premium account and capital redemption reserve are not distributable profits under the Companies Act 2006. The special reserve may be used as distributable profits for all purposes and, in particular, for the repurchase by the Company of its ordinary shares and for payment as dividends. In accordance with the Company's Articles of Association, net capital reserves may be distributed by way of dividend.

Consolidated statement of financial position

as at 30 June 2020

	Notes	30 June 2020 (unaudited) £'000	30 June 2019 (unaudited) £'000	31 December 2019 (audited) £'000
Non current assets				
Investments held at fair value through profit or loss	10	816,597	850,937	845,777
Current assets				
Other receivables		7,679	5,585	4,626
Cash collateral held with brokers		1,614	1,144	431
Cash and cash equivalents		24,182	39,888	1,399
Total current assets		**33,475**	**46,617**	**6,456**
Total assets		**850,072**	**897,554**	**852,233**
Current liabilities				
Other payables		(8,981)	(5,238)	(4,003)
Derivative financial liabilities held at fair value through profit or loss	10	(425)	(337)	(314)
Bank overdraft		–	–	(99)
Bank loans		(97,119)	(114,288)	(90,583)
Total current liabilities		**(106,525)**	**(119,863)**	**(94,999)**
Total assets less current liabilities		**743,547**	**777,691**	**757,234**
Non current liabilities				
Deferred taxation liability		(104)	(120)	(124)
Net assets		**743,443**	**777,571**	**757,110**
Equity attributable to equity holders				
Called up share capital	9	9,651	9,651	9,651
Share premium account		127,155	127,155	127,155
Capital redemption reserve		22,779	22,779	22,779
Special reserve		104,201	114,147	108,601
Capital reserves		447,502	468,040	447,806
Revenue reserve		32,155	35,799	41,118
Total equity		**743,443**	**777,571**	**757,110**
Net asset value per ordinary share (pence)	8	**428.24**	**440.97**	**433.17**

Consolidated cash flow statement

for the six months ended 30 June 2020

	Six months ended 30 June 2020 (unaudited) £'000	Six months ended 30 June 2019 (unaudited) £'000	Year ended 31 December 2019 (audited) £'000
Operating activities			
Net profit on ordinary activities before taxation	16,070	116,038	116,152
Add back finance costs	1,107	1,875	3,579
Net profit on investments and options held at fair value through profit or loss (including transaction costs)	(8,902)	(98,159)	(76,960)
Net loss/(profit) on foreign exchange	6,896	214	(3,230)
Sales of investments and derivatives held at fair value through profit or loss	198,078	215,998	377,210
Purchases of investments and derivatives held at fair value through profit or loss	(159,051)	(190,008)	(367,499)
Decrease/(increase) in other receivables	692	(321)	(2,058)
(Decrease)/increase in other payables	(1,038)	(122)	268
Increase in amounts due from brokers	(3,649)	(2,907)	(118)
Increase/(decrease) in amounts due to brokers	6,308	(11,632)	(13,713)
Net movement in cash collateral held with brokers	(1,183)	(494)	219
Net cash inflow from operating activities before interest and taxation	**55,328**	**30,482**	**33,850**
Taxation paid	(696)	(659)	(2,035)
Taxation on investment income included within gross income	(668)	(495)	(124)
Net cash inflow from operating activities	**53,964**	**29,328**	**31,691**
Financing activities			
Drawdown of loans	-	-	(20,000)
Interest paid	(1,135)	(1,871)	(3,815)
Shares purchased into treasury*	(5,245)	-	(4,632)
Share purchase costs paid	(37)	-	(32)
Dividends paid	(24,305)	(22,923)	(37,005)
Net cash outflow from financing activities	**(30,722)**	**(24,794)**	**(65,484)**
Increase/(decrease) in cash and cash equivalents	**23,242**	**4,534**	**(33,793)**
Cash and cash equivalents at start of the period	1,300	35,501	35,501
Effect of foreign exchange rate changes	(360)	(147)	(408)
Cash and cash equivalents at end of period	**24,182**	**39,888**	**1,300**
Comprised of:			
Cash at bank	24,182	39,888	1,399
Bank overdraft	-	-	(99)
	24,182	**39,888**	**1,300**

* Includes payment of £0.88m made on settlement of share buybacks on 30 December 2019 and 31 December 2019.

Notes to the financial statements

for the six months ended 30 June 2020

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. Basis of preparation

The half yearly financial statements for the period ended 30 June 2020 have been prepared in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the Financial Conduct Authority and with International Accounting Standard 34 (IAS 34), 'Interim Financial Reporting', as adopted by the European Union (EU). The half yearly financial statements should be read in conjunction with the Company's Annual Report and Financial Statements for the year ended 31 December 2019, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006 and in accordance with IAS 34 Interim Financial Reporting.

Insofar as the Statement of Recommended Practice (SORP) for investment trust companies and venture capital trusts, issued by the Association of Investment Companies (AIC) in October 2019, is compatible with IFRS, the financial statements have been prepared in accordance with guidance set out in the SORP.

Adoption of new and amended standards and interpretations

Amendments to IFRS 3 – Definition of a business (effective 1 January 2020). This amendment revised the definition of a business.

This standard did not have any impact on the Group.

Amendments to IAS 1 and IAS 8 – Definition of material (effective 1 January 2020). The amendments to IAS 1, 'Presentation of Financial Statements', and IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', and consequential amendments to other IFRSs required companies to:

(i) use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting;

(ii) clarify the explanation of the definition of material; and

(iii) incorporate some of the guidance of IAS 1 about immaterial information.

This standard did not have any impact on the Group.

Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest rate benchmark reform (effective 1 January 2020). These amendments provided certain reliefs in connection with the interest rate benchmark reform. These reliefs relate to hedge accounting and have the effect that the Inter Bank Offer Rate (IBOR) reform should not cause hedge accounting to terminate.

This standard did not have any impact on the Group.

IFRS standards that have yet to be adopted

IFRS 17 – Insurance contracts (effective 1 January 2021). This standard replaces IFRS 4, which currently permits a wide range of accounting practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features. The standard has not been endorsed by the EU.

This standard is unlikely to have any impact on the Group as it has no insurance contracts.

3. Income

	Six months ended 30 June 2020 (unaudited) £'000	Six months ended 30 June 2019 (unaudited) £'000	Year ended 31 December 2019 (audited) £'000
Investment income:			
UK dividends	7,131	4,660	11,817
UK special dividends	-	3,283	4,402
Overseas dividends	3,985	4,584	11,394
Overseas special dividends	296	1,663	2,249
Income from contractual rights (OZ Minerals Royalty)	723	795	1,541
Income from Vale debentures	1,248	2,252	3,708
Income from fixed interest investments	1,646	3,440	5,769
Less provision for doubtful debts	(106)	–	–
	14,923	**20,677**	**40,880**
Other income:			
Option premium income	4,446	3,166	6,008
Deposit interest	2	56	106
Stock lending income	15	56	77
Loss on investment dealing in the subsidiary	(1,128)	(178)	(557)
	3,335	**3,100**	**5,634**
Total income	**18,258**	**23,777**	**46,514**

During the period, the Group received option premium income in cash totalling £4,611,000 (six months ended 30 June 2019: £3,002,000; year ended 31 December 2019: £5,986,000) for writing put and covered call options for the purposes of revenue generation.

Option premium income is amortised evenly over the life of the option contract and accordingly, during the period, option premiums of £4,446,000 (six months ended 30 June 2019: £3,166,000; year ended 31 December 2019: £6,008,000) were amortised to revenue.

At 30 June 2020 there were two open positions (30 June 2019: one; 31 December 2019: five) with an associated liability of £425,000 (30 June 2019: £337,000; 31 December 2019: £314,000).

Dividends and interest received in cash in the six months ended 30 June 2020 amounted to £12,758,000 and £1,516,000 (six months ended 30 June 2019: £14,366,000 and £4,312,000; year ended 31 December 2019: £27,581,000 and £8,252,000) respectively.

Special dividends of £34,000 have been recognised in capital for the six months ended 30 June 2020 (six months ended 30 June 2019: £5,229,000; year ended 31 December 2019: £5,229,000).

Notes to the financial statements

continued

4. Investment management fee

	Six months ended 30 June 2020 (unaudited)			Six months ended 30 June 2019 (unaudited)			Year ended 31 December 2019 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	623	1,980	2,603	793	2,491	3,284	1,564	4,916	6,480
Total	**623**	**1,980**	**2,603**	**793**	**2,491**	**3,284**	**1,564**	**4,916**	**6,480**

The investment management fee (which includes all services provided by BlackRock) is 0.8% of the Company's net assets. However, in the event that the NAV per share increases on a quarter-on-quarter basis, the fee will then be paid on gross assets for the quarter. During the period £2,490,000 (30 June 2019: £2,948,000; 31 December 2019: £5,888,000) of the investment management fee was generated from net assets and £113,000 (30 June 2019: £336,000; 31 December 2019: £592,000) from the gearing effect on gross assets due to the quarter-on-quarter increase in the NAV per share for the period as set out below:

Quarter end	Cum income NAV per share (pence)	Quarterly increase/ (decrease) %	Gearing effect on management fees (£'000)
31 December 2019	433.17	–	–
31 March 2020	307.48	(29.0)	–
30 June 2020	428.24	+39.3	113

The daily average of the net assets under management during the period ended 30 June 2020 was £672,597,000 (30 June 2019: £727,181,000; 31 December 2019: £733,356,000).

The fee is allocated 25% to the revenue column and 75% to the capital column of the Consolidated Statement of Comprehensive Income.

5. Other operating expenses

	Six months ended 30 June 2020 (unaudited) £'000	Six months ended 30 June 2019 (unaudited) £'000	Year ended 31 December 2019 (audited) £'000
Allocated to revenue			
Custody fee	48	55	114
Auditors' remuneration:			
– audit services	18	18	36
– non-audit services	6	6	7
Registrar's fee	43	42	88
Directors' emoluments	94	95	190
AIC fees	12	11	22
Broker fees	12	11	24
Depositary fees	37	34	63
FCA fee	9	9	18
Directors' insurance	7	7	14
Marketing fees	64	61	159
Stock exchange fees	10	10	19
Legal and professional fees	26	38	43
Bank facility fees	36	38	75
Directors' search fees	13	–	26
Printing and postage costs	20	25	45
Other administration costs	16	57	87
	471	**517**	**1,030**
Allocated to capital			
Custody transaction charges	13	8	20
	484	**525**	**1,050**

6. Finance costs

	Six months ended 30 June 2020 (unaudited)			Six months ended 30 June 2019 (unaudited)			Year ended 31 December 2019 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Interest on bank loans	278	823	1,101	470	1,402	1,872	889	2,662	3,551
Interest payable – bank overdraft	2	4	6	1	2	3	7	21	28
Total	**280**	**827**	**1,107**	**471**	**1,404**	**1,875**	**896**	**2,683**	**3,579**

Finance costs are charged 25% to the revenue column and 75% to the capital column of the Consolidated Statement of Comprehensive Income.

Notes to the financial statements

continued

7. Dividends

The final dividend of 10.00p per share for the year ended 31 December 2019 was paid on 7 May 2020. The Board has declared a first quarterly interim dividend of 4.00p per share for the quarter ended 31 March 2020, paid on 26 June 2020 to shareholders on the register on 29 May 2020. Dividends are debited directly to reserves.

The Board has declared a second quarterly interim dividend of 4.00p per share for the quarter ended 30 June 2020 which will be paid on 25 September 2020 to shareholders on the register on 28 August 2020. This dividend has not been accrued in the financial statements for the six months ended 30 June 2020 as, under IFRS, interim dividends are not recognised until paid.

Dividends on equity shares paid during the period were:

	Six months ended 30 June 2020 (unaudited) £'000	**Six months ended 30 June 2019 (unaudited) £'000**	**Year ended 31 December 2019 (audited) £'000**
Final dividend for the year ended 31 December 2019 of 10.00p per share (2018: 9.00p)	17,361	15,870	15,870
First quarterly interim dividend for the year ending 31 December 2020 of 4.00p per share (2019: 4.00p)	6,944	7,053	7,053
Second quarterly interim dividend for the year ended 31 December 2019 of 4.00p per share (2018: 3.00p)	–	–	7,052
Third quarterly interim dividend for the year ended 31 December 2019 of 4.00p per share (2018: 3.00p)	–	–	7,030
	24,305	**22,923**	**37,005**

8. Consolidated earnings and net asset value per ordinary share

Total revenue and capital returns per share are shown below and have been calculated using the following:

	Six months ended 30 June 2020 (unaudited)	Six months ended 30 June 2019 (unaudited)	Year ended 31 December 2019 (audited)
Net revenue profit attributable to ordinary shareholders (£'000)	15,342	20,160	39,561
Net capital (loss)/profit attributable to ordinary shareholders (£'000)	(304)	94,739	74,505
Total profit attributable to ordinary shareholders (£'000)	**15,038**	**114,899**	**114,066**
Equity shareholders' funds (£'000)	**743,443**	**777,571**	**757,110**
The weighted average number of ordinary shares in issue during each period, on which the return per ordinary share was calculated was:	173,906,653	176,330,242	176,135,318
The actual number of ordinary shares in issue (excluding treasury shares) at the period end, on which the net asset value was calculated was:	173,605,020	176,330,242	174,784,727
Earnings per share			
Revenue earnings per share (pence)	8.82	11.43	22.46
Capital (loss)/profit per share (pence)	(0.17)	53.73	42.30
Total profit per share (pence)	**8.65**	**65.16**	**64.76**

	As at 30 June 2020 (unaudited)	As at 30 June 2019 (unaudited)	As at 31 December 2019 (audited)
Net asset value per ordinary share (pence)	428.24	440.97	433.17
Ordinary share price (pence)	376.00	375.50	383.00

There were no dilutive securities at the period end.

9. Called up share capital

	Number of Ordinary shares	Treasury shares	Total shares	Nominal value £'000
Allotted, called up and fully paid share capital comprised:				
Ordinary shares of 5p each				
At 31 December 2019	174,784,727	18,227,115	193,011,842	9,651
Shares purchased into treasury	(1,179,707)	1,179,707	-	-
At 30 June 2020	173,605,020	19,406,822	193,011,842	9,651

During the period to 30 June 2020, 1,179,707 shares were bought back and transferred to treasury for a total consideration of £4,400,000 (six months ended 30 June 2019: nil; year ended 31 December 2019: 1,545,515 shares were bought back and transferred to treasury for a total consideration of £5,546,000).

Since the period end, no ordinary shares have been bought back.

Notes to the financial statements
continued

10. Valuation of financial instruments
Financial assets and financial liabilities are either carried in the Consolidated Statement 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 and bank overdrafts). IFRS 13 requires the Group to classify fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The valuation techniques used by the Group are explained in the accounting policies note 2(h), as set out in the Group's Annual Report and Financial Statements for the year ended 31 December 2019.

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.

The fair value hierarchy has the following levels:

Level 1 – Quoted market price for an identical instrument in an active market
A financial instrument is regarded as quoted in an active market if quoted prices are readily available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. The Group does not adjust the quoted price for these instruments.

Level 2 – Valuation techniques using observable inputs
This category includes instruments valued using quoted prices for similar instruments in markets that are considered less than active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Valuation techniques used for non-standardised financial instruments such as options, currency swaps and other over-the-counter derivatives include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity specific inputs.

Level 3 – Valuation techniques using significant unobservable inputs
This category includes all instruments where the valuation technique includes inputs not based on market data and these inputs could have a significant impact on the instrument's valuation.

This category also includes instruments that are valued based on quoted prices for similar instruments where significant entity determined adjustments or assumptions are required to reflect differences between the instruments and instruments for which there is no active market. The Investment Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The determination of what constitutes 'observable' inputs requires significant judgement by the Investment Manager.

Over-the-counter derivative option contracts have been classified as Level 2 investments as their valuation has been based on market observable inputs represented by the underlying quoted securities to which these contracts expose the Group.

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

Financial assets/(liabilities) at fair value through profit or loss as at 30 June 2020 (unaudited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets:				
Equity investments	730,024	–	–	730,024
Fixed income securities	40,966	28,802	–	69,768
Investment in contractual rights	–	–	16,805	16,805
	770,990	**28,802**	**16,805**	**816,597**
Liabilities:				
Derivative financial instruments – written options	–	(425)	–	(425)
Total	**770,990**	**28,377**	**16,805**	**816,172**

Financial assets/(liabilities) at fair value through profit or loss as at 30 June 2019 (unaudited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets:				
Equity investments	730,953	3,492	–	734,445
Fixed income securities	72,992	25,203	–	98,195
Investment in contractual rights	–	–	18,297	18,297
	803,945	**28,695**	**18,297**	**850,937**
Liabilities:				
Derivative financial instruments – written options	–	(337)	–	(337)
Total	**803,945**	**28,358**	**18,297**	**850,600**

Financial assets/(liabilities) at fair value through profit or loss at 31 December 2019 (audited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets:				
Equity investments	761,242	–	–	761,242
Fixed income securities	38,646	30,099	–	68,745
Investment in contractual rights	–	–	15,790	15,790
	799,888	**30,099**	**15,790**	**845,777**
Liabilities:				
Derivative financial instruments – written options	–	(314)	–	(314)
Total	**799,888**	**29,785**	**15,790**	**845,463**

Notes to the financial statements

continued

10. Valuation of financial instruments continued

A reconciliation of fair value measurement in Level 3 is set out below.

Level 3 Financial assets at fair value through profit or loss	Six months ended 30 June 2020 (unaudited) £'000	Six months ended 30 June 2019 (unaudited) £'000	Year ended 31 December 2019 (audited) £'000
Opening fair value	15,790	18,513	18,513
Return of capital – royalty	(125)	(225)	(271)
Total gains or losses included in gains/(losses) on investments in the Consolidated Statement of Comprehensive Income:			
– assets held at the end of the period	1,140	9	(2,452)
Closing balance	**16,805**	**18,297**	**15,790**

The Level 3 investment as at 30 June 2020 in the table below relates to the OZ Minerals Brazil Royalty and, in accordance with IFRS 13, this investment was categorised as Level 3. In arriving at the fair value of this investment, the key inputs are the underlying commodity prices and illiquidity discount.

The Level 3 valuation process and techniques used by the Company are explained in the accounting policies in notes 2(h) and 2(q) on pages 87 to 89 of the Company's Annual Report and Financial Statements for the year ended 31 December 2019 and a detailed explanation of the techniques is also available on pages 112 and 113 under "valuation process and techniques".

Quantitative information of significant unobservable inputs – Level 3

	Six months ended 30 June 2020 (unaudited) £'000	Six months ended 30 June 2019 (unaudited) £'000	Year ended 31 December 2019 (audited) £'000	Valuation technique	Unobservable input
OZ Minerals Brazil Royalty	16,805	18,297	15,790	Discounted cash flows	Discount rate – weighted average cost of capital Average gold and copper prices

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 30 June 2020 are as shown below.

Description	Input	Estimated sensitivity used*	Impact on fair value
OZ Minerals Brazil Royalty	Discount rate – weighted average cost of capital	1%	£0.8m
	Average gold and copper prices	10%	£2.2m

* 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 commodity 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 commodity prices and discount rates.

11. Financial risks

The Company's investment activities expose it to the various types of risk which are associated with the financial instruments and markets in which it invests. The risks are substantially consistent with those disclosed in the previous annual financial statements with the exception of those outlined below.

Market risk arising from price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, or other events could have a significant impact on the Company and the market price of its investments and could result in increased premiums or discounts to the Company's net asset value.

An outbreak of an infectious respiratory illness caused by a novel coronavirus known as COVID-19 was first detected in China in December 2019 and has now developed into a global pandemic. This coronavirus has resulted in travel restrictions, closed international borders, enhanced health screenings at ports of entry and elsewhere, disruption of and delays in healthcare service preparation and delivery, prolonged quarantines, cancellations, supply chain disruptions, and lower consumer demand, as well as general concern and uncertainty. The impact of COVID-19 has adversely affected the economies of many nations across the entire global economy, individual issuers and capital markets, and could continue to an extent that cannot necessarily be foreseen. In addition, the impact of infectious illnesses in emerging market countries may be greater due to generally less established healthcare systems. Public health crises caused by the COVID-19 outbreak may exacerbate other pre-existing political, social and economic risks in certain countries or globally. The duration of the COVID-19 outbreak and its effects cannot be determined with certainty.

A key metric used by the BlackRock Risk and Quantitative Analysis Group to measure risk is Value-at-Risk (VaR) which encompasses currency, interest rate and price risk. VaR is a statistical risk measure that estimates the potential portfolio loss from adverse market movements in an ordinary market environment. VaR analysis reflects the interdependencies between risk variables, unlike a traditional sensitivity analysis.

The one-day VaR as of 30 June 2020 and 31 December 2019 based on a 99% confidence level was 8.09% and 2.19% respectively.

12. Transactions with the AIFM and the Investment Manager

BlackRock Fund Managers Limited (BFM) provides management and administration services to the Company under a contract which is terminable on six months' notice. BFM has (with the Company's consent) delegated certain portfolio and risk management services, and other ancillary services, to BlackRock Investment Management (UK) Limited (BIM (UK)). Further details of the investment management contract are disclosed in the Directors' Report on pages 48 and 49 of the Annual Report and Financial Statements for the year ended 31 December 2019.

The investment management fee due for the six months ended 30 June 2020 amounted to £2,603,000 (six months ended 30 June 2019: £3,284,000; year ended 31 December 2019: £6,480,000). At the period end, £1,592,000 was outstanding in respect of the management fee (six months ended 30 June 2019: £1,656,000; year ended 31 December 2019: £1,714,000).

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 period ended 30 June 2020 amounted to £64,000 excluding VAT (six months ended 30 June 2019: £61,000; year ended 31 December 2019: £159,000). Marketing fees of £77,000 were outstanding as at 30 June 2020 (30 June 2019: £74,000; 31 December 2019: £50,000).

The ultimate holding company of the Manager and the Investment Manager is BlackRock, Inc. a company incorporated in Delaware, USA. During the period, PNC Financial Services Group, Inc. (PNC) was a substantial shareholder in BlackRock, Inc. PNC did not provide any services to the Company during the six months ended 30 June 2020 and the financial year ended 31 December 2019.

On 11 May 2020, PNC announced its intent to sell its investment in BlackRock, Inc. through a registered offering and related buyback by BlackRock, Inc.

Notes to the financial statements

continued

13. Related party disclosure: Directors' emoluments

The Board consists of five non-executive Directors, all of whom are considered to be independent by the Board. None of the Directors has a service contract with the Company. The Chairman receives an annual fee of £45,000, the Chairman of the Audit & Management Engagement Committee/Senior Independent Director receives an annual fee of £37,500 and each of the other Directors receives an annual fee of £30,000.

As at 30 June 2020 an amount of £nil (30 June 2019: £nil; 31 December 2019: £14,375) was outstanding in respect of Directors' fees.

At the period end members of the Board held ordinary shares in the Company as set out below:

Directors	Ordinary Shares
David Cheyne[1]	24,000
Russell Edey[2]	20,000
Jane Lewis	5,362
Judith Mosely	7,400
Ollie Oliveira[3]	–

1. Chairman
2. Chairman of the Audit & Management Engagement Committee and Senior Independent Director
3. Appointed 3 February 2020

Since the period end and up to the date of this report there have been no changes in Directors' holdings.

14. Contingent liabilities

There were no contingent liabilities at 30 June 2020 (six months ended 30 June 2019: nil; year ended 31 December 2019: nil).

15. Publication of non-statutory accounts

The financial information contained in this half yearly report does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006. The financial information for the six months ended 30 June 2020 and 30 June 2019 has been reviewed by the Company's auditors.

The information for the year ended 31 December 2019 has been extracted from the latest published audited financial statements, which have been filed with the Registrar of Companies, unless otherwise stated. The report of the auditors on those accounts contained no qualification or statement under Sections 498(2) or (3) of the Companies Act 2006.

16. Annual results

The Board expects to announce the annual results for the year ending 31 December 2020, as prepared under IFRS, in February 2021.

Copies of the results announcement can be obtained from the Secretary on 020 7743 3000 or at cosec@blackrock.com. The Annual Report should be available by the beginning of March 2021, with the Annual General Meeting being held in April 2021.

17. Subsequent events

Subsequent to the period end, the Company received correspondence from HMRC accepting the entitlement of the Company to make a claim for double tax relief in the relevant accounting periods in relation to underlying tax suffered on dividends from non-UK companies. This double tax relief will reduce the corporation tax liability to nil for all periods, resulting in a repayment of the corporation tax suffered in the relevant accounting periods. While the amount of the repayment has not been formally agreed with HMRC, and as such a degree of uncertainty remains, the Company now considers receipt of a repayment is sufficiently probable that it should make an accrual for accounting purposes to reflect such treatment.

The IFRS accounting rules applicable to the Company determine that an uncertain tax receivable shall be accrued in the NAV of the Company when, in the view of the Board, the successful future receipt of such receivable is probable. The Board's current assessment is that the future receipt of the tax reclaims described above is probable and so meets this threshold.

The corporation tax refund expected to be received by the Company following HMRC's acceptance of the claims for the relevant accounting periods amounts to £2,560,568 and has been recognised in the NAV and has been applied as revenue through the Company's profit and loss account with effect from 18 August 2020.

The Company has also made claims, which if successful, will allow the Company to amend the group relief claims for the 2006 and 2007 periods and submit a double tax relief claim to HMRC for the full amount of corporation tax paid by the Company in respect of those years. If successful, this may result in an additional refund of £3.4 million. However, the timing and success of these claims remains uncertain, as currently HMRC is not agreeing these claims and any refund to the Company may be subject to further litigation.

Independent review report

to BlackRock World Mining Trust plc

Report on the consolidated interim financial statements

Our conclusion

We have reviewed BlackRock World Mining Trust plc's consolidated interim financial statements (the "interim financial statements") in the Half Yearly Financial Report of BlackRock World Mining Trust plc for the 6 month period ended 30 June 2020. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the consolidated statement of financial position as at 30 June 2020;
- the consolidated statement of comprehensive income for the period then ended;
- the consolidated cash flow statement for the period then ended;
- the consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Half Yearly Financial Report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the Directors

The Half Yearly Financial Report, including the interim financial statements, is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the Half Yearly Financial Report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the Half Yearly Financial Report based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Half Yearly Financial Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
London
19 August 2020

Management and other service providers

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

Alternative Investment Fund Manager
BlackRock Fund Managers Limited*
12 Throgmorton Avenue
London EC2N 2DL

Investment Manager and Company Secretary
BlackRock Investment Management (UK) Limited*
12 Throgmorton Avenue
London EC2N 2DL
Telephone: 020 7743 3000
Email: cosec@blackrock.com

Fund Accountant, Depositary, Custodian and Banker
The Bank of New York Mellon (International) Limited*
One Canada Square
Canary Wharf
London E14 5AL

Registrar
Computershare Investor Services PLC*
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Telephone: 0370 707 1187

Auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London SE1 2RT

Stockbrokers
JPMorgan 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

* Authorised and regulated by the Financial Conduct Authority.

Contents

Directors

David Cheyne
Chairman
Appointed 1 June 2012

Russell Edey
Senior Independent Director and Chairman of the Audit & Management Engagement Committee
Appointed 8 May 2014

Jane Lewis
Appointed 28 April 2016

Judith Mosely
Appointed 19 August 2014

Ollie Oliveira
Appointed 3 February 2020

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 announced.
March	Annual Report and Financial Statements published.
April/May	Annual General Meeting.
August	Half yearly figures announced and half yearly financial report published.

Quarterly dividends

Dividends will be paid quarterly as follows:

Period ending	Announce	Payment date
31 March	April/May	June
30 June	August	September
30 September	November	December
31 December	February	May

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 0370 707 1187, or by completing the Mandate Instructions section on the reverse of your dividend confirmation statement and sending this to the Company's registrar, Computershare. Dividend confirmations 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 0370 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 4 September 2020.

Dividend tax allowance

The annual tax-free allowance on dividend income across an individual's entire share portfolio is £2,000. Above this amount, individuals pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances.

The Company continues to provide registered shareholders with confirmation of the dividends paid and this should be included with any other dividend income received when calculating and reporting total dividend income received. It is a shareholder's responsibility to include all dividend income when calculating any tax liability.

If you have any tax queries, please contact a financial advisor.

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 website at blackrock.com/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
Ticker	BRWM

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. To purchase this investment through Computershare, investors can do so by applying for a Trading Account at www.computershare.com/dealing/uk. You must have read the Key Information Document before the trade can be executed. Computershare can email or post this to you.

For existing shareholders not looking to purchase shares, the Company's registrar, Computershare, has an internet and telephone share dealing service. The telephone share dealing service is available on 0370 703 0084. To access the internet share dealing service, you will need to access www.computersharecom/dealing/uk. You will require your shareholder reference number, which can be found on paper or electronic communications that you have previously received from Computershare.

Internet dealing – The fee for this service is 1% of the value of the transaction (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 £50). Stamp duty of 0.5% is payable on purchases.

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.

Risk factors

- Past performance is not necessarily a guide to future performance.
- The value of your investment in the Company and the income from it can fluctuate as the value of the underlying investments fluctuate.
- The price at which the Company's shares trade on the London Stock Exchange is not the same as their net asset value (NAV) (although they are related) and therefore you may realise returns which are lower or higher than NAV performance.

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 email 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 dividend confirmation statement.

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.

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; and
- to allow investors holding shares through a nominee company to attend general meetings, provided the correct authority from the nominee company is available.

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 website at blackrock.com/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).

Stocks and shares individual savings accounts (ISAs)

ISAs are a tax-efficient method of investment and the Company's shares are eligible investments for inclusion within stocks and shares Individual Savings Accounts. In the 2020/2021 tax year investors have an annual ISA allowance of £20,000 (2019/2020: £20,000) which can be invested in either cash or shares.

Online access

Other details about the Company are also available on the website at blackrock.com/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 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 notifications 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.

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, dividend confirmation statement 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 0370 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
Email: cosec@blackrock.com

Glossary

Alternative performance measures (APM)

An APM is a measure of performance or financial position that is not defined in applicable accounting standards and cannot be directly derived from the financial statements. The Group's APMs are set out below and are cross-referenced where relevant to the financial inputs used to derive them as contained in other sections of the half-yearly financial report.

Closed-end company

An investment trust works along the same lines as a unit trust, in that it pools money from investors which is then managed on a collective basis. The main difference is that an investment trust is a company listed on the Stock Exchange and, in most cases, trading takes place in shares which have already been issued, rather than through the creation or redemption of units. As the number of shares which can be issued or cancelled at any one time is limited, and requires the approval of existing shareholders, investment trusts are known as closed end funds or companies. This means that investment trusts are not subject to the same liquidity constraints as open ended funds and can therefore invest in less liquid investments.

Discount and premium*

Investment trust shares can 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. As at 30 June 2020, the share price was 376.00p (30 June 2019: 375.50p; 31 December 2019: 383.00p) and the NAV 428.24p (30 June 2019: 440.97p; 31 December 2019: 433.17p) therefore the discount was 12.2% (30 June 2019: 14.8%; 31 December 2019: 11.6%). Please see note 8 of the financial statements on page 31 for the inputs to the calculation.

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 370p and the NAV 365p, the premium would be 1.4%.

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

Gearing and borrowings

Investment companies can borrow to purchase additional investments. This is called 'gearing'. It allows investment companies to take advantage of a long-term view on a sector or to take advantage of a favourable situation or a particularly attractive stock without having to sell existing investments.

Gearing works by magnifying a company's performance. If a company 'gears up' and then markets rise and returns on the investments outstrip the costs of borrowing, the overall returns to investors will be even greater. But if markets fall and the performance of the assets in the portfolio is poor, then losses suffered by the investor will also be magnified.

Net gearing calculation	Page	30 June 2020 (unaudited) £'000	30 June 2019 (unaudited) £'000	31 December 2019 (audited) £'000	
Net assets	24	743,443	777,571	757,110	(a)
Borrowings	24	97,119	114,288	90,682	(b)
Total assets (a + b)		840,562	891,859	847,792	(c)
Current assets[1]	24	33,475	46,617	6,456	(d)
Current liabilities (excluding borrowings)	24	(9,406)	(5,575)	(4,317)	(e)
Cash and cash equivalents (d + e)		24,069	41,042	2,139	(f)
Net gearing (g = (c – f – a)/ a)		9.8%	9.4%	11.7%	(g)

[1] Includes cash at bank.

The inputs for this calculation can be found in the Consolidated Statement of Financial Position on page 24.

* Alternative performance measures.

Leverage

Leverage is defined in the AIFM Directive as 'any method by which the AIFM increases the exposure of an AIF it manages whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means'.

Leverage is measured in terms of 'exposure' and is expressed as a ratio of net asset value:

$$\text{Leverage ratio} = \frac{\text{Total assets}}{\text{Net assets}}$$

The Directive sets out two methodologies for calculating exposure. These are the Gross Method and the Commitment Method. The treatment of cash and cash equivalent balances in terms of calculating what constitutes an 'exposure' under AIFMD differs for these two methods. The definitions for calculating the Gross Method exposures require that 'the value of any cash and cash equivalents which are highly liquid investments held in the base currency of the AIF, that are readily convertible to a known amount of cash, are subject to an insignificant risk of change in value and provide a return no greater than the rate of a three-month high quality government bond' should be excluded from exposure calculations.

NAV and share price return (with dividends reinvested)*

Performance statistics enable the investor to make performance comparisons between investment trusts with different dividend policies. The performance measures the combined effect of any dividends paid, together with the rise or fall in the share price or NAV. This is calculated by the movement in the share price or NAV plus the dividends paid by the Group assuming these are reinvested in the Group at the prevailing NAV/Share price (please see note 8 of the financial statements for the inputs to the calculations).

NAV performance – sterling	Page	30 June 2020 (unaudited)	30 June 2019 (unaudited)	31 December 2019 (audited)	
Closing NAV per share (pence)	31	428.24	440.97	433.17	
Add back interim and final dividends (pence)	23	14.00	13.00	21.00	
Effect of dividend reinvestment (pence)		5.62	1.00	1.62	
Adjusted closing NAV (pence)		447.86	454.97	455.79	(a)
Opening NAV per share (pence)	31	433.17	388.81	388.81	(b)
NAV performance (c = ((a - b)/b)) (%)		3.4	17.0	17.2	(c)

Share price performance – sterling	Page	30 June 2020 (unaudited)	30 June 2019 (unaudited)	31 December 2019 (audited)	
Closing share price (pence)	31	376.00	375.50	383.00	
Add back interim and final dividends (pence)	23	14.00	13.00	21.00	
Effect of dividend reinvestment (pence)		7.06	0.91	2.39	
Adjusted closing share price (pence)		397.06	389.41	406.39	(a)
Opening share price (pence)	31	383.00	340.50	340.50	(b)
Share price performance (c = ((a - b)/b)) (%)		3.7	14.4	19.4	(c)

Net asset value per share (Cum income NAV)

This is the value of the Group's assets attributable to one ordinary share. It is calculated by dividing 'equity shareholders' funds' by the total number of ordinary shares in issue (excluding treasury shares). For example, as at 30 June 2020, equity shareholders' funds were worth £743,443,000 and there were 173,605,020 ordinary shares in issue (excluding treasury shares); the undiluted NAV was therefore 428.24 pence per ordinary share (please see note 8 of the financial statements for the inputs to the calculations).

Equity shareholders' funds are calculated by deducting from the Group's total assets, its current and long-term liabilities and any provision for liabilities and charges.

Net asset value per share (Capital only NAV)*

The capital only NAV is a popular point of reference when comparing a range of investment trusts. This NAV focuses on the value of the Group's assets disregarding the current period revenue income, on the basis that most trusts will distribute substantially all of their income in any financial period. It is also the measure adopted by the Association of Investment Companies (AIC) for preparation of statistical data. It is calculated by dividing 'equity shareholders' funds' (excluding current period revenue) by the total number of ordinary shares in issue.

* Alternative performance measures.

Glossary
continued

As at 30 June 2020, equity shareholders' funds less the current year net revenue return (after interim dividends) amounted to £735,045,000 and there were 173,605,020 ordinary shares in issue (excluding treasury shares); therefore the capital only NAV was 423.40 pence.

Equity shareholders' funds (excluding current period revenue) of £735,045,000 are calculated by deducting from the Group's net assets (£743,443,000) its current period revenue (£15,342,000) and adding back the interim dividends (£6,944,000) paid/ payable.

Ongoing charges ratio*

$$\text{Ongoing charges (\%)} = \frac{\text{Annualised ongoing charges}}{\text{Average undiluted net asset value in the period}}$$

Ongoing charges are those expenses of a type which are likely to recur in the foreseeable future, whether charged to capital or revenue, and which relate to the operation of the investment company as a collective fund. Ongoing charges are based on costs incurred in the year as being the best estimate of future costs and include the annual management charge.

As recommended by the AIC in its guidance, ongoing charges are calculated using the Group's annualised recurring revenue and capital expenses (excluding finance costs, direct transaction costs, custody transaction charges and taxation) expressed as a percentage of the average daily net assets of the Group during the year.

The inputs that have been used to calculate the ongoing charges percentage are set out in the following table.

Ongoing charges calculation on net assets	Page	31 December 2019 (audited) £'000	31 December 2018 (audited) £'000	
Management fee	28	6,480	6,041	
Other operating expenses	29	1,030	1,025	
Total management fee and other operating expenses		7,510	7,066	(a)
Average net assets in the year		733,356	755,993	(b)
Ongoing charges on net assets (c = a/b)		1.02%	0.93%	(c)

Ongoing charges calculation on gross assets	Page	31 December 2019 (audited) £'000	31 December 2018 (audited) £'000	
Management fee	28	6,480	6,041	
Other operating expenses	29	1,030	1,025	
Total management fee and other operating expenses		7,510	7,066	(a)
Average gross assets in the year		845,352	866,682	(b)
Ongoing charges on gross assets (c = a/b)		0.89%	0.82%	(c)

Options and options overwriting strategy

An option is a contract that offers the buyer the right, but not the obligation, to buy (call) or sell (put) a security or other financial asset at an agreed-upon price (the strike price) during a certain period of time or on a specific date (exercise date) for a fee (the premium). The sale of call or put options on stocks that are believed to be overpriced or underpriced, based on the assumption that the options will not be exercised, is referred to as an 'options overwriting' strategy.

The seller of the option collects a premium but, if the option subsequently expires without being exercised, there will be no down side for the seller. However, if the stock rises above the exercise price the holder of the option is likely to exercise the option and this strategy can reduce returns in a rising market.

The Group employs an options overwriting strategy but seeks to mitigate risk by utilising predominantly covered call options (meaning that call options are only written in respect of stocks already owned within the Group's portfolio such that, if the options are exercised, the Group does not need to purchase stock externally at fluctuating market prices to meet its obligations under the options contract). Any use of derivatives for efficient portfolio management and options for investment purposes will be made on the basis of the same principles of risk spreading and diversification that apply to the Group's direct investments.

Physical metals

Metals such as copper, zinc and nickel.

Quoted securities

Securities that trade on an exchange for which there is a publicly quoted price.

* Alternative performance measures.

Reference index – MSCI ACWI Metals & Mining 30% Buffer 10/40 Index (MSCI ACWI)

The MSCI ACWI index is designed to be less concentrated and more diversified than other indices by constraining the exposure to any single issuer to 10% of the index value, with a 30% buffer applied, and the sum of the weights of all exposures to single issuers at more than 5% of the index at 40%, also with a 30% buffer applied.

The 30% buffer operates to ensure that the index does not have to be rebalanced constantly to retain its diversification characteristics due to the market movement of the index constituents. The buffer is applied at the quarterly rebalancing of the index taking the maximum weight of any index security to 7% (10% reduced by 30%) and the sum of the weights of securities representing more than 3.5% (5% reduced by 30%) to 28% (40% reduced by 30%).

If, due to market moves, any security breaches a 9% position, or the sum of all securities over 4.5% breach 36%, (which is equivalent to a 10% buffer applied to the 5 and 40 levels) there is an extraordinary rebalance prior to the quarter end taking the index back to the 30% buffer levels as described.

Revenue profit and revenue reserves

Revenue profit is the net revenue income earned after deduction of fees and expenses allocated to the revenue account and taxation suffered by the Group. Revenue reserves is the undistributed income that the Group keeps as reserves. Investment trusts do not have to distribute all the income they generate, after expenses. They may retain up to 15% of revenue generated which will be held in a revenue reserve. This reserve can be used at a later date to supplement dividend payments to shareholders.

Royalties

Contracts that involve one party giving capital (funding) to a mining company in return for a percentage share of the revenues from one or more of the company's assets.

Treasury shares

Treasury shares are shares that a company keeps in its own treasury which are not currently issued to the public. These shares do not pay dividends, have no voting rights and are not included in a company's total issued share capital amount for calculating percentage ownership. Treasury stock may have come from a repurchase or buy back from shareholders, or it may never have been issued to the public in the first place. Treasury shares may be reissued from treasury to the public to meet demand for a company's shares in certain circumstances.

* Alternative performance measures.

Unquoted investments

Financial securities that do not trade on an exchange for which there is not a publicly quoted price.

Yield*

The yield is the amount of cash (in percentage terms) that is returned to the owners of the security, in the form of interest or dividends received from it. Normally, it does not include the price variations, distinguishing it from performance (with dividends reinvested).

	Page	30 June 2020 (unaudited)	31 December 2019 (audited)	
Interim and final dividends paid/payable (pence)	30	22.00[1]	22.00	(a)
Ordinary share price (pence)	31	376.00	383.00	(b)
Yield (c = a/b) (%)		5.9	5.7	(c)

1. Comprising dividends declared/paid for the twelve months to 30 June 2020.

Share fraud warning

Be ScamSmart

Investment scams are designed to look like genuine investments

Spot the warning signs

Have you been:

- **contacted out of the blue**
- **promised tempting returns and told the investment is safe**
- **called repeatedly, or**
- **told the offer is only available for a limited time?**

If so, you might have been contacted by fraudsters.

Avoid investment fraud

1. **Reject cold calls**
If you've received unsolicited contact about an investment opportunity, chances are it's a high risk investment or a scam. You should treat the call with extreme caution. The safest thing to do is to hang up.

2. **Check the FCA Warning List**
The FCA Warning List is a list of firms and individuals we know are operating without our authorisation.

3. **Get impartial advice**
Think about getting impartial financial advice before you hand over any money. Seek advice from someone unconnected to the firm that has approached you.

Report a scam

If you suspect that you have been approached by fraudsters please tell the FCA using the reporting form at **www.fca.org.uk/consumers.** You can also call the FCA Consumer Helpline on **0800 111 6768**

If you have lost money to investment fraud, you should report it to Action Fraud on 0300 123 2040 or online at www.actionfraud.police.uk

Find out more at **www.fca.org.uk/scamsmart**

Remember: if it sounds too good to be true, it probably is!

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