BlackRock.

BlackRock World Mining Trust plc

Annual Report and Financial Statements 31 December 2021

Keeping in touch

We know how important it is to receive up-to-date information about the Company. To ensure that you are kept abreast, please scan the QR code to the right of this page to visit our website. If you have a smartphone, you can activate the QR code by opening the camera on your device and pointing it at the QR code. This will then open a link to the relevant section on the Company's website. By visiting our website, you will have the opportunity to sign up to our monthly newsletter which includes our latest factsheets, market commentary, as well as upcoming events and webinars. Information about how we process personal data is contained in our privacy policy available on our website.

General enquiries about the Company should be directed to the Company Secretary at: cosec@blackrock.com

Use this QR code to take you to the Company's website where you can sign up to monthly insights and factsheets.

Financial highlights

622.21p
NAV per ordinary share
+16.0%

589.00p[1]
Ordinary share price
+12.8%

£1,142.9m
Net assets
+22.8%

43.59p
Revenue return per ordinary share
+113.7%

42.50p
Total dividends

7.2%[2,3]
Yield

109.4%
Increase in total dividends per share
CPI[5] +5.4%

+17.5%[2,4]
Share price total return

MSCI ACWI Metals and Mining 30% Buffer 10/40 Index +15.1%[4]
FTSE All-Share Index +18.3%[4]
FTSE 100 +18.4%[4]

+20.7%[2,4]
NAV total return

MSCI ACWI Metals and Mining 30% Buffer 10/40 Index +15.1%[4]
FTSE All-Share Index +18.3%[4]
FTSE 100 +18.4%[4]

The above financial highlights are at 31 December 2021 and percentage comparisons are year-on-year against 31 December 2020.

[1] Mid-market.
[2] Alternative Performance Measures. See Glossary on pages 140 to 143.
[3] Based on dividends paid and declared for the year ended 31 December 2021 and share price as at 31 December 2021.
[4] Performance figures are calculated in Sterling terms with dividends reinvested.
[5] Consumer Price Index.

Within commodities, base metals have seen huge rises. Copper was the stand out for the Company's portfolio, reaching a new all-time high price during the year under review. Copper is a clear beneficiary of the energy transition. On average, renewable power generators use up to 12 times more copper than traditional generators. The projected 262 GW of new solar installations to be built in North America between 2018 and 2027 will require 1.9 billion pounds of copper.

COVER PHOTO COURTESY OF FREEPORT-MCMORAN

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Why BlackRock World Mining Trust plc?

Investment policy

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 Investment Manager can invest in a wide range of opportunities.

Yield

The Company offers an attractive 7.2% yield for the year ended 31 December 2021. Whilst mainly invested in equities, the Company makes use of fixed income and unquoted instruments to enhance income. The Group'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 Investment Manager has 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 Sectors and Thematics team, one of the largest investors in natural resources. The team has the resources to undertake extensive, proprietary, on-the-ground research to get to know the management of the companies in which they invest.

ESG integration

Consideration of material Environmental, Social and Governance (ESG) information and sustainability risks is integrated in the investment process. While the Company does not exclude investment in stocks purely on ESG criteria, due to the high impact that mining has on communities, countries and the world we live in, as a general approach the Company will not invest in companies which have high ESG risks and no plans to address existing deficiencies.

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The Association of Investment Companies

A member of the Association of Investment Companies

Further details about the Company including the latest annual and half-yearly financial reports, fact sheets and stock exchange announcements are available on the website at www.blackrock.com/uk/brwm

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FRONT COVER

Freeport-McMoRan’s Morenci copper mine in Arizona

PHOTO COURTESY OF FREEPORT-MCMORAN

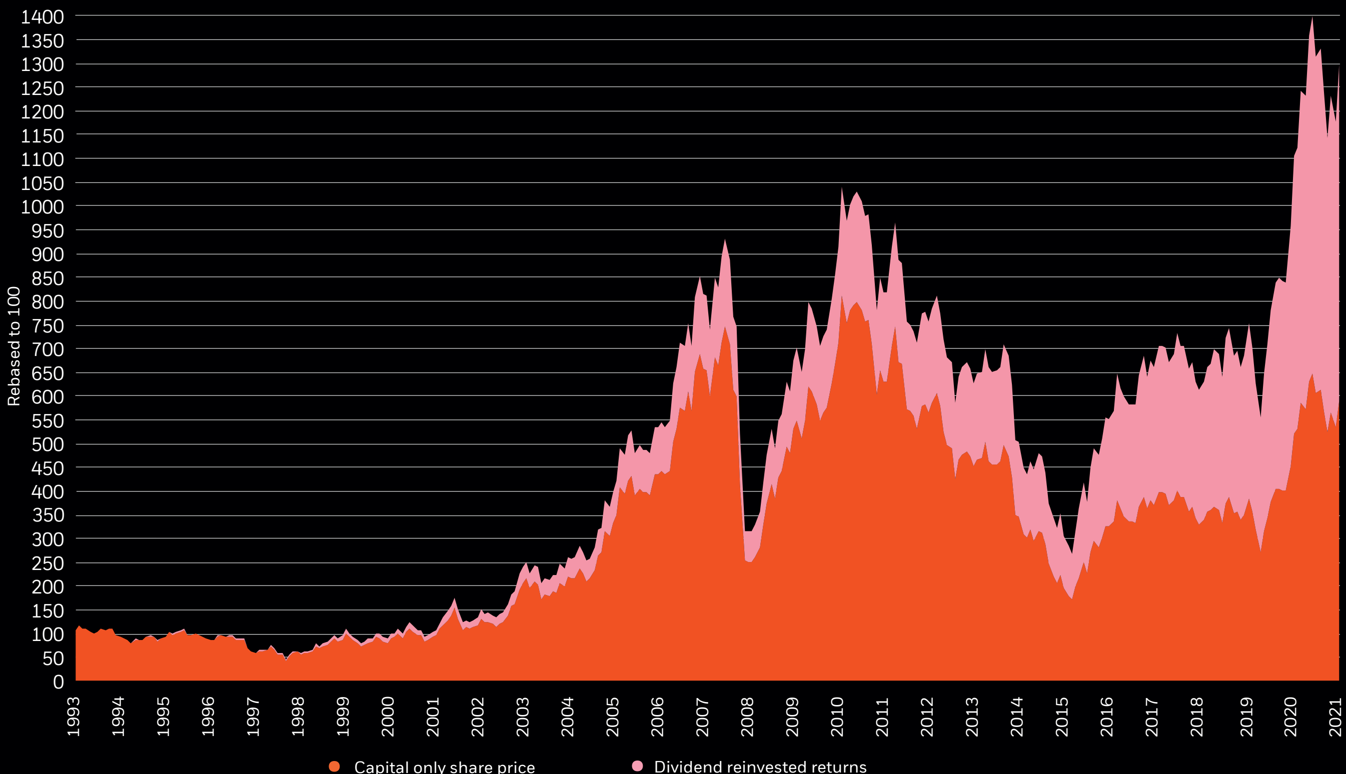
Performance record

	31 December 2021	31 December 2020
Net assets (£'000)[1]	1,142,874	930,825
Net asset value per ordinary share (NAV) (pence)	622.21	536.34
Ordinary share price (mid-market) (pence)	589.00	522.00
Reference Index[2] – net total return	5,258.16	4,566.93
Discount to net asset value[3]	5.3%	2.7%
Performance (with dividends reinvested)		
Net asset value per share[3]	+20.7%	+31.8%
Ordinary share price[3]	+17.5%	+46.7%
Reference Index[2]	+15.1%	+20.6%

	Year ended 31 December 2021	Year ended 31 December 2020	Change %
Revenue			
Net revenue profit after taxation (£'000)	78,910	35,451	+122.6
Revenue return per ordinary share (pence)[4]	43.59	20.40	+113.7
Dividends per ordinary share (pence)			
– 1st interim	4.50	4.00	+12.5
– 2nd interim	5.50	4.00	+37.5
– 3rd interim	5.50	4.00	+37.5
– Final	27.00	8.30	+225.3
Total dividends paid and payable	**42.50**	**20.30**	**+109.4**

[1] The change in net assets reflects market movements, dividends paid and the buyback and reissue of ordinary shares during the year.
[2] MSCI ACWI Metals & Mining 30% Buffer 10/40 Index (net total return).
[3] Alternative Performance Measures, see Glossary on pages 140 to 143.
[4] Further details are given in the Glossary on pages 142 and 143.

Long-term capital and dividend returns



Chairman's Statement

Dear Shareholder

David Cheyne
Chairman

Highlights

- **Record total dividend +109.4%**
- **NAV per share total return +20.7%[1]**
- **Share price total return +17.5%[1]**

Performance

I am delighted to be able to report on another excellent year for your Company.

Over the twelve months to 31 December 2021, the Company's net asset value per share (NAV) returned +20.7%[1] (31 December 2020: 31.8%[1]) and the share price +17.5%[1] (31 December 2020: 46.7%[1]). In comparison, over the same period the Company's Reference Index, the MSCI ACWI Metals & Mining 30% Buffer 10/40 Index (net total return), returned +15.1%, the FTSE All-Share Index returned +18.3% and the UK Consumer Price Index (CPI) increased by 5.4%.

The average prices achieved for almost all commodities during the year, and base metals in particular, were substantially ahead of 2020's levels and these helped drive this year's exceptional growth in revenue. This was the standout feature of the year and has resulted in total dividends increasing by 176.3% compared to last year.

NAV growth, after a strong first half, was more subdued in the final two quarters, largely reflecting a deceleration in economic growth in China and concerns surrounding elements of the property development sector there.

A detailed commentary on the portfolio's performance, its positioning, and how Environmental Social and Governance (ESG) factors impact on investment selection, can be found in the Investment Manager's Report, alongside the investment outlook for the forthcoming year. Since the year end and up until the close of business on 2 March 2022, the Company's NAV has increased by 20.2% and the share price has increased by 28.7%.

Overview

The themes which have characterised the sector in recent years continue to apply. Strong capital discipline has limited new supply at a time when government stimulus, including through infrastructure spending in the US and Europe, has boosted demand. In many sectors of the economy, increased demand has been met with bottlenecks, as post lockdown activity has picked up, leading to disruptions in supply chains and, often, higher prices.

In the mining sector the dynamic looks more structural. The obstacles to bringing on new supply have increased, with greater focus on the environmental and social impact of new mining activity, including factors such as water availability and usage. These increase the return hurdles required to justify new investment. In addition, the grades from existing

[1] Alternative Performance Measures. All percentages calculated in Sterling terms with dividends reinvested. Further details of the calculation of performance with dividends reinvested are given in the Glossary on page 141.

mines have often continued to decline as the mines mature and forecasts of production output in recent years have also generally been too optimistic. On the demand side, the pressing need to decarbonise economic activity in forthcoming decades will create further pressure on all commodities associated with the electrification of energy production and transportation, such as copper, nickel, lithium and cobalt.

Progress has also been made this year in how leading mining companies have responded to the challenge of improving their ESG credentials and your Investment Manager addresses this in their report.

Revenue return and dividends

The Company's revenue return per share for the year amounted to 43.59p compared with 20.40p for the previous year, representing an increase of 113.7%.

During the year, three quarterly interim dividends of 4.50p, 5.50p and 5.50p per share were paid on 25 June 2021, 24 September 2021 and 24 December 2021. The Board is proposing a final dividend payment of 27.00p per share for the year ended 31 December 2021. This, together with the quarterly interim dividends, makes a total of 42.50p per share (2020: 20.30p per share) representing an increase of 109.4% on payments made in the previous financial year and, as in past years, all dividends are fully covered by income. In accordance with the Board's stated policy, the total dividends represent substantially all of the year's available income.

Subject to approval at the Annual General Meeting, the final dividend will be paid on 19 May 2022 to shareholders on the Company's register on 18 March 2022, the ex-dividend date being 17 March 2022.

It has been an exceptional year for dividend receipts. The Company's income is highly dependent on the dividends paid by the companies it invests in. It should not be assumed that the very high level of these dividends will continue this year or that the Company's revenue return, and accordingly the Company's total dividends, will be at the same level as last year. It remains the Board's intention to seek to distribute substantially all of the Company's available income in the future.

Discount control

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. Accordingly, the Board monitors the Company's discount to NAV and will look to buy back shares in normal market conditions if it is deemed to be in shareholders' interests. During the year, a total of 69,698 shares were purchased at a price of 560.76p per share for a total cost of £393,000. All shares have been placed in treasury.

I am pleased to report that in the first half of the year the Company's shares were trading at a premium and the Company was able to reissue 10,200,000 ordinary shares from treasury for a net consideration of £63,187,000 at an average price of 619.48p per share and an average 0.9% premium to NAV. Since the year end and up to 2 March 2022, a further 875,000 ordinary shares have been reissued from treasury for a total consideration net of costs of £6,281,000. As at 2 March 2022 the premium stood at 1.4%.

Resolutions to renew the authorities to issue and buy back shares will be put to shareholders at the forthcoming Annual General Meeting.

ESG integration and socially responsible investment

As a Board we are conscious that ESG criteria are increasingly at the forefront of investors' minds. Given the nature of mining as an industry, your Board has a strong focus on ESG and believes that it is important that our Company's investee companies operate in a responsible and sustainable way having regard to the interests of all their stakeholders, whether these are shareholders, employees, customers, regulators or suppliers. The Board is also aware that ESG issues and risks must be considered when investing in the Natural Resources sector and, as a general approach, the Company will not invest in companies which the Investment Manager considers to have high ESG risks and no plans to address existing deficiencies.

Our Manager, BlackRock, has an Investment Stewardship team which is responsible for protecting and enhancing the value of your Company's investments through engagement with companies to encourage business and management practices that support sustainable financial performance over the long term. Further information can be found in the Strategic Report on pages 52 to 55.

Annual general meeting

The Company's Annual General Meeting (AGM) will be held at the offices of BlackRock at 12 Throgmorton Avenue, London EC2N 2DL on Friday, 6 May 2022 at 11.30 a.m. Details of the business of the meeting are set out in the Notice of Meeting on pages 146 to 149 of this Annual Report.

At present UK Government restrictions on public gatherings are no longer in force in connection with COVID-19 and the AGM can be held in the normal way with physical attendance by shareholders. However, shareholders should be aware that it is possible that

The holdings in your Company will play a huge part in supplying the raw materials necessary for the world to transition to net zero by 2050.

such restrictions could be reimposed prior to the date of the AGM. In such event, these restrictions could mean that the AGM is required to be held as a closed meeting as happened last year with physical attendance limited to only a small number of attendees comprising the required quorum for the meeting and those persons whose attendance is necessary for the conduct of the meeting, and that any other persons will be refused entry. Accordingly, all shareholders are recommended to vote by proxy in advance of the AGM and to appoint the Chairman of the meeting as their proxy. This will ensure that shareholders' votes will be counted even if they (or any appointed proxy) are not able to attend. All votes will be taken by poll so that all proxy votes are counted. Appointing a proxy does not prevent a shareholder attending the AGM in person.

The Company may impose entry restrictions on persons wishing to attend the AGM (including, if required, refusing entry) in order to secure the orderly conduct of the AGM and the safety of the attendees. All shareholders intending to attend should either be fully vaccinated or obtain a negative COVID-19 test result before entering the venue. Negative test results must be obtained no earlier than one day before entering the venue and fully vaccinated shareholders are also strongly encouraged to get tested. Shareholders who have recovered from COVID-19 for 90 days from the date of their infection are exempt from the above.

Attendees will also be required to wear a face covering at all times within the venue except when seated in the relevant meeting room. Shareholders are also requested not to attend the AGM if they have tested positive for COVID-19 in the 10 days prior to the AGM, are experiencing new or worsening COVID-19 related symptoms, have been in close contact with anyone who is experiencing symptoms or has contracted COVID-19 during the 10 days prior to the AGM or are required to self-isolate pursuant to UK Government guidance.

Outlook

In the short term our Investment Manager is optimistic that the Chinese economy is now accelerating again after the dip seen in the second half of last year and metals and mining stocks have certainly made a strong start to 2022. Although the risk of further disruption from new COVID-19 variants cannot be ruled out, the most recent news on the milder impact of the Omicron variant has been encouraging. Last year's exceptional growth in revenue is unlikely to be repeated, but our Investment Manager remains optimistic about the sector's prospects in the medium term.

Much of the new demand for metals over the last two decades resulted from the urbanisation of the Chinese economy. It is possible that the drive to decarbonise economic activity will have a similar long-term structural impact. It may also be the case that the investment required to supply the raw materials for this transformation will sustain prices for longer than in previous cycles; higher prices will be needed to provide the incentive to invest to meet this demand.

Last year's COP26 climate conference in Glasgow brought home the urgency of the need for radical action to tackle global warming. As your Investment Manager points out, the holdings in your Company will play a huge part in supplying the raw materials necessary for the world to transition to net zero by 2050. This imperative, and a return to sustainable economic growth following the pandemic, provide strong underpinning for your Company's prospects.

At the time of writing geopolitical tensions remain very high following Russia's invasion of Ukraine. As at 3 March 2022, 0.1% of net assets (with a value of £1.7 million) was in securities with exposure to companies whose principal activities are in Russia. BlackRock also announced on Monday, 28 February 2022, that it had suspended the purchase of all Russian securities in its active and index funds.

The appalling humanitarian consequences of the war are already evident. It is too early to assess the long-term implications of these events but it seems inevitable that they will lead to higher volatility in commodity prices and likely that they will add to short-term concerns on inflation.

David Cheyne
Chairman
7 March 2022

Investment Manager's report

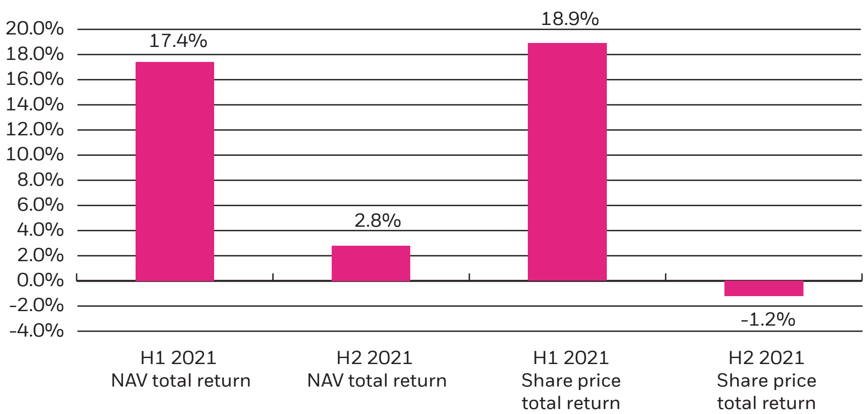
Evy Hambro

Olivia Markham

Portfolio performance

The last few years have been tremendous for the resources sector and in turn for the Company. We are pleased to report that 2021 was another year of positive returns but sadly not as much as expected given the stark difference between the first half of the year and the second. It really was a year of two halves as seen in the chart below. During first six months of the year ended 31 December 2021, the NAV of the Company returned +17.4% with dividends reinvested and the share price total return was +18.9%. This compares to a NAV and share price total return of 2.8% and -1.2% for the second half of 2021. There is more detail on the reasons behind this later in the report but, in summary, the huge moves early in the year were met with a softening in demand, especially for iron ore in China, as well as profit taking in other commodities.

NAV return



Source: BlackRock.

Peruvian copper miner Sociedad Minera Cerro Verde was the largest contributor to performance in 2021. It operates the world's largest copper concentrating facility, pictured here.

PHOTO COURTESY OF SOCIEDAD MINERA CERRO VERDE

2021 was a very eventful year. Ongoing COVID-19 related disruptions were ever present with waves of, at first, the Delta variant and then the Omicron variant as the year drew to a close. In addition, the global economy was impacted by supply chain issues, especially for semi-conductor chips, which pulled back Gross Domestic Product (GDP) growth from the elevated levels seen at the start of the year. Despite these challenges, the resources sector benefited from margin expansion as commodity prices rose faster than inflation. Capital discipline by and large remained in place, aside from a handful of new projects, leaving shareholders to benefit from record levels of dividends and share buy backs.

The resources sector benefited from margin expansion as commodity prices rose faster than inflation.

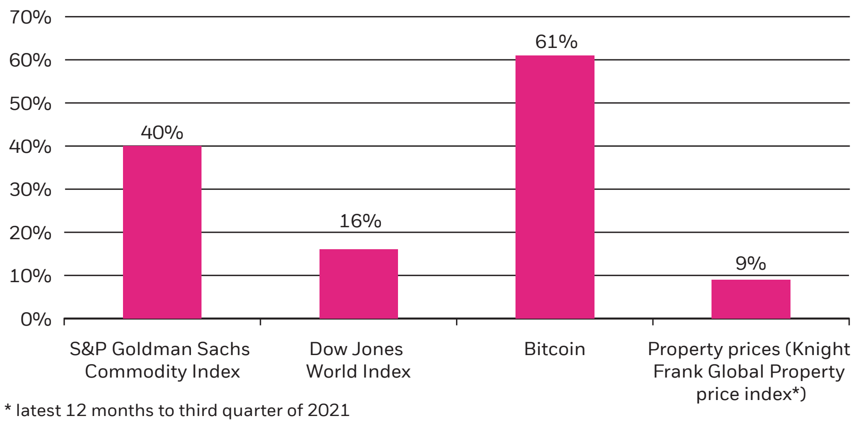
For the year as a whole, the NAV total return of the Company was up by 20.7% (31 December 2020: 31.8%) with dividends reinvested and the share price total return was up by 17.5% (31 December 2020: 46.7%). This compares to the FTSE 100 Index total return which was up by 18.4%, the UK Consumer Price Index (CPI) increase of 5.4% and the Company's Reference Index, the MSCI ACWI Metals & Mining 30% Buffer 10/40 Index (net total return), which was up by 15.1% (all numbers are in British Pound Sterling terms).

Ongoing recovery

Following the COVID-19 related economic impacts seen in 2020, this year was a reversal from those lows. Economic growth around the world bounced back sharply on the back of accommodative financial policies put in place by Governments during the prior year. Business support packages covered disruption, lowered tax rates and for some people there was wage protection. These were combined with record low interest rates and increased access to government backed finance schemes. The end result was a huge increase in liquidity across the world which muted the worst of the economic downturn caused by COVID-19.

These measures have played out in a whole range of ways. One has been the repricing of assets such as property, commodities, equities, art and other tangible investments that should preserve purchasing power through time. The shortage of income has led to investors paying higher prices for securities that offer income as well as premiums for growth businesses. The prospect of inflation on the back of loose monetary policy also saw a huge rally in index linked bonds and this even flowed through into the crypto currency space with bitcoin and other virtual assets moving to record high prices. At the other end of the scale, government bonds seem to have ended a multi decade bull market as the prospect of interest rate increases loom in 2022 and beyond.

Price performance during the year ended 31 December 2021 (in US Dollar terms)



* latest 12 months to third quarter of 2021
Source: Datastream.

The moves in financial assets have masked other consequences from COVID-19. The huge drop in oil demand as economic activity collapsed only added to the existing Environment Social and Governance (ESG) related pressure for producers to reduce investment in future supply. This tightened up the market to such an extent that when demand recovered in 2021 prices soared due to the lack of spare capacity in the market. Many commodities are now out of balance, with deficits commonplace across the market and prices reflecting the situation.

ESG integration and the social licence to operate

During the last two years we have made specific mention of the way in which the Company manages risks related to ESG and the social licence to operate. These have been covered in other parts of the Annual Report but for reference the text below sets the framework for how this is done:

"As part of BlackRock's structured investment process, ESG risks and opportunities (including sustainability/climate risk) are considered within our fundamental analysis of companies and industries and we work closely with BlackRock's Investment Stewardship team (BIS) to assess the governance quality of companies and investigate any potential issues, risks or opportunities.

As part of our approach to ESG integration, we use ESG information when conducting research and due diligence on new investments and again when monitoring investments in the portfolio.

As an extractive industry the mining sector naturally faces a number of ESG challenges. However, we feel the sector can also provide benefits to society through the provision of critical infrastructure, taxes and employment to local communities, and enabling the carbon transition through the production of sustainable metals."

As part of our commitment to consideration of ESG information and risks as being integral to our investment process to build and manage the portfolio:

- As a general approach, the Company will not invest in companies which have high ESG risks and which we consider to have no plans to address existing deficiencies.
- We are also challenging the executives of the portfolio companies in which we invest to set out how their current business plans are compatible with achieving a net zero carbon emissions economy by 2050.
- There will be cases where a serious event has occurred and, in that case, we will assess whether the investee company is taking appropriate action to resolve matters before deciding what to do.
- There will be companies which have derated on the back of an ESG event or generally poor ESG practices and there may be opportunities to invest at a discounted price. However, we will only invest in these value-based opportunities if we are satisfied that there is evidence that the company's culture has changed and that better operating practices have been put in place.

During the year the main areas of focus remained on ESG issues relating to Rio Tinto, Norilsk Nickel and Vale. The Investment Manager engages with these portfolio companies and the Board receives regular updates at its meetings. By way of an update:

Commodity	31 December 2021	% Change in 2021	% Change average prices 2021 vs 2020
Gold US$/ounce	1,822	-4.0	1.7
Silver US$/ounce	23	-11.8	22.5
Platinum US$/ounce	959	-10.8	23.3
Palladium US$/ounce	1,973	-16.8	9.4
Copper US$/pound	4.42	25.7	50.6
Nickel US$/pound	9.47	26.1	33.7
Aluminium US$/pound	1.27	42.2	45.1
Zinc US$/pound	1.63	31.5	32.5
Lead US$/pound	1.06	18.3	20.5
Tin US$/pound	17.86	91.6	88.9
Iron Ore (China 62% fines) US$/tonne	215.5	-23.9	47.7
Thermal Coal (fob Newcastle) US$/tonne	176.6	101.3	127.3
Metallurgical Coal US$/tonne	342.0	237.0	76.2
Lithium (Battery Grade China) US$/kilogram	35.95	453.1	107.7
West Texas Intermediate Oil (Cushing) US$/barrel	75.21	55.8	72.1

Sources: Datastream and Bloomberg.

Rio Tinto – during the year the company made progress on announcing new CEO and CFO positions, as well as adding heritage expertise to the board. In December 2021, Dominic Barton was appointed as Chairman and he is expected to start in the second quarter of 2022. The company also published a comprehensive external review of its workplace culture, commissioned as part of its commitment to ensure sustained cultural change across its global operations.

Norilsk Nickel – the company had a number of new environmental issues and fatalities. The Company exited its holding in March 2021 despite the strong outlook for the commodities that the company produces.

Vale – the company has continued its journey to raise its ESG profile following the tragic tailings related events from the last decade. On the Governance front, a new Board was elected including the appointment of Ollie Olivera who left the Board of the Company to join Vale as a non-executive director.

Stand out year

At the half year stage we wrote about the clean sweep of price rises and, despite some falls in the second half, the average prices for the year, the most important thing for earnings, have been stunning across the board. This year we have seen new highs in nine commodities: iron ore US$233/tonne, thermal coal US$270/tonne fob Newcastle, copper US$11,300/tonne, tin US$41,118/tonne, bauxite US$63/tonne, palladium US$2,985/ounce, lithium spodumene US$1,525/tonne, hard coking coal US$346/tonne fob and U.S. hot-rolled coil steel US$1,960/tonne. Iron ore has subsequently fallen back and is now lower than in 2020.

Within the commodities suite, base metals have seen huge rises with copper the standout for the Company's portfolio given the large weighting to companies like Freeport-McMoRan, First Quantum Minerals and Sociedad Minera Cerro Verde. However, other commodities have been equally strong, such as zinc and nickel. Even the more unexciting metals such as aluminium delivered significant increases. All of these moves should feed through into the full year earnings and, as mentioned earlier, if they hold up in 2022 should help to mitigate the impact of lower iron ore prices when it comes to dividends.

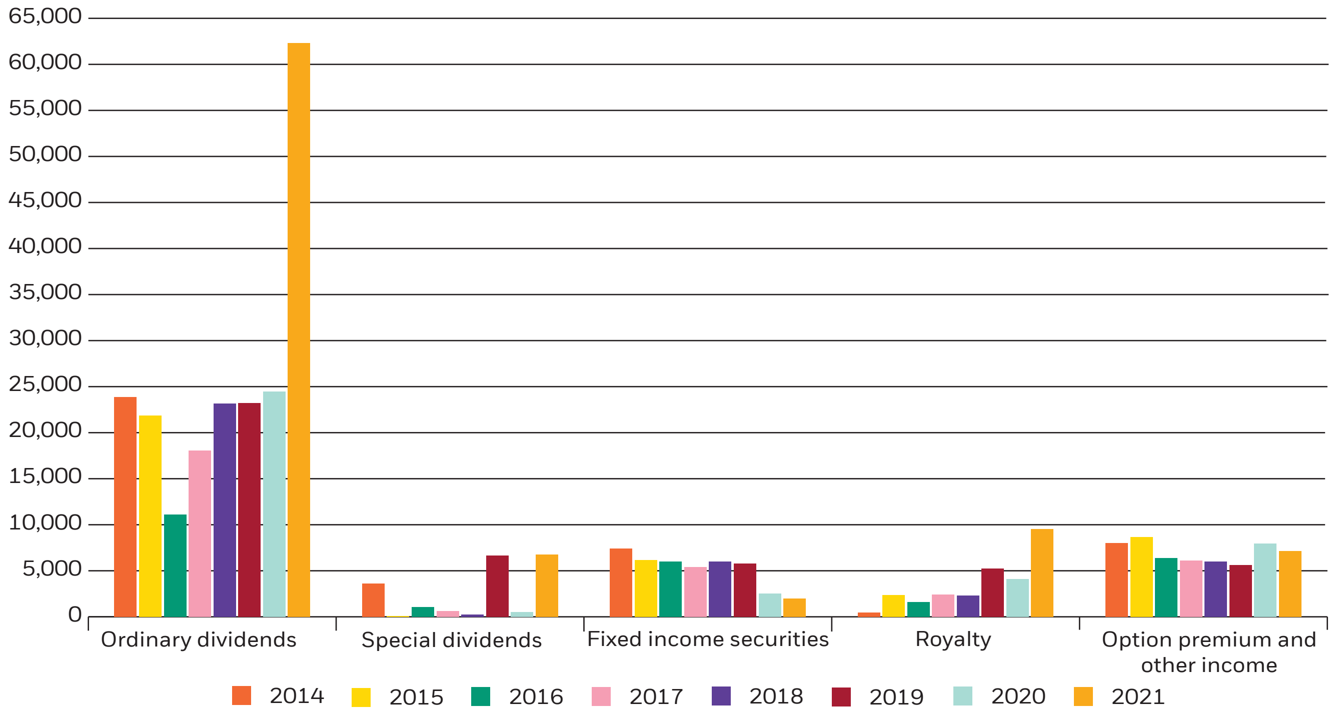
Precious metals were generally a lot weaker in the second half of 2021, continuing the downtrend from the peaks that were reached during the prior twelve months. In particular, gold has failed to regain ground despite the supportive macro backdrop of rising inflation and low interest rates. In the Platinum Group Metals (PGM) space, prices softened as automotive producers had to cut output on the back of the semi-conductor chip shortages.

As mentioned in the Interim Report, steel is a key exposure for the Company with large holdings in European and US steel producers. Record prices were reached over the summer months and the associated huge margins caused share prices to move higher. It is pleasing to see most of the steel manufacturing companies in the portfolio continue to be disciplined in allocating capital despite some peers reverting back to old ways. It is our hope that this trend continues, as the value accretion from share buybacks is enormous given where the shares are trading.

Income, income and more income

In last year's Annual Report and again in the Interim Report we flagged the prospect that the Company was well placed to receive record levels of income given the excellent pay-outs being made by the underlying holdings. We are delighted to report that this has

Income Breakdown



Source: BlackRock.

ArcelorMittal decarbonisation technology converts industrial gases captured during the steelmaking process into sustainable ethanol.

PHOTO COURTESY OF ARCELORMITTAL

played out even better than expected. The chart on page 12 highlights the 121.5% growth in income received this year versus prior years, as well as showing how it has changed by each source. Not only has there been tremendous growth in ordinary dividends, but special dividends also increased substantially.

The key reason for the income growth has been dividends from the large diversified mining companies which benefited from much higher iron ore prices than expected. Given that prices today are lower than the average realisations received during 2021, it is likely that they will not be able to match the dividends paid last year. However, the outlook is bright for other parts of the portfolio such as copper names. Copper miners who have spent years paying down debt or spending on new mines now seem to have dealt with these cash consuming constraints leaving them free to boost shareholder returns in 2022. One example is Freeport-McMoRan which restarted dividends in 2021, raised them at the end of the year and announced a new policy which gives it flexibility to boost them should prices remain at levels in excess of its needs. We hope that other base metal producers which have historically shied away from dividends follow this lead and reward their shareholders now that producers are benefiting from these windfalls.

Decarbonisation, a multi decade driver for the sector

Decarbonising power, industrial manufacturing, transportation and food is a key structural trend that will persist for decades to come. Over the twelve months in the lead up to COP26 we saw announcements from major economies, most notably China and the United States of America (USA), regarding their commitment to reach net zero. The scale of investment required to meet this goal is enormous, with commodities playing a key role in this transition.

From a mining sector perspective, we look at decarbonisation from two angles. The first looks at the impact on demand for the various commodities and which commodity markets will see significant change once carbon is appropriately priced. The second area is how the mining sector is reducing emissions from their own operations (scope 1 & 2 emissions), as well as their customers' emissions (scope 3).

In our view, the market is underestimating the impact that the energy transition will have on commodity markets, particularly on the supply side. Copper, battery related materials (lithium, cobalt, nickel) and rare earths are key beneficiaries. Each of these commodities will see significant demand growth as renewable energy investment is increased, the grid is upgraded, electric vehicle penetration grows and the requirement for battery storage increases. Another interesting dynamic is the structural change we expect to see in various commodity markets once carbon is appropriately priced. This is most prevalent for the aluminium and steel industries given their energy intensity. China's steel industry alone accounts for 5% of global greenhouse gas (GHG) emissions so it is imperative for these upstream sectors to be addressed. As part of this transition, we expect older more pollutive capacity to be curtailed which

* Portfolio positions are shown as at 31 December 2021.

This year saw the strongest metal demand increase in history as global industrial activity recovered.

should improve industry structure and margins. As carbon taxes are rolled out globally there will be clear winners and losers where those companies with existing access to low carbon power such as Norsk Hydro (1.6% of the portfolio)* or companies with superior decarbonisation technology will benefit. Not only will these companies face less carbon taxes, but they may also be able to charge premiums for their products given the demand for low energy and sustainable materials by customers.

Over the last year we have seen mining companies articulate how they will reduce their own emissions, with companies generally looking to reduce emissions by 30% by 2030, with many targeting net zero by 2050. Over the next decade, the reduction of emissions will be largely achieved by switching to a renewable power source for mining fleets, transportation and parts of the processing circuit. Beyond this it becomes more challenging to achieve net zero emissions and will require advancement in technology in areas such as green hydrogen for the hard to abate emissions. We are actively engaged with management teams on these goals and the capital and returns associated with it. Amongst the Company's holdings, we view Australian based iron ore producer Fortescue Metals Group and diversified miner Anglo American as leading in this area.

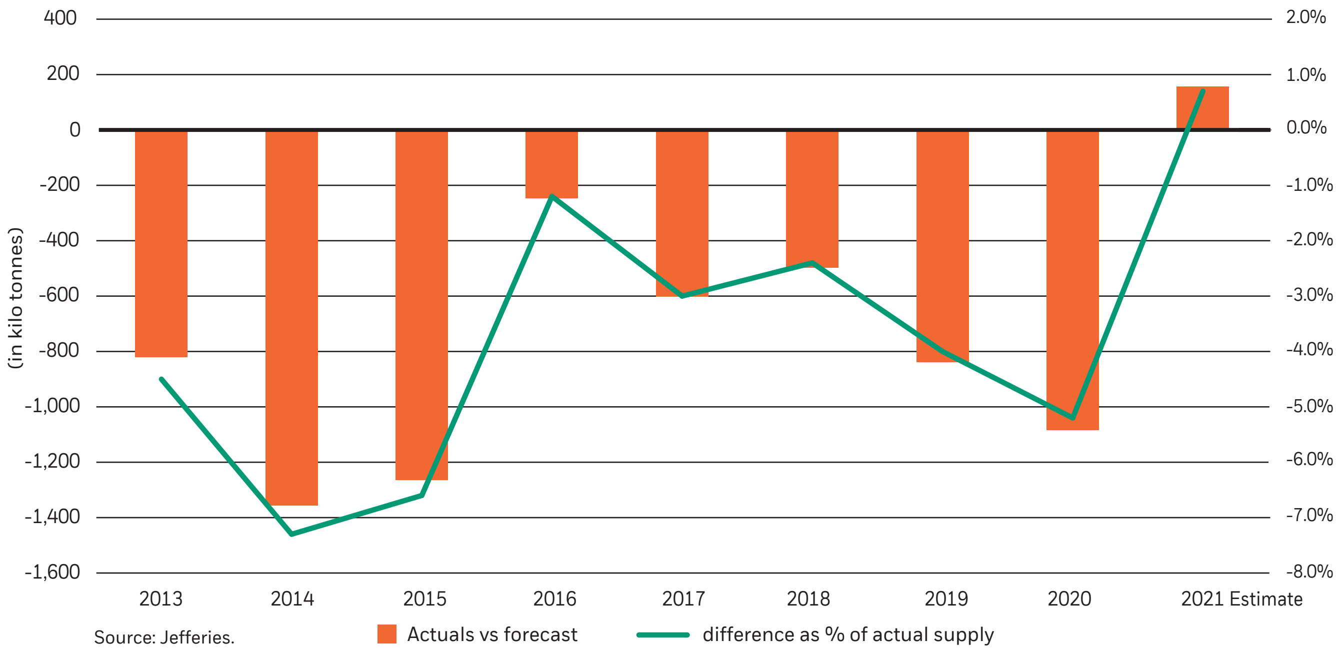
Base metals

It was an exceptional year for the base metal complex with average prices increasing by 20% to 50% and a new all-time high set for the copper price. This year saw the strongest metal demand increase in history as global industrial activity recovered, broad based supply issues, energy shortages and low inventories kept physical markets tight with each of the base metals finishing the year in a deficit market position. This is a feature of the market not seen for a number of years and supports our conviction that commodity prices will remain above market expectations for many years to come due to structural supply constraints and global decarbonisation spending.

The first half of the year saw a very rapid increase in prices as China's COVID-19 related stimulus fed into the real economy via the property market and broad-based infrastructure spending. The acceleration in Chinese demand was not sustainable and during the second half of the year, the Chinese Government put in a number of measures linked to the property sector, carbon emissions and energy usage to slow activity down. As discussed further below, this had a significant impact on the steel industry and in turn the iron ore price. However, the base metal prices proved largely resilient with average prices further increasing in the second half of the year. Part of this resilience has been due to a pick-up in demand from the rest of the world, namely the USA and Europe, creating a more diversified and robust demand outlook in our view. Given the dominance of China on commodity markets for much of the last two decades, as we look forwards towards the multi trillion-dollar spending required to achieve net zero targets, we expect to see more stable and resilient commodity demand which has the potential to create a global capex cycle akin to what we saw in the early 2000s.

Copper was the standout commodity for the Company in 2021 finishing the year up by 25.7%, with the average price 50% higher. After a very strong first half, the copper price proved largely resilient despite weakness in China's property market highlighting tightness in the physical market with London Metal Exchange (LME) inventories dropping to the lowest level on record towards the end of the year. Copper is a clear beneficiary of the energy transition with more than 65% of copper used for applications that deliver electricity, whilst at the same time the industry is facing mine supply challenges resulting in a material deficit in the market longer term. We have consistently seen mine supply disappoint relative to market expectations and to the best of our knowledge there were no new major greenfield copper developments sanctioned in 2021 despite record high prices. The challenges to mine supply are further exacerbated by increased

Global copper supply: actual versus beginning of year forecast



Source: Jefferies.

resource nationalism, ESG issues and permit requirements. Whilst we expect to see some mine supply growth in 2022 through projects that the Company has exposure to, including Ivanhoe Mines' Kamoa-Kakula project in the Democratic Republic of Congo (DRC), Anglo American's Quellaveco project and Teck Resources Quebrada Blanca Phase 2 (QB2) project, both in Chile, looking beyond that it is challenging for us to see how future supply meets anticipated growth.

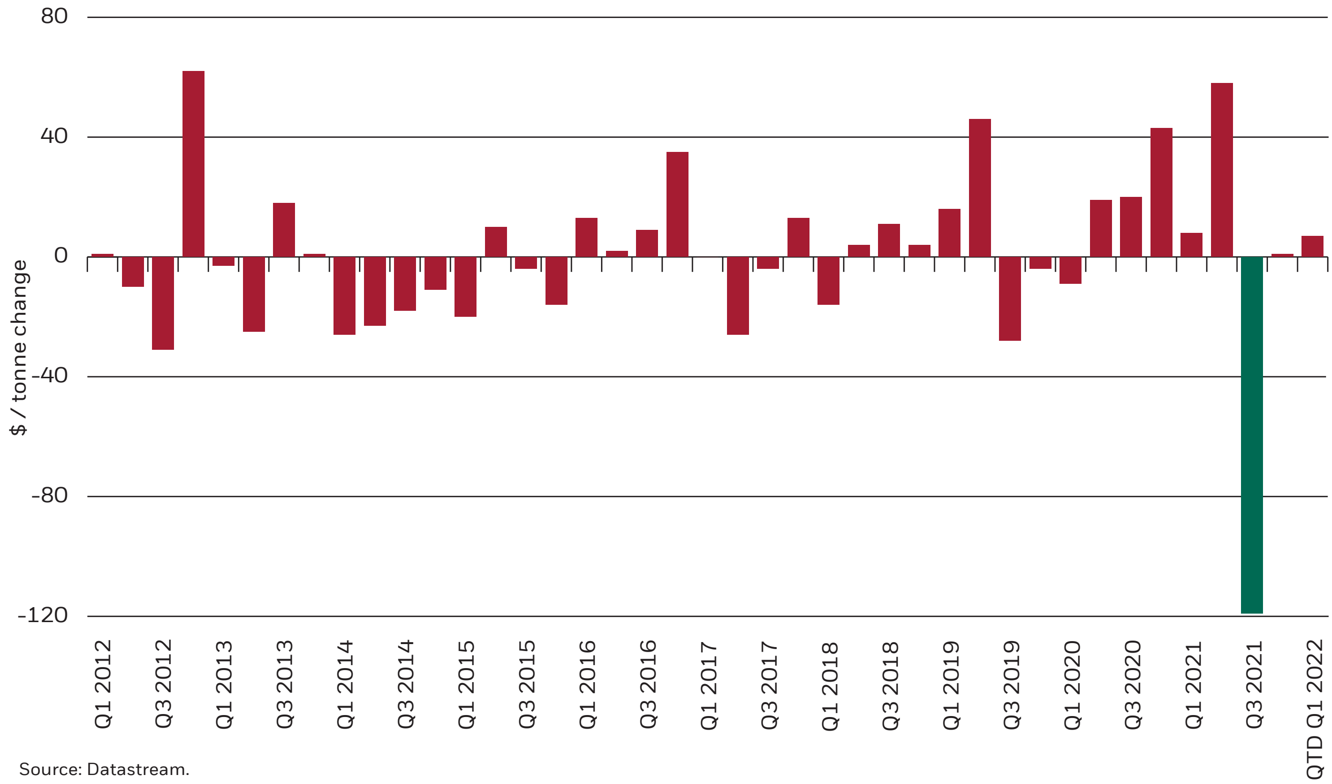
As at 31 December 2021, the Company had 21.4% of the portfolio exposed to copper producing companies which significantly aided performance for the year. The Company's largest copper exposure, Freeport-McMoRan (6.2% of the portfolio), continued to deliver operationally at Grasberg. This combined with high copper prices has allowed Freeport-McMoRan to deleverage faster than anticipated with the company increasing dividends and announcing a US$3 billion buyback in November. Among our other copper producers, Sociedad Minera Cerro Verde (1.7% of the portfolio) was the Company's largest contributor to performance in 2021 with the shares up by 77% in US Dollar terms. Both volumes and earnings at Sociedad Minera Cerro Verde recovered during the year leaving it in a strong position to pay higher dividends going forward. We continue to be impressed with the operational performance of Ivanhoe Mines (2.4% of the portfolio), which has surpassed the market's expectation of both the timing and production level of its Kamoa-Kakula asset in the DRC. This underpins our confidence in the management team's ability to deliver value from its other assets including the Western Forelands in the future. Among our smaller holdings, Solaris Resources (1.5% of the portfolio) had an exceptional year increasing by 178.6% where it continues to report exceptional drilling results at its Warintza deposit in Ecuador which we believe has the potential to attract significant mergers and acquisition (M&A) interest from the majors if it starts to show Tier 1 characteristics.

Amongst the other base metals, the aluminium price was up by 42.2% benefiting from strong demand, production caps in China and global smelter curtailments due to rising energy costs. Aluminium, long regarded as the laggard amongst the base metals, is going through a period of structural change we believe with China reducing exports due to its greater focus on emissions and the incorporation of carbon prices benefiting producers with renewable power sources. The Company has direct exposure to this theme via its holding in Norsk Hydro (1.6% of the portfolio), Alcoa (1.7% of the portfolio) and Rio Tinto (4.2% of the portfolio) which all have hydro based aluminium production and are poised to benefit in an environment of market-based carbon pricing. The nickel market continued to tighten driven by strong stainless-steel demand which (accounts for 70% of primary nickel demand), as well as improving Electric Vehicle (EV) battery demand. We continue to see a tight market for battery grade nickel given increasing EV demand and persistent supply challenges to bring on battery grade nickel. Finally, zinc, which the Company has exposure to via Teck Resources and Glencore, is likely to see the largest metal deficit in 2022 as inventories have further declined on energy-linked European smelter cuts.

Bulk commodities and steel

It was very much a year of two halves for the iron ore market with record demand and prices translating into a new all-time high price for iron ore of US$239/tonne in the first half as steel producers scrambled to access material. However, it was a very different picture in the second half,

Quarterly change in iron ore prices (US$/tonne)



Source: Datastream.

as the Chinese Government put in place a number of measures ranging from direct output caps, emissions controls and energy restrictions to cool the economy and ensure that steel production did not exceed 2020 levels. Weakness in the Chinese property market and fears around the fallout from Evergrande exacerbated the situation which ultimately saw the iron ore price fall by US$120/ tonne in the third quarter of 2021, with steel production finishing the year at levels not seen since the lows of 2016. In response, major producer Vale cut production of higher cost material which helped to stabilise the market which, combined with weaker production from Rio Tinto, saw the iron ore market finish in a less than feared surplus.

Recent commentary, focused on stabilising steel demand via property, infrastructure and credit availability, is encouraging and our expectation is that we will see a pick-up in steel demand post Chinese New Year and the Beijing Winter Olympics. We believe the steel industry is on the cusp of structural change with increased focus on carbon emissions from which, over the next two decades, we expect to see reduced production from pollutive blast furnace capacity transitioning towards lower carbon production (electric arc furnaces and hydrogen-based production) which will reduce overcapacity, improve margins and better position the industry once carbon taxes are introduced. The Company is invested in those steel companies that are already well positioned for this shift such as Nucor Corp (0.9% of the portfolio) and Steel Dynamics (1.6% of the portfolio). The Company is also invested in companies which have a first mover advantage such as ArcelorMittal (5.2% of the portfolio) through its investment in decarbonisation technology over recent years.

Coal markets have been some of the most interesting commodity markets over the last couple of years, with record prices being achieved for both metallurgical and thermal coal during the year. Tightness across coal markets has been driven by significant supply side distortion with China banning imports of Australian metallurgical and thermal coal, along with the spike in energy prices which saw the benchmark Australian thermal coal price reach US$270/tonne in October. Whilst coal (in particular thermal coal) faces longer-term demand headwinds linked to decarbonisation of steel and power in the near term, both markets face supply side shortages and a lack of investment particularly for thermal coal, and with producers focused on responsible run-off, may very well see the price exceed market expectations for a period of time. The Company has no exposure to pure play thermal coal producers, with thermal coal exposure limited to Glencore (7.7%

of the portfolio) which is focused on a managed decline of their thermal coal asset base over time. Teck Resources (3.6% of the portfolio) is the Company's primary exposure to metallurgical coal, which has been able to take advantage of the higher Chinese coking coal prices during the year given their Canadian asset base.

Precious metals

Unlike the recovery fuelled performance of the industrial metals, the precious metals have remained largely rangebound in 2021, with the average gold price 1.7% higher than last year. The gold price continues to be driven by two opposing forces: concerns over rising inflation and excessive government debt, and on the other hand the impact of rate hikes with the US Federal Reserve indicating in December that it will begin raising rates in March 2022 in an effort to stem rising inflation. This is likely to see a strengthening US$ headwind to gold, but the key determinant of the gold price this year will be whether rate hikes prove sufficient to cool inflation. If this is not the case and inflation is more "persistent" and less "transitory", we would expect real rates to decline further creating a constructive backdrop for gold. Typically, gold underperforms equities and the US Dollar heading into a rate hike cycle, but outperforms thereafter giving us confidence in the medium-term outlook for gold. While the silver price underperformed gold on a year-to-date basis, declining by 11.8%, the average price year-on-year was higher by 22.5% versus gold at +1.7%. We have seen a solid recovery in silver's industrial demand over the last year, with longer-term upside potential from greater solar penetration and increasing usage of semi-conductors.

An encouraging feature of the gold equity market over recent years has been the increased focus on shareholder returns, with higher gold prices translating into higher margins, free cash flow and dividends. This trend has generally continued through 2021, albeit margins have been compressed through rising cost inflation. The portfolio finished the year with 16.4% exposure to gold equities, roughly half the peak exposure to gold equities in the first half of 2020. The underperformance of the gold equities has been notable over the last 18 months where we have maintained our strategy of focusing on high-quality producers which we see as best positioned to weather cost inflation and maintain production levels. Amongst our gold companies, Newmont Corporation's (3.5% of the portfolio) performance continues to stand out in the sector, a reflection of its solid operational performance and cash return.

It has been a volatile year for the Platinum Group Metals (PGMs) with record pricing for the PGM basket during the first half, to then face a downturn in demand as the global chip shortage hit auto production towards the end of the year. With 40% to 80% of PGM end-use linked to the auto industry, prices came under significant pressure with the platinum price finishing the year -11%, palladium -17% and rhodium -20%. We expect to see improved demand for PGMs during the first half of 2022 as chip shortages ease and auto producers begin re-stocking raw materials. Whilst a lack of supply growth and increased PGM loadings on auto catalysts to meet rising emissions standards bodes well for the PGMs, the industry faces the structural headwind of the shift in demand from internal combustion engine vehicles to electric vehicles. The Company's exposure to PGMs is via Impala Platinum (1.1% of the portfolio), Northam Platinum (1.2% of the portfolio), Sibanye Stillwater (0.8% of the portfolio) and Anglo American (7.5% of the portfolio) through its 78.5% ownership of Anglo Platinum. During the second half of the year, we saw a step-up in mergers & acquisitions (M&A) activity amongst the group with Sibanye Stillwater looking to further move into the battery materials space with the acquisition of a historically challenged Brazilian copper and nickel asset, whilst Northam Platinum and Impala Platinum entered into a bidding war for Royal Bafokeng Platinum. These are worrying trends as investors had hoped that strengthened balance sheets and improved free cash flow across the sector would allow the producers to deliver on their commitment to return cash to shareholders.

Sustainable metals

The shift towards electric vehicles (EVs) continues to be one of the strongest trends in global markets. The market is anticipated to grow more than ten-fold by 2030 from 2020 levels, which creates opportunities for those companies supplying the materials that enable the transition. The Company is well placed to benefit from this given its exposure to the raw materials that go into EV batteries and the e-motor.

Transportation was significantly impacted by the COVID-19 pandemic with global passenger car sales falling 17% year-on-year in 2020. In 2021 car sales have been constrained by supply chain semiconductor shortages, although there is evidence of significant demand with price increases and shortages seen in the second-hand market.

The level of demand and price action in lithium surprised even the most optimistic of forecasters in 2021, with the Chinese Lithium Carbonate price ending the year at US$43.7/kilogram, up by 429% year-on-year. 2021 saw 153% growth in China for Battery and Plug-In EVs sales, up by 64% in Europe. We ended 2021 with the EV share of new car sales standing at 19.3% in China and 31.1% in Europe. The US market remains a significant growth opportunity, with sales lagging other markets like Europe and China and penetration rates at 6.2%. The Company has exposure to lithium via its holding in Sociedad Química y Minera de Chile ADR (SQM) (1.0% of the portfolio) which is expected to achieve higher pricing in 2022 due to the lagged nature of its contract pricing structure, along with Sigma Lithium (0.4% of the portfolio), which is developing a spodumene project in Brazil and has several supply agreements including to LG Chem, the world's no. 2 battery maker.

A critical component of the electric car is the e-motor, which most commonly uses a Praseodymium-Neodymium (NdPr) magnet, an alloy of two rare earth elements (REE). The increased demand for EVs has resulted in increasing demand for NdPr, with the price up by 101% during 2021. REEs are commonly mined and processed in China and have been deemed of strategic importance by both Europe and the USA. The Company has exposure to REE through Lynas Corporation (1.4% of the portfolio), a REE miner and processor crucially based in Malaysia and Australia. In 2021 Lynas Corporation's equity returned 154%.

EV battery raw materials include cobalt, where LME prices were up by 119% in 2021 as demand recovered driven by battery demand, particularly EV batteries. Significantly, Glencore announced the 2022 restart of the Mutanda mine in the DRC, which will most likely be ramped-up in a way that keeps the market balanced. Glencore (7.7% of the portfolio) rose by 66.9% during 2021, and is a globally significant cobalt producer which produced 22% of mine production in 2020 which is set to increase with Mutanda's ramp-up.

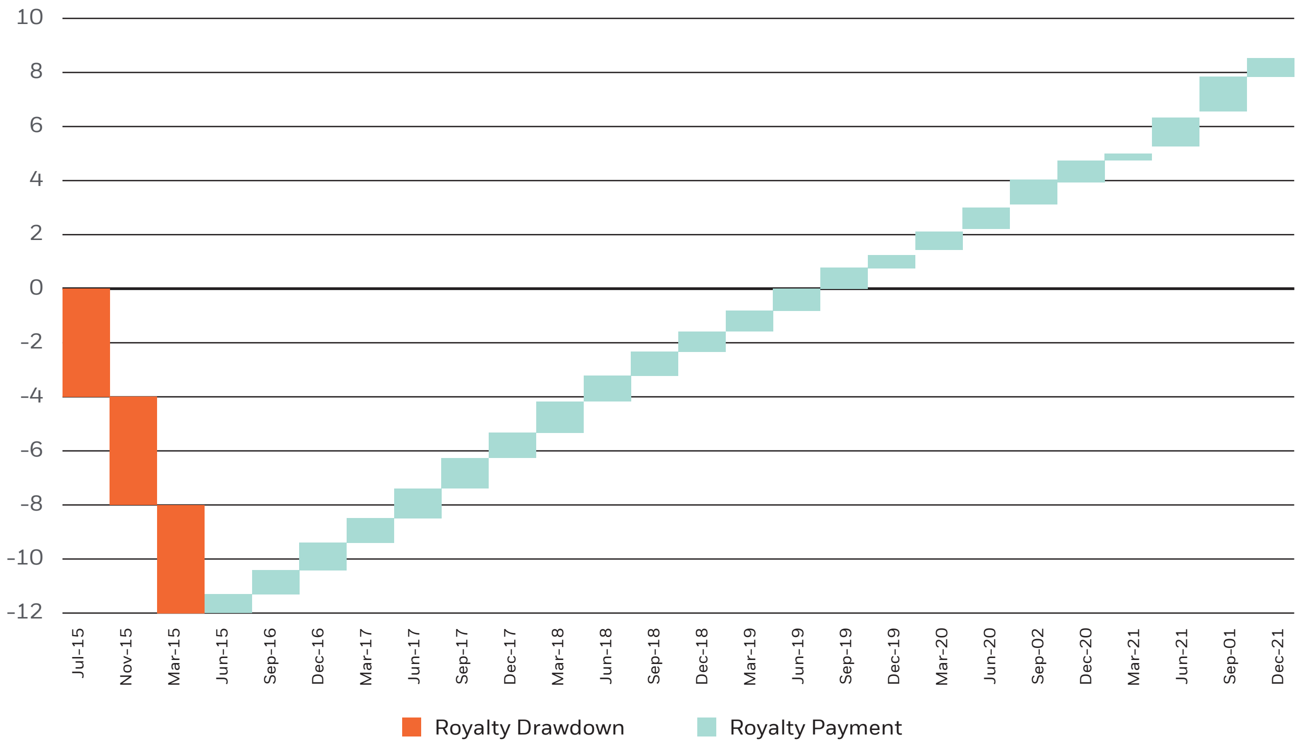
2021 has seen growing excitement about the potential for hydrogen to disrupt the commercial vehicle market. Compared to batteries, hydrogen and fuel cells offer better energy density, improved range and faster refuelling, giving them an inherent advantage in efforts to decarbonise high utilisation transport like industrial trucks. 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 the hydrogen fuel cell; the Company has exposure to this theme via its PGM exposure.

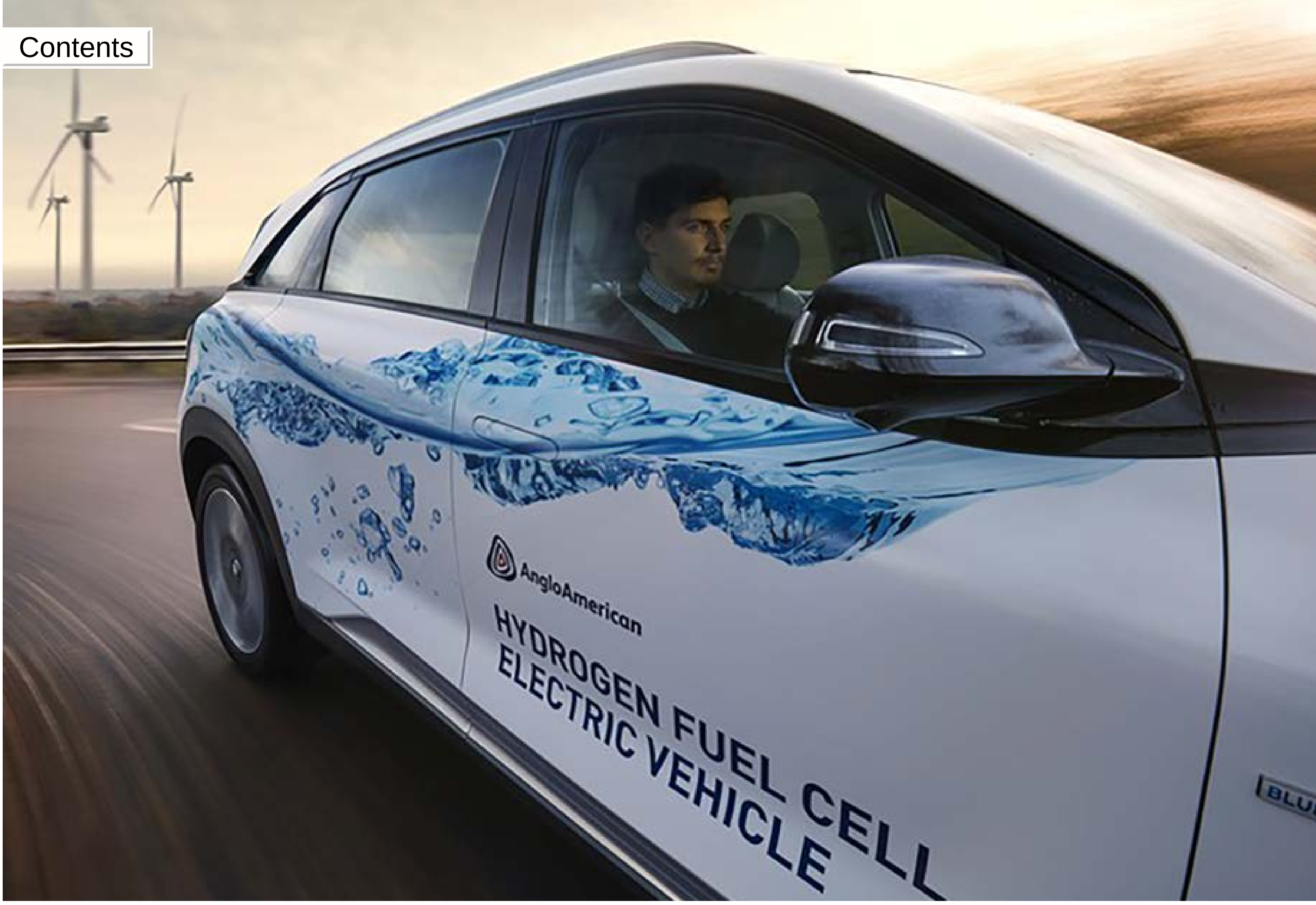
Royalty and unquoted investments

At 31 December 2021 the Company has two unquoted investments, the OZ Minerals Brazil Royalty (1.5% of the portfolio), as well as an investment in Ivanhoe Electric /I-Pulse (1.2% of the portfolio). The Company has an additional quoted royalty investment, Vale Debentures (3.3% of the portfolio), with total royalty investments amounting to 4.8% of the Company's 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.

OZ Minerals Brazil royalty contract (1.5%)

In July 2014 the Company signed a binding royalty agreement with Avanco Minerals. The Company provided US$12 million in return for a 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 licence area as at the time of the agreement.





Diversified miner Anglo American is a leader in the area of reducing emissions by switching to a renewable power source for mining fleets, transportation and parts of the processing circuit.

PHOTO COURTESY OF ANGLO AMERICAN

In 2018 Avanco was 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$19.2 million in royalty payments with the royalty achieving full payback on the initial investment. As at 31 December 2021, the royalty was valued at £18.2 million (1.5% of NAV) which equates to a 265.3% total return since our investment.

It has been a challenging operating environment in Brazil over the last 18 months primarily due to COVID-19. As expected, the Antas Mine ceased production in the middle of the year, with Pedra Branca steadily ramping-up during the second half with ore processed through the Antas processing facility. OZ Minerals had flagged the risk of not meeting the 10-15kt copper guidance during this year due to COVID-19, with production downgraded to 7kt-10kt copper and 5koz-8koz gold. Given the better-than-expected copper price and our conservative production assumption this year, it has had minimal impact on income, and we have confidence in production returning to planned levels during 2022. We continue to remain optimistic on the longer-term optionality provided by the royalty via the development of Pedra Branca West, as well as greenfield exploration over the licence area.

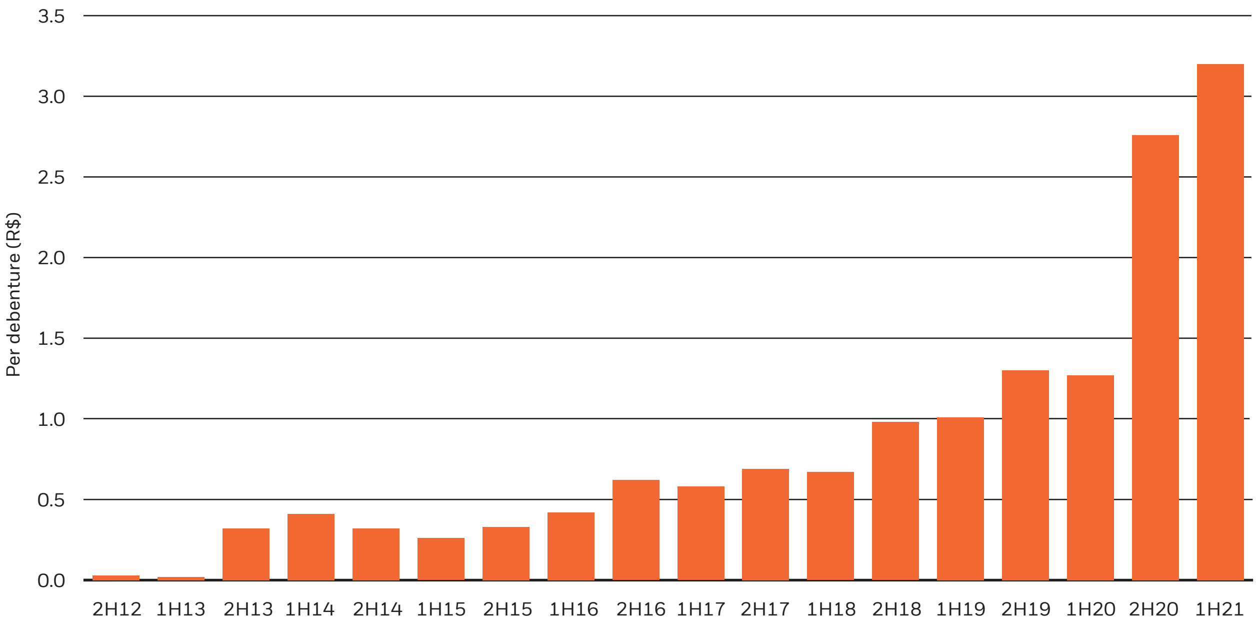
Vale debentures (3.3% of the portfolio)

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 31 December 2021 the Company's exposure to the Vale Debentures was 3.3%.

It has been a remarkable environment for the iron ore market since the Company acquired the Debentures at the beginning of 2019. From a supply perspective, the iron ore market was significantly tightened following Vale's tragic tailings dam collapse at the beginning of 2019 which has been further intensified as Vale has failed to meet its annual production guidance in 2020 and 2021. These supply issues combined with record steel demand in China has seen the iron ore price average at US$117/tonne since the beginning of 2019, a notable increase from the US$70/tonne iron ore price at the beginning of 2019 when the Company acquired the Debentures.

Despite the strong rally in the Debentures, we continue to see value with the current yield on the investment in excess of 10% which is attractive for a royalty instrument. This value opportunity has been recognised by other listed royalty producers Franco-Nevada and Sandstorm Gold royalties which have both acquired

Distribution on Vale shareholders' debentures



Source: Vale.

stakes in the Debentures since the sell-down occurred in 2021.

Whilst the Vale Debentures are a royalty, they are also a listed security on the Brazilian National Debentures System. As we have highlighted in previous reports, shareholders should be aware that historically there has been a low level of liquidity in the Debentures and price volatility is to be expected. However, we expect this to be improved following the recent sell-down in April 2021.

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.

Ivanhoe Electric/I-Pulse (1.2% of the portfolio)

In early August the Company made a US$20 million investment into Ivanhoe Electric/I-Pulse, an exploration and mining business focused on identifying and developing "electric metals" (copper, nickel, gold and silver) required for the energy transition. The exploration portfolio is focused in the USA where it has developed a proprietary exploration technology that has the ability to identify mineral resources at greater depths than existing methods. The team is led by Robert Friedland who has a successful track record of identifying and developing world class mineral deposits such as Voisey's Bay, Oyu Tolgoi and Kamoa-Kukula.

The Company's investment consists of an investment into the common shares of Ivanhoe Electric/I-Pulse, as well as convertible notes which convert at a discount to the initial public offering (IPO) price into Ivanhoe Electric shares. The company is targeting an IPO over the next six to twelve months and the exploration potential of this asset base is encouraging. Since making the investment, Ivanhoe Electric has successfully secured an option to acquire 100% of the Santa Cruz deposit, a historic high-grade copper oxide resource in Arizona. Earn-in spend is approximately US$100 million over the next three years with the management team focused on verifying the historic drilling to produce a 43-101 resource statement ahead of IPO in 2022. We believe this has potential to add significant value to our August 2021 entry price.

Jetti Resources

We are pleased to report that subsequent to the year-end the Company has made an investment into copper technology company Jetti Resources. Jetti Resources, alongside the University of British Colombia, has developed a new catalyst that improves copper recovery from primary copper sulphides (specifically from chalcopyrite, which is often uneconomic under conventional leach conditions). Jetti is currently testing at 23 projects at various stages, including five active pilots where they will look to integrate their catalyst into existing heap leach SX-EW mines to improve recoveries at a low capital cost. The technology has been demonstrated to work at scale at the Pinto Valley copper mine, with further deployments at different copper assets planned for this year. If industry adoption of Jetti's technology continues to accelerate and is proven to work at scale, we see material valuation upside, with Jetti sharing in the economics of additional copper volumes recovered through the application of their catalyst.

Derivatives activity

The Company from time to time enters into derivatives contracts, mostly involving the sale of "puts" and "calls". These are taken to revenue and are subject to strict Board guidelines on the use of derivatives which limit the exposure to an aggregate 10% of gross assets of the Group. In 2021 income generated from options was £7.1 million. This was lower than in the prior year as volatility levels made option writing less value accretive to the Company but nonetheless a number of opportunities presented themselves allowing healthy levels of income to be earned. At the end of the period the Company had 2.4% of net assets exposed to derivatives and the average exposure to derivatives during the period was once again less than 5%.

Gearing

At 31 December 2021, the Company had £113.3 million of net debt, with a gearing level of 9.9% of net assets. 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 held by the Company. During the year, the Company sought to maximise the use of gearing against the equity holdings rather than debt securities. This was driven by the risk adjusted relative value available in shares where dividend yields were mostly in excess of the coupons being paid on the bonds. Since the investee companies also have strong balance sheets, it was opportune to gear up the equity portfolio of the Company since we were not adding debt to holdings that were already heavily leveraged themselves.

Shareholders should note that the total gearing available to the Company has increased during the year due to the rise in net assets but remains within the 25% of net assets limit set by the Board. On the back of this, facilities were refreshed with our lenders and now stand at £138.9 million for loans and £0.4 million for the overdraft. The cost of debt for the Company remains very low at 1.10% for US Dollar loans and 0.97% for Sterling loans and these are now linked to SOFR/SONIA following the demise of LIBOR.

Outlook

2022 seems to have started well for the global economy with fears around the Omicron variant starting to wane as its impact seems to be less damaging than initially feared. With global growth still strong and inflation numbers higher than desired, it is likely that Central Banks will become less accommodative and start raising rates. Transitions

The portfolio has exposure to rare earth elements (REE) through Lynas Rare Earths, a REE miner and processor based in Malaysia and Australia. In 2021 Lynas Corporation's equity returned 154%.

PHOTO COURTESY OF LYNAS RARE EARTHS

such as this are always associated with higher periods of volatility as investors rotate portfolios to reflect the new environment.

Looking more closely at the commodity sector, the outlook remains as bright as it has been for the last few years. Prices for almost all metals are well supported by ongoing demand strength and limited new supply growth. In addition, current price levels generate margins that are high by historical standards meaning that the companies should continue to enjoy excellent levels of cash flow generation. If current capital allocation trends and tighter cost containment measures continue, shareholders should see further years of strong income but probably not the records seen in 2021, especially if the focus moves to share buy backs rather than dividends.

Evy Hambro and Olivia Markham
BlackRock Investment Management (UK) Limited
7 March 2022

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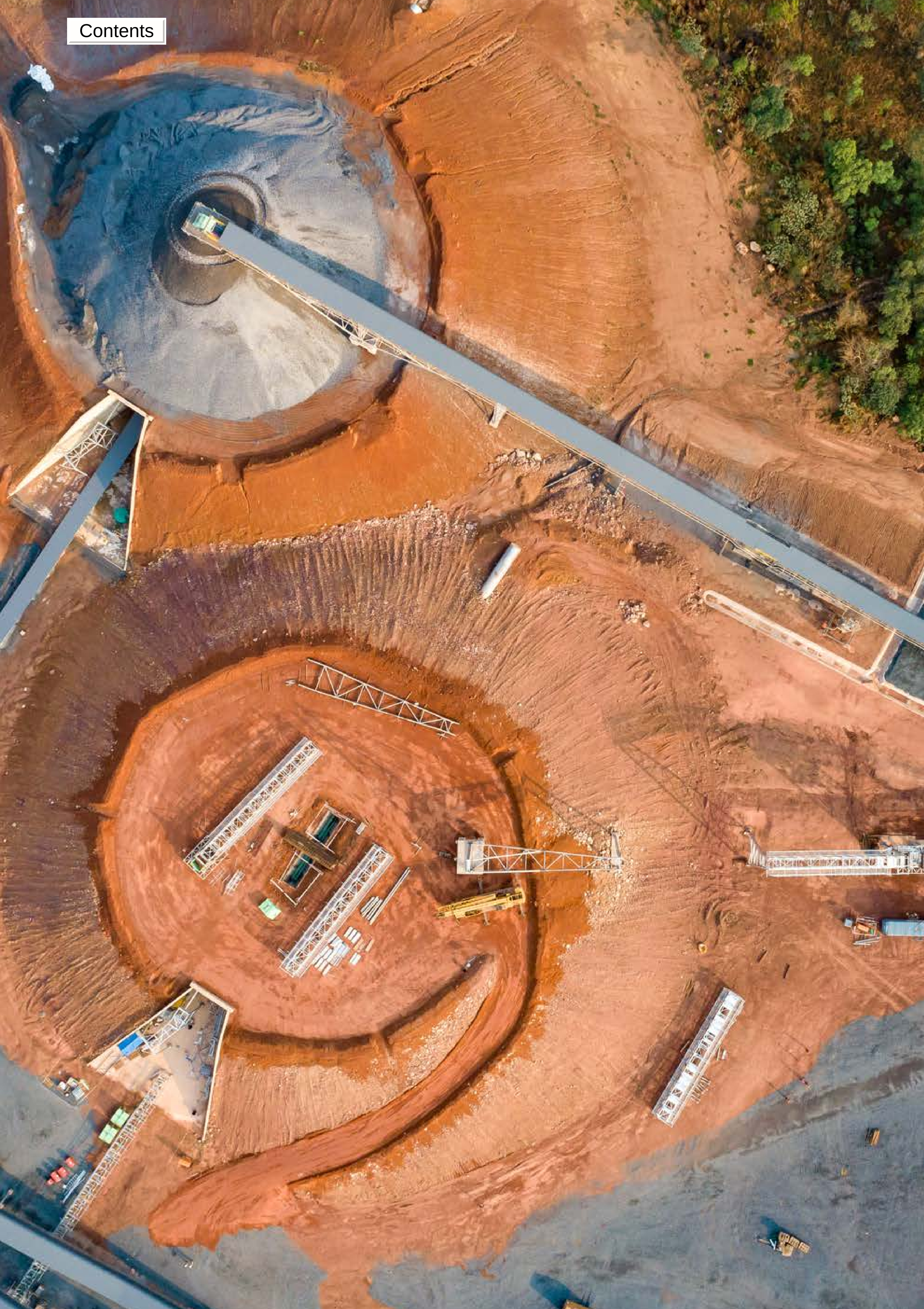


Portfolio

We continue to be impressed with the operational performance of copper miner Ivanhoe Mines. The company has surpassed market expectations of both the timing and production level of its Kamoa-Kakula asset in the DRC.

PHOTO COURTESY OF IVANHOE MINES

PHOTOS COURTESY OF VALE, BHP, GLENCORE, ANGLO AMERICAN, FREEPORT-MCMORAN, ARCELORMITTAL, RIO TINTO, TECK RESOURCES, NEWMONT CORPORATION, FIRST QUANTUM MINERALS.

Ten largest investments

1 ► Vale[1,2,3] (2020: 1st)

Diversified mining group

Market value: £106,625,000
Share of investments: 8.5% (2020: 10.9%)

One of the largest mining groups 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 group also produces manganese ore, ferroalloys, metallurgical and thermal coal, copper, platinum group metals, gold, silver and cobalt.

2 ► BHP[3] (2020: 2nd)

Diversified mining group

Market value: £96,883,000
Share of investments: 7.7% (2020: 7.6%)

The world's largest diversified mining group by market capitalisation. The group is an important global player in a number of commodities including iron ore, copper, thermal and metallurgical coal, manganese, nickel, silver and diamonds. The group also has significant interests in oil, gas and liquefied natural gas but has signed a binding share sale agreement for the merger of the oil and gas business with Woodside.

3 ▲ Glencore (2020: 18th)

Diversified mining group

Market value: £96,651,000
Share of investments: 7.7% (2020: 1.7%)

One of the world's largest globally diversified natural resources groups. The group's operations include approximately 150 mining and metallurgical sites and oil production assets. Glencore's mined commodity exposure includes copper, cobalt, nickel, zinc, lead, ferroalloys, aluminium, coal, gold and silver.

Ten largest investments

continued

4 ▶ Anglo American (2020: 4th)

Diversified mining group

Market value: £93,608,000
Share of investments: 7.5% (2020: 7.2%)

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

5 ▶ Freeport-McMoRan (2020: 5th)

Copper producer

Market value: £77,970,000
Share of investments: 6.2% (2020: 5.2%)

A global mining group which operates large, long-lived, geographically diverse assets with significant proven and probable reserves of copper, gold and molybdenum.

6 ▲ ArcelorMittal[1] (2020: 13th)

Steel producer

Market value: £65,024,000
Share of investments: 5.2% (2020: 2.5%)

A multinational steel manufacturing group, with a focus on producing safe sustainable steel. The company has operations across the world and is the largest steel manufacturer in North America, South America and Europe.

7 ▼ Rio Tinto (2020: 3rd)

Diversified mining group

Market value: £52,315,000
Share of investments: 4.2% (2020: 7.5%)

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

8 ▲ Teck Resources (2020: 15th)

Diversified mining group

Market value: £45,543,000
Share of investments: 3.6% (2020: 2.2%)

A diversified mining group headquartered in Canada. The group is engaged in mining and mineral development with operations and projects in Canada, the US, Chile and Peru. The group has exposure to copper, zinc, steelmaking, coal and energy.

9 ▼ Newmont Corporation (2020: 6th)

Gold producer

Market value: £43,489,000
Share of investments: 3.5% (2020: 4.5%)

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

10 ▶ First Quantum Minerals[1] (2020: 10th)

Copper producer

Market value: £36,575,000
Share of investments: 2.9% (2020: 4.2%)

An established growing copper mining company operating seven mines including the ramp-up of their newest mine, Cobre Panama, which declared commercial production in September 2019. The company is a significant copper producer and also produces nickel, gold and zinc.

[1] Includes fixed income securities.
[2] Includes investments held at Directors' valuation.
[3] Includes options.

All percentages reflect the value of the holding as a percentage of total investments. For this purpose, where more than one class of securities is held, these have been aggregated.

Together, the ten largest investments represented 57.0% of total investments of the Company's portfolio as at 31 December 2021 (ten largest investments as at 31 December 2020: 56.4%).

Investments

as at 31 December 2021

	Main geographical exposure	Market value £'000	% of investments
Diversified			
Vale	Global	66,106	5.3
Vale Debentures*#^	Global	40,895	3.3
Vale Put Option 21/01/22 $13.84	Global	(376)	(0.1)
BHP	Global	97,174	7.7
BHP Put Option 20/01/22 $40.99	Global	(291)	–
Glencore	Global	96,651	7.7
Anglo American	Global	93,608	7.5
Rio Tinto	Global	52,315	4.2
Teck Resources	Global	45,543	3.6
Trident	Global	4,055	0.3
		495,680	**39.5**
Copper			
Freeport-McMoRan	Global	77,970	6.2
First Quantum Minerals*	Global	36,575	2.9
Ivanhoe Mines	Other Africa	30,108	2.4
OZ Minerals Brazil Royalty#~	Latin America	18,162	1.5
OZ Minerals	Australasia	16,358	1.3
Sociedad Minera Cerro Verde	Latin America	21,895	1.7
Solaris Resources#	Latin America	19,046	1.5
Ivanhoe Electric/I-Pulse*#	United States	15,250	1.2
Antofagasta	Latin America	12,207	1.0
Ero Copper	Latin America	6,231	0.5
HudBay	Global	5,611	0.5
Lundin Mining	Global	3,945	0.3
SolGold	Latin America	3,777	0.3
Nevada Copper	United States	1,254	0.1
Sierra Metals	Latin America	706	0.1
		269,095	**21.5**
Gold			
Newmont Corporation	Global	43,489	3.5
Barrick Gold	Global	35,042	2.8
Wheaton Precious Metals	Global	34,285	2.7
Franco-Nevada	Global	27,824	2.2
Northern Star Resources	Australasia	15,146	1.2
Polyus	Russia	14,567	1.2
Kinross Gold	Global	10,376	0.8
Polymetal International	Russia	9,929	0.8
Endeavour Mining	Other Africa	8,293	0.7
Kirkland Lake Gold	Australasia	5,942	0.5
		204,893	**16.4**

Investments

continued

	Main geographical exposure	Market value £'000	% of investments
Steel			
ArcelorMittal*	Global	65,024	5.2
Steel Dynamics	United States	20,377	1.6
Nucor Corp	United States	10,934	0.9
		96,335	**7.7**
Industrial Minerals			
Lynas Corporation	Australasia	18,268	1.4
Iluka Resources	Australasia	13,004	1.0
Sociedad Química y Minera de Chile ADR	Latin America	12,924	1.0
Sigma Lithium#	Latin America	5,610	0.4
Sheffield Resources	Australasia	3,756	0.3
		53,562	**4.1**
Aluminium			
Alcoa	Global	21,096	1.7
Norsk Hydro	Global	20,040	1.6
		41,136	**3.3**
Platinum Group Metals			
Northam Platinum	South Africa	15,182	1.2
Impala Platinum	South Africa	14,257	1.1
Sibanye Stillwater	South Africa	10,255	0.8
		39,694	**3.1**
Iron Ore			
Labrador Iron	Canada	27,768	2.2
Deterra Royalties	Australasia	4,650	0.4
Fortescue Metals Group	Australasia	2,576	0.2
Equatorial Resources	Other Africa	306	–
Champion Iron	Canada	112	–
		35,412	**2.8**
Nickel			
Nickel Mines	Indonesia	17,679	1.4
Bindura Nickel	Other Africa	128	–
		17,807	**1.4**
Zinc			
Titan Mining+#	United States	2,520	0.2
		2,520	**0.2**
		1,256,134	**100.0**

	Main geographical exposure	Market value £'000	% of investments
Comprising			
– Investments		1,256,801	100.1
– Options		(667)	(0.1)
		1,256,134	**100.0**

* Includes fixed income securities.
# Includes investments held at Directors' valuation.
~ Mining royalty contract.
^ The investment in the Vale debenture is illiquid and has been valued using secondary market pricing information provided by the Brazilian Financial and Capital Markets Association (ANBIMA).

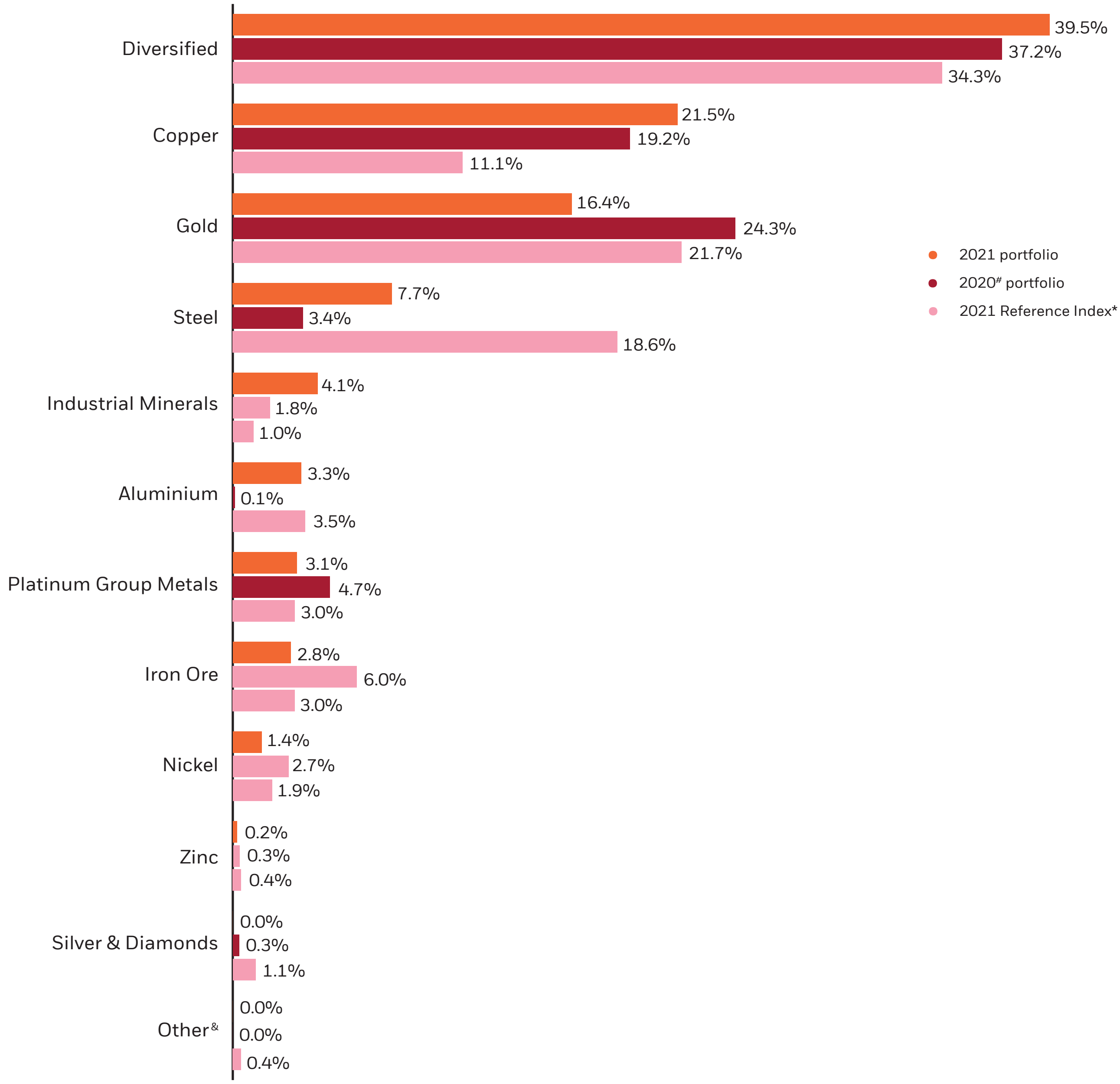
All investments are in equity shares unless otherwise stated. The total number of investments as at 31 December 2021 (including options classified as liabilities on the balance sheet) was 56 (31 December 2020: 56).

As at 31 December 2021 the Company did not hold any equity interests in companies comprising more than 3% of a company's share capital.

Portfolio analysis

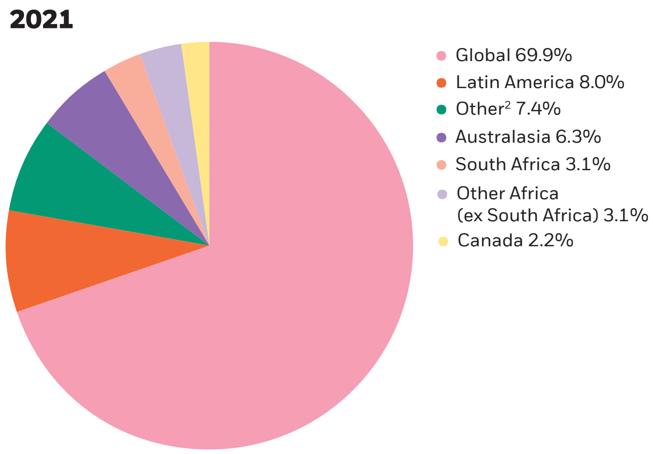
as at 31 December 2021

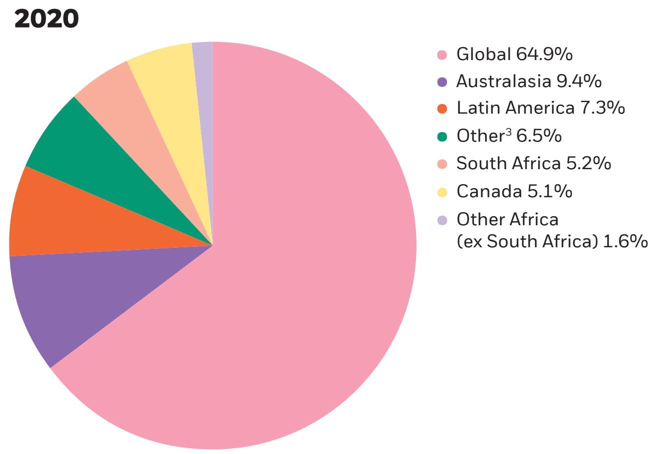
Commodity Exposure[1]



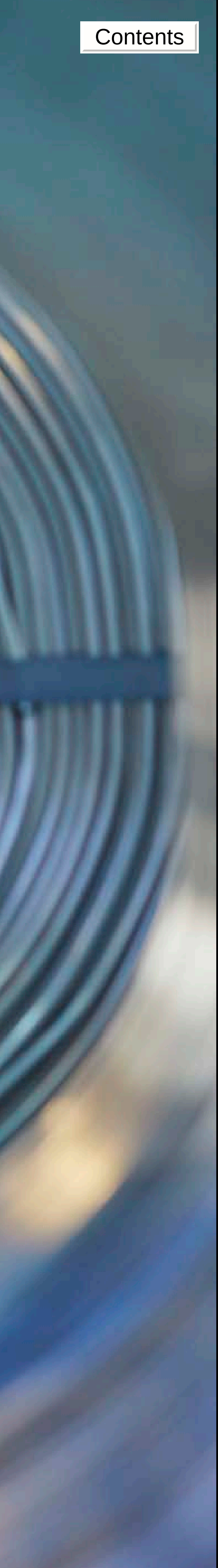
[1] Based on index classifications.
Represents exposure at 31 December 2020.
* MSCI ACWI Metals & Mining 30% Buffer 10/40 Index (net total return).
& Represents a very small exposure.

Geographic Exposure[1]





[1] Based on the principal commodity exposure and place of operation of each investment.
[2] Consists of Indonesia, Russia and United States.
[3] Consists of Indonesia, Russia, United Kingdom and United States.



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Governance

Within the aluminium and steel industries, once carbon taxes are rolled out globally, companies with existing access to low carbon power, such as Norsk Hydro, will benefit.
PHOTO COURTESY OF NORSK HYDRO

Governance structure

Responsibility for good governance lies with the Board. The governance framework of the Company reflects the fact that as an investment company the Company has no employees, the Directors are all non-executive and investment management and administration functions are outsourced to the Manager and other external service providers.

The Board
5 scheduled meetings per annum

Five non-executive Directors (NEDs), all independent of the Manager

Chairman: David Cheyne (since 2 May 2019)

Objectives:
- To determine the Company's investment policy, strategy, and parameters;
- To provide leadership within a framework of prudent and effective controls which enable risk to be assessed and managed and the Company's assets to be safeguarded;
- To challenge constructively and scrutinise performance of all outsourced activities; and
- To determine the Company's remuneration policy.

Audit Committee
2 scheduled meetings per annum

Membership: All NEDs excluding the Chairman of the Board

Chairman: Russell Edey (since 1 May 2020)

Key objectives:
- To oversee financial reporting;
- To consider the adequacy of the control environment and review the Company's risk registers;
- To review and form an opinion on the effectiveness of the external audit process; and
- To review the provisions relating to whistleblowing and fraud.

Management Engagement Committee
1 scheduled meeting per annum

Membership: All NEDs

Chairman: Russell Edey (since 1 May 2020)

Key objectives:
- To ensure that the provisions of the investment management agreement follow industry practice, remain competitive and are in the best interests of shareholders;
- To review the performance of the Manager and Investment Manager; and
- To review the performance of other service providers.

Nomination Committee
1 scheduled meeting per annum

Membership: All NEDs

Key objectives:
- To regularly review the Board's structure and composition;
- To be responsible for Board succession planning; and
- To make recommendations for any new appointments.

Directors' biographies

David Cheyne
Chairman
Appointed 1 June 2012

David Cheyne is a senior adviser to Akira Partners LLP and a trustee of the RAF Benevolent Fund and Stowe School Foundation. He retired as a consultant at Linklaters on 31 July 2015 where he was senior partner from 2006 to 2011 and a partner from 1980. Throughout his career at Linklaters, he played a central role in a wide range of corporate transactions, including M&A deals, joint ventures, flotations and general corporate finance work. In particular, he advised on a number of large mining transactions. He was also vice chairman of Europe, Middle East and Africa at Moelis & Company from 2011 to 2015.

Attendance record:
Board: 5/5

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

Russell Edey is a non-executive director of Fidelity Emerging Markets Limited and a co-opted committee member of the Essex Community Foundation. He retired as chairman of Avocet Mining PLC in March 2018 having been on the board since 2010, served as a non-executive director of Old Mutual PLC from June 2004 to May 2013 and retired as chairman of AngloGold Ashanti Limited in May 2010 having been a member of that company's board since 1998. In June 2014 he retired as a non-executive director of several companies in the Rothschild Group which he joined in 1977. Prior to that, he worked for Anglo American Corporation of South Africa Limited in South Africa and Australia.

Attendance record:
Board: 5/5
Audit Committee & Management Engagement Committee*: 2/2

Jane Lewis
Appointed 28 April 2016

Jane Lewis is an investment trust specialist who, until August 2013, was a director of corporate finance and broking at Winterflood Investment Trusts. Prior to this she worked at Henderson Global Investors and Gartmore Investment Management Limited in investment trust business development and at West LB Panmure as an investment trust broker. She is chairman of Invesco Perpetual UK Smaller Companies Investment Trust plc and a non-executive director of BMO Capital and Income Investment Trust plc, The Scottish Investment Trust plc and Majedie Investments PLC.

Attendance record:
Board: 5/5
Audit Committee & Management Engagement Committee*: 2/2

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Directors' biographies
continued

Judith Mosely
Appointed 19 August 2014

Judith Mosely is a non-executive director of Galiano Gold Inc., Eldorado Gold Corp. and Women in Mining (UK). She is also a trustee of the Camborne School of Mines Trust. She was previously Business Development Director for Rand Merchant Bank and head of the mining finance team at Société Générale in London.

Attendance record:
Board: 5/5
Audit Committee & Management Engagement Committee*: 2/2

Srinivasan Venkatakrishnan
Appointed 1 August 2021

Srinivasan Venkatakrishnan is a non-executive director of the Weir Group PLC and Roscan Gold Corporation. He brings a wealth of mining and financial experience to the Board gained through his vast experience of leading global mining businesses, in a career that spans across six continents and several metals, notably gold. He served as CEO of Vedanta Resources plc from 2018 to 2020 and was CEO of AngloGold Ashanti Limited between 2013 to 2018, having previously been Chief Financial Officer of the business from 2005, and of Ashanti Goldfields Limited from 2000. His earlier career was as an accountant and restructuring specialist with Deloitte & Touche in India and the UK.

Attendance record:
Board: 2/2
Audit & Management Engagement Committee*: 1/1

* Up to 18 November 2021, there was a single combined Audit & Management Engagement Committee. On 18 November 2021 the Directors established two separate committees, being the Audit Committee and the Management Engagement Committee.

None of the Directors has a service contract with the Company. The terms of their appointment are detailed in a letter sent to them when they joined the Board. These letters are available for inspection at the registered office of the Company and will be available at the Annual General Meeting.

Strategic report

The Directors present the Strategic Report of the Company for the year ended 31 December 2021. The aim of the Strategic Report is to provide shareholders with the information to assess how the Directors have performed their duty to promote the success of the Company for the collective benefit of shareholders.

The Chairman's Statement together with the Investment Manager's Report form part of this Strategic Report. The Strategic Report was approved by the Board at its meeting on 7 March 2022.

Principal activities

The Company carries on business as an investment trust and has a premium listing on the London Stock Exchange. Its principal activity is portfolio investment and that of its subsidiary, BlackRock World Mining Investment Company Limited (together the Group), is investment dealing. The Company was incorporated in England on 28 October 1993 and this is the 28th Annual Report.

Investment trusts are pooled investment vehicles which allow exposure to a diversified range of assets through a single investment, thus spreading investment risk.

Objective

The Company's objective is to maximise total returns to shareholders through a worldwide portfolio of mining and metal securities.

The Board recognises the importance of dividends to shareholders in achieving that objective, in addition to capital returns.

Strategy, business model and investment policy

Strategy

The Company invests in accordance with the objective given above. The Board is collectively responsible to shareholders for the long-term success of the Company and is its governing body. There is a clear division of responsibility between the Board and BlackRock Fund Managers Limited (the Manager). Matters reserved for the Board include setting the Company's strategy, including its investment objective and policy, setting limits on gearing (both bank borrowings and the effect of derivatives), capital structure, governance and appointing and monitoring of the performance of service providers, including the Manager.

Business model

The Company's business model follows that of an externally managed investment trust. Therefore, the Company does not have any employees and outsources its activities to third party service providers including the Manager who is the principal service provider. In accordance with the Alternative Investment Fund Managers' Directive (AIFMD), as implemented, retained and onshored in the UK, the Company is an Alternative Investment Fund (AIF). BlackRock Fund Managers Limited is the Company's Alternative Investment Fund Manager.

The management of the investment portfolio and the administration of the Company have been contractually delegated to the Manager who in turn (with the permission of the Company) has delegated certain investment management and other ancillary services to BlackRock Investment Management (UK) Limited (the Investment Manager). The Manager, operating under guidelines determined by the Board, has direct responsibility for the decisions relating to the day-to-day running of the Company and is accountable to the Board for the investment, financial and operating performance of the Company.

The Company delegates fund accounting services to the Manager, which in turn sub-delegates these services to The Bank of New York Mellon (International) Limited (BNYM) (the Fund Accountant) and also sub-delegates registration services to the Registrar, Computershare Investor Services PLC. Other service providers include the Depositary (also BNYM). Details of the contractual terms with these service providers and more details of sub-delegation arrangements in place governing custody services are set out in the Directors' Report.

Investment policy

The Company's investment policy is to provide a diversified investment in mining and metal securities 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.

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

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

As approved by shareholders in August 2013, the Group may invest in any single holding of quoted or unquoted investments that would represent up to 20% of gross assets at the time of acquisition. Although investments are principally in companies listed on recognised stock

Strategic report
continued

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

In March 2015 the Board refined the guidelines associated with the Company's royalty strategy and proposed to maintain the 20% maximum exposure to royalties but the royalty/unquoted portfolio should itself deliver diversification across operator, country and commodity. To this end, new investments into individual royalties/unquoted investments should not exceed circa 3% of gross assets at the time of investment. Total exposure to any single operator, including other issued securities such as debt and/or equity, where greater than 30% of that operator's revenues come from the mine over which the royalty lies, must also not be greater than 3% at the time of investment. In addition, the guidelines require that the Investment Manager must, at the time of investment, manage total exposure to a single operator, via reducing exposure to listed securities if they are also held in the portfolio, in a timely manner where royalties/unquoted investments are revalued upwards. In the jurisdictions where statutory royalties are possible (in countries where mineral rights are privately owned) these will be preferred and in respect of contractual royalties (a contractual obligation entered into by the operator and typically unsecured) the valuation must take into account the higher credit risk involved. Board approval will continue to be required for all royalty/unquoted investments.

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

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

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

Gearing
The Investment Manager believes that tactical use of gearing can add value from time to time. This gearing is typically in the form of an overdraft or short-term loan facility, which can be repaid at any time or matched by cash. The level and benefit of gearing is discussed and agreed with the Board regularly. The Company may borrow up to 25% of the Group's net assets. The maximum level of gearing used during the year was 14.2% and, at the financial reporting date, net gearing (calculated as borrowings less cash and cash equivalents as a percentage of net assets) stood at 9.9% of shareholders' funds (2020: 12.3%). For further details on borrowings refer to note 14 in the Financial Statements and the Alternative Performance Measure in the Glossary.

Portfolio analysis
Information regarding the Company's investment exposures is contained within Section 2 (Portfolio), with information on the ten largest investments on pages 27 and 28, the investments listed on pages 29 to 31 and portfolio analysis on pages 32 and 33. Further information regarding investment risk and activity throughout the year can be found in the Investment Manager's Report.

As at 31 December 2021, the Level 3 unquoted investments (see note 18 in the Financial Statements) in the OZ Minerals Brazil Royalty and convertible bonds and equity shares of Ivanhoe Electric/I-Pulse were held at Directors' valuation, representing a total of £33,412,000 (US$45,255,000) (2020: £19,753,000 (US$27,002,000)). Unquoted investments can prove to be more risky than listed investments.

Continuation vote
As agreed by shareholders in 1998, an ordinary resolution for the continuation of the Company is proposed at each Annual General Meeting. 2021 was another solid year with mining companies continuing down the path of capital discipline, balance sheets in strong shape and earnings and dividends rising. The Directors remain confident on the value available in the sector and therefore recommend that shareholders vote in support of the Company's continuation.

Performance
Details of the Company's performance for the year are given in the Chairman's Statement. The Investment Manager's Report includes a review of the main developments during the year, together with information on investment activity within the Company's portfolio.

Results and dividends
The results for the Company are set out in the Consolidated Statement of Comprehensive Income. The total profit for the year, after taxation, was £192,470,000 (2020: £216,515,000) of which £78,910,000 (2020: £35,451,000) is revenue profit.

It is the Board's intention to distribute substantially all of the Company's available income. The Directors recommend the payment of a final dividend as set out in the Chairman's Statement. Dividend payments/payable for the year ended 31 December 2021 amounted to £78,263,000 (2020: £35,612,000).

Future prospects

The Board's main focus is to maximise total returns over the longer term through investment in mining and metal assets. The outlook for the Company is discussed in both the Chairman's Statement and the Investment Manager's Report.

Employees, social, community and human rights issues

As an investment trust with no employees, the Company has no direct social or community responsibilities or impact on the environment and the Company has not adopted an ESG investment strategy or exclusionary screens. However, the Company believes that it is in shareholders' interests to consider human rights issues and environmental, social and governance factors when selecting and retaining investments. Details of the Board's approach to ESG are set out on page 51 and details of the Manager's approach to ESG integration are set out on pages 52 to 55.

Modern Slavery Act

As an investment vehicle the Company does not provide goods or services in the normal course of business and does not have customers. Accordingly, the Directors consider that the Company is not required to make any slavery or human trafficking statement under the Modern Slavery Act 2015. In any event, the Board considers the Company's supply chains, dealing predominantly with professional advisers and service providers in the financial services industry, to be low risk in relation to this matter.

Directors, gender representation and employees

The Directors of the Company are set out in the Directors' Biographies on pages 37 and 38. The Board consists of three male Directors and two female Directors. The Company does not have any executive employees.

Key performance indicators

At each Board meeting, the Directors consider a number of performance measures to assess the Company's success in achieving its objectives. The key performance indicators (KPIs) used to measure the progress and performance of the Company over time and which are comparable to other investment trusts are set out below. As indicated in the footnote to the table, some of these KPIs fall within the definition of 'Alternative Performance Measures' under guidance issued by the European Securities and Markets Authority (ESMA) and additional information explaining how these are calculated is set out in the Glossary on pages 140 to 143. Additionally, the Board regularly reviews the performance of the portfolio, as well as the net asset value and share price of the Company and compares this against various companies and indices. Information on the Company's performance is given in the Chairman's Statement.

	Year ended 31 December 2021	Year ended 31 December 2020
Net asset value total return[1,2]	20.7%	31.8%
Share price total return[1,2]	17.5%	46.7%
Discount to net asset value[2]	5.3%	2.7%
Revenue earnings per share	43.59p	20.40p
Total dividends per share	42.50p	20.30p
Ongoing charges[2,3]	0.95%	0.99%
Ongoing charges on gross assets[2,4]	0.84%	0.87%

1 This measures the Company's NAV and share price total return, which assumes dividends paid by the Company have been reinvested.

2 Alternative Performance Measures, see Glossary on pages 140 to 143.

3 Ongoing charges represent the management fee and all other operating expenses, excluding finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation and certain non-recurring items, as a % of average daily net assets.

4 Ongoing charges based on gross assets represent the management fee and all other operating expenses, excluding finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation and certain non-recurring items, as a % of average daily gross assets. Gross assets are calculated based on net assets during the year before the deduction of the bank overdraft and loans. Ongoing charges based on gross assets are considered to be an appropriate performance measure as management fees are payable on gross assets only in the event of an increase in NAV on a quarter-on-quarter basis.

Principal risks

The Company is exposed to a variety of risks and uncertainties. As required by the 2018 UK Corporate Governance Code (the UK Code), the Board has put in place a robust ongoing process to identify, assess and monitor the principal risks and emerging risks. A core element of this process is the Company's risk register which identifies the risks facing the Company and assesses the likelihood and potential impact of each risk and the quality of controls operating to mitigate it. A residual risk rating is then calculated for each risk based on the outcome of the assessment.

The risk register, its method of preparation and the operation of key controls in BlackRock's and other third party service providers' systems of internal control, are reviewed on a regular basis by the Audit Committee. In order to gain a more

Strategic report
continued

comprehensive understanding of BlackRock's and other third party service providers' risk management processes and how these apply to the Company's business, BlackRock's internal audit department provides an annual presentation to the Audit Committee Chairs of the BlackRock investment trusts setting out the results of testing performed in relation to BlackRock's internal control processes. The Audit Committee also periodically receives and reviews internal control reports from BlackRock and the Company's service providers.

The Board has undertaken a robust assessment of both the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. The COVID-19 pandemic has given rise to unprecedented challenges for businesses across the globe and the Board has taken into consideration the risks posed to the Company by the crisis and incorporated these into the Company's risk register. The threat of climate change has also reinforced the importance of more sustainable practices and environmental responsibility for investee companies.

Emerging risks are considered by the Board as they come into view and are incorporated into the existing review of the Company's risk register. They were also considered as part of the annual evaluation process. Additionally, the Manager considers emerging risks in numerous forums and the BlackRock Risk and Quantitative Analysis team produces an annual risk survey. Any material risks of relevance to the Company through the annual risk survey will be communicated to the Board.

The Board will continue to assess these risks on an ongoing basis. In relation to the UK Code, the Board is confident that the procedures that the Company has put in place are sufficient to ensure that the necessary monitoring of risks and controls has been carried out throughout the reporting period.

The principal risks and uncertainties faced by the Company during the financial year, together with the potential effects, controls and mitigating factors, are set out in the following table.

Principal Risk	Mitigation/Control
Counterparty	
The potential loss that the Company could incur if a counterparty is unable (or unwilling) to perform on its commitments.	Due diligence is undertaken before contracts are entered into and exposures are diversified across a number of counterparties. The Depositary is liable for restitution for the loss of financial instruments held in custody unless able to demonstrate the loss was a result of an event beyond its reasonable control.
Investment performance	
The returns achieved are reliant primarily upon the performance of the portfolio. The Board is responsible for: • deciding the investment strategy to fulfil the Company's objective; and • monitoring the performance of the Investment Manager and the implementation of the investment strategy. An inappropriate investment policy may lead to: • underperformance compared to the reference index; • a reduction or permanent loss of capital; and • dissatisfied shareholders and reputational damage.	To manage this risk the Board: • regularly reviews the Company's investment mandate and long-term strategy; • has set investment restrictions and guidelines which the Investment Manager monitors and regularly reports on; • receives from the Investment Manager a regular explanation of stock selection decisions, portfolio exposure, gearing and any changes in gearing, and the rationale for the composition of the investment portfolio; • monitors and maintains an adequate spread of investments in order to minimise the risks associated with particular countries or factors specific to particular sectors, based on the diversification requirements inherent in the investment policy; • receives and reviews regular reports showing an analysis of the Company's performance against other indices, including the performance of major companies in the sector; and • has been assured that the Investment Manager has training and development programmes in place for its employees and its recruitment and remuneration packages are developed in order to retain key staff.

Principal Risk	Mitigation/Control
Legal and regulatory compliance	
The Company has been approved by HM Revenue & Customs as an investment trust, subject to continuing to meet the relevant eligibility conditions, and operates as an investment trust in accordance with Chapter 4 of Part 24 of the Corporation Tax Act 2010. As such, the Company is exempt from capital gains tax on the profits realised from the sale of its investments. Any breach of the relevant eligibility conditions could lead to the Company losing investment trust status and being subject to corporation tax on capital gains realised within the Company's portfolio. In such event, the investment returns of the Company may be adversely affected. Any serious breach could result in the Company and/or the Directors being fined or the subject of criminal proceedings or the suspension of the Company's shares which would in turn lead to a breach of the Corporation Tax Act 2010. Amongst other relevant laws, the Company is required to comply with the provisions of the Companies Act 2006, the Alternative Investment Fund Managers' Directive as implemented, retained and onshored in the UK (AIFMD), the UK Listing Rules, Disclosure Guidance and Transparency Rules and the Market Abuse Regulation (as retained and onshored in the UK).	The Investment Manager monitors investment movements, the level and type of forecast income and expenditure and the amount of proposed dividends to ensure that the provisions of Chapter 4 of Part 24 of the Corporation Tax Act 2010 are not breached. The results are reported to the Board at each meeting. Compliance with the accounting rules affecting investment trusts is also carefully and regularly monitored. The Company Secretary, Manager and the Company's professional advisers provide regular reports to the Board in respect of compliance with all applicable rules and regulations. The Board and the Manager also monitor changes in government policy and legislation which may have an impact on the Company.
Market	
Market risk arises from volatility in the prices of the Company's investments. It represents the potential loss the Company might suffer through realising investments in the face of negative market movements. Changes in general economic and market conditions, such as currency exchange rates, interest rates, rates of inflation, industry conditions, tax laws, political events and trends, can also substantially and adversely affect the securities and, as a consequence, the Company's prospects and share price. Market risk includes the potential impact of events which are outside the Company's control, such as the COVID-19 pandemic. Companies operating in the sectors in which the Company invests may be impacted by new legislation governing climate change and environmental issues, which may have a negative impact on their valuation and share price.	The Board considers the diversification of the portfolio, asset allocation, stock selection and levels of gearing on a regular basis and has set investment restrictions and guidelines which are monitored and reported on by the Investment Manager. The Board monitors the implementation and results of the investment process with the Investment Manager. The Board also recognises the benefits of a closed-end fund structure in extremely volatile markets such as those experienced with 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 a closed-end fund structure to remain invested for the long term enables the Investment Manager 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. The Investment Manager considers the Environmental, Social and Governance (ESG) risks and opportunities facing companies and industries in the portfolio. They use ESG information when conducting research and due diligence on new investments and again when monitoring investments in the portfolio. Further information on BlackRock's approach to ESG integration can be found on pages 52 to 55.

Strategic report

continued

Principal Risk	Mitigation/Control
Operational	
In common with most other investment trust companies, the Company has no employees. The Company therefore relies on the services provided by third parties and is dependent on the control systems of the Manager and BNYM (the Depositary, Custodian and Fund Accountant) which maintain the Company's assets, dealing procedures and accounting records. The security of the Company's assets, dealing procedures, accounting records and adherence to regulatory and legal requirements depend on the effective operation of the systems of these third party service providers. There is a risk that a major disaster, such as floods, fire, a global pandemic, or terrorist activity, renders the Company's service providers unable to conduct business at normal operating effectiveness. Failure by any service provider to carry out its obligations to the Company could have a material adverse effect on the Company's performance. Disruption to the accounting, payment systems or custody records (including cyber security risk) could prevent the accurate reporting and monitoring of the Company's financial position.	Due diligence is undertaken before contracts are entered into with third-party service providers. Thereafter, the performance of the provider is subject to regular review and reported to the Board. The Board reviews on a regular basis an assessment of the fraud risks that the Company could potentially be exposed to and also a summary of the controls put in place by the Manager, Depositary, Custodian, Fund Accountant and Registrar specifically to mitigate these risks. Most third-party service providers produce internal control reports to provide assurance regarding the effective operation of internal controls as reported on by their reporting accountants. These reports are provided to the Audit Committee for review. The Committee would seek further representations from service providers if not satisfied with the effectiveness of their control environment. The Company's financial instruments held in custody are subject to a strict liability regime and, in the event of a loss of such financial instruments, the Depositary must return financial assets of an identical type or the corresponding amount, unless able to demonstrate the loss was a result of an event beyond its reasonable control. The Board reviews the overall performance of the Manager, Investment Manager and all other third-party service providers on a regular basis and compliance with the Investment Management Agreement annually. The Board also considers the business continuity arrangements of the Company's key service providers on an ongoing basis and reviews these as part of its review of the Company's risk register. In respect of the risks posed by the COVID-19 pandemic in terms of the ability of service providers to function effectively, the Board has received reports from key service providers setting out the measures that they have put in place to address the crisis, in addition to their existing business continuity framework. Having considered these arrangements and reviewed service levels since the crisis has evolved, the Board is confident that a good level of service has been and will be maintained.
Financial	
The Company's investment activities expose it to a variety of financial risks which include market risk, counterparty credit risk, liquidity risk and the valuation of financial instruments.	Details of these risks are disclosed in note 18 to the Financial Statements, together with a summary of the policies for managing these risks.

In the view of the Board, there have not been any changes to the fundamental nature of these risks and these principal risks and uncertainties are equally applicable for the current financial year.

Viability statement

In accordance with provision 31 of the 2018 UK Corporate Governance Code, the Directors have assessed the prospects of the Company over a longer period than the twelve months referred to by the 'Going Concern' guidelines. The Company is an investment trust with the objective of providing an attractive level of income return together with capital appreciation over the long term.

The Directors expect the Company to continue for the foreseeable future and have therefore conducted this review for a period up to the Annual General Meeting in 2025. The Directors assess viability over a rolling three-year period as they believe it best balances the Company's long-term objective, its financial flexibility and scope, with the difficulty in forecasting economic conditions which could affect both the Company and its shareholders. The Company also undertakes a continuation vote every year with the next one taking place at the forthcoming Annual General Meeting.

In making an assessment on the viability of the Company, the Board has considered the following:

- the impact of a significant fall in commodity markets on the value of the Company's investment portfolio;
- the ongoing relevance of the Company's investment objective, business model and investment policy in the prevailing market;
- the principal and emerging risks and uncertainties, as set out above, and their potential impact;
- the level of ongoing demand for the Company's shares;
- the Company's share price discount/premium to NAV;
- the liquidity of the Company's portfolio; and
- the level of income generated by the Company and future income and expenditure forecasts.

The Directors have concluded that there is a reasonable expectation that the Company will continue in operation and meet its liabilities as they fall due over the period of their assessment based on the following considerations:

- the Investment Manager's compliance with the investment objective and policy, its investment strategy and asset allocation;
- the portfolio mainly comprises readily realisable assets which can be sold to meet funding requirements if necessary. As at 2 March 2022, 82.8% of the portfolio was estimated as being capable of being liquidated within three days;
- the operational resilience of the Company and its key service providers and their ability to continue to provide a good level of service for the foreseeable future;
- the effectiveness of business continuity plans in place for the Company and its key service providers;
- the ongoing processes for monitoring operating costs and income which are considered to be reasonable in comparison to the Company's total assets;
- the Board's discount management policy; and
- the Company is a closed-end investment company and therefore does not suffer from the liquidity issues arising from unexpected redemptions.

In addition, the Board's assessment of the Company's ability to operate in the foreseeable future is included in the Going Concern Statement which can be found in the Directors' Report.

Strategic report
continued

Section 172 statement: Promoting the success of the Company

The Companies (Miscellaneous Reporting) Regulations 2018 require directors of large companies to explain more fully how they have discharged their duties under Section 172(1) of the Companies Act 2006 in promoting the success of their companies for the benefit of members as a whole. This includes the likely consequences of their decisions in the longer term and how they have taken wider stakeholders' needs into account.

The disclosure that follows covers how the Board has engaged with and understands the views of stakeholders and how stakeholders' needs have been taken into account, the outcome of this engagement and the impact that it has had on the Board's decisions. The Board considers the main stakeholders in the Company to be the Manager, Investment Manager and the shareholders. In addition to this, the Board considers investee companies and key service providers of the Company to be stakeholders; the latter comprise the Company's Depositary, Registrar, Fund Accountants and Brokers.

Stakeholders			
Shareholders	**Manager and Investment Manager**	**Other key service providers**	**Investee companies**
Continued shareholder support and engagement are critical to the continued existence of the Company and the successful delivery of its long-term strategy. The Board is focused on fostering good working relationships with shareholders and on understanding the views of shareholders in order to incorporate them into the Board's strategy and objective in maximising total returns to shareholders through a worldwide portfolio of mining and metal securities.	The Board's main working relationship is with the Manager, who is responsible for the Company's portfolio management (including asset allocation, stock and sector selection) and risk management, as well as ancillary functions such as administration, secretarial, accounting and marketing services. The Manager has sub-delegated portfolio management to the Investment Manager. Successful management of shareholders' assets by the Investment Manager is critical for the Company to successfully deliver its investment strategy and meet its objective. The Company is also reliant on the Manager as AIFM to provide support in meeting relevant regulatory obligations under the AIFMD and other relevant legislation.	In order for the Company to function as an investment trust with a listing on the premium segment of the official list of the Financial Conduct Authority (FCA) and trade on the London Stock Exchange's (LSE) main market for listed securities, the Board relies on a diverse range of advisors for support in meeting relevant obligations and safeguarding the Company's assets. For this reason, the Board considers the Company's Depositary, Registrar, Fund Accountants and Brokers to be stakeholders. The Board maintains regular contact with its key external service providers and receives regular reporting from them through the Board and Committee meetings, as well as outside of the regular meeting cycle.	Portfolio holdings are ultimately shareholders' assets and the Board recognises the importance of good stewardship and communication with investee companies in meeting the Company's investment objective and strategy. The Board monitors the Manager's stewardship arrangements and receives regular feedback from the Manager in respect of meetings with the management of investee companies.

Area of Engagement	Issue	Engagement	Impact
Investment mandate and objective	The Board has responsibility to shareholders to ensure that the Company's portfolio of assets is invested in line with the stated investment objective and in a way that ensures an appropriate balance between spread of risk and portfolio returns.	The Board worked closely with the Investment Manager throughout the year in further developing investment strategy and underlying policies, not simply for the purpose of achieving the Company's investment objective but in the interests of shareholders and future investors.	The portfolio activities undertaken by the Investment Manager can be found in their Report. The Investment Manager continues 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.

Area of Engagement	Issue	Engagement	Impact
Responsible ownership	More than ever, the importance of good governance and sustainability practices are key factors in making investment decisions. Climate change is becoming a defining factor in companies' long-term prospects across the investment spectrum with significant and lasting implications for economic growth and prosperity. The mining industries in which the Company's investment universe operate are facing ethical and sustainability issues that cannot be ignored by asset managers and investment companies alike.	The Board believes that responsible investment and sustainability are integral to the longer-term delivery of the Company's success. The Board works closely with the Investment Manager to regularly review the Company's performance, investment policy and strategy to ensure that the Company's investment objective continues to be met in an effective and responsible way in the interests of shareholders and future investors. The Investment Manager's approach to the consideration of ESG factors in respect of the Company's portfolio, as well as the Investment Manager's engagement with investee companies to encourage the adoption of sustainable business practices which support long-term value creation, are kept under review by the Board. The Board also expects to be informed by the Investment Manager of any sensitive voting issues involving the Company's investments. Environmental issues were prominent in the engagement, as was executive pay and the re-election of directors in portfolio companies. The Investment Manager reports to the Board in respect of its approach to ESG integration; a summary of BlackRock's approach to ESG integration is set out on pages 52 to 55. The Investment Manager's approach to engagement with investee companies and voting guidelines is summarised on pages 57 and 58 and further detail is available on the BlackRock website.	The Board and the Investment Manager believe there is likely to be a positive correlation between strong ESG practices and investment performance over time. This is especially important in mining given the long investment cycle and the impact of ESG practices on the ability of a mining company to maintain its social licence to operate. ESG is one of the many factors that we look at and site visits to companies' operations (when circumstances permit) provide valuable insights into their ESG practices. The Investment Manager has continued to engage with investee companies virtually and has, where necessary, conducted virtual site visits. BlackRock has stated that, as part of its commitment to sustainability, it will divest any investment in companies that derive more than 25% of revenues from thermal coal production from all discretionary active investment portfolios. During the year under review, the Company has had no exposure to companies whose principal activity is the extraction of thermal coal. Within the parameters of the Company's existing investment policy, the Investment Manager is continuing to look for opportunities to deploy capital in growth investments that should benefit from the demand for 'green' materials. It is likely that this area will become a more significant part of the portfolio.

Strategic report
continued

Area of Engagement	Issue	Engagement	Impact
Shareholders	Continued shareholder support and engagement are critical to the continued existence of the Company and the successful delivery of its long-term strategy.	The Board is committed to maintaining open channels of communication and to engage with shareholders. The Company welcomes and encourages attendance and participation from shareholders at its Annual General Meetings. Shareholders will have the opportunity to meet the Directors and Investment Manager and to address questions to them directly. The Investment Manager will also provide a presentation on the Company's performance and the outlook for the mining sector. The Annual Report and Half Yearly Financial Report are available on the BlackRock website and are also circulated to shareholders either in printed copy or via electronic communications. In addition, regular updates on performance, monthly factsheets, the daily NAV and other information are also published on the website at www.blackrock.com/uk/brwm. Unlike trading companies, one-to-one shareholder meetings normally take the form of a meeting with the Investment Manager as opposed to members of the Board. The Company's willingness to enter into discussions with institutional shareholders is also demonstrated by the programmes of institutional presentations by the Investment Manager. If shareholders wish to raise issues or concerns with the Board, they are welcome to do so at any time. The Chairman is available to meet directly with shareholders periodically to understand their views on governance and the Company's performance where they wish to do so. He may be contacted via the Company Secretary whose details are given on page 137.	The Board values any feedback and questions from shareholders ahead of and during Annual General Meetings in order to gain an understanding of their views and will take action when and as appropriate. Feedback and questions will also help the Company evolve its reporting, aiming to make reports more transparent and understandable. Feedback from all substantive meetings between the Investment Manager and shareholders will be shared with the Board. The Directors will also receive updates from the Company's broker and Kepler, marketing consultants, on any feedback from shareholders, as well as share trading activity, share price performance and an update from the Investment Manager. Portfolio holdings are ultimately shareholders' assets and the Board recognises the importance of good stewardship and communication with investee companies in meeting the Company's investment objective and strategy. The Board monitors the Manager's stewardship arrangements and receives regular feedback from the Investment Manager in respect of meetings with the management of portfolio companies.

Area of Engagement	Issue	Engagement	Impact
Discount management	The Board recognises the importance to shareholders that the market price of the Company's shares should not trade at either a significant discount or premium to their prevailing NAV. The Board believes this may be achieved by the use of share buyback powers and the issue of shares.	The Board monitors the Company's discount on an ongoing basis and receives regular updates from the Manager and the Company's Brokers regarding the level of discount. The Board believes that the best way of maintaining the share rating at an optimal level over the long term is to create demand for the shares in the secondary market. To this end, the Investment Manager is devoting considerable effort to broadening the awareness of the Company, particularly to wealth managers and to the wider retail market. In addition, the Board has worked closely with the Manager to develop the Company's marketing strategy, with the aim of ensuring effective communication with existing shareholders and to attract new shareholders to the Company in order to improve liquidity in the Company's shares and to sustain the share rating of the Company.	The Board continues to monitor the Company's discount to NAV and will look to buy back shares if it is deemed to be in the interests of shareholders as a whole. The Company participates in a focused investment trust sales and marketing initiative operated by the Manager on behalf of the investment trusts under its management. Further details are set out on page 57. During the first quarter the Company's shares generally traded at a discount but over the year as a whole the Company's shares traded at an average discount of 2.4%.
Service levels of third party providers	The Board acknowledges the importance of ensuring that the Company's principal suppliers are providing a suitable level of service, including the Investment Manager in respect of investment performance and delivering on the Company's investment mandate; the Custodian and Depositary in respect of their duties towards safeguarding the Company's assets; the Registrar in its maintenance of the Company's share register and dealing with investor queries; and the Company's Brokers in respect of the provision of advice and acting as a market maker for the Company's shares.	The Manager reports to the Board on the Company's performance on a regular basis. The Board carries out a robust annual evaluation of the Manager's performance, their commitment and available resources. The Board performs an annual review of the service levels of all third-party service providers and concludes on their suitability to continue in their role. The Board receives regular updates from the AIFM, Depositary, Registrar and Brokers on an ongoing basis. In light of the challenges presented by the COVID-19 pandemic to the operation of businesses across the globe, the Board has worked closely with the Manager to gain comfort that relevant business continuity plans are operating effectively for all of the Company's key service providers.	All performance evaluations were performed on a timely basis and the Board concluded that all third-party service providers, including the Manager and Investment Manager, were operating effectively and providing a good level of service. The Board has received updates in respect of business continuity planning from the Company's Manager, Custodian, Depositary, Fund Accountant, Registrar and Printer and is confident that arrangements are in place to ensure a good level of service will continue to be provided despite the impact of the COVID-19 pandemic.

Strategic report
continued

Area of Engagement	Issue	Engagement	Impact
Board composition	The Board is committed to ensuring that its own composition brings an appropriate balance of knowledge, experience and skills, and that it is compliant with best corporate governance practice under the UK Code, including guidance on tenure and the composition of the Board's committees.	All Directors are subject to a formal evaluation process on an annual basis (more details and the conclusions of the 2021 evaluation process are given on page 70). All Directors stand for re-election by shareholders annually. Shareholders may attend the Annual General Meeting and raise any queries in respect of Board composition or individual Directors in person or may contact the Company Secretary or the Chairman using the details provided on page 137 with any issues. The Board undertook a review of succession planning arrangements and identified the need for a new Director following the retirement of Mr Oliveira. The Nomination Committee agreed the selection criteria and the method of selection, recruitment and appointment, Board diversity, including gender, were carefully considered when establishing the criteria. The Directors' range of contacts, were used to identify potential candidates.	As at the date of this report, the Board was comprised of three men and two women. Mr Cheyne has a tenure in excess of nine years. Details of each Director's contribution to the success and promotion of the Company are set out in the Directors' Report on pages 60 and 61 and details of the Directors' biographies can be found on pages 37 and 38. The Directors are not aware of any issues that have been raised directly by shareholders in respect of Board composition in the year under review. The Board appointed Srinivasan Venkatakrishnan as a Director of the Company with effect from 1 August 2021. Ollie Oliveira retired as a Director on 31 July 2021.

Environmental, Social and Governance approach

The Board's approach

Environmental, Social and Governance (ESG) issues can present both opportunities and threats to long term investment performance. The Company's investment universe comprises sectors that are undergoing significant structural change and are likely to be highly impacted by increasing regulation as a result of climate change and other social and governance factors. Your Board is committed to ensuring that we have appointed a Manager that integrates ESG considerations into its investment process, and has the skill to navigate the structural transition that the Company's investment universe is undergoing.
The Board believes effective engagement with company management is, in most cases, the most effective way of driving meaningful change in the behaviour of investee company management. While the Company does not have an ESG or impact focused investment strategy or apply exclusionary screens, as a general approach the Company will not invest in companies which have high ESG risks and no plans to address existing deficiencies. Where the Board is not satisfied that an investee company is taking steps to address matters of an ESG nature, it may discuss with the Manager how this situation might be resolved, including potentially by a full disposal of shares.

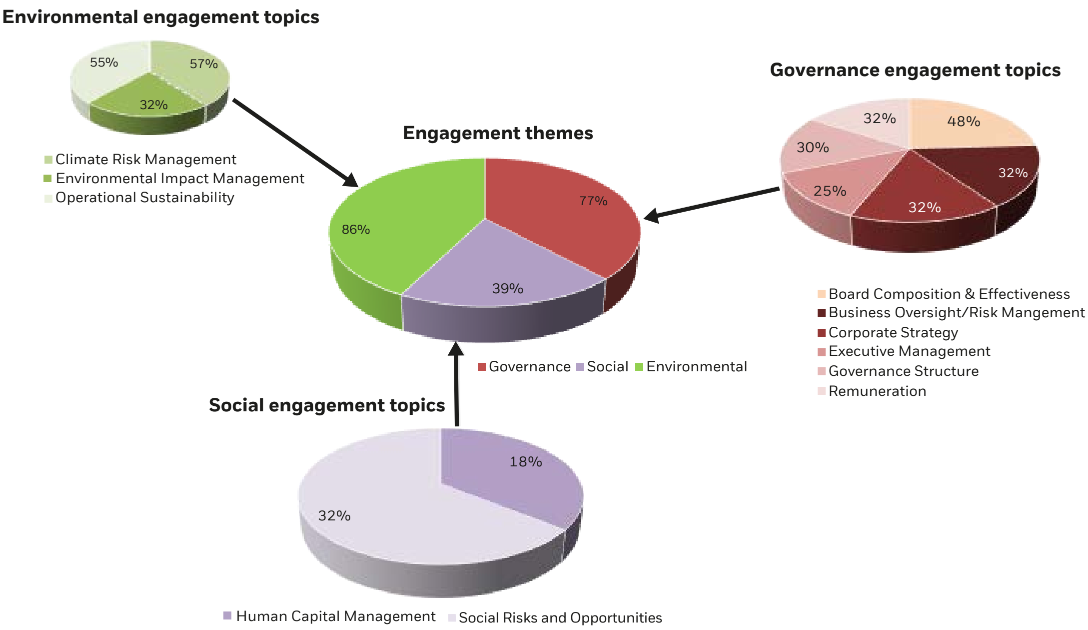
ESG integration does not change the Company's investment objective or constrain the Investment Manager's investable universe, and does not mean that an ESG or impact focused investment strategy or any exclusionary screens have been or will be adopted by the Company. Similarly, ESG integration does not determine the extent to which the Company may be impacted by sustainability risks. More information on BlackRock's global approach to ESG integration, as well as activity specific to the BlackRock World Mining Trust plc portfolio is set out below.

BlackRock World Mining Trust plc – engagement with portfolio companies in 2021

Given the Board's belief in the importance of engagement and communication with portfolio companies, they receive regular updates from the Manager in respect of activity undertaken for the year under review. The Board notes that over the year to 31 December 2021, 56 total company engagements were held with the management teams of 27 portfolio companies representing 71% of the portfolio by value at 31 December 2021. To put this into context, there were 53 companies in the BlackRock World Mining Trust plc portfolio at 31 December 2021. Additional information is set out in the table and charts below as well as the key engagement themes for the meetings held in respect of the Company's portfolio holdings.

	Year ended 31 December 2021
Number of engagements held	56
Number of companies met	27
% of equity investments covered	71
Shareholder meetings voted at	57
Number of proposals voted on	630
Number of votes against management	39
% of total votes represented by votes against management	6.1

Source: Institutional Shareholder Services as at 19 January 2022.



Strategic report
continued

The importance and challenges of considering ESG when investing in the Natural Resources Sector and BlackRock's approach to ESG Integration

	Environmental	Social	Corporate governance
Impact	As well as the longer-term contribution to carbon emissions and the impact on the environment, the activities undertaken by many companies in the portfolio such as digging mines will inevitably have an impact on local surroundings. It is important how companies manage this process and ensure that an appropriate risk oversight framework is in place, with consideration given to all stakeholders. The significant fall in the market cap of companies like Vale, after the Brumadinho dam collapse, highlights the key role that ESG has on share price performance. Climate change and other sustainability factors pose some of the greatest risks to the operating models of companies in the mining sector as the world transitions to a low-carbon economy. How such companies manage these risks and evolve their operating models through this transition will be a defining feature of their ability to generate long-term sustainable value for shareholders. In order to unlock the full potential of the energy transition these companies must be prepared to adapt, innovate and pivot their business models.	BlackRock believes it is vital that natural resources companies maintain their social licence to operate. By this, BlackRock means that companies maintain broad acceptance from their key stakeholders, including business partners (such as suppliers and distributors), clients and consumers, national governments, and the communities in which they operate. Considering the interests of key stakeholders recognises the collective nature of long-term value creation and the extent to which each company's prospects for growth are tied to its ability to foster strong sustainable relationships with and support from those stakeholders.	As with all companies, good corporate governance is especially critical for natural resources companies. The performance and effectiveness of the board is critical to the success of a company, the protection of shareholders' interests, and long-term shareholder value creation. Governance issues, including the management of material sustainability issues that have a significant impact for natural resources companies, all require effective leadership and oversight from a company's board. Companies with engaged, diverse and experienced board directors who actively advise and oversee management have a competitive advantage.

	Environmental	Social	Corporate governance
BlackRock Approach	BlackRock prefers direct dialogue with companies on complex issues such as climate risk and other environmental risks. Where it has concerns that are not addressed by engagements, BlackRock may vote against management, including against corporate directors (and in favour of certain types of shareholder proposals) should companies fail to demonstrate material progress against specific measures. Specifically, BlackRock asks companies to articulate how their business model is aligned to a scenario in which global warming is limited to well below 2°C, moving towards global net zero emissions by 2050, and to disclose a business plan for how they intend to deliver long-term financial performance through this transition to global net zero, consistent with their business model and sector. More information in respect of how BlackRock assesses how companies are delivering on these plans can be found at https://www.blackrock.com/corporate/literature/publication/blk-commentary-climate-risk-and-energy-transition.pdf Where corporate disclosures are insufficient to make a thorough assessment, or a company has not provided a credible plan to transition its business model to a low-carbon economy, the BlackRock Investment Stewardship (BIS) team may vote against the directors it considers responsible for climate risk oversight. BIS may also support shareholder proposals that it believes address gaps in a company's approach to climate risk and the energy transition.	In normal operating conditions (and when not prevented by travel restrictions imposed by COVID-19) the portfolio management team's site visits to companies' assets provide them with valuable insight into these issues which often cannot be properly understood from company reports. BIS advocates for improved disclosures to understand how companies are making prudent decisions considering their stakeholders' interests. BIS also asks companies to demonstrate how they have put in place appropriate board oversight, due diligence, and remediation mechanisms relating to adverse impacts on people arising from their business operations — including those indirectly employed or communities that could be harmed or displaced by a company's expanding operations. BIS considers the Sustainability Accounting Standards Board (SASB) standards materiality framework to be a helpful tool for companies considering enhancing their disclosures on industry-specific human capital metrics. Given continuing advances in sustainability reporting standards, in addition to BlackRock's request that all companies report in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), BlackRock is evolving its perspective on sustainability reporting to recognise that companies may use standards other than those of the SASB, and reiterate its request for metrics that are industry or company-specific. More information on BlackRock's approach can be found at https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf	In conjunction with BIS, the portfolio management team actively engages with companies on a wide range of governance issues including board independence, executive compensation, shareholder protection and timely and adequate disclosure. BIS may also vote against the re-election of directors when they do not seem to be acting in the economic interests of long-term shareholders. The effectiveness of voting against directors is well documented in BlackRock's, as well as independent third party, research which indicated that across the FTSE 350 companies where BIS voted against directors over remuneration concerns, 83% made revisions to their pay policies within twelve months[1,2].

1 https://www.blackrock.com/corporate/literature/publication/2021-voting-spotlight-full-report.pdf (page 22).

2 The data in this table applies to BIS's engagements globally across all BlackRock-managed portfolios.

Strategic report
continued

	Environmental	Social	Corporate governance
BIS – examples of approach to voting and engagement across ESG categories (year ended 30 June 2021)[1,2]	BIS has created a climate focus universe of over 1,000 carbon-intensive public companies that represent 90% of the global scope 1 and 2 GHG emissions of its clients' public equity holdings with BlackRock. This 2021 climate focus universe represents companies where climate change and other sustainability factors pose the greatest risk to clients' investments. More detail can be found at https://www.blackrock.com/corporate/literature/publication/blk-climate-focus-universe.pdf. BIS held over 1,300 engagements with nearly 670 of the companies in this climate focus universe between 1 July 2020 and 30 June 2021. BIS held 2,330 company engagements on climate related proposals overall. BIS voted against management on climate risk concerns at approximately 2% of the nearly 11,000 proposals it voted on at energy/utilities companies globally. BIS voted against 255 directors and against management at 319 companies for climate risk related concerns.	BIS held 1,350 engagements related to engaging and voting on company impacts on people. This year, BIS supported 35 out of 100 social-related shareholder proposals.	During the 2021 proxy year, BIS did not support 2,222 directors at 1,327 unique companies globally over concerns about independence. BIS voted against 1,862 directors at 975 unique companies globally for concerns related to board diversity. BIS voted against 758 directors globally at 639 unique companies for being overcommitted. BIS voted against the re-election of 931 directors at 453 companies due to concerns over remuneration.

1 Source: BlackRock's 2021 voting spotlight report which can be found at https://www.blackrock.com/corporate/literature/publication/2021-voting-spotlight-full-report.pdf
2 The data in this table applies to BIS's engagements globally across all BlackRock-managed portfolios.

BlackRock's approach to ESG integration

BlackRock believes that sustainability risk – and climate risk in particular – now equates to investment risk, and this will drive a profound reassessment of risk and asset values as investors seek to react to the impact of climate policy changes. This in turn, in BlackRock's view, is likely to drive a significant reallocation of capital away from traditional carbon intensive industries over the next decade. BlackRock believes that carbon-intensive companies will play an integral role in unlocking the full potential of the energy transition, and to do this, they must be prepared to adapt, innovate and pivot their strategies towards a low carbon economy.

As part of BlackRock's structured investment process, ESG risks and opportunities (including sustainability/climate risk) are considered within the portfolio management team's fundamental analysis of companies and industries and the Company's portfolio managers work closely with BlackRock's Investment Stewardship team (BIS) to assess the governance quality of companies and investigate any potential issues, risks or opportunities.

As part of their approach to ESG integration, portfolio managers use ESG information when conducting research and due diligence on new investments and again when monitoring investments in the portfolio. In particular, portfolio managers now have access to 1,200 key ESG performance indicators in Aladdin (BlackRock's proprietary trading system) from third-party data providers. BlackRock's internal sustainability research framework scoring is also available alongside third-party ESG scores in core portfolio management tools. BlackRock's scale and unparalleled access to company management allows it to engage on issues that are identified through questioning management teams and conducting site visits. In conjunction with the portfolio management team, BIS meets with boards of companies frequently to evaluate how they are strategically managing their longer-term issues, including those surrounding ESG and the potential impact these may have on company financials. BIS's and the portfolio management team's understanding of ESG issues is further supported by BlackRock's Sustainable Investment Team (BSI). BSI looks to advance ESG research and integration, active engagement and the development of sustainable investment solutions across the firm.

Investment stewardship

As a fiduciary to its clients, BlackRock has built its business to protect and grow the value of clients' assets. As part of this fiduciary duty to its clients, BIS is committed to promoting sound corporate governance through engagement with investee companies, development of proxy voting policies that support best governance practices and also through wider engagement on public policy issues.

Global Principles

BlackRock's approach to corporate governance and stewardship is explained in its Global Principles. These high-level Principles are the framework for BlackRock's more detailed, market-specific voting guidelines, all of which are published on the BlackRock website. The Principles describe BlackRock's philosophy on stewardship (including how it monitors and engages with companies), its policy on voting, its integrated approach to stewardship matters and how it deals with conflicts of interest. These apply across relevant asset classes and products as permitted by investment strategies. BlackRock reviews its Global Principles annually and updates them as necessary to reflect market standards, evolving governance practice and insights gained from engagement over the prior year. BlackRock's Global Principles are available on its website at https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf

Market-specific proxy voting guidelines

BlackRock's voting guidelines are intended to help clients and companies understand its thinking on key governance matters. They are the benchmark against which it assesses a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. BlackRock applies its guidelines pragmatically, taking into account a company's unique circumstances where relevant. BlackRock informs voting decisions through research and engages as necessary. BlackRock reviews its voting guidelines annually and updates them as necessary to reflect changes in market standards, evolving governance practice and insights gained from engagement over the prior year.

BlackRock's market-specific voting guidelines are available on its website at https://www.blackrock.com/corporate/about-us/investment-stewardship#principles-and-guidelines

In 2021, BIS explicitly asked that all companies disclose a business plan aligned with the goal of limiting global warming to well below 2°C, consistent with achieving net zero global greenhouse gas (GHG) emissions by 2050. BlackRock viewed these disclosures as essential to helping investors assess a company's ability to transition its business to a low carbon world and to capture value-creation opportunities created by the climate transition. BlackRock also asked that companies align their disclosures to the Task Force on Climate-related Financial Disclosures (TCFD) framework and the SASB standards. For 2022, BIS is evolving its perspective on sustainability reporting to recognise that companies may use standards other than that of the SASB and reiterates its request for metrics that are industry- or company-specific. BIS is also encouraging companies to demonstrate that their plans are resilient under likely decarbonisation pathways, and the global aspiration to limit warming to 1.5°C. BIS is also asking companies to disclose how considerations related to having a reliable energy supply and just transition affect their plans. More information in respect of BlackRock's investment stewardship approach to sustainable investing can be found at https://www.blackrock.com/corporate/literature/publication/blk-commentary-climate-risk-and-energy-transition.pdf

BlackRock has been a member of Climate Action 100+ since 2020 and has aligned its engagement and stewardship priorities to UN Sustainable Development Goals (including Gender Equality and Affordable and Clean Energy). A map of how BIS's engagement priorities align to the UN Sustainable Development Goals (SDGs) can be found at https://www.blackrock.com/corporate/literature/publication/blk-engagement-priorities-aligned-to-sdgs.pdf

BlackRock is committed to transparency in terms of disclosure on its engagement with companies and voting rationales and is committed to voting against management to the extent that they have not demonstrated sufficient progress on ESG issues. This year, BlackRock voted against or withheld votes from 6,560 directors globally at 3,400 different companies driven by concerns regarding director independence, executive compensation, insufficient progress on board diversity and overcommitted directors, reflecting our intensified focus on sustainability risks. In the 2020-2021 proxy year, BlackRock voted against 255 directors and against 319 companies for climate-related concerns that could negatively affect long-term shareholder value. More detail in respect of BIS's engagement and voting history can be found at https://www.blackrock.com/corporate/literature/publication/2021-voting-spotlight-full-report.pdf

BIS also publishes voting bulletins explaining its vote decision and the engagement and analysis underpinning it, on certain high-profile proposals at company shareholder meetings. Vote bulletins for 2021 can be found at https://www.blackrock.com/corporate/about-us/investment-stewardship#vote-bulletins

BlackRock's reporting and disclosures

In terms of its own reporting, BlackRock believes that the SASB provides a clear set of standards for reporting sustainability information across a wide range of issues, from labour practices to data privacy to business ethics. For evaluating and reporting climate-related risks, as well as the related governance issues that are essential to managing them, the TCFD provides a valuable framework. BlackRock recognises that reporting to these standards requires significant time, analysis, and effort. BlackRock's 2021 TCFD report can be found at https://www.blackrock.com/corporate/literature/continuous-disclosure-and-important-information/tcfd-report-2021-blkinc.pdf

By order of the Board

CAROLINE DRISCOLL
For and on behalf of
BlackRock Investment Management (UK) Limited
Company Secretary
7 March 2022

Directors' report

The Directors present the Annual Report and Financial Statements of the Company and its subsidiary (together the Group) for the year ended 31 December 2021.

Status of the Company

The Company is domiciled in the United Kingdom. The Company is a public company limited by shares and is also an investment company under section 833 of the Companies Act 2006 and operates as such. It is not a close company and has no employees.

The Company has been approved by HM Revenue & Customs (HMRC) as an investment trust in accordance with sections 1158 and 1159 of the Corporation Tax Act 2010, subject to the Company continuing to meet eligibility conditions. The Directors are of the opinion that the Company has conducted its affairs in a manner which will satisfy the conditions for continued approval.

As an investment company that is managed and marketed in the United Kingdom, the Company is an Alternative Investment Fund (AIF) falling within the scope of, and subject to the requirements of, the Alternative Investment Fund Managers' Directive (AIFMD), as implemented, retained and onshored in the UK. The Company is governed by the provisions of the (Alternative Investment Fund Managers) Regulations 2013 (the Regulations). It must comply with a number of obligations, including the appointment of an Alternative Investment Fund Manager (AIFM) and a depositary to carry out certain functions. The AIFM must also comply with the Regulations in respect of leverage, outsourcing, conflicts of interest, risk management, valuation, remuneration and capital requirements and must also make additional disclosures to both shareholders and the FCA. Further details are set out on the Company's website at www.blackrock.com/uk/brwm, the Regulatory Disclosures section on pages 138 and 139, and in the notes to the Financial Statements.

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

Facilitating retail investments

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

The Common Reporting Standard

Tax legislation under the Organisation for Economic Cooperation and Development (OECD) Common Reporting Standard for Automatic Exchange of Financial Account Information (the Common Reporting Standard) was introduced on 1 January 2016. The legislation requires investment trust companies to provide personal information to HMRC about investors who purchase shares in investment trusts. As an affected company, BlackRock World Mining Trust plc has to provide information annually to the local tax authority on the tax residencies of a number of non-UK based certification shareholders and corporate entities. The local tax authority to which the information is initially passed may in turn exchange the information with the tax authorities of another country or countries in which the shareholder may be tax resident, where those countries (or tax authorities in those countries) have entered into agreements to exchange financial account information.

All new shareholders, excluding those whose shares are held in CREST, entered on to the share register, will be sent a certification form for the purposes of collecting this information.

GDPR

Data protection rights were harmonised across the European Union following the implementation of the General Data Protection Regulation (GDPR) on 25 May 2018. The Board has sought and received assurances from its third-party service providers that they have taken appropriate steps to ensure compliance with the regulation.

Shareholder Rights Directive II

The Shareholder Rights Directive II took effect from 10 June 2019 with some transitional provisions. It encourages long-term shareholder engagement and transparency between companies and shareholders. In substantive terms the changes are small for investment companies and the majority of requirements apply to the Company's remuneration policy and disclosure of processes, as well as related party transactions. There are also additional rules for AIFMs and proxy advisers.

Dividends

Details of the dividends paid and payable in respect of the year are set out in the Chairman's Statement and in note 8 on pages 104 and 105.

Investment management and administration

BlackRock Fund Managers Limited (BFM) was appointed as the Company's AIFM with effect from 2 July 2014, having been authorised as an AIFM by the FCA on 1 May 2014. The management contract is terminable by either party on six months' notice. Under the agreement, the Board continues to be independent from the AIFM. The agreement provides the appropriate balance between the Board's control over the Company, its investment policies and compliance with regulatory obligations.

BlackRock Investment Management (UK) Limited (BIM (UK)) continues to act as the Company's Investment Manager under a delegation agreement with BFM. BIM (UK) also acted as the Secretary of the Company throughout the year. The Manager receives an annual management fee equivalent to 0.80% of the Company's net assets, which includes all services provided by BlackRock. 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.

Included within this management fee is a contribution of £74,000 (excluding VAT) to a consortium element of a focused investment trust sales and marketing initiative, which enables the BlackRock investment trusts to achieve efficiencies by combining certain sales and marketing activities and is matched by BlackRock. This contribution will be deducted from the fee payable to BlackRock such that the total fee will not exceed 0.80% of gross assets. The purpose of the programme is to ensure effective communication with existing shareholders and to attract new shareholders to the Company. This has the benefit of improving liquidity in the Company's shares and helps sustain the stock market rating of the Company.

BFM and BIM (UK) are subsidiaries of BlackRock, Inc. which is a publicly traded corporation on the New York Stock Exchange operating as an independent firm.

Appointment of the Manager

The Board considers the arrangements for the provision of investment management services to the Company on an ongoing basis and a formal review is conducted annually. As part of this review, the Board considered the quality and continuity of the personnel assigned to handle the Company's affairs, the investment process and the results achieved to date.

The Board believes that the continuing appointment of BFM (the Manager) as AIFM, and the delegation of investment management services to BIM (UK) (the Investment Manager) on the terms disclosed above is in shareholders' interests as a whole. The specialist nature of the Company's investment remit is, in the Board's view, best served by the Natural Resources team at BlackRock, which has a proven track record in successfully investing in the mining sector.

Depositary and Custodian

The Company is required under the AIFMD to appoint an AIFMD compliant depositary. The Company has appointed The Bank of New York Mellon (International) Limited (BNYM or the Depositary) to perform this role.

The Depositary's duties and responsibilities are outlined in the investment fund legislation (as defined in the FCA AIF Rulebook). The main role of the Depositary under AIFMD is to act as a central custodian with additional duties to monitor the operations of the Company, including monitoring cash flows and ensuring the Company's assets are valued appropriately in accordance with the relevant regulations and guidance. The Depositary is also responsible for enquiring into the conduct of the AIFM in each annual accounting period. The Depositary receives a fee payable at 0.0095% per annum of net assets. The Company has appointed the Depositary in a tripartite agreement, to which BFM as AIFM is also a signatory. The Depositary is liable for the loss of the financial instruments held in custody.

Under the depositary agreement, custody services in respect of the Company's assets have been delegated to The Bank of New York Mellon (International) Limited (BNYM). BNYM receives a custody fee payable by the Company at rates depending on the number of trades effected and the location of securities held. The depositary agreement is subject to 90 days' notice of termination by any party.

Registrar

The Company has appointed Computershare Investor Services PLC as its Registrar (the Registrar). The principal duty of the Registrar is the maintenance of the register of shareholders (including registering transfers). It also provides services in relation to any corporate actions, dividend administration, shareholder documentation, the Common Reporting Standard and the Foreign Account Tax Compliance Act.

The Registrar receives a fixed fee each year, plus disbursements and VAT for the maintenance of the register. Fees in respect of corporate actions are negotiated on an arising basis.

Change of control

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

Exercise of voting rights in investee companies

The exercise of voting rights attached to the Company's portfolio has been delegated by the Company to the Investment Manager, whose policy is set out below. BlackRock's approach to voting at shareholder meetings, engagement with companies and corporate governance is framed within an investment context. BlackRock believes that sound corporate governance practices and sustainable business models contribute to companies' long-term financial performance and thus to better risk adjusted returns. BlackRock's proxy voting process is led by the BlackRock Investment Stewardship (BIS) team, located in ten offices around the world. Collectively within BIS, 18 languages are spoken and 31 academic disciplines are represented. The team's globally-coordinated, local presence and breadth of experience enables more frequent and better-informed dialogue with companies. The BIS team draws upon its own expertise, as well as other internal

Directors' report

continued

and external resources globally, to represent the long-term economic interests of clients. Close collaboration takes place between BIS and active portfolio managers. Active portfolio managers with positions in a company can vote their shares independently of BIS based on their views of what is best for their specific fund and client base.

BIS' Global Principles and market-specific proxy voting guidelines, updated every year, form the foundation of the team's engagement with companies and voting decisions at shareholder meetings on behalf of clients. The voting guidelines are principles-based and not prescriptive because BlackRock believes that each voting situation needs to be assessed on its merits. Voting decisions are taken to support the outcome that BlackRock believes is in the best economic interests of clients. BlackRock's global corporate governance and engagement principles are published on its website at:

https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf

During the year under review, the Investment Manager voted on 630 proposals at 57 general meetings on behalf of the Company. At these meetings the Investment Manager voted in favour of most resolutions, as should be expected when investing in well-run companies, but voted against 25 (3.9%) resolutions, abstained from voting on 13 (2.0%) resolutions and withheld 19 votes (2.9%). The votes against were in respect of proposals which contained insufficient disclosure for the Investment Manager to make an informed decision, the re-election of directors, or in respect of executive remuneration packages which were considered to be poorly structured.

Continuation vote

As agreed by shareholders, an ordinary resolution for the continuation of the Company as an investment trust is proposed annually at the Annual General Meeting. If any such resolution is not passed, the Board shall put proposals to shareholders within 42 days of the Annual General Meeting with a view to enabling shareholders to realise their holding of shares for cash or, if appropriate, a non-cash consideration with a cash alternative.

Principal risks

The key risks faced by the Company are set out in the Strategic Report.

Going concern

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 a period of at least 12 months from the date of approval of these financial statements and is financially sound. The Board is still mindful of the continuing uncertainty surrounding the potential duration of the COVID-19 pandemic and its longer-term effects on the global economy and recovery of economies. 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 loan facilities shall at no time exceed 25% of the Group's net assets 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 for the year ended 31 December 2021 were approximately 0.95% of net assets.

The Company has an annual continuation vote with the next vote due to be held at the Annual General Meeting in May 2022. The Board has no reason to believe that this resolution will not be passed. The Company's longer-term viability is considered in the viability statement on page 45.

Directors

The Directors of the Company as at 31 December 2021 and their biographies are set out on pages 37 and 38. Details of their interests in the shares of the Company are set out in the Directors' Remuneration Report on page 65. All of the Directors held office throughout the year under review and up to the date of signing the financial statements, with the exception of Mr Venkatakrishnan who was appointed to the Board on 1 August 2021. The Board may appoint additional Directors to the Board, but any Director so appointed must stand for election by shareholders at the next Annual General Meeting.

Although the Company's Articles of Association require that one-third of Directors retire and seek re-election at intervals of no more than three years, the Board has resolved that all Directors should be subject to re-election on an annual basis. Accordingly, all of the Directors will offer themselves for re-election or election at the Annual General Meeting. The Board has considered the positions of the retiring Directors as part of the evaluation process and believes that it would be in the Company's best interests for each of the Directors to be proposed for re-election/election at the forthcoming Annual General Meeting, given their material level of contribution and commitment to the role.

Having considered the Directors' performance within the annual Board performance evaluation process, further details of which are provided on page 70, the Board believes that it continues to be effective, and the Directors bring extensive knowledge and commercial experience and demonstrate a range of valuable business, financial and asset management skills. The Board therefore recommends that shareholders vote in favour of each Director's proposed re-election/election. More details in respect of the skills and experience each Director brings to the Board are set out on pages 60 and 61.

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

Directors' indemnity

The Company has maintained appropriate Directors' and Officers' liability insurance throughout the year. In addition to Directors' and Officers' liability insurance cover, the Company's Articles of Association provide, subject to the provisions of applicable UK legislation, a qualifying third-party indemnity for Directors in respect of costs incurred in the defence of any proceedings brought against them by third parties arising out of their positions as Directors, in which they are acquitted, or judgement is given in their favour. The Company has entered into Deeds of Indemnity with Directors individually which are available for inspection at the Company's registered office and will also be available at the Annual General Meeting. The indemnity has been in force during the financial year and up to the date of approval of the financial statements.

Conflicts of interest

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

Directors' remuneration report

The Directors' Remuneration Report is set out on pages 63 to 65. An advisory ordinary resolution to approve this report will be put to shareholders at the Company's forthcoming Annual General Meeting. The Company is also required to put the Directors' Remuneration Policy to a binding shareholder vote every three years. The Company's Remuneration Policy was last put to shareholders at the Annual General Meeting in 2020, therefore an ordinary resolution to approve the policy will next be put to shareholders at the Annual General Meeting in 2023.

Notifiable interests in the Company's voting rights

As at 31 December 2021 Witan Investment Trust plc notified the Company that it held an interest in 3.1% of the voting rights attached to the Company's issued share capital (excluding shares held in treasury). Subsequently, Witan Investment Trust plc advised that its interest in the voting rights attached to the Company's issued share capital was 3.1% as at 14 February 2022. The Company has not received any other notifications in accordance with the FCA's Disclosure Guidance and Transparency Rule 5.1.2R.

Foreign exchange

At the financial year end, approximately 70.6% of the Company's portfolio was invested in non-Sterling assets, with 33.3% invested in US Dollar denominated assets. The Investment Manager does not actively hedge currency exposure.

Derivative transactions

During the year, the Group entered into a number of derivative put and call option contracts generating option premium income of £7,065,000 (2020: £8,765,000). Two option contracts remained open at 31 December 2021 (2020: two option contracts), details of which are given in the investment listing on pages 29 to 31. All open options were fully covered.

Share capital

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

Share repurchases

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

During the year and up to the date of this report, the Company bought back 69,698 ordinary shares at a price of 560.76p per share, at a discount of 8.4%, for a total cost of £393,000. All shares have been placed in treasury.

Directors' report
continued

The latest authority to purchase ordinary shares for cancellation or to be held in treasury was granted to the Directors on 29 April 2021 and expires on 6 May 2022. The Directors are proposing that their authority to buy back shares be renewed at the forthcoming Annual General Meeting. Purchases of ordinary shares pursuant to this authority will only be made in the market for cash at prices below the prevailing NAV per share.

Share issues
The Company has the authority to issue new shares or sell shares from treasury for cash. During the year, the Company has reissued 10,200,000 ordinary shares from treasury for a total consideration after costs of £63,187,000 at an average price of 619.48p per share and an average 0.9% premium to NAV. Since the year end and up to 2 March 2022, the Company has reissued a further 875,000 ordinary shares from treasury net of costs for a total consideration of £6,281,000. The current authority to issue new ordinary shares or sell shares from treasury for cash was granted to the Directors on 29 April 2021 and expires on 6 May 2022. The Directors are proposing that their authority to issue new ordinary shares or sell shares from treasury for cash be renewed at the forthcoming Annual General Meeting.

Treasury shares
The Company is currently authorised to purchase its own ordinary shares into treasury for reissue or cancellation at a future date. The use of treasury shares should assist the Company in providing a discount management mechanism. The Board intends only to authorise the sale of shares from treasury at prices at or above the prevailing net asset value per share (plus costs of the relevant sale). This should result in a positive overall effect for shareholders if shares are bought back at a discount and then sold at a price at or above the net asset value per share (plus costs of the relevant sale).

The Company holds 8,455,726 ordinary shares in treasury (4.6% of the Company's issued share capital excluding treasury shares).

Streamlined Energy and Carbon Reporting (SECR) statement: Greenhouse gas (GHG) emissions and energy Consumption disclosure
As an externally managed investment company, the Company has no greenhouse gas emissions to report from its operations, nor does it have any responsibility for any other emissions producing sources under the Companies Act (Strategic Report and Directors' Reports) Regulations 2013. Consequently, the Company consumed less than 40,000 kwh of energy during the year in respect of which the Directors' Report is prepared and is therefore exempt from the disclosures required under SECR.

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

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

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

The business of this year's Annual General Meeting consists of 14 resolutions. Resolutions 1 to 12 are proposed as ordinary resolutions and 13 and 14 are being proposed as special resolutions.

Resolution 1 – Approval of the annual report and financial statements
This resolution seeks shareholder approval of the Annual Report and Financial Statements for the year ended 31 December 2021 and the auditors' report thereon.

Resolution 2 – Approval of the Directors' remuneration report
This resolution is an advisory vote on the Directors' Remuneration Report, excluding any content relating to the remuneration policy, as set out on pages 66 and 67.

Resolution 3 – Approval of the dividend
Resolution 3 seeks shareholder approval of a final dividend of 27.00p per share for the year ended 31 December 2021.

Resolutions 4 to 8 – Re-election/election of Directors
Resolutions 4 to 8 relate to the re-election and election of the Directors. The Board has undertaken a formal performance evaluation during the year and confirms that the performance of the Directors standing for re-election/election continues to be effective and that each Director demonstrates commitment to their role. The biographies of the Directors are set out on pages 37 and 38. The Directors have been appointed in order to bring a range of experience appropriate to managing a business which invests in mining companies and mining related businesses. Their experiences range from holding senior positions in mining companies, to advising mining companies on investments in other

mining companies and mines, to arranging finance for mines and mining companies and to working in the investment business. Individually their competences and experiences mean that the Board is able to develop appropriate strategies to manage the risk of investing in this sector and also to deal with ESG issues, such as businesses that invest in pure-play thermal coal. The skills and experience each Director brings to the Board for the long-term sustainable success of the Company are set out below.

Resolution 4 relates to the re-election of David Cheyne who was appointed as a Director in 2012 and as Chairman in 2019. Mr Cheyne was a legal adviser to a large number of mining companies both on corporate matters and on acquisitions and financing for over 30 years. As a result, he has a great deal of experience on the issues that affect the sector, including those relating to ESG. His experience as a corporate lawyer, advising boards and as chairman of a large international law firm, gives him considerable governance experience, as well as a knowledge of the sector.

Resolution 5 relates to the re-election of Russell Edey who was appointed as a Director in 2014. Mr Edey is a chartered accountant and brings this skill set to his role as Chairman of the Company's Audit Committee and Management Engagement Committee. He started his career with Anglo American Corporation of South Africa Ltd., a large, diversified miner, in South Africa and subsequently in Australia. He joined N.M. Rothschild's corporate finance division in London and advised mining companies (and others) on mergers and acquisitions and capital raising. He was chairman of AngloGold Ashanti, a large international gold producer. He is a director of Fidelity Emerging Markets Fund and so has experience of investment trusts and investment management. Mr Edey brings considerable experience of the mining industry, corporate finance and governance and investment to his position as a Director of the Company.

Resolution 6 relates to the re-election of Jane Lewis who has served on the Board for nearly six years. She has extensive sector experience through her career in investment company corporate broking at Winterflood and business development at leading investment trust management houses. She holds a number of investment trust directorships, including as chairman.

Resolution 7 relates to the re-election of Judith Mosely who was appointed as a Director in 2014. Ms Mosely has over twenty years' experience in the City focusing on the mining sector. She was employed until the end of December 2019 by Rand Merchant Bank as Business Development Director for mining where she was responsible for identifying opportunities in the sector in raising bank finance, mergers and acquisitions, commodity hedging and debt capital markets. Prior to this she headed the mining finance team of Société Générale in London. She therefore has a strong appreciation of risk, as well as a current appreciation of the opportunities and challenges in the sector including ESG. She regularly attends key industry conferences and her involvement in industry groups such as Women in Mining ensures that she is kept abreast of key industry matters.

Resolution 8 relates to the election of Srinivasan Venkatakrishnan who was appointed as a Director on 1 August 2021. He has a proven track record of leading multinational organisations, including major publicly-listed companies, through periods of challenging and transformative change. His career spans across six continents and 15 countries; covers gold, silver and base metals, oil and gas and power generation. The scope of his work over the past 30+ years at the board and executive level has spanned the full suite of leadership accountabilities, including strategy development and execution, all aspects of ESG, project development, organisational restructuring and business planning, turnaround and productivity improvement, in addition to complex corporate financing activities spanning mergers & acquisitions, due diligence studies and capital markets work. These efforts have involved intricate, multi-jurisdictional financing and large complex cross-border restructuring. Leading major businesses in the extractive sector has moreover required fostering and maintaining relationships with investors, financiers, governments, regulators, organised labour, host communities, media, and local and international civil society groups.

Resolutions 9 and 10 – Re-appointment of the external auditors and auditors' remuneration

These resolutions relate to the re-appointment and remuneration of the Company's auditors. The Company, through its Audit Committee, has considered the independence and objectivity of the external auditors and is satisfied that the auditors remain independent. Further information in relation to the assessment of the auditors' independence can be found on page 77.

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

Resolution 11 – Continuation of the Company as an investment trust

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

Resolution 12 – Authority to allot shares

The Directors may only allot shares for cash if authorised to do so by shareholders in general meeting. This resolution seeks authority for the Directors to allot shares for cash up to an aggregate nominal amount of £922,780 which is equivalent to 18,455,611 ordinary shares of 5p each and represents 10% of the current issued share capital, excluding treasury shares, as at the date of the Notice of Annual General Meeting. This authority will expire at the

Directors' report

continued

conclusion of next year's Annual General Meeting in 2023, unless renewed prior to that date at an earlier general meeting.

Resolution 13 – Authority to disapply pre-emption rights

By law, Directors require specific authority from shareholders before allotting new shares or selling shares out of treasury for cash without first offering them to existing shareholders in proportion to their holdings. Resolution 13 empowers the Directors to allot new shares for cash or to sell shares which are held by the Company in treasury, otherwise than to existing shareholders on a pro rata basis, up to an aggregate nominal amount of £922,780 which is equivalent to 18,455,611 ordinary shares of 5p each and 10% of the Company's issued ordinary share capital, excluding treasury shares, as at the date of the Notice of Annual General Meeting. Unless renewed at a general meeting prior to such time, this authority will expire at the conclusion of the Annual General Meeting of the Company to be held in 2023.

Resolution 14 – Authority to buy back shares

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

The Directors are seeking authority to purchase up to 27,664,961 ordinary shares (being 14.99% of the issued share capital, excluding treasury shares, as at the date of this report) or, if less, 14.99% of the ordinary shares in issue at 6 May 2022. This authority, unless renewed at an earlier general meeting, will expire at the conclusion of next year's Annual General Meeting.

Recommendation

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

Corporate governance

Full details are given in the Corporate Governance Statement. The Corporate Governance Statement forms part of this Directors' Report.

Audit information

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

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and resolutions proposing their reappointment and authorising the Audit Committee to determine their remuneration for the ensuing year will be submitted at the Annual General Meeting.

The Directors' Report was approved by the Board at its meeting on 7 March 2022.

By order of the Board

CAROLINE DRISCOLL
For and on behalf of
BlackRock Investment Management (UK) Limited
Company Secretary
7 March 2022

Directors' remuneration report

The Board presents the Directors' Remuneration Report for the year ended 31 December 2021 which has been prepared in accordance with sections 420-422 of the Companies Act 2006.

The Remuneration Report comprises a remuneration policy report and a remuneration policy implementation report. The remuneration policy report is subject to a triennial binding shareholder vote and was last approved by the Company's shareholders at the Annual General Meeting held on 30 April 2020. The remuneration implementation report is subject to an annual advisory vote.

The law requires the Company's auditors to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The auditors' opinion is included in their report on pages 82 to 89.

Statement by the Chairman

A key element of the remuneration policy is that fees payable to Directors should be sufficient to attract and retain individuals with suitable knowledge and experience to promote the long-term success of the Company, whilst also reflecting the time commitment and responsibilities of the role. The basis for determining the level of any increase in the Directors' remuneration and the Board's policy on remuneration is set out in the Directors' Remuneration Policy on pages 66 and 67.

The Board's remuneration is considered annually and was last reviewed in August 2021. Following a review, with effect from 1 September 2021 the Board agreed that the Chairman's fees increase from £45,000 to £47,000, the Chairman of the Audit Committee and Senior Independent Director receive a fee increase from £37,500 to £39,500 and Directors' fees increase from £30,000 to £32,000. Prior to this, Directors' fees were last increased on 1 October 2013.

No discretionary fees have been paid to the Directors during the year or previous year and the payment of such fees is expected to be a rare occurrence, only necessary in exceptional circumstances. Any discretionary fees paid to the Directors will be clearly disclosed in the Directors' Remuneration Report accompanied by an explanation of the work undertaken and why it was deemed necessary to pay such additional remuneration.

Remuneration Committee

The Board as a whole fulfils the function of the Remuneration Committee and considers any change in the Directors' remuneration policy. It is not considered necessary to have a separate Remuneration Committee as the Company's Directors are all non-executive and independent of the Manager. No advice or services were provided by any external agencies or third parties in respect of remuneration levels.

Remuneration implementation report

A single figure for the total remuneration of each Director is set out in the table below for the year ended 31 December 2021.

Directors	Year ended 31 December 2021			Year ended 31 December 2020		
	Base salary	Taxable benefits[1]	Total	Base salary	Taxable benefits[1]	Total
	£	£	£	£	£	£
David Cheyne	45,667	–	45,667	45,000	–	45,000
Colin Buchan[2]	n/a	–	n/a	12,500	–	12,500
Russell Edey[3]	38,167	–	38,167	35,000	–	35,000
Judith Mosely	30,667	–	30,667	30,000	–	30,000
Jane Lewis	30,667	–	30,667	30,000	–	30,000
Ollie Oliveira[4]	17,500	–	17,500	27,213	2,862	30,075
Srinivasan Venkatakrishnan[5]	13,167	–	13,167	n/a	n/a	n/a
Total	**175,835**	**–**	**175,835**	**179,713**	**2,862**	**182,575**

1 Taxable benefits relate to travel and subsistence costs.
2 Retired as Chairman of the Audit & Management Committee and Senior Independent Director on 30 April 2020.
3 Appointed as Chairman of the Audit Committee, Management Engagement Committee and Senior Independent Director on 1 May 2020.
4 Appointed as a Director on 3 February 2020 and retired on 31 July 2021.
5 Appointed as a Director on 1 August 2021.

The information in the above table has been audited. The amounts paid by the Company to the Directors were for services as non-executive Directors. As at 31 December 2021 fees of £14,375 (2020: £14,375) were outstanding to Directors. No discretionary payments were made in the year to 31 December 2021 (2020: nil).

Directors' remuneration report

continued

Relative importance of spend on remuneration

To enable shareholders to assess the relative importance of spend on pay, this has been shown in the table below compared with the Group's dividend distributions, total revenue, net profit on ordinary activities and buy back/issue of ordinary shares.

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

	2021 £'000	2020 £'000	Change £'000
Directors' total remuneration	176	183	-7
Total dividends paid and payable	78,263	35,612	+42,651
Total revenue	87,676	39,577[1]	+48,099
Net profit on ordinary activities after taxation	192,470	216,515	-24,045
Buy back of ordinary shares	393	4,609	-4,216
Issue of ordinary shares	63,187	–	+63,187

1 Please refer to note 2 "Restatement of 2020 comparatives" on page 96 for further details.

No payments were made in the year to any past Directors (2020: nil).

Annual percentage change in Directors' remuneration

The following table set outs the annual percentage change in Directors' fees for the past five years.

	31 December 2017	31 December 2018	31 December 2019	31 December 2020	31 December 2021
David Cheyne[1]	+0.0%	+0.0%	+0.0%	+0.0%	+4.4%
Russell Edey[2]	+0.0%	+0.0%	+0.0%	+0.0%	+5.3%
Jane Lewis	+0.0%	+0.0%	+0.0%	+0.0%	+6.7%
Judith Mosely	+0.0%	+0.0%	+0.0%	+0.0%	+6.7%
Srinivasan Venkatakrishan[3]	n/a	n/a	n/a	n/a	n/a

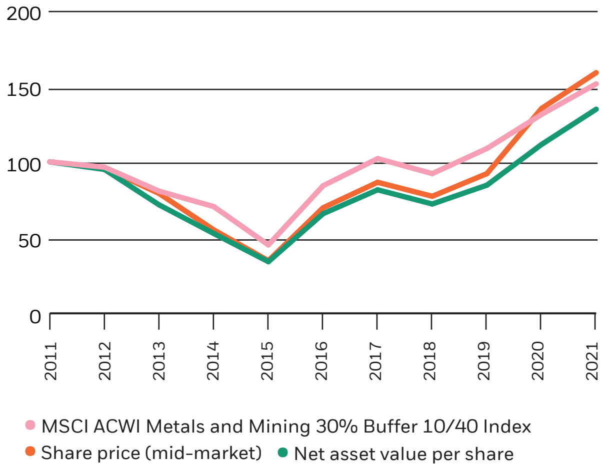
1 Chairman.
2 Chairman of the Audit Committee, Management Engagement Committee and Senior Independent Director.
3 As Srinivasan Venkatakrishan was appointed as a Director on 1 August 2021, the percentage change in his annual fixed fee has been annualised.

As previously noted, the Company does not have any employees and hence no comparisons are given in respect of the comparison between Directors' and employees' pay increases.

Performance

The line graph that follows compares the Company's net asset value and mid-market share price (with dividends reinvested) with the MSCI ACWI Metals & Mining 30% Buffer 10/40 Index – net total return. This index was chosen for comparison purposes as it was deemed to be the most relevant to the Company's investment objective when reporting to shareholders.

Performance 1 January 2011 to 31 December 2021



Total return performance record, rebased to 100 at 31 December 2011.
Sources: BlackRock and Datastream.

Shareholdings

The Board has not adopted a policy that Directors are required to own shares in the Company. The interests of the Directors in the ordinary shares of the Company are set out in the following table. The Company does not have a share option scheme, therefore none of the Directors has an interest in share options.

	31 December 2021 Ordinary shares	31 December 2020 Ordinary shares
David Cheyne	35,000	24,000
Russell Edey	20,000	20,000
Jane Lewis	5,362	5,362
Judith Mosely	7,400	7,400
Ollie Oliveira	n/a	18,000
Srinivasan Venkatakrishnan	1,000	n/a

The information in the above table has been audited.

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

Implementation of the remuneration policy in 2022 financial year

The Directors intend that the Remuneration Policy (as approved at the Annual General Meeting on 30 April 2020) will be implemented as set out on pages 66 and 67. The Directors' remuneration policy on page 66 and the policy table on page 67 form part of this report. The Directors do not receive any performance related remuneration or incentives. Discretionary payments are permitted under the policy; however, such discretionary payments would only be considered in exceptional circumstances.

Retirement of Directors

Further details are given in the Directors' Report on page 58.

By order of the Board

DAVID CHEYNE
Chairman
7 March 2022

Directors' remuneration policy

Directors' remuneration policy

In determining the appropriate level of Directors' fees, a number of factors are considered, including the workload of the Directors, their responsibilities, any change in these responsibilities and additional legal duties (for example as a result of new legislation being implemented), the relationship with their suppliers and the size and complexity of the Company. The time commitment required, the level of skills and appropriate experience required and the need for Directors to maintain on an ongoing basis an appropriate level of knowledge of regulatory and compliance requirements in an industry environment of increasing complexity are also taken into account. The Board also considers the average rate of inflation during the period since the last fee increase and reviews the level of remuneration in comparison with other investment trusts of a similar size and/or mandate, as well as taking account of any data published by the Association of Investment Companies to ensure that fees are in line with industry practice. This comparison, together with consideration of any alteration in non-executive Directors' responsibilities, is used to review whether any change in remuneration is necessary.

The review is performed on an annual basis. No director will be present when his or her own pay is being determined. The Company has no employees and consequently no consideration is required to be given to employment conditions elsewhere in setting this policy and there has been no employee consultation.

No element of the Directors' remuneration is performance related or subject to recovery or withholding (except for tax). Directors cannot be awarded any share options or long-term performance incentives. None of the Directors has a service contract with the Company or receives any non-cash benefits (except as described in the policy table), pension entitlements or compensation for loss of office.

The remuneration policy will be applied when agreeing the remuneration package of any new Director. The terms of a Director's appointment are detailed in a letter sent to them when they join the Board. These letters are available for inspection at the registered office of the Company.

Directors' appointments do not have a fixed duration, but they can be terminated by the Company in writing at any time without obligation to pay compensation. On termination of the appointment, Directors shall only be entitled to accrued fees as at the date of termination, together with reimbursement of any expenses properly incurred prior to that date. Directors are also subject to re-election on an annual basis and, if not elected, their appointment ceases immediately. No payments for loss of office are made.

Consideration of shareholders' views

An ordinary resolution to approve the Remuneration Report is put to members at each Annual General Meeting and shareholders have the opportunity to express their views and raise any queries in respect of the remuneration policy at this meeting. To date, no shareholders have commented in respect of the remuneration policy. In the event that there was a substantial vote against any resolution proposed at the Company's Annual General Meeting, the reasons for any such vote would be sought and appropriate action taken. Should the vote be against resolutions in relation to the Directors' remuneration, further details will be provided in future Directors' Remuneration Reports.

In accordance with the Companies Act 2006, the Company is required to seek shareholder approval of its remuneration policy on a triennial basis. An ordinary resolution for the approval of the remuneration policy and the future policy table was put to members at the 2020 Annual General Meeting. It is the intention of the Board that the policy on remuneration will continue to apply for all financial years of the Company up to 31 December 2022.

Any discretionary fees paid to the Directors will be clearly disclosed in the Directors' Remuneration Report accompanied by an explanation of the work undertaken.

Shareholder voting

At the Company's previous Annual General Meeting held on 29 April 2021, 99.67% of votes cast (including votes cast at the Chairman of the Meeting's discretion) were in favour of the resolution to approve the Directors' Remuneration Report in respect of the year ended 31 December 2020 and 0.33% were against. 119,694 votes were withheld.

At the Company's Annual General Meeting held on 30 April 2020, 99.77% (including votes cast at the Chairman of the Meeting's discretion) were in favour of the resolution to approve the remuneration policy and 0.23% of votes cast were against. 120,960 votes were withheld.

Policy table

Purpose and link to strategy	Fees and benefits payable to Directors should be sufficient to attract and retain individuals of high calibre with suitable knowledge and experience. Those chairing the Board and key Committees should be paid higher fees than other Directors in recognition of their more demanding roles. Fees should reflect the time spent by Directors on the Company's affairs and the level of complexity of responsibilities borne by the Directors.		
	Fees	**Discretionary fees**	**Benefits**
Description	Current levels of fixed annual fee (effective from 1 September 2021) Chairman – £47,000 Audit Committee and Management Engagement Committee Chairman/Senior Independent Director – £39,500 Directors – £32,000 The Board reviews the quantum of Directors' pay each year to ensure that this is in line with the level of Directors' remuneration for other investment trusts of a similar size. When making recommendations for any changes in fees, the Board will consider wider factors such as the average rate of inflation over the period since the previous review and the level and any change in complexity of the Directors' responsibilities (including additional time commitments as a result of increased regulatory or corporate governance requirements).	The Company's Articles of Association authorise the payment of discretionary fees to Directors for any additional work undertaken on behalf of the Company which is outside of their normal duties. Any such work and the fees payable are subject to the prior approval of the Chairman or, in the case of the Chairman undertaking the extra work, subject to the prior approval of the Chairman of the Audit Committee. Any discretionary fees paid will be disclosed in the Directors' remuneration implementation report within the Annual Report.	The Directors are entitled to be repaid all reasonable travelling, hotel and other expenses incurred by them in or about the performance of their duties as Directors, including any expenses incurred in attending meetings of the Board or Committees of the Board, Annual General Meetings or General Meetings. Some expenses incurred by Directors are required to be treated as taxable benefits. Taxable benefits include (but are not limited to) travel expenses incurred by the Directors in the course of travel to attend Board and Committee meetings which are held at the Company's registered office in London, and which are reimbursed by the Company and therefore treated as a benefit in kind and are subject to tax and national insurance. The Company's policy in respect of this element of remuneration is that all reasonable costs of this nature will be reimbursed as they are incurred, including the tax and national insurance costs incurred by the Director on such expenses.
Maximum levels	Fixed fees are set each year in accordance with the stated policies and as such there is no set maximum threshold; however, any increase granted must be in line with the stated policies. The Company's Articles of Association set an aggregate limit of £250,000 in respect of the remuneration that may be paid to Directors in any financial year. These ceilings have been set at a level to provide flexibility in respect of the recruitment of additional Board members and inflation.	The level of discretionary fees shall be determined by the Directors and will be subject to a maximum of £10,000 per annum per Director.	No more than £50,000 per annum may be paid in respect of taxable benefits.

Corporate governance statement

Chairman's introduction
Corporate Governance is the process by which the Board seeks to look after shareholders' interests and protect and enhance shareholder value. Shareholders hold the Directors responsible for the stewardship of the Company, delegating authority and responsibility to the Directors to manage the Company on their behalf and holding them accountable for its performance.

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

As a UK-listed investment trust company our principal reporting obligation is driven by the UK Corporate Governance Code (the UK Code) issued by the Financial Reporting Council in July 2018. However, as listed investment trust companies differ in many ways from other listed companies, the Association of Investment Companies has drawn up its own set of guidelines, the AIC Code of Corporate Governance (the AIC Code) issued in February 2019, which addresses the governance issues relevant to investment companies and meets the approval of the Financial Reporting Council.

Both the UK Code and the AIC Code apply to accounting periods beginning on or after 1 January 2019. The Board has determined that it has complied with the recommendations of the AIC Code. This in most material respects is the same as the UK Code, save that there is greater flexibility regarding the tenure of office of the Chairman and membership of the Audit Committee.

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

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

The Board considers that the Company has complied with the recommendations of the AIC Code and the provisions contained within the UK Code that are relevant to the Company throughout this accounting period, except the provisions relating to:

- the role of the chief executive;
- executive directors' remuneration; and
- the need for an internal audit function.

The Board considers that these provisions are not relevant to the position of the Company, being an externally managed investment company with no executive employees and, in relation to the internal audit function, in view of BlackRock having an internal audit function. Further explanation is provided below.

Information on how the Company has applied the principles of the AIC Code and UK Code is set out below. The UK Code is available from the Financial Reporting Council's website at frc.org.uk. The AIC Code is available from the Association of Investment Companies at theaic.co.uk.

The Board
The Board consists of five non-executive Directors, all of whom are independent of the Company's Manager. Provision 9 of the UK Code which relates to the combination of the roles of the chairman and chief executive does not apply as the Company has no executive directors.

The Board's primary purpose is to direct the Company to maximise shareholder value within a framework of proper controls and in accordance with the Company's investment objective.

Board structure and management
Details of the Board's structure, roles and responsibilities and management are set out in the summary of Governance Structure on page 36. The Directors' biographies on pages 37 and 38 demonstrate a breadth of investment, commercial, accounting, financial and professional experience which enables them to provide effective strategic leadership and proper governance of the Company. Details of the Chairman's other significant time commitments can be found on page 37.

The Company does not have a chief executive as day-to-day management of the Company's affairs is delegated to the Manager as AIFM, with investment management and other ancillary services delegated to the Investment Manager. Representatives of the Manager, Investment Manager and Company Secretary attend each Board meeting. The Board, the AIFM, the Investment Manager and the Company Secretary operate in a supportive and co-operative manner.

Board independence and tenure
The Board regularly reviews the independence of its members and considers all of the Directors to be independent. A number of factors were taken into account when making this assertation, including length of tenure, the individual contribution of each Director, their other

directorships and interests, and their ongoing commitment and enthusiasm to promote the long-term success of the Company, its shareholders and stakeholders. This individual independence allows all of the Directors to sit on the Company's various Committees, although in line with the UK Code, the Chairman of the Board does not act as a member of the Audit Committee.

The Board is of the view that length of service will not necessarily compromise the independence or contribution of directors of an investment trust company, where continuity and experience can add significantly to the strength of the Board. Following the formal performance evaluation process, the Board has concluded that, notwithstanding Mr Cheyne has served as a Director (and now Chairman) for over nine years, he continues to be independent in character and judgement and his range of skills and experience has been beneficial for the Board.

The Board considers that the tenure of the Chairman should be determined principally by how the Board's purpose in providing strategic leadership, governance and bringing challenge and support to the Manager can best be maintained, whilst also recognising the importance of independence, refreshment, diversity and retention of accumulated knowledge. It firmly believes that an appropriate balance of these factors is essential for an effective functioning Board and, at times, will naturally result in some longer serving directors, including the Chairman. Furthermore, the Board wishes to retain the flexibility to be able to recruit outstanding candidates when they become available rather than simply adding new Directors based upon a predetermined timetable.

Under the AIC Code the tenure of a director who is elevated to Chairman may be extended by three years. The Board has decided that this extension should apply to Mr Cheyne's tenure which will therefore be extended to the Annual General Meeting in the Spring of 2024.

None of the Directors has a service contract with the Company. The terms of their appointment are detailed in a letter sent to them when they join the Board. Copies of these letters are available on request from the Company's registered office and will be available at the Annual General Meeting.

Diversity

The Board is mindful of diversity, including gender, social and ethnic backgrounds, as well as experience and personal strengths, and will take this into account during the recruitment and appointment process. Our Company is highly specialised and our priority to shareholders is to have a Board with the specialist abilities and technical mining experience to look after the Group's investments. In addition, the Board should be able to demonstrate with conviction that any new appointee would make a meaningful contribution. We also focus on diversity in its broadest sense, in terms of expertise, geographic background, gender and race.

The Board should have a blend of skills and attributes that is appropriate to its needs; we believe that gender is an important element and one we should aspire to on the basis that the expertise is available. As the Board is committed to appointing the most appropriate candidate, regardless of gender or other forms of diversity, no targets have been set against which to report.

Directors' appointment, retirement and rotation

The rules concerning the appointment, retirement and rotation of Directors are discussed in the Directors' Report on page 58. The Board has considered the position of each of the Directors as part of the evaluation process and believes it would be in the best interests of the Company for the Directors retiring to be proposed for re-election or election at the forthcoming Annual General Meeting given their material level of contribution and commitment to the Company.

The Board recognises the value of progressive renewing of, and succession planning for, company boards. The refreshment of the Board will remain as an ongoing process to ensure that the Board is well-balanced through the appointment of new Directors with the skills and experience necessary. Directors must be able to demonstrate commitment to the Company, including in terms of time. The Board is cognisant of the concept of 'overboarding' and has considered the time commitment required by the Directors' other roles, taking into account their nature and complexity. The Board reviews this information annually to ensure all Directors have sufficient capacity to effectively carry out their role.

Directors' induction, training and development

When a new Director is appointed to the Board, he or she is provided with all the relevant information regarding the Company and his or her duties and responsibilities as a Director. In addition, a new Director will also spend some time with the Investment Manager, the Company Secretary and other key employees of the Manager whereby he or she will become familiar with the workings and processes of the Company.

The Company's policy is to encourage Directors to keep up to date and attend training courses on matters which are directly relevant to their involvement with the Company. The Directors also receive regular briefings from, amongst others, the auditors, representatives of the Manager and the Company Secretary regarding any proposed developments or changes in laws or regulations that could affect them or the Company. Directors' training and development needs are reviewed by the Chairman on an annual basis.

Directors' liability insurance

The Company has maintained appropriate Directors' liability insurance cover throughout the year.

Corporate governance statement

continued

The Board's responsibilities

The Board is responsible to shareholders for the overall management of the Company. It decides upon matters relating to the Company's investment objective, policy and strategy and monitors the Company's performance towards achieving that objective through its agreed policy and strategy. The Board has also adopted a schedule of matters reserved for its decision. The Board is supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties.

Strategic issues and all operational matters of a material nature are determined by the Board. The Board has responsibility for ensuring that the Company keeps adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable it to ensure that the financial statements comply with the Companies Act 2006. It is the Board's responsibility to present a balanced and understandable assessment, which extends to interim and other price-sensitive reports. The Board is also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board has established a procedure whereby Directors wishing to do so in the furtherance of their duties, may take independent advice at the Company's expense.

Performance evaluation

In order to review the effectiveness of the Board, the Committees and the individual Directors, the Board carries out a formal and rigorous annual appraisal process. This encompasses both quantitative and qualitative measures of performance in respect of the Board and its Committees, implemented by way of completion of an evaluation survey and a subsequent review of findings. The Chairman also reviews with each Director their individual performance, contribution and commitment and the appraisal of the Chairman is reviewed by the other Directors, led by the Senior Independent Director.

The appraisal process is considered by the Board to be constructive in terms of identifying areas for improving the functioning and the performance of the Board and its Committees and the contribution of individual Directors, as well as building on and developing individual and collective strengths. The review concluded that the Board oversees the management of the Company effectively and has the skills and expertise to safeguard shareholders' interests. The Board, the Investment Manager and representatives of the Manager were found to operate in a cooperative and open environment. Each Director made a valuable contribution to the Board and its discussions, brought different qualities to the Board, challenged the Investment Manager and Manager constructively, remained independent in character and judgement, and dedicated sufficient time to their respective role on the Board. Board composition, dynamics and structure worked well.

There were no significant actions arising from the evaluation process and it was agreed that the current composition of the Board and its Committees reflected a suitable mix of skills and experience and that the Board as a whole, the individual Directors and its Committees, were functioning effectively.

Delegation of responsibilities

Management and administration

The management of the investment portfolio and the administration of the Company have been contractually delegated to BlackRock Fund Managers Limited (BFM), as the Company's AIFM, and BFM (with the permission of the Company) has delegated certain investment management and other ancillary services to BlackRock Investment Management (UK) Limited (BIM (UK) or the Investment Manager). The contractual arrangements with BFM (the Manager) are summarised on pages 56 and 57.

The Manager, operating under guidelines determined by the Board, has direct responsibility for the decisions relating to the day-to-day running of the Company and is accountable to the Board for the investment, financial and operating performance of the Company. The Board has final investment authority on unquoted investments. The review of the Manager's performance is an ongoing duty and responsibility of the Board which is carried out at each Board meeting. In addition, a formal review is undertaken annually, details of which are set out in the Directors' Report.

The Manager has delegated the portfolio valuation and fund accounting services to The Bank of New York Mellon (International) Limited (BNYM). The assets of the Company have been entrusted to the Depositary for safekeeping. The Depositary is The Bank of New York Mellon (International) Limited. The address at which this business is conducted is given on page 137.

The Board has delegated the exercise of voting rights attaching to the securities held in the portfolio to the Investment Manager. Details of the Investment Manager's approach to voting at shareholder meetings are set out on pages 57 and 58.

The Company Secretary

The Board has direct access to company secretarial advice and the services of the Manager which, through its nominated representative, is responsible for ensuring that Board and Committee procedures are followed and that applicable regulations are complied with. The appointment and removal of the Company Secretary is a matter for the whole Board. The Board has established a procedure whereby Directors wishing to do so in the furtherance of their duties, may take independent professional advice at the Company's expense.

Committees of the Board

The Board has appointed a number of committees as set out below.

Nomination Committee

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

Audit Committee

The Audit Committee, which is currently chaired by Mr Edey, comprises the whole Board with the exception of Mr Cheyne, who is not a member of the Committee but may attend by invitation. Further details are given in the Report of the Audit Committee on pages 74 to 77.

Management Engagement Committee

On 18 November 2021 the Board resolved to establish a separate Management Engagement Committee chaired by Mr Edey and comprising the whole Board. The Committee is responsible for reviewing the performance of the Manager in terms of investment management, company secretarial services and fund accounting and, at least annually, reviews the investment management agreement to ensure the terms remain competitive. It will consider each year whether the continuing appointment of the Manager on the terms of the management contract is in the interests of the Company's shareholders as a whole. It will also consider and make recommendations to the Board regarding the appointment of third-party service providers and ensure that third-party service providers comply with the terms of their respective agreements with the Company and that the provisions of such agreements follow industry practice, remain competitive and are in the best interests of shareholders.

Remuneration Committee

The Company's policy on Directors' remuneration, together with details of the remuneration of each Director, is detailed in the Directors' Remuneration Report and Directors' Remuneration Policy on pages 63 to 67. As stated in the Directors' Remuneration Report, the full Board determines the level of Directors' fees and accordingly there is no separate Remuneration Committee.

Internal controls

The Board is responsible for establishing and maintaining the internal controls of the Company and for reviewing their effectiveness, for ensuring that financial information published or used within the business is reliable and for regularly monitoring compliance with regulations governing the operation of investment trusts. The Board, through the Audit Committee (the Committee), regularly reviews the effectiveness of the internal control systems to identify, evaluate and manage the Company's significant risks. If any significant failings or weaknesses are identified, the Manager and Board ensure that necessary action is taken to remedy the failings. The Board is not aware of any significant failings or weaknesses arising in the year under review.

Control of the risks identified, covering financial, operational, compliance and risk management, is embedded in the operations of the Company. There is a monitoring and reporting process to review these controls, which has been in place throughout the year under review and up to the date of this report, carried out by the Manager's corporate audit departments. This accords with the Financial Reporting Council's 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting'.

The Company's risk register sets out the risks relevant to the Company and describes, where relevant, the internal controls that are in place at the AIFM, the Investment Manager and other third-party service providers to mitigate these risks. The Committee formally reviews this register on a semi-annual basis and the Manager as the Company's AIFM reports on any significant issues that have been identified in the period. In addition, BlackRock's internal audit department provides an annual presentation to the Audit Committee chairmen of the BlackRock investment trusts on the results of testing performed in relation to BlackRock's internal control processes. The Depositary also reviews the control processes in place at the Custodian, the Fund Accountant and the AIFM and reports formally to the Committee twice yearly. Both the AIFM and the Depositary will escalate issues and report to the Committee outside of these meetings on an ad hoc basis to the extent this is required. The Committee also receives annual and quarterly Service Organisation Control (SOC 1) reports respectively from BlackRock and BNYM on the internal controls of their respective operations, together with the opinion of their reporting accountant.

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

The Company does not have its own internal audit function, as all the administration is delegated to the Manager and other third-party service providers. The Board monitors the controls in place through the internal control reports and the

Corporate governance statement

continued

Manager's internal audit department and feels that there is currently no need for the Company to have its own internal audit function, although this matter is kept under review.

Financial reporting

The Statement of Directors' Responsibilities in respect of the Annual Report and Financial Statements is set out on page 78, the Independent Auditors' Report on pages 82 to 89 and the Statement of Going Concern on page 58.

Socially responsible investment

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

More information regarding the Manager's approach to responsible investing is given on pages 52 to 55.

Bribery prevention policy

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

Criminal Finances Act 2017

The Company has a commitment to zero tolerance towards the criminal facilitation of tax evasion.

Communications with shareholders

Communications with shareholders is given a high priority. Regular updates on performance are available to shareholders on the BlackRock website and the Investment Manager will review the Company's portfolio performance at the Annual General Meeting. Under normal operating circumstances, all shareholders have the opportunity to attend and vote at the Annual General Meeting. To the extent that social distancing regulations make physical attendance at the Annual General Meeting impossible due to COVID-19, the Board will take additional steps to keep shareholders informed, including encouraging them to submit any questions in writing in advance of the meeting and ensuring that a recorded video of the Investment Manager's presentation will be made available on the website at www.blackrock.com/uk/brwm. Shareholders are also encouraged to submit their votes by proxy to the extent that physical attendance is not possible. The Notice of Annual General Meeting which is sent out 20 working days in advance of the meeting sets out the business of the Meeting which is explained in the Directors' Report. Separate resolutions are proposed for substantive issues.

Proxy voting figures will be announced to shareholders at the Annual General Meeting and will be made available on the website shortly after the meeting. In accordance with Provision 4 of the UK Code, when 20% of votes have been cast against a resolution at any general meeting, the Board will explain, when announcing the results of voting, what actions it intends to take to understand the reasons behind the vote result. An interim action statement will also be published within six months of the vote, setting out the views received from shareholders and the actions that the Company has taken, and the Board will include a summary of the feedback and actions in the next Annual Report.

The Company's willingness to enter into discussions with institutional shareholders is also demonstrated by the programmes of institutional presentations by the Investment Manager. The Board discusses with the Investment Manager at each Board meeting any feedback from meetings with shareholders and it also receives reports from its corporate brokers. The Chairman is available to meet directly with shareholders periodically without the Investment Manager being present. The Chairman may be contacted via the Company Secretary whose details are given on page 137. The dialogue with shareholders provides a two-way forum for canvassing the views of shareholders and enabling the Board to become aware of any issues of concern, including those relating to performance, strategy and corporate governance.

There is a section within this report entitled 'Shareholder Information' which provides an overview of useful information available to shareholders. The Company's financial statements, regular factsheets and other information are also published on the BlackRock website at www.blackrock.com/uk/brwm. The work undertaken by the auditors does not involve consideration of the maintenance and integrity of the website and, accordingly, the auditors accept no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the accounts may differ from legislation in their jurisdiction.

Packaged Retail and Insurance-Based Investment Products (PRIIPS) Regulation (The Regulation)

Effective from 1 January 2018, the European Union's PRIIPs Regulation came into force and requires that anyone manufacturing, advising on, or selling a PRIIP to retail investors in the EEA (or, as a result of the retention and onshoring of the PRIIPs Regulation following Brexit, the UK) must comply with the Regulation. Shares issued by investment trusts fall into scope of the Regulation.

Investors should be aware that the PRIIPs Regulation requires the AIFM, as PRIIPs manufacturer, to prepare a key information document (KID) in respect of the Company. This KID must be made available, free of charge, to retail investors prior to them making any investment decision and have been published on BlackRock's website. The Company is not responsible for the information contained in the KID and investors should note that the procedures for calculating the risks, costs and potential returns are prescribed by law. The figures in the KID may not reflect the expected returns for the Company and anticipated performance returns cannot be guaranteed.

The PRIIPs KID in respect of the Company can be found at: www.blackrock.com/uk/brwm.

Disclosure Guidance and Transparency Rules

Other information required to be disclosed pursuant to the Disclosure Guidance and Transparency Rules has been placed in the Directors' Report on pages 56 to 62 because it is information which refers to events that have taken place during the course of the year.

For and on behalf of the Board

DAVID CHEYNE
Chairman
7 March 2022

Report of the audit committee

As Chairman of the Company's Audit Committee (the Committee) I am pleased to present the Committee's report to shareholders for the year ended 31 December 2021.

Composition

All of the Directors, except the Chairman of the Board, were members of the Committee during the year under review. The Chairman may attend Committee meetings by invitation. The Committee members as a whole have competence relevant to the investment trust sector and at least one member of the Committee has recent and relevant financial experience.

The biographies of the Directors may be found on pages 37 and 38.

Performance evaluation

Details of the evaluation of the Committee are set out in the Corporate Governance Statement on page 70.

Role and responsibilities

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

The Committee operates within written terms of reference detailing its scope and duties and these are available on the website at www.blackrock.com/uk/brwm. The Committee's principal duties, as set out in the terms of reference, are set out below. In accordance with these duties, the principal activities of the Committee during the year included:

Internal controls, financial reporting and risk management systems

- reviewing the adequacy and effectiveness of the Group's internal financial controls and the internal control and risk management systems;
- reasonably satisfying itself that such systems meet relevant legal and regulatory requirements;
- monitoring the integrity of the financial statements;
- reviewing the consistency of, and any changes to, accounting policies;
- reviewing the Half Yearly and Annual Report and Financial Statements to ensure that the Group's results and financial position are presented accurately and fairly to shareholders;
- reviewing semi-annual reports from the Manager on its activities as AIFM; and
- reviewing half yearly reports from the Depositary on its activities.

Narrative reporting

- reviewing the content of the Annual Report and Financial Statements and advising the Board on whether, taken as a whole, they are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's position, performance, business model and strategy.

External audit

- making recommendations to the Board, to be put to shareholders for approval at the Annual General Meeting in relation to the appointment, re-appointment and removal of the Company's external auditors;
- reviewing the scope, execution, results, cost effectiveness, independence and objectivity of the external auditors;
- reviewing and approving the audit and non-audit fees payable to the external auditors and the terms of their engagement;
- reviewing and approving the external auditors' plan for the following financial year, with a focus on the identification of areas of audit risk and consideration of the appropriateness of the level of audit materiality adopted;
- reviewing the efficiency of the external audit process and the quality of the audit engagement partner and the audit team, and making a recommendation with respect to the reappointment of the auditors;
- reviewing the role of the Manager and third-party service providers in an effective audit process;
- considering the quality of the formal audit report to shareholders; and
- overseeing the relationship with the external auditors.

Reporting responsibilities

- reporting to the Board on its proceedings and how it has discharged its responsibilities, making whatever recommendations it deems appropriate on any area within its remit; and
- compiling a report on its activities to be included in the Annual Report and Financial Statements.

Internal audit

- considering the need for an internal audit function, as set out in the Corporate Governance Statement on pages 71 and 72 and below.

The fees paid to the external auditors are set out in note 5 of the Financial Statements. An explanation of how auditor objectivity and independence is safeguarded is reported under 'Assessment of the effectiveness of the external audit process' on pages 76 and 77.

Whistleblowing policy

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

Internal audit

The Company does not have its own internal audit function, as all the administration is delegated to the Manager. The Board considers that it is sufficient to rely on the internal audit department of BlackRock and the requirement for an internal audit function is kept under review. The external auditors obtain an understanding of the internal controls in place at both the Manager and the Fund Accountant by analysing the relevant control reports issued by their independent auditors.

Non-audit services

The Company's policy on permitted audit related and non-audit services is set out in full in the Committee's terms of reference which are available on the Manager's website at www.blackrock.com/uk/brwm. The only audit related services provided in the year related to the review of the half yearly financial statements.

Significant issues considered regarding the Annual Report and Financial Statements

In May 2021, the Company received correspondence from the FRC's Corporate Reporting Review Team who had reviewed the 2020 annual report and financial statements and requested further information relating to disclosure of quantitative information about significant unobservable inputs used in the valuation of the OZ Minerals Brazil royalty. In addition, the Company was encouraged to make improvements in relation to a number of observations made by the FRC on the 2020 annual report and financial statements. Additional disclosures were incorporated into the 2021 annual report and financial statements. Following provision of the information requested, the FRC Corporate Reporting Review Team closed its inquiry in June 2021.

During the year, the Committee considered a number of significant issues and areas of key audit risk in respect of the Annual Report and Financial Statements. The Committee reviewed the external audit plan at an early stage and concluded that the appropriate areas of audit risk relevant to the Company had been identified and that suitable audit procedures had been put in place to obtain reasonable assurance that the financial statements as a whole would be free of material misstatements. The table on page 76 sets out the key areas of risk identified and also explains how these were addressed.

As the provision of portfolio valuation, fund accounting and administration services is delegated to the Manager, which sub-delegates certain administrative functions to The Bank of New York Mellon (International) Limited (BNYM), the Committee has also reviewed the internal control reports prepared by BlackRock and BNYM. This enables the Committee to ensure that the relevant control procedures are in place to cover the areas of risk as identified in the table that follows and are adequate and appropriate and have been confirmed as operating effectively by their reporting auditor.

Report of the audit committee continued

Significant issue	How the issue was addressed
The accuracy of the valuation of the investment portfolio	Listed investments are valued using stock exchange prices from third party pricing providers. The Board reviews detailed portfolio valuations including the fair valuation of unquoted investments on a regular basis throughout the year and receives confirmation from the Manager that the pricing basis is appropriate and in line with relevant accounting standards as adopted by the Company and that the carrying values are materially correct. In relation to the OZ Minerals Brazil Royalty Contract and convertible bonds and equity shares of Ivanhoe Electric/I-Pulse, the Board reviews the valuation report of independent external valuers.
The risk of misappropriation of assets and unsecured ownership of investments	The Depositary is responsible for financial restitution for loss of financial investments held in custody. The Depositary reports to the Committee twice a year. The Committee reviews reports from its service providers on key controls over the assets of the Company and will take action to address any significant issues that are identified in these reports, which may include direct discussions with representatives of the relevant service providers to obtain more detailed information surrounding any matters of concern and gaining assurance that appropriate remediation has been taken. Any significant issues are reported by the Manager to the Committee. The Manager has put in place procedures to ensure that investments can only be made to the extent that the appropriate contractual and legal arrangements are in place to protect the Company's assets.
The accuracy of the calculation of management fees	The management fee is calculated in accordance with the contractual terms in the investment management agreement by the Fund Accountant and is reviewed in detail by the Manager.
The risk that income is overstated, incomplete or inaccurate through failure to recognise proper income entitlements or to apply the appropriate accounting treatment for recognition of income	The Committee reviews income forecasts, including special dividends and written options, and receives explanations from the Manager for any variations or significant movements from previous forecasts and prior year numbers. The Committee also reviews and approves the rationale for the revenue/capital accounting treatment of option income and special dividends. The Committee also reviews SOC1 Reports from its service providers, including the Company's Fund Accountant and Custodian, BNYM. These reports include information on control processes in place to ensure the accurate recording of income and any exceptions are highlighted to the Committee and will be investigated further to ensure that appropriate remedial action has been taken where relevant.

Auditors and audit tenure

The Committee reviews the performance of the auditors on an annual basis, taking into consideration the services and advice provided to the Company and the fees charged for these services. The Company's auditors, PricewaterhouseCoopers LLP, were appointed on 28 April 2016 following the result of a tender process held in late 2015. Ms Gillian Alexander was appointed as the Company's audit partner for the financial year commencing on 1 January 2021.

The Committee, in conjunction with the Board, is committed to reviewing the auditors' appointment each year to ensure that the Company is receiving an optimal level of service. In addition, even if no change is made to the audit firm appointed, the audit partner changes at least every five years.

There are no contractual obligations that restrict the Company's choice of auditors. The Committee is mindful of EU audit legislation which requires the rotation of long serving auditors. The Company will be required to put its audit contract out to tender again by no later than 2026.

Audit related service fees of £8,500 (excluding VAT) paid to PricewaterhouseCoopers LLP relate to their review of the half yearly financial statements (2020: £7,540).

Assessment of the effectiveness of the external audit process

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

- the quality of the audit engagement partner and the audit team;
- the expertise of the audit firm and the resources available to it;

- identification of areas of audit risk;
- planning, scope and execution of the audit;
- consideration of the appropriateness of the level of audit materiality adopted;
- the role of the Committee, the Manager and third-party service providers in an effective audit process;
- communications by the auditors with the Committee;
- how the auditors support the work of the Committee and how the audit contributes added value;
- policies and procedures to pre-approve and monitor non-audit services including gifts and hospitality;
- the independence and objectivity of the audit firm; and
- the quality of the formal audit report to shareholders.

Feedback in relation to the audit process and also the effectiveness of the Manager in performing its role is also sought from relevant involved parties, notably the audit partner and team. The external auditors are invited to attend the Committee meetings at which the half yearly and annual financial statements are considered and at which they have the opportunity to meet with the Committee without representatives of the Manager or Investment Manager being present.

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

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

As a result of its review, the Committee has concluded that the external audit has been conducted effectively and also that PricewaterhouseCoopers LLP is independent of the Company and the Manager.

Conclusions in respect of the Annual Report and Financial Statements

The production and the audit of the Company's Annual Report and Financial Statements is a comprehensive process requiring input from a number of different contributors. In order to reach a conclusion that the Annual Report and Financial Statements are fair, balanced and understandable, the Board has requested that the Committee advise on whether these criteria are satisfied. In so doing, the Committee has given consideration to the following:

- the comprehensive control framework over the production of the Annual Report and Financial Statements, including the verification processes in place to deal with the factual content;
- the extensive levels of review that are undertaken in the production process by the Manager, the Depositary and other third-party service providers responsible for accounting services and the Committee;
- the controls that are in place at the Manager and third-party service providers to ensure the completeness and accuracy of the Group's financial records and the security of the Group's assets; and
- the existence of satisfactory internal control reports that have been reviewed and reported on by external auditors to verify the effectiveness of the internal controls of the Manager, Depositary, Custodian and Fund Accountants.

In addition to the work outlined above, the Committee has reviewed the Annual Report and Financial Statements and is satisfied that, taken as a whole, they are fair, balanced and understandable. In reaching this conclusion, the Committee has assumed that the reader of the Annual Report and Financial Statements would have a reasonable level of knowledge of the investment trust industry in general and of investment trusts in particular. The Committee has reported on these findings to the Board who affirm the Committee's conclusions in the Statement of Directors' Responsibilities in respect of the Annual Report and Financial Statements.

RUSSELL EDEY
Chairman
Audit Committee
7 March 2022

Statement of directors' responsibilities in respect of the annual report and financial statements

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors are required to prepare the financial statements in accordance with UK-adopted International Accounting Standards (IAS).

Under Company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing those financial statements, the Directors are required to:

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

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

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for preparing the Strategic Report, Directors' Report, the Directors' Remuneration Report, the Corporate Governance Statement and the Report of the Audit Committee in accordance with the Companies Act 2006 and applicable regulations, including the requirements of the Listing Rules and the Disclosure Guidance and Transparency Rules. The Directors have delegated responsibility to the Manager for the maintenance and integrity of the Company's corporate and financial information included on the BlackRock website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Directors, whose names are listed on pages 37 and 38, confirm to the best of their knowledge that:

- the financial statements, which have been prepared in accordance with UK-adopted IAS, give a true and fair view of the assets, liabilities, financial position and net return of the Group and Company; and
- the Strategic Report contained in the Annual Report and Financial Statements includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

The 2018 UK Corporate Governance Code also requires Directors to ensure that the Annual Report and Financial Statements are fair, balanced and understandable. In order to reach a conclusion on this matter, the Board has requested that the Audit Committee advise on whether it considers that the Annual Report and Financial Statements fulfil these requirements. The process by which the Committee has reached these conclusions is set out in the Audit Committee's Report on pages 74 to 77. As a result, the Board has concluded that the Annual Report and Financial Statements for the year ended 31 December 2021, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's and Company's position, performance, business model and strategy.

For and on behalf of the Board

DAVID CHEYNE
Chairman
7 March 2022

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Copper miner Solaris Resources had an exceptional year, reporting impressive drilling results at its Warwintz deposit in Ecuador. Its shares rose 178.6% in value.

PHOTO COURTESY OF SOLARIS RESOURCES

Independent auditors' report

to the members of BlackRock World Mining Trust plc

Report on the audit of the financial statements

Opinion

In our opinion, BlackRock World Mining Trust plc's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2021 and of the Group's profit and the Group's and Company's cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Consolidated and parent company statements of financial position as at 31 December 2021; the Consolidated statement of comprehensive income, the Consolidated statement of changes in equity, the Parent company statement of changes in equity and the Consolidated and parent company cash flow statements for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in Note 5, we have provided no non-audit services to the Company or its controlled undertakings in the period under audit.

Our audit approach

Context

The Group comprises BlackRock World Mining Trust plc (the "Parent Company") and BlackRock World Mining Investment Company Limited. The Group engages BlackRock Fund Managers Limited (the "Manager") to manage its assets. We conducted our audit of the financial statements using information from The Bank of New York Mellon (International) Limited (the "Fund Accountant") to whom the manager has, with the consent of the Directors, delegated the provision of certain administrative functions.

Overview

Audit scope

- We tailored the scope of our audit taking into account the types of investments within the Group, the involvement of the third parties referred to in the Context section, the accounting processes and controls, and the industry in which the Group operates.
- We obtained an understanding of the control environment in place at both the Manager and the Fund Accountant and adopted a fully substantive testing approach using reports obtained from the Fund Accountant.
- In planning our audit, we made enquiries of the Directors and Manager to understand the extent of the potential impact of climate change on the Group's financial statements.

The Directors and Manager concluded that there was no material impact on the financial statements. Our evaluation of this conclusion included challenging key judgements and estimates in areas where we considered that there was greatest potential for climate change impact. This was principally in relation to the valuation of unlisted investments as explained in our key audit matter on Valuation and existence of investments.

We also considered the consistency of the climate change disclosures included in the Strategic Report and Investment Manager Report with the financial statements and our knowledge from our audit.

Key audit matters

- Valuation and existence of investments (Group and Parent)
- Accuracy, completeness and occurrence of income (Group and Parent)
- Ability to continue as a going concern (Continuation Vote) (Parent)

Materiality

- Overall Group materiality: £11.44 million (2020: £9.31 million) based on 1% of net assets.
- Overall Company materiality: £10.90 million (2020: £8.84 million) based on 1% of net assets, capped at 95% of the Group materiality.

- Performance materiality: £8.58 million (2020: £6.98 million) (Group) and £8.15 million (2020: £6.63 million) (Company).

The scope of our audit
As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters
Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Consideration of Impacts of COVID-19, which was a key audit matter last year, is no longer included because of reduced uncertainty of the impact of COVID-19 in the current year as markets and economies continue to recover. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Valuation and existence of investments (Group and Parent) Refer to the Report of the Audit Committee (page 76), Accounting policies (page 98) and Notes to the Financial Statements (page 124). The investment portfolio at the year-end comprised of listed equity investments (£1.12bn), fixed income securities (£113m) and contractual rights (£19m) valued at £1.3 billion. We focused on the valuation and existence of listed investments because investments represent the principal element of the net asset value as disclosed on the Statement of financial position in the Annual Report and Financial Statements. For unlisted investments, we focused on the valuation of OZ Minerals Brazil Royalty and Ivanhoe Electric as the valuation of these investments requires estimates and significant judgements to be applied by the Manager. Changes to the estimates and/or judgements can result, either on an individual or aggregate basis, in a material change to the valuation of the investments.	Our audit work on the valuation and existence of the listed investments included the following: • We tested the valuation of all of the investments by agreeing the valuation to independent third party sources; and, • We tested the existence of all of the investments and options by agreeing the Group's holdings to an independent custodian and broker confirmation. For the Parent Company's investment in the subsidiary, we agreed the investment to the net asset value of the subsidiary which we audited. For Oz Minerals Brazil Royalty, we performed the following audit procedures: • We obtained and reviewed the valuation report issued by the external expert; • We held discussions with the external expert throughout December 2021 up until February 2022 to understand: – the approach taken in the current year and obtained an understanding of changes in the assumptions since last year; – an updated understanding of the impact of COVID-19 on the operation and supply chain of the mine; and, – the impact of climate change on the valuation. • We involved PwC specialists to evaluate the valuation methodology applied, by reference to the International Private Equity and Venture Capital Valuation guidelines (IPEV);

Independent auditors' report
continued

Key audit matter	How our audit addressed the key audit matter
Valuation and existence of investments (Group and Parent) (continued)	• We tested the valuation techniques used by the Directors in determining the fair value of Oz Minerals Brazil Royalty; • We re-performed the calculations and assessed the reasonableness of production volumes used in the valuation; • We performed price benchmarking over gold and copper price forecasts; • We performed an analysis of discount rates used, including determining the sensitivity of key assumptions to changes; and, • We also agreed the royalty rate to the royalty agreement and agreed inputs in the discounted cash flow calculation to publicly-available forecasts released by OZ Minerals, the operator of the mine. For the Ivanhoe Electric investment, we performed the following audit procedures: • We obtained and reviewed the valuation report issued by the external expert; • We involved PwC specialists to evaluate the valuation methodology applied, by reference to the International Private Equity and Venture Capital Valuation guidelines (IPEV); • We tested the valuation techniques used by the Directors in determining the fair value of the convertible notes and common shares; • We re-performed the calculations, and assessed the reasonableness of the probabilities allocated to each conversion scenario; and, • We performed price benchmarking over electric metals price forecasts. We have no matters to report as a result of this testing.

Key audit matter	How our audit addressed the key audit matter
Accuracy, completeness and occurrence of income (Group and Parent) Refer to the Report of the Audit Committee (page 76), Accounting policies (page 96) and Notes to the Financial Statements (page 100). Income from investments consists primarily of dividend income. Within dividend income there is a risk of incomplete or inaccurate recognition of income through the failure to recognise proper income entitlements or to apply an inappropriate accounting treatment. In addition, the Directors are required to exercise judgement in determining whether income receivable in the form of special dividends should be classified as 'revenue' or 'capital' in the Statement of comprehensive income.	We responded to this risk by performing the following audit procedures: • We obtained an understanding of the processes and controls around income recognition and classification of special dividends by reviewing the internal controls reports of the Fund Accountant; and, • We assessed the appropriateness of the classification of special dividends as revenue or capital by the Directors with reference to publicly available information. For all dividends recorded by the Group, we performed our audit procedures through the use of our proprietary testing tool Halo: • Halo tested the accuracy of dividend income by agreeing the dividend rates from investments to independent market data; • Halo tested occurrence by examining for each investment holding, that all dividends recorded in the year had been declared in the market; and, • To test for completeness, Halo investigated that the appropriate dividends had been received in the year by reference to independent data of dividends declared for all investment holdings held within the year. As stipulated by the requirements set out in the AIC SORP, we tested the allocation and presentation of dividend income between the revenue and capital columns of the Consolidated statement of comprehensive income by determining facts and circumstances behind dividend distributions. We have no matters to report as a result of this testing.
Ability to continue as a going concern (Continuation Vote) (Parent) A continuation vote is due to take place at the next Annual General Meeting in 2022, which, if passed, will allow the Parent Company to continue as an investment trust for a further year. As such, the Directors have considered and assessed the potential impact on the ability of the Parent Company to continue as a going concern. The Directors have concluded, based on their assessment and discussions with key investors, that the Parent Company will be able to continue its operations and meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the financial statements.	We have reviewed the Directors' assessment of going concern including the continuation vote. We also challenged the Directors on their assessment which includes, but is not limited to, the following in support of the vote: • The shareholder register is stable, comprising a wide range of private wealth managers and retail investors; • The financial performance of the Parent Company has been above its targeted performance benchmark for the past 3 years; and, • The previous continuation vote in 2021 passed with no significant votes against. The procedures we performed and our conclusions on going concern are included in the Conclusions relating to going concern section below.

Independent auditors' report

continued

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – Group	Financial statements – Company
Overall materiality	£11.44 million (2020: £9.31 million).	£10.90 million (2020: £8.84 million).
How we determined it	1% of net assets	1% of net assets, capped at 95% of the Group materiality
Rationale for benchmark applied	We applied this benchmark, which is a generally accepted auditing practice for investment trust audits.	We applied this benchmark, which is a generally accepted auditing practice for investment trust audits. The Parent Company is capped at 95% of the overall Group materiality.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between £11,440k and £72k. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2020: 75%) of overall materiality, amounting to £8.58 million (2020: £6.98 million) for the Group financial statements and £8.15 million (2020: £6.63 million) for the Company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £572k (Group audit) (2020: £463k) and £543k (Company audit) (2020: £440k) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting included:

- evaluating the Directors' updated risk assessment and considering whether it addressed the relevant threats presented by COVID-19;
- evaluating the Directors' assessment of potential operational impacts, considering their consistency with other available information and our understanding of the business and assessing the potential impact on the financial statements;
- reviewing the Directors' assessment of the Group's financial position in the context of its ability to meet future expected operating expenses, their assessment of liquidity as well as their review of the operational resilience of the Group and oversight of key third-party service providers;
- assessing the implication of significant reductions in NAV as a result of a severe downside but plausible scenario in the market's performance on the ongoing ability of the Group to operate; and,
- reviewing the Directors' assessment of going concern in relation to the passing of the continuation vote.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Director's report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Director's report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Director's report.

Directors' Remuneration

In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;

- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;

- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's and Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;

- The directors' explanation as to their assessment of the Group's and Company's prospects, the period this assessment covers and why the period is appropriate; and

- The directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they

Independent auditors' report

continued

fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the Group was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Group and Company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and Company's position, performance, business model and strategy;

- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and

- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the annual report and financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of Chapter 4 of Part 24 of the Corporation Tax Act 2010, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase net asset value. Audit procedures performed by the engagement team included:

- held discussions with the Audit Committee, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;

- understood the controls implemented by the Manager and the Fund Accountant designed to prevent and detect irregularities;

- assessed the Group's compliance with the requirements of Section 1158 of the Corporation Tax Act 2010, including recalculation of numerical aspects of the eligibility conditions;

- identified and tested journal entries, in particular year end journal entries posted by the Fund Accountant during the preparation of the financial statements;

- designed audit procedures to incorporate unpredictability around the nature, timing or extent of our testing for example, targeting transactions that otherwise would be immaterial; and

- reviewed relevant meeting minutes, including those of the Audit Committee.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report
This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Other required reporting

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

- we have not obtained all the information and explanations we require for our audit; or

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or

- certain disclosures of directors' remuneration specified by law are not made; or

- the Company financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment
Following the recommendation of the Audit Committee, we were appointed by the members on 28 April 2016 to audit the financial statements for the year ended 31 December 2016 and subsequent financial periods. The period of total uninterrupted engagement is 6 years, covering the years ended 31 December 2016 to 31 December 2021.

Other matter

In due course, as required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these financial statements will form part of the ESEF-prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditors' report provides no assurance over whether the annual financial report will be prepared using the single electronic format specified in the ESEF RTS.

GILLIAN ALEXANDER (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
7 March 2022

Consolidated statement of comprehensive income

for the year ended 31 December 2021

	Notes	Revenue 2021 £'000	Revenue 2020 (Restated)[1] £'000	Capital 2021 £'000	Capital 2020 £'000	Total 2021 £'000	Total 2020 (Restated)[1] £'000
Income from investments held at fair value through profit or loss	3	80,558	31,613	–	–	80,558	31,613
Other income	3	7,118	7,964	–	–	7,118	7,964
Total revenue		**87,676**	**39,577**	**–**	**–**	**87,676**	**39,577**
Net profit on investments held at fair value through profit or loss	10	–	–	122,374	183,667	122,374	183,667
Net (loss)/profit on foreign exchange		–	–	(1,696)	2,431	(1,696)	2,431
Total		**87,676**	**39,577**	**120,678**	**186,098**	**208,354**	**225,675**
Expenses							
Investment management fee	4	(2,252)	(1,546)	(6,978)	(4,859)	(9,230)	(6,405)
Other operating expenses	5	(1,034)	(1,103)	(9)	(18)	(1,043)	(1,121)
Total operating expenses		**(3,286)**	**(2,649)**	**(6,987)**	**(4,877)**	**(10,273)**	**(7,526)**
Net profit on ordinary activities before finance costs and taxation		**84,390**	**36,928**	**113,691**	**181,221**	**198,081**	**218,149**
Finance costs	6	(374)	(424)	(1,117)	(1,272)	(1,491)	(1,696)
Net profit on ordinary activities before taxation		**84,016**	**36,504**	**112,574**	**179,949**	**196,590**	**216,453**
Taxation (charge)/credit	7	(5,106)	(1,053)	986	1,115	(4,120)	62
Net profit on ordinary activities after taxation		**78,910**	**35,451**	**113,560**	**181,064**	**192,470**	**216,515**
Earnings per ordinary share (pence) – basic and diluted	**9**	**43.59**	**20.40**	**62.73**	**104.22**	**106.32**	**124.62**

[1] Please refer to note 2 "Restatement of 2020 comparatives" on page 96 for further details.

The total column of this statement represents the Group's Statement of Comprehensive Income, prepared in accordance with UK-adopted International Accounting Standards. The supplementary revenue and capital accounts are both prepared under guidance published by the Association of Investment Companies (AIC). All items in the above statement derive from continuing operations. No operations were acquired or discontinued during the year. All income is attributable to the equity holders of the Group.

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

The notes on pages 95 to 129 form part of these financial statements.

Consolidated statement of changes in equity

for the year ended 31 December 2021

Group	Notes	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 year ended 31 December 2021								
At 31 December 2020		9,651	127,155	22,779	103,992	628,870	38,378	930,825
Total comprehensive income:								
Net profit for the year		–	–	–	–	113,560	78,910	192,470
Transactions with owners, recorded directly to equity:								
Ordinary shares reissued from treasury	16,17	–	11,663	–	51,651	–	–	63,314
Share reissue costs	16,17	–	–	–	(127)	–	–	(127)
Ordinary shares purchased into treasury	16,17	–	–	–	(390)	–	–	(390)
Share purchase costs	16,17	–	–	–	(3)	–	–	(3)
Dividends paid[1]	8	–	–	–	–	–	(43,215)	(43,215)
At 31 December 2021		**9,651**	**138,818**	**22,779**	**155,123**	**742,430**	**74,073**	**1,142,874**
For the year ended 31 December 2020								
At 31 December 2019		9,651	127,155	22,779	108,601	447,806	41,118	757,110
Total comprehensive income:								
Net profit for the year		–	–	–	–	181,064	35,451	216,515
Transactions with owners, recorded directly to equity:								
Ordinary shares purchased into treasury		–	–	–	(4,573)	–	–	(4,573)
Share purchase costs		–	–	–	(36)	–	–	(36)
Dividends paid[2]	8	–	–	–	–	–	(38,191)	(38,191)
At 31 December 2020		**9,651**	**127,155**	**22,779**	**103,992**	**628,870**	**38,378**	**930,825**

1 The final dividend of 8.30p per share for the year ended 31 December 2020, declared on 4 March 2021 and paid on 6 May 2021; 1st interim dividend of 4.50p per share for the year ended 31 December 2021, declared on 29 April 2021 and paid on 25 June 2021; 2nd interim dividend of 5.50p per share for the year ended 31 December 2021, declared on 19 August 2021 and paid on 24 September 2021 and 3rd interim dividend of 5.50p per share for the year ended 31 December 2021, declared on 18 November 2021 and paid on 24 December 2021.

2 The final dividend of 10.00p per share for the year ended 31 December 2019, declared on 27 February 2020 and paid on 7 May 2020; 1st interim dividend of 4.00p per share for the year ended 31 December 2020, declared on 30 April 2020 and paid on 26 June 2020; 2nd interim dividend of 4.00p per share for the year ended 31 December 2020, declared on 19 August 2020 and paid on 25 September 2020 and 3rd interim dividend of 4.00p per share for the year ended 31 December 2020, declared on 12 November 2020 and paid on 18 December 2020.

For information on the Company's distributable reserves please refer to note 17 on pages 109 to 111.

The notes on pages 95 to 129 form part of these financial statements.

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Parent company statement of changes in equity

for the year ended 31 December 2021

Company	Notes	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 year ended 31 December 2021								
At 31 December 2020		9,651	127,155	22,779	103,992	634,547	32,701	930,825
Total comprehensive income:								
Net profit for the year		–	–	–	–	113,560	78,910	192,470
Transactions with owners, recorded directly to equity:								
Ordinary shares reissued from treasury	16,17	–	11,663	–	51,651	–	–	63,314
Share reissue costs	16,17	–	–	–	(127)	–	–	(127)
Ordinary shares purchased into treasury	16,17	–	–	–	(390)	–	–	(390)
Share purchase costs	16,17	–	–	–	(3)	–	–	(3)
Dividends paid[1]	8	–	–	–	–	–	(43,215)	(43,215)
At 31 December 2021		**9,651**	**138,818**	**22,779**	**155,123**	**748,107**	**68,396**	**1,142,874**
For the year ended 31 December 2020								
At 31 December 2019		9,651	127,155	22,779	108,601	454,613	34,311	757,110
Total comprehensive income:								
Net profit for the year		–	–	–	–	179,934	36,581	216,515
Transactions with owners, recorded directly to equity:								
Ordinary shares purchased into treasury		–	–	–	(4,573)	–	–	(4,573)
Share purchase costs		–	–	–	(36)	–	–	(36)
Dividends paid[2]	8	–	–	–	–	–	(38,191)	(38,191)
At 31 December 2020		**9,651**	**127,155**	**22,779**	**103,992**	**634,547**	**32,701**	**930,825**

[1] The final dividend of 8.30p per share for the year ended 31 December 2020, declared on 4 March 2021 and paid on 6 May 2021; 1st interim dividend of 4.50p per share for the year ended 31 December 2021, declared on 29 April 2021 and paid on 25 June 2021; 2nd interim dividend of 5.50p per share for the year ended 31 December 2021, declared on 19 August 2021 and paid on 24 September 2021 and 3rd interim dividend of 5.50p per share for the year ended 31 December 2021, declared on 18 November 2021 and paid on 24 December 2021.

[2] The final dividend of 10.00p per share for the year ended 31 December 2019, declared on 27 February 2020 and paid on 7 May 2020; 1st interim dividend of 4.00p per share for the year ended 31 December 2020, declared on 30 April 2020 and paid on 26 June 2020; 2nd interim dividend of 4.00p per share for the year ended 31 December 2020, declared on 19 August 2020 and paid on 25 September 2020 and 3rd interim dividend of 4.00p per share for the year ended 31 December 2020, declared on 12 November 2020 and paid on 18 December 2020.

For information on the Company's distributable reserves please refer to note 17 on pages 109 to 111.

The notes on pages 95 to 129 form part of these financial statements.

Consolidated and parent company statements of financial position

as at 31 December 2021

	Notes	31 December 2021 Group £'000	31 December 2021 Company £'000	31 December 2020 Group (Restated)[1] £'000	31 December 2020 Company £'000
Non current assets					
Investments held at fair value through profit or loss	10	1,256,801	1,263,979	1,045,818	1,052,996
Current assets					
Current tax asset		85	85	114	114
Other receivables	12	5,209	5,209	6,723	6,723
Cash collateral held with brokers	18	580	580	2,943	2,943
Cash and cash equivalents	18	26,332	20,222	6,419	309
Total current assets		**32,206**	**26,096**	**16,199**	**10,089**
Total assets		**1,289,007**	**1,290,075**	**1,062,017**	**1,063,085**
Current liabilities					
Current tax liability		(427)	(427)	(511)	(511)
Other payables	13	(5,183)	(6,251)	(5,034)	(6,102)
Derivative financial liabilities held at fair value through profit or loss	10	(667)	(667)	(587)	(587)
Bank overdraft	14,15,18	(356)	(356)	(22,427)	(22,427)
Bank loans	14,15	(138,867)	(138,867)	(102,418)	(102,418)
Total current liabilities		**(145,500)**	**(146,568)**	**(130,977)**	**(132,045)**
Total assets less current liabilities		**1,143,507**	**1,143,507**	**931,040**	**931,040**
Non current liabilities					
Deferred taxation liability	7 (c)	(633)	(633)	(215)	(215)
Net assets		**1,142,874**	**1,142,874**	**930,825**	**930,825**
Equity attributable to equity holders					
Called up share capital	16	9,651	9,651	9,651	9,651
Share premium account	17	138,818	138,818	127,155	127,155
Capital redemption reserve	17	22,779	22,779	22,779	22,779
Special reserve	17	155,123	155,123	103,992	103,992
Capital reserves:					
At 1 January		628,870	634,547	447,806	454,613
Net profit for the year		113,560	113,560	181,064	179,934
At 31 December	17	**742,430**	**748,107**	**628,870**	**634,547**
Revenue reserve:					
At 1 January		38,378	32,701	41,118	34,311
Net profit for the year		78,910	78,910	35,451	36,581
Dividends paid		(43,215)	(43,215)	(38,191)	(38,191)
At 31 December	17	**74,073**	**68,396**	**38,378**	**32,701**
Total equity		**1,142,874**	**1,142,874**	**930,825**	**930,825**
Net asset value per ordinary share (pence)	**9**	**622.21**	**622.21**	**536.34**	**536.34**

[1] Please refer to note 2 "Restatement of 2020 comparatives" on page 96 for further details.

The financial statements on pages 90 to 129 were approved and authorised for issue by the Board of Directors on 7 March 2022 and signed on its behalf by Mr David Cheyne, Chairman.

BlackRock World Mining Trust plc
Registered in England and Wales, No.2868209

The notes on pages 95 to 129 form part of these financial statements.

Consolidated and parent company cash flow statements

for the year ended 31 December 2021

	31 December 2021		31 December 2020	
	Group £'000	Company £'000	Group (Restated)[1] £'000	Company £'000
Operating activities				
Net profit before taxation	196,590	196,590	216,453	216,453
Add back finance costs	1,491	1,491	1,696	1,696
Net profit on investments held at fair value through profit or loss (including transaction costs)	(122,374)	(122,374)	(183,667)	(182,536)
Loss on investment dealing in the subsidiary	–	–	1,128	–
Net loss/(profit) on foreign exchange	1,696	1,696	(2,431)	(2,431)
Sales of investments held at fair value through profit or loss	354,182	354,182	360,288	359,062
Purchases of investments held at fair value through profit or loss	(442,711)	(442,711)	(377,517)	(377,517)
(Increase)/decrease in other receivables	(1,233)	(1,233)	618	618
Increase in other payables	2,571	2,571	268	268
Decrease/(increase) in amounts due from brokers	2,776	2,776	(2,902)	(2,902)
(Decrease)/increase in amounts due to brokers	(2,473)	(2,473)	2,473	2,473
Net movement in cash collateral held with brokers	2,363	2,363	(2,512)	(2,512)
Net cash (outflow)/inflow from operating activities before taxation	**(7,122)**	**(7,122)**	**13,895**	**12,672**
Taxation paid	(484)	(484)	(1,038)	(1,038)
Taxation on investment income included within gross income	(3,303)	(3,303)	(1,664)	(1,664)
Prior years corporation tax refund	–	–	2,687	2,687
Net cash (outflow)/inflow from operating activities	**(10,909)**	**(10,909)**	**13,880**	**12,657**
Financing activities				
Drawdown of loans	35,020	35,020	15,016	15,016
Interest paid	(1,439)	(1,439)	(1,772)	(1,772)
Shares purchased into treasury	(390)	(390)	(5,455)	(5,455)
Share purchase costs paid	(3)	(3)	(36)	(36)
Net proceeds from ordinary shares reissued from treasury	63,187	63,187	–	–
Dividends paid	(43,215)	(43,215)	(38,191)	(38,191)
Net cash inflow/(outflow) from financing activities	**53,160**	**53,160**	**(30,438)**	**(30,438)**
Increase/(decrease) in cash and cash equivalents	**42,251**	**42,251**	**(16,558)**	**(17,781)**
Cash and cash equivalents at start of the year	(16,008)	(22,118)	1,300	(3,587)
Effect of foreign exchange rate changes	(267)	(267)	(750)	(750)
Cash and cash equivalents at end of year	**25,976**	**19,866**	**(16,008)**	**(22,118)**
Comprised of:				
Cash and cash equivalents	26,332	20,222	6,419	309
Bank overdraft	(356)	(356)	(22,427)	(22,427)
	25,976	**19,866**	**(16,008)**	**(22,118)**

[1] Please refer to note 2 "Restatement of 2020 comparatives" on page 96 for further details.

The notes on pages 95 to 129 form part of these financial statements.

Notes to the financial statements

for the year ended 31 December 2021

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 Company was incorporated in England on 28 October 1993 and this is the 28th Annual Report.

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

2. Accounting policies

The principal accounting policies adopted by the Group and Company have been applied consistently, other than where new policies have been adopted and are set out below.

(a) Basis of preparation

On 31 December 2020, International Financial Reporting Standards (IFRS) as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. The Company transitioned to UK-adopted International Accounting Standards in its consolidated financial statements with effect from 1 January 2021. There was no impact or changes in accounting policies from the transition.

The Group and Company financial statements have been prepared under the historic cost convention modified by the revaluation of certain financial assets and financial liabilities held at fair value through profit or loss and in accordance with UK-adopted International Accounting Standards (IASs). The Company has taken advantage of the exemption provided under Section 408 of the Companies Act 2006 not to publish its individual Statement of Comprehensive Income and related notes. All of the Group's operations are of a continuing nature.

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 and updated in April 2021, is compatible with UK-adopted International Accounting Standards, the financial statements have been prepared in accordance with guidance set out in the SORP.

Substantially all of the assets of the Group consist of securities that are readily realisable and, accordingly, the Directors believe that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least one year from the date of approval of the financial statements and therefore consider the going concern assumption to be appropriate. The Directors have considered the potential impact of the COVID-19 pandemic, its potential longer-term effects on the global economy and the mitigation measures which key service providers, including the Manager, have in place to maintain operational resilience on the going concern of the Group. The Directors have reviewed compliance with the covenants associated with the bank overdraft facility, loan facility, income and expense projections and the liquidity of the investment portfolio in making their assessment.

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

Adoption of new and amended standards and interpretations:

Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest rate benchmark reform Phase 2 (effective 1 January 2021). The Phase 2 amendments address issues that might affect financial reporting during the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate (replacement issues).

The objectives of the Phase 2 amendments are to assist companies in:

- applying IFRS Standards when changes are made to contractual cash flows or hedging relationships because of the interest rate benchmark reform; and
- providing useful information to users of financial statements.

In Phase 2 of its project, the Board amended requirements in IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures, IFRS 4 Insurance Contracts and IFRS 16 Leases relating to:

- changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities;
- hedge accounting; and
- disclosures.

The Phase 2 amendments apply only to changes required by the interest rate benchmark reform to financial instruments and hedging relationships.

These amendments have been adopted by the UK. The adoption of these amendments did not have any significant impact on the Group.

Notes to the financial statements
continued

2. Accounting policies continued

Relevant International accounting standards (IASs) that have yet to be adopted:

IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction (effective 1 January 2023). The IASB has amended IAS 12, 'Income taxes', to require companies to recognise deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. According to the amended guidance, a temporary difference that arises on initial recognition of an asset or liability is not subject to the initial recognition exemption if that transaction gave rise to equal amounts of taxable and deductible temporary differences. These amendments might have a significant impact on the preparation of financial statements by companies that have substantial balances of right-of-use assets, lease liabilities, decommissioning, restoration and similar liabilities. The impact for those affected would be the recognition of additional deferred tax assets and liabilities.

The amendment of this standard is unlikely to have any significant impact on the Group.

Restatement of 2020 comparatives

In May 2021, the Company received correspondence from the FRC's Corporate Reporting Review Team who had reviewed the 2020 annual report and financial statements. The FRC requested further information relating to disclosure of quantitative information about significant unobservable inputs used in the valuation of OZ Minerals Brazil royalty, on which the Company was required to respond to help the FRC Corporate Reporting Review Team understand how the Company had satisfied the relevant reporting requirements. In addition, the Company was encouraged to make improvements in relation to a number of observations made by the FRC on the 2020 annual report and financial statements, if material and relevant.

Following provision of the information requested, the FRC Corporate Reporting Review Team closed its enquiry in June 2021. Further disclosure observations made by the FRC were given full consideration and additional disclosures were incorporated into the 2021 annual report and financial statements where material and relevant to do so.

In order to better reflect the requirements of IAS 32, 'Financial Instruments: Presentation', the Parent Company's bank overdraft has been presented separately from the subsidiary's cash balance in the Consolidated Statement of Financial Position and the Consolidated Cash Flow Statement with comparatives restated. These balances were previously shown on a net basis for the Group. This change in presentation has no impact on the Group's net assets or the Group's Statement of Comprehensive Income. The Group's cash and cash equivalents balance as at 31 December 2020 has been restated from £309,000 to £6,419,000 and the Group overdraft balance has been restated from £16,317,000 to £22,427,000.

The Group has restated separately the presentation of the Current tax asset of £114,000 at 31 December 2020 and Current tax liability of £511,000 at 31 December 2020 which were previously included within Other receivables and Other payables respectively in the Consolidated Statement of Financial Position.

The Group has restated the presentation of provision for doubtful debts of £106,000 for the year ended 31 December 2020 which was presented within income in note 3 and has now been classified as an other operating expense in note 5. This change in presentation has no impact on the Group's net revenue earnings or the Group's net assets.

(b) Basis of consolidation

The Group's financial statements are made up to 31 December each year and consolidate the financial statements of the Company and its wholly owned subsidiary, which is registered and operates in England and Wales, BlackRock World Mining Investment Company Limited (together 'the Group'). The subsidiary company is not considered an investment entity. In the financial statements of the Parent Company, the investment in the subsidiary company is held at fair value.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of subsidiaries used in the preparation of the consolidated financial statements are based on consistent accounting policies. All intra-group balances and transactions, including unrealised profits arising therefrom, are eliminated.

(c) Presentation of the Statement of Comprehensive Income

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

(d) Segmental reporting

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

(e) Income

Dividends receivable on equity shares are recognised as revenue for the year on an ex-dividend basis. Where no ex-dividend date is available, dividends receivable on or before the year end are treated as revenue for the year. Provision is made for any dividends and interest income not expected to be received. Special dividends, if any, are treated as a capital or a revenue receipt depending on the facts or circumstances of each particular case. The return on a debt security is recognised on a time apportionment basis so as to reflect the effective yield on the debt security. Interest income and deposit interest is accounted for on an accruals basis.

Options may be purchased or written over securities held in the portfolio for generating or protecting capital returns, or for generating or maintaining revenue returns. Where the purpose of the option is the generation of income, the premium is treated as a revenue item. Where the purpose of the option is the maintenance of capital, the premium is treated as a capital item.

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

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

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

Where the Group has elected to receive its dividends in the form of additional shares rather than in cash, the cash equivalent of the dividend is recognised as income. Any excess in the value of the shares received over the amount of the cash dividend is recognised in capital.

Underwriting commission receivable is taken into account on an accruals basis.

(f) Expenses

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

- expenses which are incidental to the acquisition or sale of an investment are charged to the capital account of the Consolidated Statement of Comprehensive Income. Details of transaction costs on the purchases and sales of investments are disclosed within note 10 to the financial statements on page 106;
- expenses are treated as capital where a connection with the maintenance or enhancement of the value of the investments can be demonstrated; and
- the investment management fee and finance costs have been allocated 75% to the capital account and 25% to the revenue account of the Consolidated Statement of Comprehensive Income in line with the Board's expectations of the long-term split of returns, in the form of capital gains and income, respectively, from the investment portfolio.

(g) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Consolidated Statement of Comprehensive Income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that were applicable at the balance sheet date.

Where expenses are allocated between capital and revenue accounts, any tax relief in respect of the expenses is allocated between capital and revenue returns on the marginal basis using the Company's effective rate of corporation tax for the accounting period.

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

Notes to the financial statements

continued

2. Accounting policies continued

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

In accordance with IFRS 9, the Group classifies its investments at initial recognition as held at fair value through profit or loss and are managed and evaluated on a fair value basis in accordance with its investment strategy and business model.

All investments, including contractual rights, are measured initially and subsequently at fair value through profit or loss. Purchases of investments are recognised on a trade date basis. Contractual rights are recognised on the completion date, where a purchase of the rights is under a contract, and are initially measured at fair value excluding transaction costs. Sales of investments are recognised at the trade date of the disposal.

The fair value of the financial investments is based on their quoted bid price at the financial reporting date, without deduction for the estimated future selling costs. This policy applies to all current and non-current asset investments held by the Group.

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

Under IFRS, the investment in the subsidiary in the Company's Statement of Financial Position is fair valued which is deemed to be the net asset value of the subsidiary.

Changes in the value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Consolidated Statement of Comprehensive Income as 'Net profits or losses on investments held at fair value through profit or loss'. Also included within the heading are transaction costs in relation to the purchase or sale of investments.

For all financial instruments not traded in an active market, the fair value is determined by using various valuation techniques. Valuation techniques include market approach (i.e., using recent arm's length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data where possible). See note 2(q) below.

(i) Options

Options are held at fair value through profit or loss based on the bid/offer prices of the options written to which the Group is exposed. The value of the option is subsequently marked-to-market to reflect the fair value through profit or loss of the option based on traded prices. Where the premium is taken to the revenue account, an appropriate amount is shown as capital return such that the total return reflects the overall change in the fair value of the option. When an option is exercised, the gain or loss is accounted for as a capital gain or loss. Any cost on closing out an option is transferred to the revenue account along with any remaining unamortised premium.

(j) Other receivables and other payables

Other receivables and other payables do not carry any interest and are short term in nature and are accordingly stated on an amortised cost basis.

(k) Dividends payable

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

Dividends payable to equity shareholders are recognised in the Consolidated and Parent Company Statements of Changes in Equity.

(l) Foreign currency translation

Transactions involving foreign currencies are converted at the rate ruling at the date of the transaction. Foreign currency monetary assets and liabilities and non-monetary assets held at fair value are translated into Sterling at the rate ruling on the financial reporting date. Foreign exchange differences arising on translation are recognised in the Consolidated Statement of Comprehensive Income as a revenue or capital item depending on the income or expense to which they relate. For investment transactions and investments held at the year end, denominated in a foreign currency, the resulting gains or losses are included in the profit/(loss) on investments held at fair value through profit or loss in the Consolidated Statement of Comprehensive Income.

(m) Cash and cash equivalents

Cash comprises cash in hand, bank overdrafts and on demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. Bank overdrafts are shown separately on the Consolidated and Parent Company Statements of Financial Position.

(n) Bank borrowings

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

(o) Offsetting

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

(p) Share repurchases and share reissues

Shares repurchased and subsequently cancelled – share capital is reduced by the nominal value of the shares repurchased and the capital redemption reserve is correspondingly increased in accordance with Section 733 of the Companies Act 2006. The full cost of the repurchase is charged to the special reserve.

Shares repurchased and held in treasury – the full cost of the repurchase is charged to the special reserve.

Where treasury shares are subsequently reissued:

- amounts received to the extent of the repurchase price are credited to the special reserve; and
- any surplus received in excess of the repurchase price is taken to the share premium account.

(q) Critical accounting estimates and judgements

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

Fair value of unquoted financial instruments

When the fair values of financial assets and financial liabilities recorded in the Consolidated and Parent Company Statements of Financial Position cannot be derived from active markets, their fair value is determined using a variety of valuation techniques that include the use of valuation models.

(a) The fair value of the OZ Minerals contractual rights was assessed by an independent valuer with a recognised and relevant professional qualification. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. The estimates include considerations of production profiles, commodity prices, cash flows and discount rates. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Consolidated and Parent Company Statements of Financial Position and the level where the instruments are disclosed in the fair value hierarchy. To assess the significance of a particular input to the entire measurement, the external valuer performs sensitivity analysis.

(b) The fair value of the investment in convertible bonds and equity shares of Ivanhoe Electric and I-Pulse were assessed by an independent valuer with a recognised and relevant professional qualification. The valuation is carried out based on market approach using multiples based on total assets. The valuation of convertible notes is based on a scenario approach, with the conversion at a discount in an IPO modelled as debt-like payments, and the conversion option modelled via the Black-Scholes option pricing model. The estimates include implicit yield based on internal rates of return, implied volatility and asset multiples. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Consolidated and Parent Company Statements of Financial Position and the level where the instruments are disclosed in the fair value hierarchy. To assess the significance of a particular input to the entire measurement, the external valuer performs sensitivity analysis.

(c) The investment in the subsidiary company was valued based on the net assets of the subsidiary company, which is considered appropriate based on the nature and volume of transactions in the subsidiary company.

The key assumptions used to determine the fair value of the unquoted financial instruments and sensitivity analyses are provided in note 18(d).

Notes to the financial statements
continued

3. Income

	2021 £'000	2020 (Restated)[1] £'000
Investment income:		
UK dividends	25,681	12,328
UK special dividends	5,507	–
Overseas dividends	36,624	12,133
Overseas special dividends	1,250	538
Income from contractual rights (OZ Minerals Royalty)	2,562	1,800
Income from Vale debentures	6,971	2,304
Income from fixed income investments	1,963	2,510
	80,558	**31,613**
Other income:		
Option premium income	7,065	8,765
Deposit interest	–	7
Interest on corporation tax refund	–	293
Stock lending income	53	27
Loss on investment dealing in the subsidiary	–	(1,128)
	7,118	**7,964**
Total income	**87,676**	**39,577**

[1] Please refer to note 2 "Restatement of 2020 comparatives" on page 96 for further details.

During the year, the Group received option premium income in cash totalling £6,745,000 (2020: £8,821,000) 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 year, option premiums of £7,065,000 (2020: £8,765,000) were amortised to revenue.

At 31 December 2021, there were two open positions (2020: two) with an associated liability of £667,000 (2020: £587,000).

Dividends and interest received in cash during the year amounted to £68,199,000 and £5,186,000 (2020: £25,363,000 and £3,421,000).

No special dividends have been recognised in capital during the year (2020: £34,000).

4. Investment management fee

	2021			2020		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	2,252	6,978	9,230	1,546	4,859	6,405
Total	**2,252**	**6,978**	**9,230**	**1,546**	**4,859**	**6,405**

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 year, £8,537,000 (2020: £5,907,000) of the investment management fee was generated from net assets and £693,000 (2020: £498,000) from the gearing effect on gross assets due to the quarter–on–quarter increase in the NAV per share for the year as set out below:

Quarter end	Cum income NAV per share (pence)	Quarterly increase/ (decrease) %	Gearing effect on management fees (£'000)
31 December 2020	536.34	–	–
31 March 2021	566.62	+5.6	243
30 June 2021	616.20	+8.8	224
30 September 2021	554.49	-10.0	–
31 December 2021	622.21	+12.2	226

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	–
30 September 2020	456.18	+6.5	–
31 December 2020	536.34	+17.6	–

The daily average of the net assets under management during the year ended 31 December 2021 was £1,085,438,000 (2020: £748,853,000).

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

There is no additional fee for company secretarial and administration services.

Notes to the financial statements
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5. Other operating expenses

	2021 £'000	2020 (Restated)[1] £'000
Allocated to revenue:		
Custody fee	103	105
Auditors' remuneration:		
– audit services	41	39
– non-audit services[2]	9	8
Registrar's fee	91	86
Directors' emoluments[3]	176	183
AIC fees	21	17
Broker fees	25	24
Depositary fees	101	74
FCA fee	24	20
Directors' insurance	19	14
Marketing fees	140	152
Stock exchange fees	26	21
Legal and professional fees	52	40
Bank facility fees[4]	73	72
Directors' search fees	–	13
Printing and postage fees	37	41
Write back of prior year expenses[5]	–	(18)
Provision for doubtful debts	–	106
Other administrative costs	96	106
	1,034	**1,103**
Allocated to capital:		
Custody transaction charges[6]	9	18
	1,043	**1,121**

	2021	2020
The Company's ongoing charges[7], calculated as a percentage of average daily net assets and using the management fee and all other operating expenses, excluding finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation and certain non-recurring items were:	0.95%	0.99%
The Company's ongoing charges[7], calculated as a percentage of average daily gross assets and using the management fee and all other operating expenses, excluding finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation and certain non-recurring items were:	0.84%	0.87%

1 Please refer to note 2 "Restatement of 2020 comparatives" on page 96 for further details.
2 Fees paid to the auditor for non-audit services of £8,500 excluding VAT (2020: £7,540) relate to the review of the Condensed Half Yearly Financial Report.
3 Details of the Directors' emoluments can be found in the Directors' Remuneration Report on page 63. The Company has no employees.
4 There is a 4 basis point facility fee chargeable on the full loan facility amount whether drawn or undrawn.
5 Relates to prior year accrual for broker fees written back during the year.
6 For the year ended 31 December 2021, expenses of £9,000 (2020: £18,000) were charged to the capital account of the Consolidated Statement of Comprehensive Income. These relate to transaction costs charged by the Custodian on sale and purchase trades.
7 Alternative Performance Measures, see Glossary on pages 140 to 143.

6. Finance costs

	2021			2020		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Interest payable – bank loans	365	1,097	1,462	409	1,229	1,638
Interest payable – bank overdraft	9	20	29	15	43	58
Total	**374**	**1,117**	**1,491**	**424**	**1,272**	**1,696**

7. Taxation

(a) Analysis of charge/(credit) in the year

	2021 Revenue £'000	2021 Capital £'000	2021 Total £'000	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000
Current taxation:						
Corporation tax	3,112	(1,511)	1,601	2,563	(1,115)	1,448
Prior years corporation tax adjustment	–	–	–	(30)	–	(30)
Double taxation relief	(1,240)	–	(1,240)	(621)	–	(621)
Overseas tax	3,303	–	3,303	1,695	–	1,695
Movement in respect of Peruvian capital gains tax	–	38	38	–	–	–
Prior years overseas tax adjustment	–	–	–	42	–	42
UK corporation tax refund (note 7(d))	–	–	–	(2,687)	–	(2,687)
Total current taxation charge/(credit)	**5,175**	**(1,473)**	**3,702**	**962**	**(1,115)**	**(153)**
Deferred taxation movement (note 7(c))	(69)	487	418	7	–	7
Prior years deferred tax adjustment	–	–	–	84	–	84
Total taxation charge/(credit) (note 7(b))	**5,106**	**(986)**	**4,120**	**1,053**	**(1,115)**	**(62)**

(b) Factors affecting total taxation charge/(credit) for the year

The taxation assessed for the year is lower (2020: lower) than the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). The differences are explained below:

	2021 Revenue £'000	2021 Capital £'000	2021 Total £'000	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000
Net profit on ordinary activities before taxation	84,016	112,574	196,590	36,504	179,949	216,453
Net profit on ordinary activities multiplied by standard rate of corporation tax 19.00% (2020: 19.00%)	15,963	21,389	37,352	6,936	34,190	41,126
Effects of:						
Overseas tax suffered	3,303	–	3,303	1,695	–	1,695
Foreign exchange loss/(profit) not taxable	–	318	318	–	(462)	(462)
Gain on investments held at fair value through profit or loss not subject to tax	–	(23,251)	(23,251)	–	(34,846)	(34,846)
Non taxable UK dividends	(5,926)	–	(5,926)	(2,342)	–	(2,342)
Non taxable overseas dividends	(6,994)	–	(6,994)	(2,024)	–	(2,024)
Disallowed expenses	–	2	2	–	3	3
Double taxation relief	(1,240)	–	(1,240)	(621)	–	(621)
Movement in respect of Peruvian capital gains tax	–	556	556	–	–	–
Prior years corporation tax adjustment	–	–	–	(30)	–	(30)
Prior years overseas tax adjustment	–	–	–	42	–	42
Prior years deferred tax adjustment	–	–	–	84	–	84
UK corporation tax refund	–	–	–	(2,687)	–	(2,687)
	(10,857)	(22,375)	(33,232)	(5,883)	(35,305)	(41,188)
Total taxation charge/(credit) for the year (note 7(a))	**5,106**	**(986)**	**4,120**	**1,053**	**(1,115)**	**(62)**

The Company is exempt from corporation tax on capital gains provided it maintains its status as an investment trust under Chapter 4 of Part 24 of the Corporation Tax Act 2010. Due to the Company's intention to meet the conditions required to maintain its investment trust status, it has not provided for deferred tax on any capital gains or losses.

Notes to the financial statements
continued

7. Taxation continued
(c) Deferred tax liability
Following the changes in Peruvian tax legislation effective from 1 January 2011, a capital gains tax is imposed on gains realised by non-residents at rates of 5% or 30% depending on whether the transaction took place inside or outside of Peru. The Group has accrued a capital gains tax liability of 518,000 (2020: £nil) for unrealised capital gains arising on investments in stocks listed on the Peruvian stock exchange. The tax has been calculated at the rate of 5% of the unrealised capital gains, being the difference between the market value of the investments at the year end and their average purchase cost.

	Group and Company 2021 £'000	Group and Company 2020 £'000
Deferred tax liabilities in respect of timing differences:		
Deferred tax liability brought forward	(215)	(124)
Deferred tax charge in respect of taxable income	100	(7)
Prior years deferred tax in respect of taxable dividend income	–	(84)
Movement in Peruvian capital gains tax	(518)	–
Deferred tax liability carried forward	**(633)**	**(215)**

(d) UK corporation tax refund
In the year ended 31 December 2020, the Group received a corporation tax repayment of £2,687,000 from Her Majesty's Revenue and Customs (HMRC) in the period. The refund related to corporation tax paid with respect to the years ended 2007,2008, and 2009 and was issued as HMRC agreed that the Company was entitled to claim credit relief for the underlying tax associated with overseas dividends received in those periods. In the year ended 31 December 2020, the Group also received interest of £293,000 on the corporation tax refund.

8. Dividends
Dividends paid on equity shares:

	Record date	Payment date	2021 £'000	2020 £'000
Final dividend of 8.30p per share for the year ended 31 December 2020 (2019: 10.00p)	19 March 2021	6 May 2021	14,782	17,361
1st interim dividend of 4.50p per share for the year ended 31 December 2021 (2020: 4.00p)	28 May 2021	25 June 2021	8,224	6,944
2nd interim dividend of 5.50p per share for the year ended 31 December 2021 (2020: 4.00p)	27 August 2021	24 September 2021	10,106	6,944
3rd interim dividend of 5.50p per share for the year ended 31 December 2021 (2020: 4.00p)	26 November 2021	24 December 2021	10,103	6,942
			43,215	**38,191**

The total dividends payable in respect of the year ended 31 December 2021 which form the basis of Section 1158 of the Corporation Tax Act 2010 and Section 833 of the Companies Act 2006, and the amounts proposed, meet the relevant requirements as set out in this legislation.

Dividends paid, proposed or declared on equity shares relating to the year ended 31 December:

	2021 £'000	2020 £'000
1st quarterly interim dividend of 4.50p per share for the year ended 31 December 2021 (2020: 4.00p)	8,224	6,944
2nd quarterly interim dividend of 5.50p per share for the year ended 31 December 2021 (2020: 4.00p)	10,106	6,944
3rd quarterly interim dividend of 5.50p per share for the year ended 31 December 2021 (2020: 4.00p)	10,103	6,942
Final dividend of 27.00p per share for the year ended 31 December 2021 (2020: final dividend 8.30p)[1]	49,830	14,782
	78,263	**35,612**

[1] Based on 184,556,116 ordinary shares in issue on 2 March 2022.

9. Consolidated earnings and net asset value per ordinary share

Total revenue, capital return and net asset value per ordinary share are shown below and have been calculated using the following:

	2021	2020
Net revenue profit attributable to ordinary shareholders (£'000)	78,910	35,451
Net capital profit attributable to ordinary shareholders (£'000)	113,560	181,064
Total profit attributable to ordinary shareholders (£'000)	**192,470**	**216,515**
Equity shareholders' funds (£'000)	**1,142,874**	**930,825**
The weighted average number of ordinary shares in issue during the year, on which the earnings per ordinary share was calculated was:	181,037,188	173,740,499
The actual number of ordinary shares in issue at the year end, on which the net asset value per ordinary share was calculated was:	183,681,116	173,550,814
Earnings per share		
Revenue earnings per share (pence) – basic and diluted	43.59	20.40
Capital earnings per share (pence) – basic and diluted	62.73	104.22
Total earnings per share (pence) – basic and diluted	**106.32**	**124.62**

	As at 31 December 2021	As at 31 December 2020
Net asset value per ordinary share (pence)	622.21	536.34
Ordinary share price (pence)	589.00	522.00

There were no dilutive securities at the year end.

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10. Investments held at fair value through profit or loss

	Group 2021 £'000	Company 2021 £'000	Group 2020 £'000	Company 2020 £'000
UK listed equity investments held at fair value through profit or loss	271,430	271,430	246,902	246,902
Overseas listed equity investments held at fair value through profit or loss	853,801	853,801	691,714	691,714
Fixed income investments held at fair value through profit or loss	113,408	113,408	87,449	87,449
Contractual rights held at fair value through profit or loss	18,162	18,162	19,753	19,753
Investment in subsidiary held at fair value through profit or loss[1]	–	7,178	–	7,178
Total value of financial asset investments	**1,256,801**	**1,263,979**	**1,045,818**	**1,052,996**
Derivative financial instruments – written option contracts	(667)	(667)	(587)	(587)
Total value of financial asset investments and derivatives at 31 December	**1,256,134**	**1,263,312**	**1,045,231**	**1,052,409**
Opening book cost of investment and derivative holdings	693,750	693,750	679,207	677,415
Investment and derivative holding gains	351,481	358,659	166,256	174,003
Opening fair value	**1,045,231**	**1,052,409**	**845,463**	**851,418**
Analysis of transactions made during the year:				
Purchases at cost	442,711	442,711	377,517	377,517
Sales proceeds received	(353,915)	(353,915)	(360,104)	(358,878)
Contractual rights – return of capital	(267)	(267)	(184)	(184)
Gains on investments and derivatives[2]	122,374	122,374	182,539	182,536
Closing fair value	**1,256,134**	**1,263,312**	**1,045,231**	**1,052,409**
Closing book cost of investment and derivative holdings	859,298	859,298	693,750	693,750
Closing investment and derivative holding gains	396,836	404,014	351,481	358,659
Closing fair value	**1,256,134**	**1,263,312**	**1,045,231**	**1,052,409**
Comprising of:				
– Equity investments	1,256,801	1,263,979	1,045,818	1,052,996
– derivative financial instruments – written option contracts	(667)	(667)	(587)	(587)
Total	**1,256,134**	**1,263,312**	**1,045,231**	**1,052,409**

1 Relates to wholly owned subsidiary, BlackRock World Mining Investment Company Limited.
2 Includes losses on investment dealing in the subsidiary company of £nil (2020: losses of £1,128,000) included within income. See note 3.

The Group and Company received £353,915,000 (2020: £360,104,000) from investments sold in the year. The bookcost of these investments when they were purchased was £279,394,000 (2020: £362,790,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of investments. Special dividends amounting to £nil (2020: £34,000) have been recognised in capital during the year.

During the year, transaction costs of £690,000 (2020: £815,000) were incurred on the acquisition of investments. Costs relating to the disposal of investments during the year amounted to £260,000 (2020: £168,000). All transaction costs have been included within the capital reserves.

Securities lending	2021 £'000	2020 £'000
Aggregate value of securities on loan at year end	75,315	26,845
Maximum aggregate value of securities on loan during the year	81,198	67,340
Fee income from stock lending during the year	53	27

In respect of securities on loan at the year end, securities of £82,922,000 (2020: £29,381,000) were held as collateral, the value of which exceeded the value of securities on loan by £7,607,000 (2020: £2,536,000).

In respect of the maximum aggregate value of securities on loan during the year, securities of £85,922,000 (2020: £74,984,000) were held as collateral, the value of which exceeded the value of securities on loan by £4,724,000 (2020: £7,644,000).

The value of securities on loan did not exceed the value of collateral held at any time during the year ended 31 December 2021.

11. Investment in subsidiary

At 31 December 2021, the Company had one wholly owned subsidiary which is registered and operating in England and Wales and has been included in the consolidated financial statements. BlackRock World Mining Investment Company Limited was incorporated on 11 November 1993. There are no non-controlling interests in the subsidiary.

The principal activity of the subsidiary company is investment dealing. The registered address of the subsidiary company is 12 Throgmorton Avenue, London EC2N 2DL.

		Issued share capital	
	Description of shares	**2021**	**2020**
BlackRock World Mining Investment Company Limited	Ordinary shares of £1	£100	£100

Under IAS, the investment in the subsidiary is fair valued in the separate financial statements of the Company which is deemed to be the total equity of the Company and equates to £7,178,000 (2020: £7,178,000). The subsidiary has not paid dividends to the parent company during the year ended 31 December 2021 (2020: £nil).

12. Other receivables

	Group 2021 £'000	**Company 2021 £'000**	**Group 2020 £'000**	**Company 2020 £'000**
Amounts due from brokers	244	244	3,020	3,020
Prepayments and accrued income	4,965	4,965	3,703	3,703
	5,209	**5,209**	**6,723**	**6,723**

13. Other payables

	Group 2021 £'000	**Company 2021 £'000**	**Group 2020 £'000**	**Company 2020 £'000**
Amounts due to brokers	–	–	2,473	2,473
Accruals for expenses and interest payable	5,183	5,183	2,561	2,561
Amounts due to subsidiary	–	1,068	–	1,068
	5,183	**6,251**	**5,034**	**6,102**

14. Interest bearing loans and borrowings

	Group 2021 £'000	**Company 2021 £'000**	**Group 2020 (Restated)[1] £'000**	**Company 2020 £'000**
Bank loan	138,867	138,867	102,418	102,418
Bank overdraft	356	356	22,427	22,427
	139,223	**139,223**	**124,845**	**124,845**

[1] Please refer to note 2 "Restatement of 2020 comparatives" on page 96 for further details.

The Group has an overdraft facility of £30 million (2020: £30 million) and a multi-currency loan facility of £200 million (2020: £150 million) which are updated and renewed on an annual basis. Under the multi-currency loan facility, the individual loan drawdowns are taken with a three month maturity period. At 31 December 2021, the Group had a US Dollar loan outstanding of US$161,000,000 which matured on 11 February 2022 (2020: US Dollar loan for US$140,000,000 which matured on 12 May 2021). The Group also had a UK Sterling loan outstanding of £20,000,000 which matured on 11 February 2022 (2020: £nil). The loans are provided by The Bank of New York Mellon. The interest rate on bank loans approximate to 1.10% per annum for US Dollar balances and 0.97% per annum for UK Sterling balances (2020: 1.06% per annum US Dollar balances). The Company incurred a foreign currency loss on the translation of US$ denominated loans of £1,429,000 (2020: gains of £3,181,000).

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15. Reconciliation of liabilities arising from financing activities

	Group 2021 £'000	Company 2021 £'000	Group 2020 (Restated)[1] £'000	Company 2020 £'000
Bank loan and overdraft at beginning of the year	124,845	124,845	94,209	94,209
Cash flows:				
Movement in overdraft	(22,071)	(22,071)	18,801	18,801
Net drawdown of loan	35,020	35,020	15,016	15,016
Non cash flows:				
Effects of foreign exchange loss/(gains)	1,429	1,429	(3,181)	(3,181)
Bank loan and overdraft at end of the year	**139,223**	**139,223**	**124,845**	**124,845**

[1] Please refer to note 2 "Restatement of 2020 comparatives" on page 96 for further details.

16. Called up share capital

	Ordinary shares in issue number	Treasury shares number	Total shares number	Nominal value £'000
Allotted, called up and fully paid share capital comprised:				
Ordinary shares of 5p each				
At 31 December 2020	173,550,814	19,461,028	193,011,842	9,651
Ordinary shares reissued from treasury	10,200,000	(10,200,000)	–	–
Ordinary shares bought back into treasury	(69,698)	69,698	–	–
At 31 December 2021	**183,681,116**	**9,330,726**	**193,011,842**	**9,651**

During the year ended 31 December 2021, the Company bought back 69,698 (2020: 1,233,913) shares into treasury for a total consideration including costs of £393,000 (2020: £4,609,000).

The Company also reissued 10,200,000 (2020: nil) shares from treasury for a total consideration net of costs of £63,187,000 (2020: nil).

Since the year end and up to 2 March 2022, the Company has reissued 875,000 ordinary shares from treasury net of costs for a total consideration of £6,281,000.

17. Reserves

Group	Share premium account £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserve arising on investments sold £'000	Capital reserve arising on revaluation of investments held £'000	Revenue reserve £'000
At 31 December 2020	127,155	22,779	103,992	277,389	351,481	38,378
Movement during the year:						
Total comprehensive income:						
Net profit for the year	–	–	–	68,205	45,355	78,910
Transactions with owners, recorded directly to equity:						
Ordinary shares reissued from treasury	11,663	–	51,651	–	–	–
Share reissue costs	–	–	(127)	–	–	–
Ordinary shares purchased into treasury	–	–	(390)	–	–	–
Share purchase costs	–	–	(3)	–	–	–
Dividends paid	–	–	–	–	–	(43,215)
At 31 December 2021	**138,818**	**22,779**	**155,123**	**345,594**	**396,836**	**74,073**

			Distributable reserves			
Company	**Share premium account £'000**	**Capital redemption reserve £'000**	**Special reserve £'000**	**Capital reserve arising on investments sold £'000**	**Capital reserve arising on revaluation of investments held £'000**	**Revenue reserve £'000**
At 31 December 2020	127,155	22,779	103,992	275,888	358,659	32,701
Movement during the year:						
Total comprehensive income:						
Net profit for the year	–	–	–	68,205	45,355	78,910
Transactions with owners, recorded directly to equity:						
Ordinary shares reissued from treasury	11,663	–	51,651	–	–	–
Share reissue costs	–	–	(127)	–	–	–
Ordinary shares purchased into treasury	–	–	(390)	–	–	–
Share purchase costs	–	–	(3)	–	–	–
Dividends paid	–	–	–	–	–	(43,215)
At 31 December 2021	**138,818**	**22,779**	**155,123**	**344,093**	**404,014**	**68,396**

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17. Reserves continued

Group	Share premium account £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserve arising on investments sold £'000	Capital reserve arising on revaluation of investments held £'000	Revenue reserve £'000
At 31 December 2019	127,155	22,779	108,601	281,550	166,256	41,118
Movement during the year:						
Total comprehensive income:						
Net profit for the year	–	–	–	(4,161)	185,225	35,451
Transactions with owners, recorded directly to equity:						
Ordinary shares purchased into treasury	–	–	(4,573)	–	–	–
Share purchase costs	–	–	(36)	–	–	–
Dividends paid	–	–	–	–	–	(38,191)
At 31 December 2020	**127,155**	**22,779**	**103,992**	**277,389**	**351,481**	**38,378**

			Distributable reserves			
Company	Share premium account £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserve arising on investments sold £'000	Capital reserve arising on revaluation of investments held £'000	Revenue reserve £'000
At 31 December 2019	127,155	22,779	108,601	280,610	174,003	34,311
Movement during the year:						
Total comprehensive income:						
Net profit for the year	–	–	–	(4,722)	184,656	36,581
Transactions with owners, recorded directly to equity:						
Ordinary shares purchased into treasury	–	–	(4,573)	–	–	–
Share purchase costs	–	–	(36)	–	–	–
Dividends paid	–	–	–	–	–	(38,191)
At 31 December 2020	**127,155**	**22,779**	**103,992**	**275,888**	**358,659**	**32,701**

Pursuant to a resolution of the Company passed at an Extraordinary General Meeting on 13 January 1998 and following the Company's application to the Court for cancellation of its share premium account, the Court approval was received on 27 January 1999 and £157,633,000 was transferred from the share premium account to a special reserve which is a distributable reserve.

The share premium and capital redemption reserve are not distributable profits under the Companies Act 2006. In accordance with ICAEW Technical Release 02/17BL on Guidance on Realised and Distributable Profits under the Companies Act 2006, the special reserve and capital reserve of the Parent Company may be used as distributable profits for all purposes and, in particular, the repurchase by the Parent Company of its ordinary shares and for payments as dividends. In accordance with the Company's Articles of Association, the special reserve, capital reserves and the revenue reserve may be distributed by way of dividend. The Parent Company's capital gains of £748,107,000 (2020: capital gain of £634,547,000) comprise a gain on capital reserve arising on investments sold of £344,093,000 (2020: gain of £275,888,000), a gain on capital reserve arising on revaluation of listed investments of £387,997,000 (2020: gain of £339,413,000), revaluation gains on unquoted investments of £8,839,000 (2020: gain of £12,068,000) and a revaluation gain on the investment in the subsidiary of £7,178,000 (2020: gain of £7,178,000). The capital reserve arising on the revaluation of listed investments of £387,997,000 (2020: £339,413,000) is subject to fair value movements and may not be readily realisable at short notice; as such it may not be entirely distributable. The investments are subject to financial risks, as such capital reserves (arising on investments sold) and the revenue reserve may not be entirely distributable if a loss occurred during the realisation of these investments. The reserves of the subsidiary company are not distributable until distributed as a dividend to the Parent Company.

18. Risk management policies and procedures

The Group's investment activities expose it to various types of risks which are associated with the financial instruments and markets in which it invests. The following information is not intended to be a comprehensive summary of all risks and shareholders should refer to the Alternative Investment Fund Managers' Directive FUND 3.2.2R Disclosures which can be found at www.blackrock.com/uk/brwm for a more detailed discussion of the risks inherent in investing in the Group.

Risk management framework

The following information refers to the risk management framework of the Alternative Investment Fund Manager (AIFM). However, as disclosed in the Corporate Governance Statement on page 71 and in the Statement of Directors' Responsibilities on page 78, it is the ultimate responsibility of the Board to ensure that the Group's risks are appropriately monitored, and to the extent that elements of this are delegated to third-party service providers, the Board is responsible for ensuring that the relevant parties are discharging their duties in accordance with the terms of the relevant agreements and taking appropriate action to the extent issues are identified.

The Directors of the AIFM review quarterly investment performance reports and receive semi-annual presentations in person from the Investment Manager covering the Group's performance and risk profile during the year. The AIFM has delegated the day-to-day administration of the investment programme to the Investment Manager. The Investment Manager is also responsible for ensuring that the Group is managed within the terms of its investment guidelines and limits set out in the Alternative Investment Fund Managers' Directive FUND 3.2.2R Disclosures which can be found at www.blackrock.com/uk/brwm.

The AIFM is responsible for monitoring investment performance, product risk monitoring and oversight and has the responsibility for the monitoring and oversight of regulatory and operational risk for the Group. The Directors of the AIFM have appointed a Risk Manager who has responsibility for the daily risk management process with assistance from key risk management personnel of the Investment Manager, including members of the Risk and Quantitative Analysis Group (RQA) which is a centralised group which performs an independent risk management function. RQA independently identifies, measures and monitors investment risk and tracks the actual risk management practices being deployed across the Group. By breaking down the components of the process, RQA has the ability to determine if the appropriate risk management processes are in place. This captures the risk management tools employed, how the levels of risk are controlled, ensuring risk/return is considered in portfolio construction and reviewing outcomes.

The AIFM reports to the Audit Committee twice yearly on key risk metrics and risk management processes; in addition, the Depositary monitors the performance of the AIFM and reports to the Audit Committee semi-annually. Any significant issues are reported to the Board as they arise.

Risk Exposures

The risk exposures of the Group and Company are set out as follows:

(a) Market risk

Market risk arises mainly from uncertainty about future values of financial instruments influenced by other price, currency and interest rate movements. It represents the potential loss the Group may suffer through holding market positions in financial instruments in the face of market movements.

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18. Risk management policies and procedures continued
A key metric the RQA Group uses to measure market risk is Value-at-Risk (VaR) which encompasses price, currency and interest rate risk. VaR is a statistical risk measure that estimates the potential portfolio loss from adverse market moves in an ordinary market environment. VaR analysis reflects the interdependencies between risk variables, unlike a traditional sensitivity analysis.

The VaR calculations are based on a confidence level of 99%, with a holding period of not greater than one day and a historical observation period of not less than one year (250 days). A VaR number is defined at a specified probability and a specified time horizon. A 99% one day VaR means that the expectation is that 99% of the time over a one-day period the Company will lose less than this number in percentage terms. Therefore, higher VaR numbers indicate higher risk. It is noted that the use of VaR methodology has limitations, namely assumptions that risk factor returns are normally distributed and that the use of historical market data as a basis for estimating future events does not encompass all possible scenarios, particularly those that are of an extreme nature and that the use of a specified confidence level (e.g. 99%) does not take into account losses that occur beyond this level. There is some probability that the loss could be greater than the VaR percentage amounts. These limitations, and the nature of the VaR measure, mean that the Company can neither guarantee that losses will not exceed the VaR amounts indicated, nor that losses in excess of the VaR amounts will not occur more frequently.

The one-day VaR for the Group and Company as of 31 December 2021 and 31 December 2020 (based on a 99% confidence level) was 4.64% and 4.57% respectively.

(i) Market risk arising from other price risk
Exposure to other price risk
Other price risk is the risk that the fair value or 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 Group and the market price of its investments and could result in increased premiums or discounts to the Group's net asset value.

The infectious respiratory illness caused by a novel coronavirus known as COVID-19 has had a profound impact on all aspects of society in recent years. While there is a growing consensus in developed economies that the worst of the impact is now over, there is an expectation that travel restrictions, enhanced health screenings at ports of entry and elsewhere, disruption of and delays in healthcare service preparation and delivery, cancellations, supply chain disruptions, and lower consumer demand will create ongoing challenges. While widescale vaccination programmes are now in place in many countries and are having a positive effect, the impact of COVID-19 continues to adversely affect the economies of many nations across the globe and this impact may be greater where vaccination rates are lower, such as in certain emerging markets. Although it is difficult to make timing predictions, it is expected that the economic effects of COVID-19 will continue to be felt for a period after the virus itself has moved from being pandemic to endemic in nature, and this in turn may continue to impact investments held by the Company.

The Group is exposed to market price risk arising from its equity investments, fixed income investments and written options. The movements in the prices of these investments result in movements in the performance of the Group. Other price risk sensitivity has been covered by the VaR analysis under the market risk section above.

The Group's exposure to other changes in market prices at 31 December 2021 on its equity and fixed interest investments was £1,256,801,000 (2020: £1,045,818,000). In addition, the Group's gross notional market exposure to these price changes through its option portfolio was £29,864,000 (2020: £23,770,000).

Management of other price risk
By diversifying the portfolio, where this is appropriate and consistent with the Group's objectives, the risk that a price change of a particular investment will have a material impact on the NAV of the Group is minimised which is in line with the investment objectives of the Group.

Use of derivatives
The Group may utilise both exchange traded and over-the-counter (OTC) option contracts as part of its investment policy. Options written by the Group provide the purchaser with the opportunity to purchase from or sell the Group the underlying asset at an agreed-upon value either on or before the expiration of the option. Options are generally settled on a net basis.

During the year ended 31 December 2021 and 2020 the Group wrote covered call and put option contracts to generate revenue income for the Group. As the call and put options are covered by dedicated cash resources and no call and put option contracts were written to manage price risk, there is no impact on the Group's exposure to gearing or leverage as a result of writing covered call and put options. The notional amount of the two put options written that were open (2020: one put option and one call option) at 31 December 2021 was £29,864,000 (2020: £23,770,000).

Management of OTC financial derivative instruments
Economic exposure through option writing is restricted such that no more than 20% of the Group's portfolio shall be under option at any given time. Exposures are monitored daily by the Investment Manager, BlackRock, and its independent risk management team. The Board also reviews the exposures regularly.

The option positions are diversified across sectors and geographies comprising two positions as at 31 December 2021 (2020: two).

The economic exposures to options can be closed out at any time by the Group with immediate effect. Details of securities and exposures to market risk and credit risk implicit within the options portfolio are given above and on page 116.

Concentration of exposure to market price risks
An analysis of the Group's investment portfolio is shown on pages 29 to 31. At 31 December 2021 this shows that the portfolio had significant levels of investments in United States of America, Russia, Latin America, Australasia, Africa and Canada. Accordingly, there is a concentration of exposure to those regions, though it is recognised that an investment's country of domicile or listing does not necessarily equate its exposure to the economic conditions in that country.

(ii) Market risk arising from foreign currency risk
Exposure to foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency sensitivity risk has been covered by the VaR analysis under the market risk section.

The fair values of the Group's and Company's monetary items which have foreign currency exposure at 31 December 2021 and 31 December 2020 are shown below. Where the equity investments which are not monetary items are denominated in a foreign currency, they have been included separately in the analysis so as to show the overall level of exposure.

2021	US dollar £'000	Canadian dollar £'000	Australian dollar £'000	Brazilian real £'000	Others £'000	Total £'000
Receivables (due from brokers, dividends and other income receivable)	1,346	784	–	2,711	327	5,168
Cash and cash equivalents	–	54	–	–	–	54
Bank loans	(118,867)	–	–	–	–	(118,867)
Bank overdraft	(356)	–	–	–	–	(356)
Payables (due to brokers and other payables)	(186)	–	–	–	(233)	(419)
Derivative financial liabilities at fair value through profit or loss	(376)	–	(291)	–	–	(667)
Total foreign currency exposure on net monetary items	**(118,439)**	**838**	**(291)**	**2,711**	**94**	**(115,087)**
Investments at fair value through profit or loss	416,920	259,784	91,855	40,895	77,631	887,085
Total net foreign currency exposure	**298,481**	**260,622**	**91,564**	**43,606**	**77,725**	**771,998**

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18. Risk management policies and procedures continued

2020	US dollar £'000	Canadian dollar £'000	Australian dollar £'000	Brazilian real £'000	Others £'000	Total £'000
Receivables (due from brokers, dividends and other income receivable)	1,043	2,528	1,877	1,144	91	6,683
Cash and cash equivalents	266	43	–	–	–	309
Bank loans	(102,418)	–	–	–	–	(102,418)
Bank overdrafts	–	–	(3)	–	–	(3)
Payables (due to brokers and other payables)	(130)	–	–	–	–	(130)
Total foreign currency exposure on net monetary items	**(101,239)**	**2,571**	**1,874**	**1,144**	**91**	**(95,559)**
Investments at fair value through profit or loss	334,645	223,080	111,767	43,363	55,013	767,868
Total net foreign currency exposure	**233,406**	**225,651**	**113,641**	**44,507**	**55,104**	**672,309**

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

The Investment Manager measures the risk to the Group of the foreign currency exposure by considering the effect on the Group's net asset value and income of a movement in the exchange rate to which the Group's assets, liabilities, income and expenses are exposed.

The Group does not use financial instruments to mitigate the currency exposure in the period between the time that income is included in the financial statements and its receipt. Derivative contracts are not used to hedge against exposure to foreign currency risk.

Consequently, the Group is exposed to risks that the exchange rate of its reporting currencies, relative to other currencies, may change in a manner which has an adverse effect on the value of the portion of the Group's assets which are denominated in currencies other than their own currencies.

(iii) Market risk arising from interest rate risk
Exposure to interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is exposed to interest rate risk specifically through its fixed income investments, cash holdings and its borrowing facility for investment purposes. Interest rate movements may affect the level of income receivable from any cash at bank and on deposits. The effect of interest rate changes on the earnings of the companies held within the portfolio may have a significant impact on the valuation of the Group's investments. Interest rate sensitivity risk has been covered by the VaR analysis under the market risk section.

Interest rate exposure
The exposure for Group and Company at 31 December 2021 and 31 December 2020 of financial assets and liabilities to interest rate risk is shown by reference to:

– floating interest rates – when the interest rate is due to be re-set; and

– fixed interest rates – when the financial instrument is due for repayment.

Group	2021 Within one year £'000	2021 More than one year £'000	2021 Total £'000	2020 Within one year (Restated)[1] £'000	2020 More than one year £'000	2020 Total (Restated)[1] £'000
Exposure to floating interest rates:						
Cash collateral held with brokers	580	–	580	2,943	–	2,943
Cash and cash equivalents	26,332	–	26,332	6,419	–	6,419
Bank loans	(138,867)	–	(138,867)	(102,418)	–	(102,418)
Bank overdraft	(356)	–	(356)	(22,427)	–	(22,427)
Exposure to fixed interest rates:						
Fixed income investments	–	113,408	113,408	–	87,449	87,449
Total exposure to interest rates	**(112,311)**	**113,408**	**1,097**	**(115,483)**	**87,449**	**(28,034)**

[1] Please refer to note 2 "Restatement of 2020 comparatives" on page 96 for further details.

Company	2021 Within one year £'000	2021 More than one year £'000	2021 Total £'000	2020 Within one year £'000	2020 More than one year £'000	2020 Total £'000
Exposure to floating interest rates:						
Cash collateral held with brokers	580	–	580	2,943	–	2,943
Cash and cash equivalents	20,222	–	20,222	309	–	309
Bank loans	(138,867)	–	(138,867)	(102,418)	–	(102,418)
Bank overdraft	(356)	–	(356)	(22,427)	–	(22,427)
Exposure to fixed interest rates:						
Fixed income investments	–	113,408	113,408	–	87,449	87,449
Total exposure to interest rates	**(118,421)**	**113,408**	**(5,013)**	**(121,593)**	**87,449**	**(34,144)**

Interest rates received on cash balances are approximately nil% for USD balances and nil% per annum for GBP balances (2020: 0.25% for USD balances and 0.07% per annum for GBP balances). Interest rates paid on bank loans are approximately 1.10% per annum for USD balances and 0.97% per annum for GBP balances (2020: 1.06% per annum for USD balances and nil% per annum for GBP balances). Effective interest rates on fixed income investments ranged from 2.00% to 7.50% (2020: 4.00% to 13.50%).

Management of interest rate risk

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

The Group finances part of its activities through borrowings at levels approved and monitored by the Board of the Company. Derivative contracts are not used to hedge against the exposure to interest rate risk.

Notes to the financial statements
continued

18. Risk management policies and procedures continued

(b) Counterparty credit risk

Credit risk is the risk that the issuer of a financial instrument will fail to fulfil an obligation or commitment that it has entered into with the Group.

The Group is exposed to counterparty credit risk from the parties with which it trades and will bear the risk of settlement default. Counterparty credit risk to the Group arises from transactions to purchase or sell investments, fixed income investments and through option writing transactions on equity investments held within the portfolio.

There were no past due assets as of 31 December 2021 (2020: nil).

The major counterparties engaged with the Group and Company are all widely recognised and regulated entities.

Depositary

The Group's Depositary is The Bank of New York Mellon (International) Limited (BNYM or the Depositary) (S&P long-term credit rating as at 31 December 2021: AA- (2020: AA-)). The Group's listed investments are held on its behalf by The Bank of New York Mellon (International) Limited (BNYM) as the Group's Custodian (as sub-delegated by the Depositary). All of the equity and fixed income assets and cash of the Group are held within the custodial network of the global custodian appointed by the Depositary. Bankruptcy or insolvency of the Depositary/Custodian may cause the Group's rights with respect to its investments held by the Depositary/Custodian to be delayed or limited. The maximum exposure to this risk at 31 December 2021 is the total value of equity and fixed income investments held with the Depositary/Custodian and cash and cash equivalents in the Consolidated and Parent Company Statements of Financial Position.

In accordance with the requirements of the depositary agreement, the Depositary will ensure that any agents it appoints to assist in safekeeping the equity and fixed income investments of the Group will segregate the equity and fixed income investments of the Group. Thus, in the event of insolvency or bankruptcy of the Depositary/Custodian, the Group's non-cash assets are segregated and this reduces counterparty credit risk. The Group will, however, be exposed to the counterparty credit risk of the Depositary in relation to the Group's cash held by the Depositary. In the event of the insolvency or bankruptcy of the Depositary, the Group will be treated as a general creditor of the Depositary in relation to cash holdings of the Group. The Board monitors the Group's risk by reviewing the custodian's internal control reports.

Securities lending

All securities lending transactions entered into by the Company are subject to a written legal agreement between the Company and the Securities Lending Agent, BlackRock Advisors (UK) Limited, a related party to the Company, and separately between the Securities Lending Agent and the approved borrowing counterparty. Collateral received in exchange for securities lent is transferred under a title transfer arrangement and is delivered to and held in an account with a tri-party collateral manager in the name of the Depositary, The Bank of New York Mellon (International) Limited, on behalf of the Company. Collateral received is segregated from the assets belonging to the Company's Depositary or the Lending Agent.

The value of securities on loan as a proportion of the Group and Company's total lendable assets as at 31 December 2021 was 7.34% (2020: 3.13%) and as a proportion of the Group's net assets as at 31 December 2021 was 6.58% (2020: 2.90%). Income earned from securities lending during the year ended 31 December 2021 is set out in note 3 of the financial statements.

Total lendable assets represent the aggregate value of assets forming part of the Group and Company's securities lending programme. This excludes any assets held by the Company that are not considered lendable due to any market, regulatory, investment or other restriction.

The following table details the value of securities on loan and associated collateral received, analysed by counterparty as at 31 December 2021 and 31 December 2020.

2021	Country of establishment	Stock lending £'000	Collateral received £'000
Barclays Bank plc	United Kingdom	23,227	25,683
Barclays Capital Securities Limited	United Kingdom	15,898	17,561
Citigroup Global Markets Limited	United Kingdom	7,399	7,810
Goldman Sachs International	United Kingdom	3,640	3,869
UBS AG	Switzerland	25,151	27,999
		75,315	**82,922**

2020	Country of establishment	Stock lending £'000	Collateral received £'000
Citigroup Global Markets Limited	United Kingdom	5,877	6,290
HSBC Bank plc	United Kingdom	20,968	23,091
		26,845	**29,381**

Collateral

The Company engages in securities lending transactions for which it may hold collateral received from a counterparty. The following table provides an analysis by currency of the underlying non-cash collateral received by way of a title transfer collateral arrangement by the Company, in respect of securities lending transactions as at 31 December 2021 and 31 December 2020:

2021 Currency	Non-cash collateral received £'000
Australian dollar	147
Canadian dollar	2,686
Chinese yuan	121
Euro	15,422
Hong Kong dollar	34
Japanese yen	18,137
Singapore dollar	615
Swiss franc	8,748
UK sterling	17,864
US dollar	18,907
Other	241
Total	**82,922**

Notes to the financial statements
continued

18. Risk management policies and procedures continued

2020 Currency	Non-cash collateral received £'000
Chinese yuan	4,233
Euro	3,746
Japanese yen	293
UK sterling	5,154
US dollar	14,746
Other	1,209
Total	**29,381**

Non-cash collateral received by way of a title transfer collateral arrangement in relation to securities lending transactions cannot be sold, reinvested or pledged.

The following table provides an analysis of the type, quality and maturity tenor of non-cash collateral received and posted by the Group and Company by way of a title transfer collateral arrangement in respect of securities lending transactions as at 31 December 2021 and 31 December 2020.

	Maturity Tenor				
2021	**8 to 30 days £'000**	**91 to 365 days £'000**	**More than 365 days £'000**	**Open Transactions £'000**	**Total £'000**
Collateral received – securities lending					
Fixed income					
Investment grade	–	–	10,844	–	10,844
Equities					
Recognised equities	–	–	–	72,078	72,078
Total	**–**	**–**	**10,844**	**72,078**	**82,922**

	Maturity Tenor				
2020	**8 to 30 days £'000**	**91 to 365 days £'000**	**More than 365 days £'000**	**Open Transactions £'000**	**Total £'000**
Collateral received–securities lending					
Fixed income					
Investment grade	–	–	9,586	–	9,586
Equities					
Recognised equities	–	–	–	19,795	19,795
Total	**–**	**–**	**9,586**	**19,795**	**29,381**

Investment grade securities are those issued by an entity with a minimum investment grade credit rating from at least one globally recognised credit rating agency; Standard & Poor's, Moody's or Fitch.

The maturity tenor analysis for fixed income securities received as collateral is based on the respective contractual maturity date, while equity securities received as collateral are presented as open transactions as they are not subject to a contractual maturity date.

As at 31 December 2021 and 2020, all non-cash collateral received by the Group and Company in respect of securities lending transactions is held by the Group's Depositary (or through its delegates).

The following table lists the ten largest issuers by value of non-cash collateral received by the Group and Company by way of a title transfer collateral arrangement across securities lending transactions as at 31 December 2021 and 2020.

2021 Non cash collateral issuer	Value £'000	% of the Company's NAV
Rio Tinto	2,928	0.26
Alphabet Inc	2,925	0.26
Nestlé	2,470	0.22
GlaxoSmithKline	2,108	0.18
Government of France	2,100	0.18
Roche Holdings	2,009	0.18
UniCredit	1,896	0.17
Shell	1,868	0.16
LVMH	1,769	0.15
UBS Group	1,596	0.14
Other issuers	61,253	5.36
Total	**82,922**	**7.26**

2020 Non cash collateral issuer	Value £'000	% of the Company's NAV
UK Gilt	4,021	0.43
Industrial and Commercial Bank of China	2,117	0.23
China Construction Bank	2,117	0.23
Tencent	2,117	0.23
China Mengniu Dairy	2,117	0.23
Xiaomi	2,117	0.23
Alibaba Group	2,116	0.23
Meituan	2,116	0.23
Country Garden	1,591	0.17
Avantor	1,237	0.13
Other issuers	7,715	0.83
Total	**29,381**	**3.17**

Counterparties/brokers

The Group only invests directly in markets that operate on a delivery versus payment basis and consequently most investment transactions in listed securities involve simultaneous delivery of securities against cash payment using an approved broker. The risk of default is considered minimal and the trade will fail if either party fails to meet its obligation.

For a few markets that the Group invests in from time to time, although they operate on a 'delivery versus payment' basis, there may be a very short time gap between stock delivery and payment, giving a potential rise to counterparty credit risk with the broker in relation to transactions awaiting settlement. Risk relating to unsettled transactions is considered small due to the short settlement period involved and the high credit quality of the brokers used for those markets. The Group monitors the credit rating and financial position of the broker used to further mitigate this risk.

Cash held as security by the counterparty to financial derivative contracts is subject to the credit risk of the counterparty. The following table details the total number of counterparties to which the Group is exposed, the maximum exposure to any one counterparty, the collateral held by the Group against this exposure, the total exposure to all other counterparties and the lowest long-term credit rating of any one counterparty (or its ultimate parent if unrated).

Notes to the financial statements
continued

18. Risk management policies and procedures continued

	Total number of counterparties	Maximum exposure to any one counterparty[1,3] £'000	Collateral held[1] £'000	Total exposure to all other counterparties[1,3] £'000	Lowest credit rating of any one counterparty[2]
2021	5	26,332	–	824	BBB+
2020 (Restated)	4	6,419	–	5,959	A+

1 Calculated on a net basis.
2 S&P ratings.
3 Please refer to note 2 "Restatement of 2020 comparatives" on page 96 for further details.

The Group may also be exposed to counterparty risk should there be any rehypothecation of pledged collateral. Collateral is received/paid where the client service agreement states that there should be collateral movements agreed with the counterparty, where there is a requirement for a mark-to-market process or collateralisation to ensure that the Group is protected against any counterparty default.

Collateral

The Group engages in activities which may require collateral to be provided to a counterparty (Pledged Collateral) or may hold collateral received (Inbound Collateral) from a counterparty. The Group uses Inbound Collateral received from a counterparty to reduce the counterparty credit risk associated with any trading activity in which the Group has engaged.

Cash collateral pledged by the Group is separately identified as an asset in the Consolidated and Parent Company Statements of Financial Position and is not included as a component of cash and cash equivalents. The cash is subject to certain counterparty credit risk as the Group's access to its cash could be delayed should the counterparties become insolvent or bankrupt. Collateral received in the form of securities is not reflected in the Consolidated and Parent Company Statements of Financial Position. The Group has the right to sell or re-pledge collateral received in the form of securities in circumstances such as default.

The fair value of inbound cash collateral and cash collateral pledged is reflected in the table below:

	Pledged collateral		Liability for inbound collateral	
	As at 31 December 2021 £'000	As at 31 December 2020 £'000	As at 31 December 2021 £'000	As at 31 December 2020 £'000
Cash collateral – Citigroup (2020: Bank of America Merrill Lynch)	580	2,943	–	–

Receivables

Amounts due from debtors are disclosed in the Consolidated and Parent Company Statements of Financial Position as receivables. The counterparties included in receivables are the same counterparties discussed previously under counterparty credit risk and subject to the same scrutiny by the BlackRock RQA Counterparty & Concentration Risk team (RQA CCR). The Group monitors the ageing of receivables to mitigate the risk of debtor balances becoming overdue.

In summary, the exposure to credit risk at 31 December 2021 and 2020 was as follows:

Group	2021 £'000	2020 (Restated)[1] £'000
Investment in contractual rights	18,162	19,753
Fixed income investments	113,408	87,449
Cash collateral held with brokers	580	2,943
Cash and cash equivalents	26,332	6,419
Other receivables (amounts due from brokers, dividends, interest and tax receivable)	5,209	6,723
	163,691	**123,287**

Company	2021 £'000	2020 £'000
Investment in contractual rights	18,162	19,753
Fixed income investments	113,408	87,449
Cash collateral held with brokers	580	2,943
Cash and cash equivalents	20,222	309
Other receivables (amounts due from brokers, dividends, interest and tax receivable)	5,209	6,723
	157,581	**117,177**

[1] Please refer to note 2 "Restatement of 2020 comparatives" on page 96 for further details.

Management of counterparty credit risk

Credit Risk is monitored and managed by RQA CCR. The team is headed by BlackRock's Chief Credit Officer who reports to the Global Head of RQA. Credit authority resides with the Chief Credit Officer and selected team members to whom specific credit authority has been delegated. As such, counterparty approvals may be granted by the Chief Credit Officer, or by identified RQA Credit Risk Officers who have been formally delegated authority by the Chief Credit Officer.

The counterparty/credit risk is managed as follows:

– transactions are only entered into with those counterparties approved by RQA CCR, with a formal review carried out for each new counterparty and with counterparties selected by RQA CCR on the basis of a number of risk mitigation criteria designed to reduce the risk to the Group of default;

– the creditworthiness of financial institutions with whom cash and fixed income instruments are held is reviewed regularly by the RQA CCR team; and

– the RQA CCR team review the credit standard of the Group's brokers on a periodic basis and set limits on the amount that may be due from any one broker.

The Board monitors the Group's counterparty risk by reviewing:

– the semi-annual report from the Depositary, which includes the results of periodic site visits to the Group's Custodian where controls are reviewed and tested;

– the custodian's Service Organisation Control (SOC 1) reports which include a report by the Custodian's auditor. This report sets out any exceptions or issues noted as a result of the auditor's review of the Custodian's control processes;

– the Manager's internal control reports which include a report by the Manager's auditor. This report sets out any exceptions or issues noted as a result of the auditor's review of the Manager's control processes; and

– in addition, the Depositary and the Manager report any significant breaches or issues arising to the Board as soon as these are identified.

Offsetting disclosures

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

For financial reporting purposes, the Group does not offset derivative assets and derivative liabilities that are subject to netting arrangements in the Statements of Financial Position. The disclosures set out in the following tables include financial assets and financial liabilities that are subject to an enforceable master netting arrangement or similar agreement.

Notes to the financial statements

continued

18. Risk management policies and procedures continued

At 31 December 2021 and 2020, the Group's and Company's derivative assets and liabilities (by type) are as follows:

	At 31 December 2021		At 31 December 2020	
	Assets	Liabilities	Assets	Liabilities
Derivatives	**£'000**	**£'000**	**£'000**	**£'000**
Written option contracts	–	(667)	–	(587)
Total derivative assets and liabilities in the Consolidated and Parent Company Statements of Financial Position	–	(667)	–	(587)
Total assets and liabilities subject to a master netting agreement	**–**	**(667)**	**–**	**(587)**

The following table presents the Group's and Company's derivative liabilities by counterparty, net of amounts available for offset, under a master netting agreement and net of any related collateral paid/(received) by the Group at 31 December 2021 and 2020:

Counterparty	Derivative liabilities subject to a master netting agreement by a counterparty £'000	Derivatives available for offset £'000	Non-cash collateral given £'000	Pledged cash collateral £'000	Net amount of derivative liabilities £'000
At 31 December 2021					
Citigroup	(376)	–	–	376	–
BNP Paribas	(291)	–	–	–	(291)
At 31 December 2020					
Bank of America Merrill Lynch	(587)	–	–	587	–

Offsetting and cash pooling arrangements

The Company and its subsidiary have a legally enforceable right under the bank overdraft agreement with The Bank of New York Mellon (International) Limited to set off the cash held in the subsidiary and bank overdraft balance in the Company. The cash and overdraft balances are held in the same currency and are managed under a compensated group arrangement with the same bank where interest is received/charged on the net cash/overdraft balance.

In practice, the Group has not and does not expect the cash and overdraft balances to settle on a net basis and, accordingly, we have presented the cash and cash equivalents and bank overdraft balances in the Statement of Financial Position on a gross basis before offsetting the positive cash balances held in the subsidiary company against the bank overdraft balance in the Company. Please refer to note 2 "Restatement of 2020 comparatives" on page 96 for further details.

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting obligations associated with financial liabilities. The Group is also exposed to the liquidity risk for margin calls on derivative instruments. The Group has an overdraft facility of £30 million (2020: £30 million) and a multi-currency loan facility of £200 million (2020: £150 million) which are updated and renewed on an annual basis. As per the borrowing agreements, borrowings under the overdraft and loan facilities shall at no time exceed £230 million or 25% of the Group's net asset value (whichever is the lower) (2020: £180 million or 25% of the Group's net asset value (whichever is lower)) and this covenant was complied with during the year. For details of the loan facility, refer to note 14.

Liquidity risk exposure

The remaining undiscounted gross cash flows of the financial liabilities as at 31 December 2021 and 2020, based on the earliest date on which payment can be required, were as follows:

Group	2021 3 months or less £'000	2020 3 months or less (Restated)[1] £'000
Current liabilities:		
Amounts due to brokers, accruals and provisions	5,610	5,545
Derivative financial liabilities at fair value through profit or loss	667	587
Bank overdraft	356	22,427
Bank loans	138,867	102,418
	145,500	**130,977**

Company	2021 3 months or less £'000	2020 3 months or less £'000
Current liabilities:		
Amounts due to brokers, accruals and provisions	6,678	6,613
Derivative financial liabilities at fair value through profit or loss	667	587
Bank overdraft	356	22,427
Bank loans	138,867	102,418
	146,568	**132,045**

[1] Please refer to note 2 "Restatement of 2020 comparatives" on page 96 for further details.

Management of liquidity risk

Liquidity risk is minimised by holding sufficient liquid investments which can be readily realised to meet liquidity demands. Asset disposals may also be required to meet liquidity needs. However, the timely sale of trading positions can be impaired by many factors including decreased trading volume and increased price volatility. As a result, the Group may experience difficulties in disposing of assets to satisfy liquidity demands. Liquidity risk is not significant as the majority of the Group's assets are investments in listed securities that are readily realisable.

The Board gives guidance to the Investment Manager as to the maximum amounts of the Group's resources that should be invested in any one company. The policy is that the Group should remain 90% invested in normal market conditions and that 25% of the Group's assets may be invested in cash or cash equivalents. Short-term borrowings may be used to manage short-term cash requirements.

The Group's liquidity risk is managed on a daily basis by the Investment Manager in accordance with established policies and procedures in place. The Investment Manager reviews daily forward-looking cash reports which project cash obligations. These reports allow them to manage their obligations.

For the avoidance of doubt, none of the assets of the Group are subject to special liquidity arrangements.

(d) Valuation of financial instruments

Financial assets and financial liabilities are either carried in the Consolidated and Parent Company Statements of Financial Position at their fair value (investment and derivatives) or at amortised cost (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) to the Financial Statements on page 98.

Notes to the financial statements
continued

18. Risk management policies and procedures continued
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 identical instruments in active markets
A financial instrument is regarded as quoted in an active market if quoted prices are readily available from an exchange, dealer, 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.

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.

Level 3 – Valuation techniques using significant unobservable inputs
This category includes all instruments where the valuation technique includes inputs not based on observable 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.

Assessing the significance of a particular input to the fair value measurement requires judgement by the Investment Manager, considering factors specific to the asset or liability.

Valuation process and techniques for Level 3 valuations
(a) OZ Minerals royalty
The Directors engage a mining consultant, an independent valuer with a recognised and relevant professional qualification, to conduct a periodic valuation of the contractual rights and the fair value of the contractual rights is assessed with reference to relevant factors. At the reporting date the income streams from contractual rights have been valued on the net present value of the pre-tax cash flows discounted at a rate the external valuer considers reflects the risk associated with the project. The valuation model uses discounted cash flow analysis which incorporates both observable and non-observable data. Observable inputs include assumptions regarding current rates of interest and commodity prices. Unobservable inputs include assumptions regarding production profiles, price realisations, cost of capital and discount rates. In determining the discount rate to be applied, the external valuer considers the country and sovereign risk associated with the project, together with the time horizon to the commencement of production and the success or failure of projects of a similar nature. To assess the significance of a particular input to the entire measurement, the external valuer performs a sensitivity analysis. The external valuer has undertaken an analysis of the impact of using alternative discount rates on the fair value of contractual rights.

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

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

(b) Ivanhoe Electric and I-Pulse convertible bonds and equity shares
The fair value of the investment in convertible bonds and equity shares of Ivanhoe Electric and I-Pulse were assessed by an independent valuer with a recognised and relevant professional qualification. The valuation is carried out based on market approach using multiples based on total assets. The valuation of convertible notes is based on a scenario approach, with the conversion at a discount in an IPO modelled as debt-like payments, and the conversion option modelled via the Black-Scholes option pricing model.

The estimates include implicit yield based on internal rates of return, implied volatility and asset multiples. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Consolidated and Parent Company Statements of Financial Position and the level where the instruments are disclosed in the fair value hierarchy. To assess the significance of a particular input to the entire measurement, the external valuer performs a sensitivity analysis.

Fair values of financial assets and financial liabilities
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 at 31 December 2021 – Group	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Assets:				
Equity investments	1,114,430	8,955	1,846	1,125,231
Fixed income securities	59,108	40,895	13,405	113,408
Investment in contractual rights	–	–	18,162	18,162
Total assets	**1,173,538**	**49,850**	**33,413**	**1,256,801**
Liabilities:				
Derivative financial instruments – written options	–	(667)	–	(667)
Total	**1,173,538**	**49,183**	**33,413**	**1,256,134**

Financial assets/(liabilities) at fair value through profit or loss at 31 December 2020 – Group	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Assets:				
Equity investments	935,805	2,811	–	938,616
Fixed income securities	42,773	44,676	–	87,449
Investment in contractual rights	–	–	19,753	19,753
Total assets	**978,578**	**47,487**	**19,753**	**1,045,818**
Liabilities:				
Derivative financial instruments – written options	–	(587)	–	(587)
Total	**978,578**	**46,900**	**19,753**	**1,045,231**

Notes to the financial statements
continued

18. Risk management policies and procedures continued

Financial assets/(liabilities) at fair value through profit or loss at 31 December 2021 – Company	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets:				
Equity investments	1,114,430	8,955	9,024	1,132,409
Fixed income securities	59,108	40,895	13,405	113,408
Investment in contractual rights	–	–	18,162	18,162
Total assets	**1,173,538**	**49,850**	**40,591**	**1,263,979**
Liabilities:				
Derivative financial instruments – written options	–	(667)	–	(667)
Total	**1,173,538**	**49,183**	**40,591**	**1,263,312**

Financial assets/(liabilities) at fair value through profit or loss 31 December 2020 – Company	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets:				
Equity investments	935,805	2,811	7,178	945,794
Fixed income securities	42,773	44,676	–	87,449
Investment in contractual rights	–	–	19,753	19,753
Total assets	**978,578**	**47,487**	**26,931**	**1,052,996**
Liabilities:				
Derivative financial instruments – written options	–	(587)	–	(587)
Total	**978,578**	**46,900**	**26,931**	**1,052,409**

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

Level 3 Financial assets at fair value through profit or loss At 31 December – Group	2021 £'000	2020 £'000
Opening fair value	19,753	15,790
Return of capital – royalty	(267)	(184)
Additions at cost	14,390	–
Total profit or loss included in net profit on investments in the Consolidated Statement of Comprehensive Income:		
– assets held at the end of the year	(463)	4,147
Closing balance	**33,413**	**19,753**

Level 3 Financial assets at fair value through profit or loss At 31 December – Company	2021 £'000	2020 £'000
Opening fair value	26,931	24,098
Return of capital – royalty	(267)	(184)
Additions at cost	14,390	–
Total profit or loss included in net profit on investments in the Consolidated Statement of Comprehensive Income:		
– assets held at the end of the year	(463)	3,017
Closing balance	**40,591**	**26,931**

The Level 3 valuation process and techniques used are explained in the accounting policies in note 2(h). A more detailed description of the techniques is found on pages 124 and 125 under 'Valuation process and techniques'.

The Level 3 investments as at 31 December 2021 in the table below relate to the OZ Minerals Brazil Royalty, convertible bonds and equity shares of Ivanhoe Electric and I-Pulse. In accordance with IFRS 13, these investments were categorised as Level 3.

In arriving at the fair value of the OZ Minerals Brazil Royalty, the key inputs are the underlying commodity prices and illiquidity discount. In arriving at the fair value of Ivanhoe Electric and I-Pulse securities, the key input is asset multiple.

The Level 3 valuation process and techniques used by the Company are explained in the accounting policies in notes 2(h) and 2(q) and a detailed explanation of the techniques is also available on pages 124 and 125 under "valuation process and techniques".

Quantitative information of significant unobservable inputs – Level 3 – Group and Company

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy, together with an estimated quantitative sensitivity analysis, as at 31 December 2021 and 31 December 2020 are as shown below.

Description	As at 31 December 2021	Valuation technique	Unobservable input	Range of weighted average inputs	Reasonable possible shift[1] +/–	Impact on fair value
OZ Minerals Brazil Royalty	18,162	Discounted cash flows	Discounted rate– weighted average cost of capital	5.0% - 8.0%	1.0%	£1.0m
			Average gold prices	US$1,400- US$1,600 per ounce	10.0%	£1.5m
			Average copper prices	US$7,209- US$8,510 per tonne	10.0%	£1.0m
Ivanhoe Electric and I-Pulse - convertible bonds and equity shares	15,251	Market approach and scenario analysis for convertible notes	Asset multiple	0.75x - 1.25x	25.0%	£0.5m

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

Description	As at 31 December 2020	Valuation technique	Unobservable input	Range of weighted average inputs	Reasonable possible shift[1] +/–	Impact on fair value
OZ Minerals Brazil Royalty	19,753	Discounted cash flows	Discounted rate – weighted average cost of capital	5.0% - 9.0%	1.0%	£1.1m
			Average gold prices	US$1,410 - US$1,870 per ounce	10.0%	£0.9m
			Average copper prices	US$6,305 - US$6,945 per tonne	10.0%	£0.5m

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

Notes to the financial statements
continued

18. Risk management policies and procedures continued

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.

(e) Capital management policies and procedures
The Group's capital management objectives are:

– to ensure it will be able to continue as a going concern; and

– to achieve a balanced return of dividends and capital growth over the longer term, by investing primarily in securities of companies in the mining and metals sectors.

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

The Group's total invested capital at 31 December 2021 was £1,282,097,000 (2020: £1,055,670,000: please refer to note 2 "Restatement of 2020 comparatives") comprising of bank loans and an overdraft of £139,223,000 (2020: £124,845,000: please refer to note 2 "Restatement of 2020 comparatives") and equity shares, capital and reserves of £1,142,874,000 (2020: £930,825,000).

Under the terms of the overdraft and loan facility agreement, the Group's total indebtedness shall at no time exceed £230 million or 25% of the Group's net asset value (whichever is the lowest).

The cash and bank overdraft accounts of the Company and subsidiary in the same currency are managed under a compensated group arrangement and are therefore presented on a net basis in the Group financial statements.

The Board with the assistance of the Investment Manager monitors and reviews the broad structure of the Group's capital on an ongoing basis. This review includes:

– the planned level of gearing, which takes into account the Investment Manager's view on the market; and

– the need to buy back equity shares, either for cancellation or to be held in treasury, which takes account of the difference between the NAV per share and the share price (i.e. the level of share price discount or premium).

The Group is subject to externally imposed capital requirements:

– as a public company, the Group has a minimum share capital of £50,000; and

– in order to be able to pay dividends out of profits available for distribution, the Group has to be able to meet one of the two capital restrictions tests imposed on investment companies by law.

During the year, the Group complied with the externally imposed capital requirements to which it was subject.

19. Transactions with the investment manager and AIFM

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 Group'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 56 and 57.

The investment management fee due for the year ended 31 December 2021 amounted to £9,230,000 (2020: £6,405,000). At the year end, £4,587,000 (2020: £2,064,000) was outstanding in respect of management fees.

In addition to the above services, BlackRock has provided the Group with marketing services. The total fees paid or payable for these services for the year ended 31 December 2021 amounted to £140,000 excluding VAT (2020: £152,000 excluding VAT). Marketing fees of £55,000 were outstanding as at 31 December 2021 (2020: £55,000).

The ultimate holding company of the Manager and the Investment Manager is BlackRock, Inc., a company incorporated in Delaware USA.

20. Related party disclosure

Directors' emoluments

At the date of this report, the Board consists of five non-executive Directors, all of whom are considered to be independent of the Manager by the Board.

Disclosures of the Directors' interests in the ordinary shares of the Company and fees and expenses payable to the Directors are set out in the Directors' Remuneration Report on pages 63 to 65. As at 31 December 2021 £14,375 (2020: £14,375) was outstanding in respect of Directors' fees.

Significant holdings

The following investors are:

a. funds managed by the BlackRock Group or are affiliates of BlackRock Inc. ("Related BlackRock Funds") or

b. investors (other than those listed in (a) above) who held more than 20% of the voting shares in issue in the Company and are as a result, considered to be related parties to the Company ("Significant Investors").

As at 31 December 2021		
Total % of shares held by Related BlackRock Funds	**Total % of shares held by Significant Investors who are not affiliates of BlackRock Group or BlackRock, Inc.**	**Number of Significant Investors who are not affiliates of BlackRock Group or BlackRock, Inc.**
1.77	n/a	n/a
As at 31 December 2020		
Total % of shares held by Related BlackRock Funds	**Total % of shares held by Significant Investors who are not affiliates of BlackRock Group or BlackRock, Inc.**	**Number of Significant Investors who are not affiliates of BlackRock Group or BlackRock, Inc.**
2.45	n/a	n/a

21. Contingent liabilities

There were no contingent liabilities at 31 December 2021 (2020: nil).

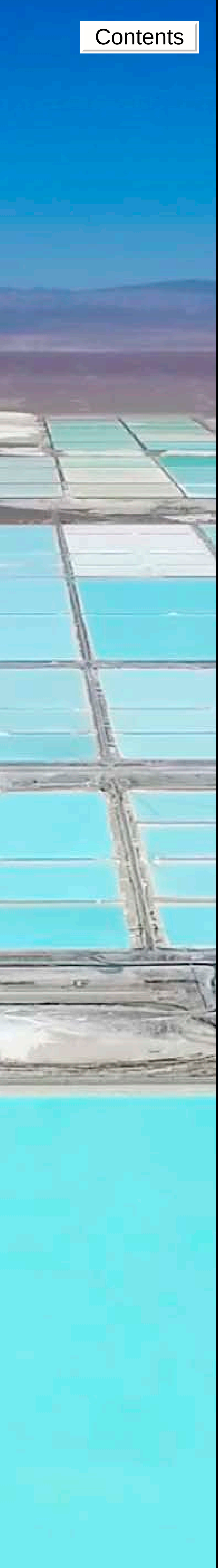
22. Subsequent events

Since the balance sheet date, the borrowings that matured on 11 February 2022 have been renewed for a further period of three months expiring on 11 May 2022. The overdraft and revolving loan credit facility agreements have been renewed up to 24 June 2022.

As noted in the Chairman's Statement, since the financial year end, financial markets have fallen significantly due primarily to geopolitical tensions arising from Russia's incursion into Ukraine and the impact of a subsequent range of sanctions, regulations and other measures which impaired normal trading in Russian securities. In the light of these events, BlackRock on Monday, 28 February 2022, suspended the purchase of all Russian securities in its active and index funds.

As at balance sheet date, 2.1% of net assets (with a value of £24.5 million) was in securities with exposure to companies whose principal activities are in Russia. This has since fallen on 3 March 2022 to 0.1% of net assets (with a value of £1.7 million).

Whilst these investments have experienced downward volatility and trading suspensions, subsequent to the year end, the share price and the net asset value of the Company's shares as at 2 March 2022 has increased by 28.7% and 20.2% (when compared to 31 December 2021), respectively, benefiting from the performance from the rest of the portfolio. There were no other significant events affecting the Group since the financial year end.



Additional information

The level of demand and price action in lithium surprised even the most optimistic of forecasters in 2021. The Company has exposure to lithium via its holding in Sociedad Química y Minera de Chile (SQM).

PHOTO COURTESY OF SQM

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/March	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.

Dividend – 2021
The proposed final dividend in respect of the year ended 31 December 2021 is 27.00p per share. The Board also declared one quarterly interim dividend of 4.50p per share and two quarterly interim dividends of 5.50p per share.

Ex-dividend date (shares transferred without the dividend)	17 March 2022
Record date (last date for registering transfers to receive the dividend)	18 March 2022
Last date for registering DRIP instructions	27 April 2022
Dividend payment date	19 May 2022

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 27 April 2022.

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 www.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. Alternatively, please go to www.computershare.com/dealing/uk for a range of dealing services made available by Computershare.

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.

Electronic proxy voting

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

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

Duration of the Company

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

Nominee code

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

- to provide the nominee company with multiple copies of shareholder communications, so long as an indication of quantities has been provided in advance; 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 per share (NAV) 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 www.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).

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 2022/2023 tax year investors have an annual ISA allowance of £20,000 (2021/2022: £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 www.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.

Shareholder information

continued

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

Analysis of ordinary shareholders

as at 31 December 2021

By type of holder

	Number of shares	% of total 2021	% of total 2020	Number of holders	% of total 2021	% of total 2020
Direct private investors	3,297,763	1.8	2.0	1,620	51.1	50.5
Nominee companies	178,856,763	97.4	97.2	1,505	47.5	48.3
Others	1,526,590	0.8	0.8	44	1.4	1.2
	183,681,116	**100.0**	**100.0**	**3,169**	**100.0**	**100.0**

By size of holding

	Number of shares	% of total 2021	% of total 2020	Number of holders	% of total 2021	% of total 2020
1-10,000	5,368,247	2.9	3.2	2,784	87.9	88.5
10,001-100,000	7,458,266	4.1	4.1	223	7.0	6.9
100,001-1,000,000	37,106,706	20.2	21.9	113	3.6	3.2
1,000,001-5,000,000	86,729,814	47.2	49.6	43	1.3	1.3
Over 5,000,000	47,018,083	25.6	21.2	6	0.2	0.1
	183,681,116	**100.0**	**100.0**	**3,169**	**100.0**	**100.0**

Excludes treasury shares of 9,330,726.

Historical record

Year ended 31 December	Net Assets	Undiluted Net Asset Value per Ordinary Share	Diluted Net Asset Value per Ordinary Share[1]	Gearing	Ordinary Share Price	Revenue available for Ordinary Shareholders	Revenue Earnings per Ordinary Share	Dividends per Ordinary Share
	£'000	p	p	%	p	£'000	p	p
1994	446,816	104.94	104.12	–	93.50	3,642	0.86	0.77
1995	452,762	106.27	105.23	0.1	93.00	5,637	1.32	1.00
1996	424,774	99.70	–	–	86.50	5,082	1.19	1.15
1997	318,494	74.75	–	–	59.50	3,894	0.91	0.85
1998	230,284	60.92	–	–	55.75	5,619	1.43	2.35
1999	223,397	116.99	–	11.2	100.75	2,238	1.00	1.20
2000	186,022	109.36	–	8.3	91.50	2,939	1.63	1.30
2001	196,726	118.48	–	–	96.50	6,434	3.82	3.15
2002	243,350	149.48	–	–	131.75	4,110	2.52	2.10
2003	389,244	239.09	–	8.8	217.00	2,816	1.73	1.70
2004[2]	398,129	244.55	240.29	6.0	218.00	4,899	3.01	2.50
2005	668,202	397.03	–	0.7	351.50	5,642	3.39	2.80
2006	868,545	516.07	503.23	0.9	444.00	14,782	8.78	4.50
2007	1,268,120	804.13	752.28	–	655.00	13,391	8.25	5.50
2008	590,927	331.39	–	0.5	252.50	9,831	5.64	5.50
2009	1,176,813	662.02	–	3.6	550.00	8,714	4.90	4.75
2010	1,708,023	962.06	–	1.8	811.00	11,667	6.57	6.00
2011	1,317,004	742.86	–	2.5	631.50	26,099	14.71	14.00
2012	1,215,743	685.75	–	7.1	586.50	38,614	21.78	21.00
2013	885,346	499.39	–	9.6	465.00	39,633	22.36	21.00
2014	624,674	352.35	–	11.7	310.35	37,452	21.13	21.00
2015	377,313	212.83	–	12.2	181.00	32,744	18.47	21.00
2016	677,546	383.98	–	12.4	336.50	23,303	13.19	13.00
2017	804,647	456.01	–	12.2	397.75	28,093	15.92	15.60
2018	685,595	388.81	–	13.5	340.50	32,013	18.15	18.00
2019	757,110	433.17	–	11.7	383.00	39,561	22.46	22.00
2020	930,825	536.34	–	12.3	522.00	35,451	20.40	20.30
2021	**1,142,874**	**622.21**		**9.9**	**589.00**	**78,910**	**43.59**	**42.50**

1 Diluted net asset value per ordinary share calculated for potentially dilutive securities in issue such as warrants and treasury shares.

2 Prior to 2004, financial information had been prepared under UK GAAP. From 2004 all information is prepared under IFRS as set out in note 2 to the Financial Statements on pages 95 to 99.

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

Depositary, Custodian, Banker and Fund Accountant
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

Independent Auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

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.

AIFMD disclosures

Report on remuneration

The Alternative Investment Fund Managers' Directive (the AIFMD) requires certain disclosures to be made with regard to the remuneration policy of the Company's Alternative Investment Fund Manager (AIFM). Details of the BlackRock AIFM Remuneration Policy (the Policy) are disclosed on the website at www.blackrock.com/uk/brwm.

Quantitative remuneration disclosures

Disclosures in accordance with FUND 3.3.5, Article 22(2)e and 22(2)f of the AIFMD and Article 107 of the Delegated Regulation are disclosed on the website at www.blackrock.com/uk/brwm.

Leverage

The Company may employ leverage and borrow cash in accordance with its stated investment policy or investment strategy. The Company may also employ leverage in its investment programme through foreign exchange forward contracts. The use of borrowings and leverage has attendant risks and can, in certain circumstances, substantially increase the adverse impact to which the Company's investment portfolio may be subject.

Consistent with its investment objective and policy, the Company may utilise a variety of exchange traded and over the counter (OTC) derivative instruments such as covered put/call options as part of its investment policy. The use of derivatives may expose the Company to a higher degree of risk. No derivatives were used for leverage purposes during the year.

For the purposes of this disclosure, leverage is any method by which the Company's exposure is increased, whether through borrowing of cash or securities, or leverage embedded in foreign exchange forward contracts or by any other means. The AIFMD requires that each leverage ratio be expressed as the ratio between a Company's exposure and its NAV, and prescribes two required methodologies, the gross methodology and the commitment methodology (as set out in AIFMD Level 2 Implementation Guidance), for calculating such exposure.

Using the methodologies prescribed under the AIFMD, the leverage of the Group and Company is disclosed in the table below:

	Commitment leverage as at 31 December 2021	Gross leverage as at 31 December 2021
Leverage ratio	1.13	1.13

Other risk disclosures

The financial risk disclosures relating to risk framework and liquidity risk are set out in note 18 to the notes to the Financial Statements.

Pre investment disclosures

The AIFMD requires certain information to be made available to investors in AIFs before they invest and requires that material changes to this information be disclosed in the Annual Report of each AIF. An Investor Disclosure Document, which sets out information on the Company's investment strategy and policies, leverage, risk, liquidity, administration, management, fees, conflicts of interest and other shareholder information is available on the website at www.blackrock.com/uk/brwm.

There have been no material changes (other than those reflected in these financial statements or previously disclosed to the London Stock Exchange through a primary information provider) to this information requiring disclosure. Any information requiring immediate disclosure pursuant to the AIFMD will be disclosed to the London Stock Exchange through a primary information provider.

CAROLINE DRISCOLL
For and on behalf of
BlackRock Investment Management (UK) Limited
Company Secretary
7 March 2022

Information to be disclosed in accordance with Listing Rule 9.8.4

The disclosures below are made in compliance with the requirements of Listing Rule 9.8.4.

9.8.4 (1) The Company has not capitalised any interest in the period under review.

9.8.4 (2) The Company has not published any unaudited financial information in a class 1 circular or prospectus or any profit forecast or profit estimate.

9.8.4 (3) This provision has been deleted.

9.8.4 (4) The Company does not have any long-term incentive schemes in operation.

9.8.4 (5) and 9.8.4 (6) No Director of the Company has waived or agreed to waive any current or future emoluments from the Company or any subsidiary undertaking.

9.8.4 (7) The Company has reissued a total of 10,200,000 ordinary shares from treasury during the year at a premium to NAV at an average price of 619.48p per share for a total consideration of £63,187,000 excluding costs. Since the year end and up to 2 March 2022, a further 875,000 ordinary shares have been reissued from treasury for a total consideration net of costs of £6,281,000.

9.8.4 (8) The Company's subsidiary has not allotted any equity securities for cash in the period under review.

9.8.4 (9) This provision is not applicable to the Company.

9.8.4 (10) There were no other contracts of significance subsisting during the period under review to which the Company is a party and in which a Director of the Company is or was materially interested, or between the Company and a controlling shareholder.

9.8.4 (11) This provision is not applicable to the Company.

9.8.4 (12) and 9.8.4 (13) There were no arrangements under which a shareholder has waived or agreed to waive any dividends or future dividends.

9.8.4 (14) This provision is not applicable to the Company.

CAROLINE DRISCOLL
For and on behalf of
BlackRock Investment Management (UK) Limited
Company Secretary
7 March 2022

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 Annual 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 31 December 2021, the share price was 589.00p (2020: 522.00p) and the NAV was 622.21p (2020: 536.34p) giving a discount of 5.3% (2020: 2.7%) (please see note 9 of the financial statements on page 105 for the audited 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 610p and the NAV 600p, the premium would be 1.7%.

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**	**31 December 2021 £'000**	**31 December 2020 (Restated)[2] £'000**	
Net assets	93	1,142,874	930,825	(a)
Borrowings	93	139,223	124,845	(b)
Total assets (a + b)		1,282,097	1,055,670	(c)
Current assets[1]	93	32,206	16,199	(d)
Current liabilities (excluding borrowings)	93	(6,277)	(6,132)	(e)
Cash and cash equivalents (d + e)		25,929	10,067	(f)
Net gearing (g = (c – f – a)/ a)		**9.9%**	**12.3%**	**(g)**

1 Includes cash at bank.
2 Please refer to note 2 "Restatement of 2020 comparatives" on page 96 for further details.

Gross assets

Gross assets is defined as the total of the Group's net assets and borrowings.

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:

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

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.

* Alternative Performance Measures.

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 9 of the financial statements for the audited inputs to the calculations).

NAV total return – Sterling	Page	31 December 2021	31 December 2020	
Closing NAV per share (pence)	105	622.21	536.34	
Add back interim and final dividends (pence)	104	23.80	22.00	
Effect of dividend reinvestment (pence)		1.34	12.38	
Adjusted closing NAV (pence)		647.35	570.72	(a)
Opening NAV per share (pence)	105	536.34	433.17	(b)
NAV total return (c = ((a - b)/b)) (%)		**20.7**	**31.8**	**(c)**

Share price total return – Sterling	Page	31 December 2021	31 December 2020	
Closing share price (pence)	105	589.00	522.00	
Add back interim and final dividends (pence)	104	23.80	22.00	
Effect of dividend reinvestment (pence)		0.42	17.73	
Adjusted closing share price (pence)		613.22	561.73	(a)
Opening share price (pence)	105	522.00	383.00	(b)
Share price total return (c = ((a - b)/b)) (%)		**17.5**	**46.7**	**(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 31 December 2021, equity shareholders' funds were worth £1,142,874,000 (2020: £930,825,000) and there were 183,681,116 ordinary shares in issue (excluding treasury shares) (2020: 173,550,814); the undiluted NAV was therefore 622.21p per ordinary share (2020: 536.34p) (please see note 9 of the financial statements for the audited 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 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.

As at 31 December 2021, equity shareholders' funds less the current year net revenue return (after interim dividends) amounted to £1,092,397,000 (2020: £916,204,000) and there were 183,681,116 ordinary shares in issue (2020: 173,550,814) (excluding treasury shares); therefore the capital only NAV was 594.72p (2020: 527.92p).

Equity shareholders' funds (excluding current period revenue) of £1,092,397,000 are calculated by deducting from the Group's net assets (£1,142,874,000) its current period revenue (£78,910,000) and adding back the interim dividends paid from revenue (£28,433,000).

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.

* Alternative Performance Measures.

Glossary
continued

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, VAT recovered, taxation and certain non-recurring items) 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 2021 £'000**	**31 December 2020 £'000**	
Management fee	101	9,230	6,405	
Other operating expenses	102	1,034	997	
Total management fee and other operating expenses		10,264	7,402	(a)
Average daily net assets in the year		1,085,438	748,853	(b)
Ongoing charges on net assets (c = a/b)		**0.95%**	**0.99%**	**(c)**

Ongoing charges calculation on gross assets	**Page**	**31 December 2021**	**31 December 2020**	
Management fee	101	9,230	6,405	
Other operating expenses	102	1,034	997	
Total management fee and other operating expenses		10,264	7,402	(a)
Average daily gross assets in the year		1,221,651	847,155	(b)
Ongoing charges on gross assets (c = a/b)		**0.84%**	**0.87%**	**(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 Company 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 Company's portfolio such that, if the options are exercised, the Company 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 Company's direct investments.

Physical metals
Metals such as copper, zinc and nickel.

Quoted securities and unquoted investments
Securities that trade on an exchange for which there is a publicly quoted price. Unquoted securities are financial securities that do not trade on an exchange for which there is not a publicly quoted price.

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

* Alternative Performance Measures.

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.

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 the total return.

	Page	31 December 2021	31 December 2020	
Interim and final dividends paid/ payable (pence)[1]	105	42.50	20.30	(a)
Ordinary share price (pence)		589.00	522.00	(b)
Yield (c = a/b) (%)		7.2	**3.9**	**(c)**

[1] Comprising dividends declared/paid for the twelve months to 31 December.

* Alternative Performance Measures.

Contents

Annual general meeting

The price of cobalt rose considerably, driven in part by battery demand, particularly for electric vehicles. Significantly, diversified miner Glencore announced the 2022 restart of the Mutanda mine in the DRC. Glencore's shares rose 66.9% in value during 2021.

PHOTO COURTESY OF GLENCORE

Notice of annual general meeting

Notice is hereby given that the twenty eighth Annual General Meeting of BlackRock World Mining Trust plc will be held at the offices of BlackRock at 12 Throgmorton Avenue, London EC2N 2DL on Friday, 6 May 2022 at 11.30 a.m. to consider and, if thought fit, pass resolutions 1 to 12 as ordinary resolutions and resolutions 13 and 14 as special resolutions.

More information in respect of the contribution of each Director to support their re-election is given in the Directors' Report on pages 60 and 61.

Ordinary business

1. To receive the report of the Directors and the financial statements for the year ended 31 December 2021, together with the report of the auditors thereon.

2. To approve the Directors' Remuneration Report for the year ended 31 December 2021, excluding any content relating to the remuneration policy of the Company.

3. To declare a final dividend of 27.00p per ordinary share for the year ended 31 December 2021.

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

5. To re-elect Mr R P Edey as a Director.

6. To re-elect Ms J Lewis as a Director.

7. To re-elect Ms J Mosely as a Director.

8. To elect Mr S Venkatakrishnan as a Director.

9. To reappoint PricewaterhouseCoopers LLP as auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company.

10. To authorise the Audit Committee to determine the auditors' remuneration.

Special business

Ordinary resolutions

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

12. That in substitution for all existing authorities, the Directors of the Company be and they are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the Act), to exercise all the powers of the Company to allot relevant securities in the Company (as described in that section) up to an aggregate nominal amount of £922,780 (being 10% of the aggregate nominal amount of the issued share capital, excluding treasury shares, of the Company at the date of this notice) provided that this authority shall (unless previously revoked) expire at the conclusion of the Company's Annual General Meeting to be held in 2023, but the Company shall be entitled to make offers or agreements before the expiry of this authority which would or might require relevant securities to be allotted after such expiry and the Directors may allot such securities pursuant to any such offer or agreement as if the power conferred hereby had not expired.

Special resolutions

13. That in substitution for all existing authorities and subject to the passing of resolution numbered 12 above, the Directors of the Company be and are hereby empowered pursuant to sections 570 and 573 of the Companies Act 2006 (the Act) to allot equity securities (as defined in section 560 of the Act) and to sell equity securities held by the Company as treasury shares (as defined in section 724 of the Act) for cash pursuant to the authority granted by the resolution numbered 12 above, as if section 561(1) of the Act did not apply to any such allotments and sales of equity securities, provided that this power:

    (a) shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2023, except that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted or sold after such expiry and notwithstanding such expiry the Directors may allot and sell equity securities in pursuance of such offers or agreements;

    (b) shall be limited to the allotment of equity securities and/or the sale of equity securities held in treasury for cash up to an aggregate nominal amount of £922,780 (representing 10% of the aggregate nominal amount of the issued share capital, excluding treasury shares, of the Company at the date of this notice); and

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

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

(a) the maximum number of Shares hereby authorised to be purchased shall be 27,664,961, or if less, that number of Shares which is equal to 14.99% of the Company's issued share capital (excluding treasury shares) as at 6 May 2022;

(b) the minimum price (exclusive of expenses) which may be paid for any such Share shall be 5p being the nominal value per share;

(c) the maximum price (exclusive of expenses) which may be paid for any such Share shall be the higher of (i) 105% of the average of the middle market quotations (as derived from the Official List) of the Shares for the five dealing days prior to the date on which the market purchase is made and (ii) the higher of the price quoted for (a) the last independent trade of and (b) the highest independent bid for, any number of Shares on the trading venue where the purchase is carried out; and

(d) unless renewed, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company in 2023 save that the Company may, prior to such expiry, enter into a contract to purchase Shares under the authority hereby conferred and may make a purchase of Shares pursuant to any such contract notwithstanding such expiry.

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

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

(ii) cancelled immediately upon completion of the purchase.

By order of the Board

CAROLINE DRISCOLL
For and on behalf of
BlackRock Investment Management (UK) Limited
Company Secretary
7 March 2022

Registered Office:
12 Throgmorton Avenue
London EC2N 2DL

Notice of annual general meeting

continued

Notes:

1. A member entitled to attend and vote at the meeting convened by the above Notice is entitled to appoint one or more proxies to exercise all or any of the rights of the member to attend, speak and vote in his place. A proxy need not be a member of the Company. If a member appoints more than one proxy to attend the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the member.
2. To appoint a proxy, you may use the Form of Proxy enclosed with this Annual Report. To be valid, the Form of Proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, must be completed and returned to the office of the Company's registrar in accordance with the instructions printed thereon as soon as possible and in any event by not later than 11.30 a.m. on 4 May 2022. Amended instructions must also be received by the Company's registrar by the deadline for receipt of proxies. Alternatively, you can vote or appoint a proxy electronically by visiting eproxyappointment.com. You will be asked to enter the Control Number, the Shareholder Reference Number and PIN which are printed on the form of proxy. The latest time for the submission of proxy votes electronically is 11.30 a.m. on 4 May 2022.
3. Completion and return of the Form of Proxy will not prevent a member from attending the meeting and voting in person.
4. Proxymity Voting – If you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 11.30 a.m. on 4 May 2022 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.
5. Any person receiving a copy of this Notice as a person nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a Nominated Person) should note that the provisions in Notes 1 and 2 above concerning the appointment of a proxy or proxies to attend the meeting in place of a member, do not apply to a Nominated Person as only shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such agreement to give instructions to the member as to the exercise of voting rights at the meeting.
6. Nominated Persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy the information rights (or perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from the Nominated Person.
7. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only shareholders registered in the register of members of the Company by not later than 6.00 p.m. two days prior to the time fixed for the meeting shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at such time. If the meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is 6.00 p.m. two days prior to the time of the adjournment. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the meeting.
8. In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
9. Shareholders who hold their shares electronically may submit their votes through CREST, by submitting the appropriate and authenticated CREST message so as to be received by the Company's registrar not later than 48 hours before the start of the meeting. Instructions on how to vote through CREST can be found by accessing the following website: euroclear.com/CREST. Shareholders are advised that CREST and the internet are the only methods by which completed proxies can be submitted electronically.
10. If you are a CREST system user (including a CREST personal member) you can appoint one or more proxies or give an instruction to a proxy by having an appropriate CREST message transmitted. To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by Computershare (ID number 3RA50) not later than 48 hours before the time appointed for holding the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which Computershare is able to retrieve the message. CREST personal members or other CREST sponsored members should contact their CREST sponsor for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST manual. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
11. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes subject of those proxies are cast and voting rights in respect of those discretionary proxies, when added to the interest in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has notifiable obligation under the Disclosure Guidance and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any member holding 3% or more of the voting rights in the Company, who grants the Chairman discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure Guidance and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.
12. Any question relevant to the business of the meeting may be asked at the meeting by anyone permitted to speak at the meeting. A shareholder may alternatively submit a question in advance by a letter addressed to the Company Secretary at the Company's registered office. Under section 319A of the Companies Act 2006, the Company must answer any question a shareholder asks relating to the business being dealt with at the meeting, unless (i) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (ii) the

answer had already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

13. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that, if it is appointing more than one corporate representative, it does not do so in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative. Representatives should bring to the meeting evidence of their appointment, including any authority under which it is signed.

14. Under section 527 of the Companies Act 2006, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to:

    (i) the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are laid before the meeting; or

    (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006.

    The Company may not require the members requesting such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

15. Under sections 338 and 338A of the Companies Act 2006, members meeting the threshold requirements in those sections have the right to require the Company:

    (i) to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting; and/or

    (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business.

    A resolution may properly be moved or a matter may properly be included in the business unless:

    (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise);

    (b) it is defamatory of any person; or

    (c) it is frivolous or vexatious.

    Such a request may be in hard copy form or in electronic form and must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than 24 March 2022, being the date six weeks clear before the meeting and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

16. Further information regarding the meeting which the Company is required by section 311A of the Companies Act 2006 to publish on a website in advance of the meeting (including this Notice), can be accessed at www.blackrock.com/uk/brwm.

17. As at the date of this report, the Company's issued share capital comprised 184,556,116 ordinary shares of 5 pence each, excluding shares held in treasury. Each ordinary share carries the right to one vote and therefore the total number of voting rights in the Company on 2 March 2022 is 184,556,116.

18. No service contracts exist between the Company and any of the Directors, who hold office in accordance with letters of appointment and the Articles of Association.

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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