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Merrill Lynch

World Mining Trust plc

The Company's objective is to maximise total real returns to shareholders through a world-wide portfolio of mining and metal securities. Up to 10% of the assets may be invested in physical metals.

Summary of consolidated results

Group assets	31 December 2001	31 December 2000
Net assets (£'000)	**196,726**	186,022
Net assets per share	**118.48p**	109.36p
Share price (mid-market)	**96.50p**	91.50p
Gearing	**nil**	8.3%

Group revenue	Year ended 31 December 2001	Year ended 31 December 2000
Net revenue (£'000)	**6,434**	2,939
Earnings per ordinary share	**3.82p**	1.63p
Dividend per share – final	**1.45p**	1.30p
– special	**1.70p**	–
– total	**3.15p**	1.30p

Details about the Company are available on the Merrill Lynch Investment Managers website at www.mlim.co.uk/its

Contents

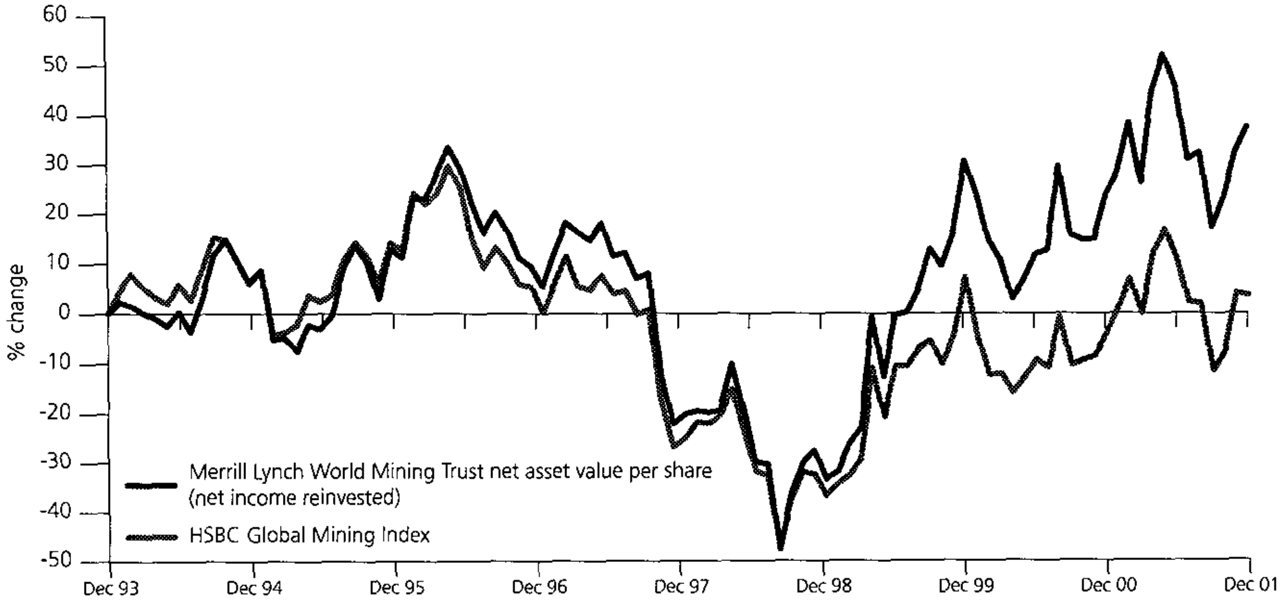
Performance Record

Performance record

Year ended 31 December	Net Assets attributable to Ordinary Shareholders £'000	Net Asset Value per Ordinary Share p	Gearing %	Ordinary Share Price p	Gross Revenue £'000	Revenue available for Ordinary Shareholders £'000	Earnings per Ordinary Share p	Dividends paid per Ordinary Share p	Total Expense Ratio (after tax relief) %
1994	446,816	104.94	–	93.50	12,077	3,642	0.86	0.77	n/a
1995	452,762	106.27	0.1	93.00	15,758	5,637	1.32	1.00	n/a
1996	424,774	99.70	–	86.50	14,977	5,082	1.19	1.15	n/a
1997	318,494	74.75	–	59.50	11,163	3,894	0.91	0.85	n/a
1998	230,284	60.92	–	55.75	11,442	5,619	1.43	1.20*	0.82
1999	223,397	116.99	11.2	100.75	6,430	2,238	1.00	1.20	1.00
2000	186,022	109.36	8.3	91.50	7,970	2,939	1.63	1.30	0.92
2001	**196,726**	**118.48**	–	**96.50**	**11,650**	**6,434**	**3.82**	**1.45****	**0.85**

* Excluding a special dividend of 1.15p per share.
** Excluding a special dividend of 1.70p per share.

Portfolio performance from launch on 15 December 1993 to 31 December 2001



Performance is on a mid-to-mid basis, in sterling terms. Index is available on a capital basis only.
Sources: Merrill Lynch Investment Managers, Datastream.

Chairman's Statement

2001 was a successful year for the Company. It was one of only a handful of investment trusts to report a positive return over the year despite the very turbulent world equity markets. By the end of the year the Company's net asset value per share ("NAV") had increased by 11.1%, compared with an 8.2% rise in its benchmark index and a 14.6% fall in world equities, as measured by the MSCI World Equity Index (with net income reinvested).

Performance to 31 December 2001
(with net income reinvested)

	Twelve months	Three years	Five years
Net asset value per share	11.1%	106.9%	30.5%
– share capital changes (buy backs)	0.5%	–	–
– underlying investment performance	10.6%	–	–
Ordinary share price	6.9%	83.2%	22.2%
HSBC Global Mining Index*	8.2%	64.0%	3.5%
MSCI World Equity Index	–14.6%	3.1%	52.7%

* Capital only, adjusted for exchange rates relative to sterling.
Performance based on mid-market values with net income reinvested on ex-dividend date.
Sources: Merrill Lynch Investment Managers, Datastream.

Earnings per share have increased this year to 3.82p per share. This compares with 1.63p in 2000, and is mainly due to the exceptionally high level of dividend income received from the platinum companies in the portfolio. To reflect this the Board has declared a special dividend of 1.70p per share and is recommending a final dividend of 1.45p per share, both payable on 23 April 2002.

We have continued to buy back shares throughout the year, purchasing 4.1 million shares for cancellation over the period. As illustrated in the table above, this has enhanced the underlying value of the remaining shares slightly, although regrettably it does not seem to have had any sustained effect on the discount at which the shares trade to their underlying NAV.

Shareholders have the opportunity to vote on the continuation of the Company at each Annual General Meeting. Given the success of this year's activity and the fact that your Company represents one of the few ways in which investors can gain exposure to a diversified mining portfolio, we hope that you will again vote in favour of this proposal.

As I mentioned in my interim statement, Colin Buchan and Gordon Sage were appointed to the Board in July 2001. Colin Buchan had been Global Head of Equities at UBS Warburg until his retirement at the end of March 2001. Gordon Sage was a director of Rio Tinto until his retirement early in 2001, and had been chief executive of the Industrial Minerals Division. We look forward to benefiting from the broad wealth of mining and investment experience that they bring to the Board.

Peter Wilmot-Sitwell
6 February 2002

Investment Manager's Report

Portfolio performance

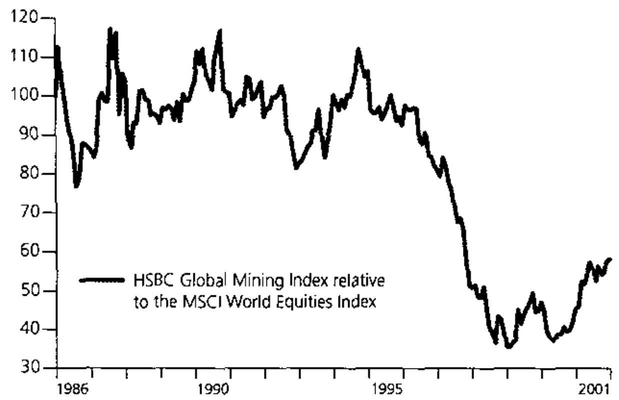
As set out in the Chairman's statement, 2001 proved to be a satisfactory year for mining equities and the Company's net asset value per share ("NAV") and the share price (with net income reinvested) rose by 11.1% and 6.9% respectively. In "capital only" terms the NAV rose by 9.9% and the share price by 5.5%. This compares with the HSBC Global Mining Index (in sterling terms) which rose by 8.2%.

During the year, the NAV touched 141p, the highest level since the inception of the Company. At 118.5p, the NAV is also the highest year end figure in the Company's history.

Base metals and mining share overview

The strength of mining equities in absolute terms and relative to the broad equity markets in 2001 was particularly impressive in the light of the weakening global economy. Mining is a cyclical sector and would normally respond badly to recessionary conditions. The fact that it did not suggests that the Federal Reserve's ("Fed") eleven interest rate cuts in 2001 convinced investors of the likelihood of a short recession. Alternatively, it could be argued that in generally nervous markets, the sector's "value" character outweighed its cyclical character. Investors appear to have found the good dividend yields, low price/earnings ratios and high level of hard asset backing attractive in 2001's tough equity market environment.

Relative performance of global mining shares compared with world equities



Performance since 1.1.1986 rebased to 100.
Source: Datastream.

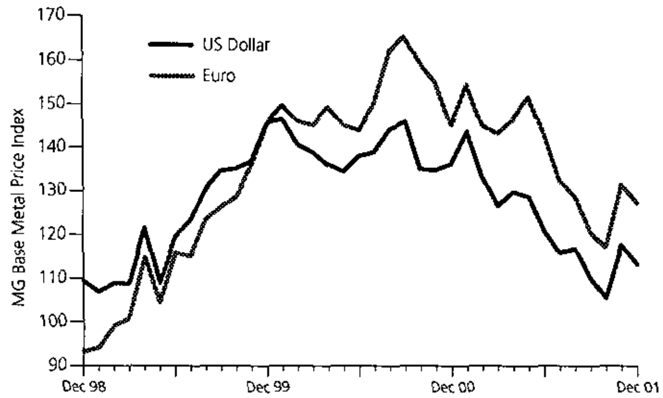
Moves in LME warehouse inventory

Metal (metric tonnes)	Dec 2000	Dec 2001	% change
Aluminium	320,950	819,175	155.2
Copper	357,225	798,675	123.6
Lead	130,125	97,050	-25.4
Nickel	9,984	18,966	90.0
Tin	12,885	27,485	113.3
Zinc	194,925	433,375	122.3
Total stocks	1,026,094	2,194,726	113.9

Source: Datastream.

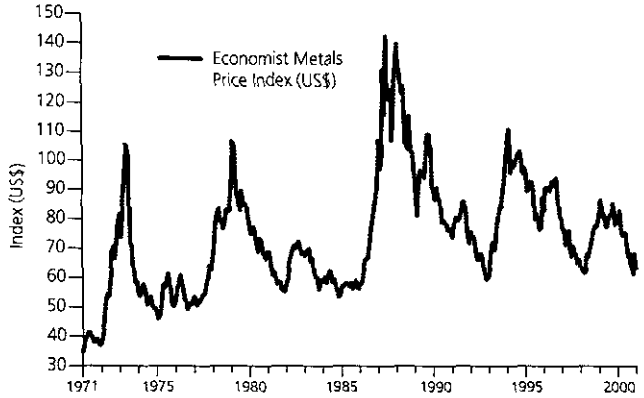
That does not mean, however, that the sector was free from problems. Over the summer months it became very clear that, despite rate cuts, the slowing global economy had pushed metals markets into surplus. Inventories therefore began to grow in London Metal Exchange ("LME") warehouses, bringing downwards pressure to bear on metals prices which steadily declined and by November had reached their lowest levels since February 1987. In real terms these prices were the lowest on record.

Movement in base metal prices since 1 January 1999



Source: Datastream.

Metal price cycles



Performance since 1.1.1972.
Source: Economist.

With prices so depressed there was inevitably a decline in mining companies' share prices over the summer. Thus, when the September 11 attacks on the US occurred, investors were already nervous and the resulting stock market weakness took share prices to their lowest for the year. Swift action by the Fed and the European Central Bank in making further aggressive rate cuts helped to restore some confidence in the economic outlook and the fourth quarter saw a powerful rally in mining equities; from its low point on 26 September to the end of the year the portfolio's NAV rose by over 20%.

The effects of the slowing global economy were most severely felt in the copper and zinc mining industries, where producers had to endure prices not seen since 1987. Urgent action was clearly necessary and in the second half of the year we saw an apparently co-ordinated round of capacity closure announcements from most of the leading copper producers. This has taken about 700,000 tonnes out of the market, equivalent to 5% of global mine capacity, and possibly enough to bring the copper market back into supply/demand balance. The production cuts, coupled with the after-effects from the collapse of Enron – one of the world's largest metal traders – provoked a "short covering" rally and copper finished the year down only 19.5%; still a low level but probably past the worst. Our strategy with copper shares has been to avoid those who are operating in the US, where they have had to contend with a strong dollar as well as a weak copper price. As a result, we completely cut the holding in Phelps Dodge early in the year, instead building up the holding in Chilean producer Antofagasta and South African company Palabora Mining. Total copper exposure in the portfolio stands at around 5%. This includes a position in copper metal futures equivalent to around 1.3% of the portfolio.

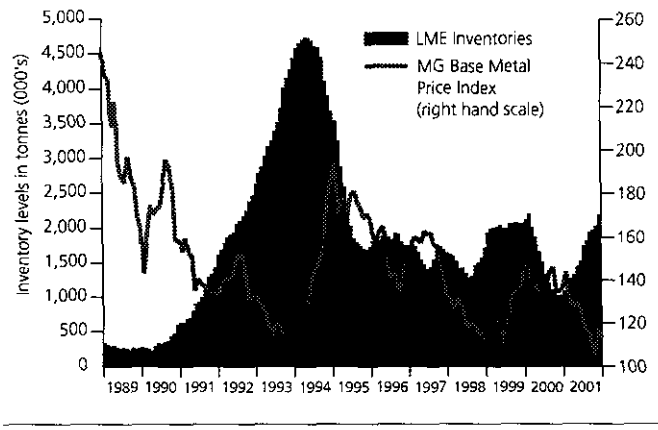
Metal prices

US cents/lb	Dec 2000	Dec 2001	% change
Aluminium	71	61	–14.1
Copper	82	66	–19.5
Lead	21	23	9.5
Nickel	326	257	–21.2
Tin	232	177	–23.7
Zinc	46	35	–23.9
US$/oz			
Gold	273	277	1.4
Silver	4.58	4.52	–1.3
Palladium	954	440	–53.9
Platinum	619	480	–22.5

Source: Datastream.

Zinc arguably had an even tougher year than copper and severe damage was done to the industry by low prices. Capacity closures totalled 320,000 tonnes, representing 3.5% of global mine supply. The biggest casualty was the Australian mining company Pasminco, the world's second largest producer of zinc with operations globally, which was put into administration. Its failure shocked the mining industry. At the end of 2000, Pasminco represented 1.8% of the Company's portfolio and although we sold the holding prior to the administration order

Relationship between base metal prices and LME inventories



Source: Datastream.

Investment Manager's Report continued

taking effect, we nonetheless suffered the worst loss on a single investment since the Company's inception.

Our largest zinc investment – the Canadian company Cominco – came through the weak zinc market relatively unscathed thanks to being able to sell surplus hydro-electric power to the US grid at a high price (in the aftermath of the US energy crisis). In April, Cominco's parent company Teck Corporation made a merger offer for Cominco which we accepted. We have subsequently reduced our exposure to Teck Cominco to around 3.4%.

Aluminium fared rather better. Although the fundamentals for aluminium were every bit as poor as for copper and zinc, the effects were muted by the fact that the market had already seen a major cutback in capacity during 2000, related to the high power prices then prevailing in the US and Brazil. Around two million tonnes of capacity is currently shuttered, equivalent to around 8.5% of global capacity. Nonetheless, inventories still rose and the aluminium price ended the year down by some 14.1%. As was the case with copper, our portfolio strategy has been to minimise US exposure (due to the strength of the dollar) and emphasise exposure elsewhere – for example, Pechiney (France) and Alcan (Canada). Towards the end of the year we subscribed for the IPO of Aluminium Corporation of China – our first foray into this part of the world. In aggregate the Company's exposure to aluminium finished the year at about 16% of the portfolio – an increase from 9% a year earlier. This figure includes a significant futures position in the metal itself, equivalent to around 2.7% of the portfolio.

Nickel also had a tough year, with the price falling 21.2% as demand for stainless steel weakened. Our major holdings in this area are Falconbridge and Inco, which together comprise 2.9% of the portfolio. This represents a small increase from last year as it is our view that one or both of these companies could be subject to a bid and thus take part in the ongoing consolidation of the mining industry.

Gold

Gold equities did well in 2001 and were amongst the stars of the global equity market. Gold started the year rather weakly but then benefited from the aggressive Fed easing which eventually led to the eleven interest rate cuts. Low interest rates help gold because they discourage "hedging" and "shorting" of metal, while at the same time reducing the opportunity cost for holders/investors in gold. The result was that gold was one of the best performing commodities, finishing 2001 at a higher level than it started – the first year that this has happened since 1995.

Movement in average metal prices

Base metals (US cents/lb)	1996	1997	1998	1999	2000	2001	% change 2000/ 2001
Aluminium	68	73	62	62	70	65	–7.1
Copper	104	103	75	71	82	72	–12.2
Lead	35	28	24	23	21	22	4.8
Nickel	340	313	210	273	392	270	–31.1
Tin	280	256	251	245	247	203	–17.8
Zinc	46	60	47	49	51	40	–21.6
Precious metals (US$/oz)							
Gold	388	331	294	279	279	271	–2.9
Silver	5.2	4.9	5.5	5.2	4.9	4.4	–10.2
Palladium	128	177	285	359	681	604	–11.3
Platinum	398	395	372	377	544	530	–2.6

Source: Datastream.

Gold was also supported by its "safe haven" status which came to the fore in the aftermath of the September 11 terrorist attacks. Heightened uncertainty prompted investors to flock into defensive areas such as gold shares, and although investors' worst fears have to some extent now been allayed, they have not gone away and the market remains vulnerable to extraneous shocks.

Currency movements also helped the gold portfolio. The continuing weakness of the Australian dollar, coupled with weakness in the Canadian dollar and extreme weakness in the South African Rand, have all helped to boost profit margins. Valuations in South Africa and Australia are now as attractive as we have seen them for some time – a factor which has stimulated a fair amount of consolidation.

The best performing gold shares in the Company's portfolio during the year were Harmony and Goldfields. Both of these companies are "unhedged" and thus benefit fully from the rising gold price (in Rands). Buenaventura also performed well on the back of continuing strong results and resolution of the political hiatus in Peru. In addition, we added two new names to the portfolio during the year – Lihir Gold and Newmont Mining. Both of these companies are likely to play a role in the ongoing consolidation of the gold sector.

Investment Manager's Report continued

The good performance of the sector, coupled with the new names and a 10,000 ounce holding in physical gold (which we purchased in the Bank of England's November auction), takes the Company's aggregate exposure to gold up to around 25%. This compares with only 16% a year ago. Given the likelihood of continuing turbulence in world financial markets in 2002, the gold market may become increasingly attractive to institutional investors, thereby justifying our relatively aggressive "overweight" stance towards the sector (benchmark weight 15%).

Platinum

Platinum and palladium prices finally came off the boil in 2001, finishing the year down by 22.5% and 53.9% respectively. Nonetheless, our holding in platinum equities fared reasonably well, paying record dividends out of record earnings. Although in dollar terms the platinum price is down, in Rand terms the picture remains bright and we expect to see more good earnings and dividends in 2002.

We took some profits in the platinum sector during the year and at the end of 2001 the Company's exposure stood at 15% (6% in the benchmark), as compared to 18% a year earlier. Despite the profit taking, Impala Platinum remains the largest stock in the portfolio, at just over 8% of NAV, and Anglo Platinum is the sixth largest, at 5%.

Although our platinum stocks together comprise only around one seventh of the portfolio, they accounted for well over one third of the overall dividend revenue received by the Company in 2001. This strong income flow has influenced the Board's decision to pay a special dividend in addition to the final dividend in 2001.

Diversified mining companies and industrial minerals

The biggest mining companies, such as Rio Tinto, Anglo American ("Anglo") and BHP Billiton, fared well in 2001 and proved beyond doubt the benefits of diversification in a falling commodity price environment. The earnings of these companies have been impressively resilient and investors are now enjoying the fruits of past consolidation and cost cutting programmes.

The consolidation and cost cutting are not, however, complete and the large capitalisation diversified mining companies were involved in numerous corporate transactions during the year – both successful and unsuccessful. The two major corporate transactions of the year were BHP's merger with Billiton and Anglo American's "consortium" bid for De Beers. Both of these deals added value to the Company's portfolio. The combination of BHP and Billiton creates a new global giant in the sector which, uniquely, combines oil and gas with metals and minerals. We believe that the market is underestimating the benefits of this combination and we have, therefore, lifted the Company's exposure to over 8% – making BHP Billiton the second largest holding in the portfolio. This compares with an aggregate holding in the two companies of 5.4% prior to the merger.

Anglo's bid for De Beers also unlocked value as it came at a satisfactory premium to the existing price and it also quashed a "holding company" discount suffered by both Anglo and De Beers shares. Perhaps most importantly for the longer term, it eliminated conflicts of interest between Anglo and De Beers. Ahead of the bid, De Beers was our third largest holding, at 5.6% of the portfolio. We believe that the benefits of the "new" Anglo structure were quickly reflected in the stock price and that the bulk of the re-rating has occurred. As a result, we decided to reduce our holding in Anglo, which currently stands at 1.1% of the portfolio, and have opted instead to hold direct investments in Anglo Platinum and Anglo Gold.

Bulk commodities provided a good deal of stability for the big diversified mining companies in what was otherwise a depressed year for mineral prices. Steel minerals, iron ore and coking coal both held up remarkably well, supported by China's seemingly unquenchable thirst for metals. In the US, even though spot power prices collapsed, we still anticipate better contract prices for the coal companies in the long term. Over the year we built up the holdings in two of the leading US coal companies (Peabody Energy and Consol Energy) to an aggregate portion of about 5% of the portfolio. The long-term outlook for US coal companies appears sound – in the aftermath of the war on terrorism it would appear that the US is increasingly determined to reduce its reliance on imported fuels. Coal may well have a greater role to play than hitherto suspected.

After all the corporate action of 2000, iron ore companies enjoyed a quiet year, making money. CVRD proved to be a particularly good dividend payer in 2001 and provided about 12% of all the revenue in the portfolio – an impressive level for a holding that represents under 5% of the portfolio. In the second half of the year we began to build a small position in the junior Australian producer Portman Mining – a new holding for the portfolio.

Investment Manager's Report continued

Corporate battles

One of the recurring themes in recent reports to shareholders has been the scale and extent of consolidation in the mining sector. 2001 saw a continuation of the trend and a number of instances have been mentioned earlier in this report. The driving force behind consolidation has been the poor historical return on new investment. Most executives in the industry now recognise that it is often more cost effective to grow the business through M&A activity than through adding new capacity. Perhaps the most interesting corporate battle of 2002 could be for Western Mining Corporation ("WMC") which towards the end of 2001 announced that it was rejecting a bid from Alcoa at A$10.20 (in comparison to the current price of A$9.49) and instead is breaking itself into two separate quoted companies – one holding the aluminium interests and one the remainder of WMC's assets. WMC believes that this will unlock more value. We agree with WMC, and the Company has built a significant position in WMC stock (just under 4% of the portfolio) so we are more than disinterested bystanders in the forthcoming battle.

Gearing

The strength in the sector in the early part of the year seemed overdone to us and in May we took advantage of the buoyancy to repay the Company's gearing. For much of the second half of the year we remained effectively ungeared.

Outlook

The production cuts of 2001 are going to filter through in early 2002 and hopefully these will bring metal markets back into balance. A recovery in metals demand in the second half of 2002 could then help lift prices later in the year. Against this background of industry discipline and improving demand there is less chance of a repeat of the 2001 metal price weakness. Under this scenario, mining industry earnings should trough in the first half of 2002 and improve somewhat towards the end of the year. In the meantime we expect the undemanding valuations in the sector (low P/E multiples and high dividends) to be a supportive factor in what might well be another difficult year for equities generally.

Uncertainty is likely to remain at high levels. While this will probably prevent mining share prices from moving ahead of the fundamentals, it is favourably impacting the level of gold equities in the portfolio which, as at the end of January 2002, had risen to 29% of NAV.

As we rightly argued last year, the Company's portfolio was well positioned to achieve a respectable performance in comparison with the broad equity markets, and we believe that this also remains the case for 2002.

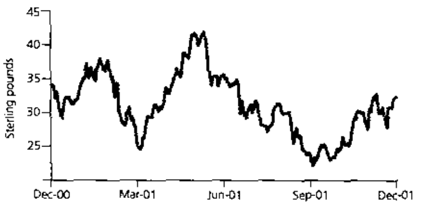
Merrill Lynch Investment Managers Limited
6 February 2002

Ten Largest Investments

31 December 2001

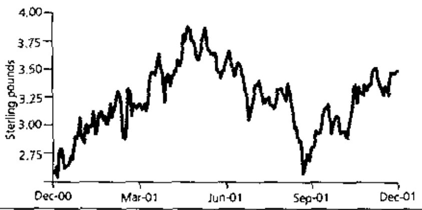
Set out below is a brief description by the Investment Manager of the Company's ten largest investments.

Impala Platinum
Share price performance*



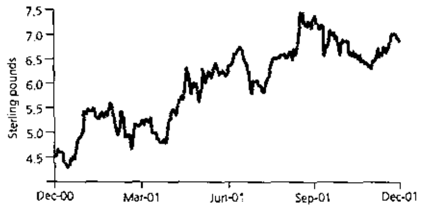
Impala Platinum (8.6%) is the world's second largest primary producer of platinum group metals, with operations in the Bushveld Complex in South Africa. Impala holds a 27% interest in Lonplats, the platinum division of Lonmin and owns a strategic stake in Aquarius Platinum. Impala generated exceptionally strong earnings and dividends during 2001.

BHP Billiton
Share price performance*



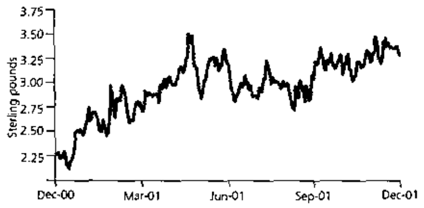
BHP Billiton (8.4%) is one of the world's largest diversified resources companies and was formed when BHP Ltd, the Australian resources company, merged with Billiton plc. The company is an important player in a number of commodity businesses, including aluminium, iron ore, copper, energy (thermal) coal and metallurgical coal. With operations in South Africa, Australia and South America, the company also has substantial interests in oil, gas and liquefied natural gas.

Minas Buenaventura
Share price performance*



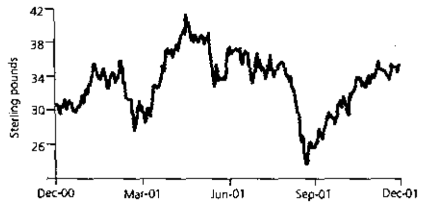
Minas Buenaventura (7.3%) is South America's largest precious metals producer. The company's principal asset is an interest in the world-class Yanacocha gold mine in Peru, which it jointly owns with Newmont Mining. Yanacocha is, we believe, the world's most profitable gold mine. In addition to its gold mining interests, Buenaventura is a producer of silver and has excellent exploration acreage in Peru.

Gold Fields
Share price performance*



Gold Fields (6.8%) is one of the world's largest unhedged gold mining companies with mines in South Africa and Ghana. During the year, the company purchased WMC's gold assets situated in Western Australia. The deal marked the company's first significant step outside of Africa and provided some operational and geographic diversity. As a result, Gold Fields' annual production will rise to around 4.5 million ounces.

Pechiney
Share price performance*



Pechiney (6.4%) is the world's fourth largest producer of primary aluminium. The company is also a world leader in the production of various packaging materials for the food, health and beauty industries. In addition, Pechiney is a producer of ferroalloys and is active in international commodities trading activities.

*Sterling adjusted – year to 31 December 2001.

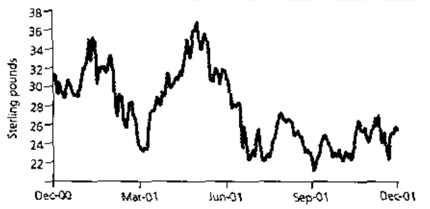
Investment	Date holding first acquired	Book cost £'000	Income since investment £'000	Market value at 31 Dec 2001 £'000	% of investments
Impala Platinum	Sep 1994	7,092	5,261	16,761	8.6
BHP Billiton	Oct 1997	12,601	1,534*	16,309	8.4
Minas Buenaventura	May 1994	5,056	4,084*	14,286	7.3
Gold Fields	Feb 1998	10,869	792	13,208	6.8
Pechiney	Jan 1996	10,531	425	12,481	6.4

* Includes stock dividends.

Ten Largest Investments continued

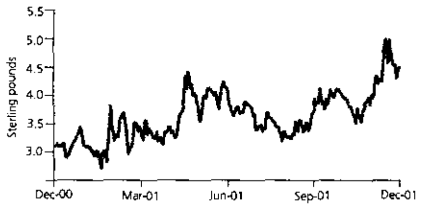
31 December 2001

Anglo Platinum
Share price performance*



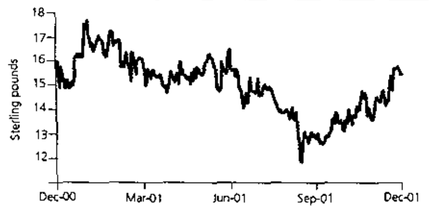
Anglo Platinum (5.1%) is the largest platinum producer in the world. Its operations, which include mining, smelting and refining, are centred on the Bushveld Complex in South Africa. The group is controlled by Anglo American, which owns approximately 54% of the company. 2001 saw the company earn record profits and pay record dividends.

Harmony Gold Mining
Share price performance*



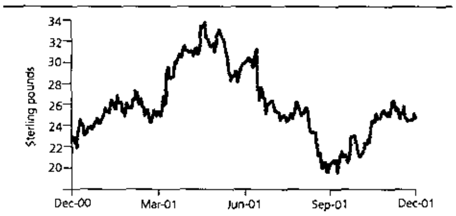
Harmony Gold Mining (4.6%) is one of the fastest growing gold mining companies in the world. Based in South Africa, Harmony has grown through acquiring mature assets from other larger groups. Harmony then added value by cost cutting and tough management. The company has also made tentative steps towards international diversification and owns small operations in Australia and Canada. Harmony is benefiting greatly from the recent weaker tone to the Rand.

CVRD
Share price performance*



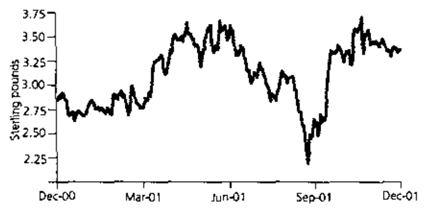
CVRD (4.5%) is the world's largest producer of iron ore. Based in Brazil, the company also has significant interests in aluminium, alumina, gold, pulp & paper, kaolin, manganese, ferro-alloys and other natural resources. In addition to its mining interests, CVRD owns and operates railroads, maritime terminals and a shipping company.

Alcan
Share price performance*



Alcan (4.5%) is the world's second largest primary aluminium producer. Based in Canada, Alcan's key advantage is its access to low cost hydroelectric power which is an important input in the aluminium smelting process. Alcan is also expanding globally with emphasis on Europe.

WMC
Share price performance*



Western Mining Corporation (WMC) (3.9%) is one of Australia's leading mining groups, producing nickel, alumina, copper, gold and phosphates. WMC is currently "in play" and recently rejected a bid from Alcoa, its partner in the alumina business. In 2002 WMC intends to "unlock value" by splitting itself into two businesses and distributing shares.

*Sterling adjusted – year to 31 December 2001.

Investment	Date holding first acquired	Book cost £'000	Income since investment £'000	Market value at 31 Dec 2001 £'000	% of investments
Anglo Platinum	Sep 1997	4,287	1,784	9,867	5.1
Harmony Gold Mining	Dec 1993	8,178	770	8,909	4.6
CVRD	Jan 1998	6,604	2,146	8,814	4.5
Alcan	Dec 1993	6,941	1,373	8,633	4.5
WMC	Jan 1995	7,264	642	7,554	3.9

Investments

31 December 2001

	Main geographic exposure	Market value £'000	% of investments
Diversified			
BHP Billiton	Global	16,309	8.4
CVRD	Latin America	8,814	4.5
Western Mining Corporation	Australia	7,554	3.9
Teck Cominco	Canada	6,575	3.4
Rio Tinto	Global	4,985	2.6
MIM	Australia	3,423	1.8
Anglo American	South Africa	2,210	1.1
Outokumpu	Europe	2,036	1.0
Others (2 companies, both less than 1%)		666	0.4
		52,572	27.1
Gold			
Minas Buenaventura, 'B' shares	Latin America	14,286	7.3
Gold Fields	South Africa	13,208	6.8
Harmony Gold Mining	South Africa	8,909	4.6
Newmont Mining	USA	3,695	1.9
Anglo Gold	South Africa	3,088	1.6
Western Areas	South Africa	2,679	1.4
Gold Bullion	Bullion	1,902	1.0
Others (3 companies, all less than 1%)		2,648	1.4
		50,415	26.0
Platinum			
Impala Platinum	South Africa	16,761	8.6
Anglo Platinum	South Africa	9,867	5.1
Aquarius Platinum	Australia	2,859	1.5
		29,487	15.2
Aluminium			
Pechiney	Europe	12,481	6.4
Alcan	Canada	8,633	4.5
Alcoa	USA	3,664	1.9
Aluminium Corporation of China	China	2,403	1.2
		27,181	14.0
Coal			
Peabody Energy	USA	5,603	2.9
Consol Energy	USA	4,948	2.5
		10,551	5.4

Investments continued

31 December 2001

	Main geographic exposure	Market value £'000	% of investments
Copper			
Antofagasta	Latin America	3,004	1.5
Palabora Mining	South Africa	2,769	1.4
Norddeutsche Affinerie	Europe	1,734	0.9
		7,507	3.8
Nickel			
Falconbridge	Canada	3,720	1.9
Inco	Canada	2,002	1.0
Bindura Nickel	Zimbabwe	–	–
		5,722	2.9
Silver & Diamonds			
Industrias Penoles	Latin America	2,128	1.1
Aber Diamond	Canada	1,995	1.0
		4,123	2.1
Other			
Iluka Resources	Australia	3,112	1.6
Minsur	Latin America	3,068	1.6
Others (3 companies, all less than 1%)		578	0.3
		6,758	3.5
Portfolio		194,316	100.0

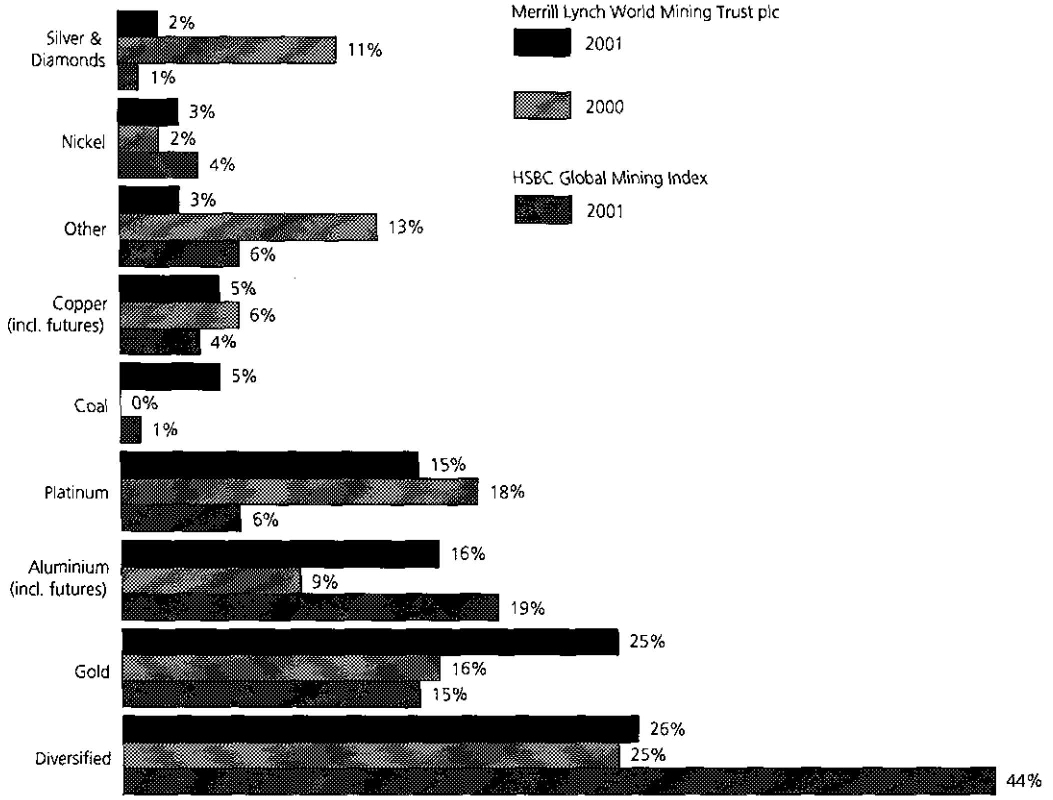
All investments are in ordinary shares unless otherwise stated.

The total number of investments held at 31 December 2001 was 42 (2000: 43)

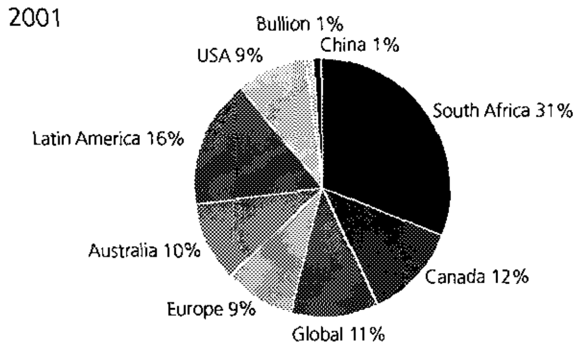
Portfolio Analysis

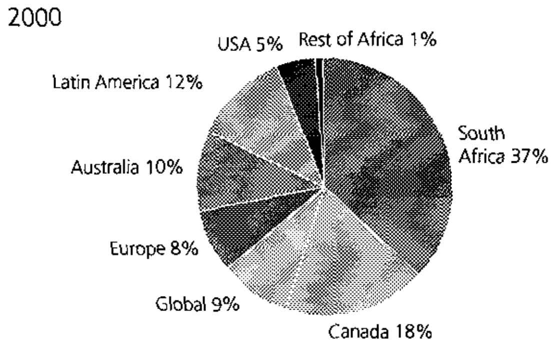
31 December 2001

Commodity exposure*



Geographic exposure*





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

Directors

Peter S Wilmot-Sitwell
(Chairman)
Aged 66, has been the Chairman of the Company since its launch in December 1993. He is a non-executive director of Anglo American plc, Close Brothers Group plc, Foreign & Colonial Income Growth Investment Trust plc and a number of other companies.

Colin A M Buchan
Aged 47, was appointed to the Board in July 2001. He was Global Head of Equities at UBS Warburg before his retirement in March 2001. He is a director of Standard Life Investments.

Andrew E Buxton
Aged 66, was appointed to the Board of the Company in April 1994. He was an executive director of Rio Tinto plc until his retirement in 1992. He is a non-executive director of Henderson Far East Income Trust plc and a number of other companies.

Adam R Fleming
Aged 53, has been a director of the Company since December 1999. He is chairman of Harmony Gold Mining Company Limited.

Gordon H Sage
Aged 54, was appointed to the Board in July 2001. He was a director of Rio Tinto until his retirement early in 2001. He is a director of Railtrack Group plc.

Lionel G Stopford Sackville
Aged 69, has been a director of the Company since its launch in December 1993 and is Chairman of the Audit and Management Engagement Committee. He is currently chairman of Pantheon International Participations plc and a director of Dartmoor Investment Trust plc and of a number of other companies.

All the directors, who are independent and non-executive, are members of the Audit and Management Engagement Committee.

Directors' Report

The directors present the annual report and financial statements of the Company and its subsidiary undertakings for the year ended 31 December 2001.

Principal activity and business review
The principal activity of the Company is portfolio investment and that of its two subsidiary undertakings, Merrill Lynch Gold Limited and World Mining Investment Company Limited, is investment dealing.

A review of the business is given in the Investment Manager's Report.

Status of the Company
The Inland Revenue has approved the Company as an investment trust for the purposes of section 842 of the Income and Corporation Taxes Act 1988 for the year ended 31 December 2000. In the opinion of the Directors, the Company has subsequently conducted its affairs so as to enable it to maintain such approval. It is the Company's intention to continue to seek authorisation under section 842 of ICTA.

As a result of a change to the Companies Act 1985 in 1999 which allows a company to maintain its status as an investment company even though it redeems or purchases its own shares, the Company has now re-registered as an investment company, and it is able to take advantage of section 265 of the Companies Act 1985 (which allows an investment company to disregard losses on capital account when paying dividends out of revenue account) after 31 December 2001.

The Company is not a close company within the meaning of the provisions of ICTA 1988.

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

Continuation of the Company
As agreed by shareholders in 1998, an ordinary resolution for the continuance of the Company is proposed at each Annual General Meeting ("AGM").

Results and dividend
The revenue for the Group is set out in the consolidated revenue account on page 22. Consolidated revenue for the year, after taxation, was £6,434,000 (2000: £2,939,000).

The directors have declared a special dividend of 1.70p per share and recommend the payment of a final dividend of 1.45p per share in respect of the year ended 31 December 2001 (2000: 1.30p). Both dividends will be paid on 23 April 2002 to shareholders on the register of members at the close of business on 15 February 2002. The cost of the dividends amounts to £5,149,000.

Derivative transactions
Details of the Group's derivative transactions are given in note 16 on pages 31 to 32.

Share capital
Details of changes in the Company's share capital during the year are given in note 18 on page 32.

Directors
The directors of the Company as at 31 December 2001, all of whom (apart from Mr Buchan and Mr Sage) held office throughout the year under review, and their interests in the ordinary shares of the Company, are shown in the table below:

	31 December 2001 Ordinary Shares	1 January 2001 (or date of appointment if later) Ordinary Shares
P S Wilmot-Sitwell	45,000	45,000
C A M Buchan	–	–
A E Buxton	8,000	8,000
A R Fleming	25,000	25,000
G H Sage	–	–
L G Stopford Sackville	10,000	10,000

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

Directors' Report continued

Lord Vinson, having attained the age of 70, retired as a director on 21 March 2001 and Messrs C A M Buchan and G H Sage were appointed as directors on 25 July 2001.

In accordance with the Articles of Association, Mr P S Wilmot-Sitwell retires by rotation and Messrs C A M Buchan and G H Sage, having been appointed since the last Annual General Meeting, also retire. Being eligible, they offer themselves for re-election and election respectively. None of the directors has a service contract with the Company.

Substantial interests

The Company has been advised that the following shareholders owned 3% or more of the ordinary shares of the Company on 4 February 2002:

	Number of Ordinary Shares	% of Issued Ordinary Share Capital
Deutsche Bank AG London	17,562,010	10.74
UBS Asset Management Limited	14,738,324	9.01
Tameside Metropolitan Borough Council*	8,769,209*	5.36
Merseyside Pension Fund	8,000,000	4.89
Clients of Merrill Lynch Investment Managers	5,733,413	3.50
Reed Elsevier Ltd Pension Scheme	5,700,000	3.48
CCLA Investment Management Limited	5,500,000	3.36

* Included in UBS holding above.

No other shareholder has notified an interest of 3% or more in the Company's shares up to 4 February 2002.

Investment management and administration

Merrill Lynch Investment Managers Limited ("MLIM") is the Investment Manager of the Company under a contract terminable at six months' notice. The management fee is 0.95% per annum of gross assets.

Merrill Lynch Investment Managers Group Services Limited ("MLIMGS") is the secretary and administrator and The Bank of New York Europe Limited ("BNYE") is the custodian of the Company's assets. MLIMGS receives an annual fee of 0.05% of gross assets and BNYE receives an annual fee of 0.1% of gross assets. In both cases, the appointments are terminable at six months' notice.

Both MLIM and MLIMGS are subsidiaries of Merrill Lynch & Co., Inc.

Voting policy

The exercise of voting rights attached to the Company's portfolio has been delegated to the Investment Manager. However, the consent of the Chairman of the Board is sought prior to the Investment Manager voting against incumbent management in respect of any stock held in the portfolio.

The Investment Manager's voting policy states:

- We will vote in favour of proposals which we expect to enhance shareholder value and on routine issues where we are generally supportive of a company's management;

- We will vote against proposals which we believe may damage shareholders' rights or economic interests; in these situations we would normally have raised our concerns with management in advance;

- We will abstain on proposals which we feel unable to support but believe it would be against our clients' interests to oppose publicly; and

- In all situations the economic interests of our clients will be paramount.

Donations

The Company made no political or charitable donations during the year.

Payment of suppliers

It is the policy of the Company to settle all investment transactions in accordance with the terms and conditions of the relevant market in which it operates. Suppliers of goods and services are generally paid within 30 days of the date of any invoice. The Company has no trade creditors.

Authority to buy back shares

Under the buy back programme, excluding the share tender offer, a total of 97,845,125 ordinary shares had been purchased and cancelled up to 4 February 2002. The latest authority to purchase ordinary shares for cancellation was granted to the directors on 21 March 2001 and expires on 20 September 2002. The directors are proposing that their authority to buy back shares for cancellation is renewed at the forthcoming AGM.

Purchases of ordinary shares will only be made through the market for cash at prices below the prevailing net asset value per ordinary share. Under the Listing Rules of the Financial Services Authority the maximum price which can be paid is 5% above the average of the market values of the ordinary shares for the five business days before the purchase is made. Ordinary shares which are purchased will be cancelled. In making purchases, the Company will deal only with member firms of the London Stock Exchange. The directors are seeking authority to purchase up to 24,500,000 ordinary shares (being 14.99% of the issued share capital). This authority, unless renewed, will expire on 26 September 2003.

The Company intends to raise the cash needed to finance the purchase of ordinary shares either by selling securities in the Company's portfolio or by borrowing.

Auditors

The Company's auditor, Ernst & Young, advised that with effect from 28 June 2001 it transferred its business to a limited liability partnership incorporated under the Limited Liability Partnership Act 2000, called Ernst & Young LLP. Under section 26(5) of the Companies Act 1989, the Board has consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001.

The auditors, Ernst & Young LLP, have indicated their willingness to continue in office and resolutions proposing their reappointment and authorising the directors to determine their remuneration for the ensuing year will be submitted at the AGM.

By order of the Board
Merrill Lynch Investment Managers Group Services Limited
Secretary
6 February 2002

Corporate Governance & Directors' Responsibilities

The Company is committed to high standards of corporate governance. The Board has put in place a framework for corporate governance which it believes is suitable for an investment trust and which enables the Company to comply with the Principles of Good Governance and Code of Best Practice ("the Combined Code") prepared by the Committee on Corporate Governance, published in June 1998.

The Board considers that the Company has complied with the provisions contained within Section 1 of the Combined Code throughout this accounting period, and this statement describes how the relevant principles of governance are applied to the Company.

The Board

The Board currently consists of six non-executive directors, all of whom are independent of the Company's Investment Manager. Their biographies, on page 15, demonstrate a breadth of investment and business experience. The structure of the Board is such that it is considered unnecessary to identify a senior non-executive director other than the Chairman. The Board is supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties. Strategic issues and all operational matters of a material nature are determined by the Board.

The directors retire by rotation at every third Annual General Meeting ("AGM") and any directors appointed to the Board since the previous AGM also retire and stand for election. Generally, any director who attains the age of 70 will retire at the next following AGM and will not seek re-election.

The Board meets at least five times a year and between these meetings there is regular contact with the Investment Manager. The directors also have access to the advice and services of the company secretary, who is responsible to the Board for ensuring that Board procedures are followed and that it complies with applicable rules and regulations. Where necessary, in the furtherance of their duties, the directors may seek independent professional advice at the expense of the Company.

The Board has responsibility for ensuring that the Company keeps proper accounting records which 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 1985. It is the Board's responsibility to present a balanced and understandable assessment which extends to interim and other price-sensitive public reports.

The Board is also responsible for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Board has delegated the following areas of responsibility:

Management and administration

The management of the investment portfolio and the administration of the Company have been delegated to the Investment Manager and its subsidiary companies. Custody and settlement services are provided by The Bank of New York Europe Limited ("BNYE"), a subsidiary of The Bank of New York.

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 voting policy are set out on page 17. The consent of the Chairman of the Board is sought prior to the Investment Manager voting against incumbent management in respect of any stock held in the portfolio. The Investment Manager reports any contentious issues at each Board meeting.

Board Committees

The Board as a whole fulfils the function of the Nomination Committee, which meets when necessary to select and propose suitable candidates for appointment.

Another committee, separately chaired, the Audit and Management Engagement Committee has been established, which consists of all the independent non-executive directors. This Committee, which has written terms of reference detailing its scope and duties, examines the effectiveness of the control systems. The Committee also receives information from the Investment Manager's corporate audit and compliance departments and regularly reviews the terms of the investment management and administration contracts. The Committee reviews the scope, results, cost effectiveness, independence and objectivity of the external auditors.

Internal controls

The Board is responsible for 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 continuously reviews the effectiveness of the internal control system.

Corporate Governance & Directors' Responsibilities continued

As part of the Board's responsibility for the internal control system, an ongoing process has been established in conjunction with the Investment Manager for identifying, evaluating and managing the Company's significant risks. Control of the risks identified, covering financial, operational, compliance and risk management, are embedded in the operations of the Investment Manager and BNYE. There is a monitoring and reporting process to review these controls, carried out by the Investment Manager's corporate audit department. The Investment Manager reports to the Company on its review of internal controls, which include checks on the custodian, formally on a semi-annual basis and verbally at each Board meeting.

The Investment Manager prepares revenue forecasts and management accounts which allow the Board to assess the Company's activities and review its performance.

The Board and the Investment Manager have agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are submitted to the Board at each meeting. The Investment Manager's evaluation procedure and financial analysis of the companies within the portfolio includes detailed research and appraisal and also takes into account environmental policies and other business issues.

The controls and procedures of the Investment Manager are monitored by its corporate audit and compliance departments, who report to the Audit Committee. The Audit Committee also receives a report from BNYE on the internal controls of its custodial operations.

The Board recognises that these control systems can only be designed to manage rather than eliminate the risk of failure to achieve business objectives, and to provide reasonable, but not absolute, assurance against material misstatement or loss, and relies on the operating controls established by the Investment Manager and BNYE.

Financial statements
The Board is also required to ensure that the financial statements give a true and fair view of the affairs of the Company as at the end of each financial year and of the profit of the Company for that period.

The Board considers that in preparing the financial statements on pages 22 to 34, the Company has used appropriate accounting policies, consistently applied (except as disclosed) and supported by reasonable and prudent judgements and estimates and that all accounting standards that it considers to be applicable have been followed.

The Board believes it is appropriate to adopt the going concern basis in preparing the financial statements, as the assets of the Company consist mainly of securities which are readily realisable.

Relations with shareholders
All ordinary shareholders have the opportunity to attend and vote at the AGM. The Notice of the AGM sets out the business of the Meeting and any item not of an entirely routine nature is explained in the directors' report. Separate resolutions are proposed for substantive issues.

In addition, the Investment Manager reviews the Company's activities at the AGM, where both the Board and representatives of the Investment Manager are available to answer shareholders' queries. Proxy voting figures are announced to the shareholders at the AGM.

The Investment Manager holds discussions with shareholders, the feedback from which is greatly valued by the Board.

There is a section within this report entitled "Shareholder Information", on pages 37 and 38, which provides an overview of useful information available to shareholders.

Membership of the Board Committees

Audit and Management Engagement Committee	Nomination Committee
Lionel Stopford Sackville (Chairman)	Peter Wilmot-Sitwell (Chairman)
Colin Buchan	Colin Buchan
Andrew Buxton	Andrew Buxton
Adam Fleming	Adam Fleming
Gordon Sage	Gordon Sage
Peter Wilmot-Sitwell	Lionel Stopford Sackville

Report of the Auditors

to the shareholders of Merrill Lynch World Mining Trust plc

We have audited the Group's financial statements for the year ended 31 December 2001, which comprise the Consolidated Revenue Account and Statement of Total Return, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Cash Flow Statement and the related notes 1 to 24. These financial statements have been prepared on the basis of the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, United Kingdom Auditing Standards and the Listing Rules of the Financial Services Authority.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law or the Listing Rules regarding directors' remuneration and transactions with the Company is not disclosed.

We review whether the statement on pages 19 to 20 reflects the Group's compliance with the seven provisions of the Combined Code specified for our review by the Listing Rules, and we report if it does not. We are not required to consider whether the Board's statement on internal controls covers all risks and controls, or form an opinion on the effectiveness of either the Company's corporate governance procedures or its risk and control procedures.

We read the other information contained in the annual report and consider whether it is consistent with the audited financial statements. This other information comprises the Directors' Report, Chairman's Statement, Investment Manager's Report and Corporate Governance Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2001 and of the revenue of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London
6 February 2002

Consolidated Revenue Account and Statement of Total Return for the year ended 31 December 2001

	Note	Revenue 2001 £'000	Revenue 2000 £'000	Capital 2001 £'000	Capital 2000 £'000	Total 2001 £'000	Total 2000 £'000
Gains/(losses) on investments	11	–	–	13,566	(18,614)	13,566	(18,614)
Unrealised losses on futures	19	–	–	(362)	–	(362)	–
Income	2	11,650	7,970	–	–	11,650	7,970
Investment management fees	3	(1,938)	(1,918)	–	–	(1,938)	(1,918)
Operating expenses	4	(494)	(504)	–	–	(494)	(504)
Net return before finance costs and taxation		9,218	5,548	13,204	(18,614)	22,422	(13,066)
Interest payable and similar charges	6	(383)	(1,550)	–	–	(383)	(1,550)
Return on ordinary activities before taxation		8,835	3,998	13,204	(18,614)	22,039	(14,616)
Taxation on ordinary activities	7	(2,401)	(1,059)	–	–	(2,401)	(1,059)
Return on ordinary activities after taxation		6,434	2,939	13,204	(18,614)	19,638	(15,675)
Dividends in respect of equity shares	8	(5,148)*	(2,198)	–	–	(5,148)	(2,198)
Transfer to/(from) reserves		1,286	741	13,204	(18,614)	14,490	(17,873)
Consolidated return per ordinary share							
– calculated on weighted average shares	9	3.82p	1.63p	7.85p	(10.33p)	11.67p	(8.70p)
– calculated on actual shares		3.87p	1.73p	7.95p	(10.94p)	11.82p	(9.21p)
Dividends per ordinary share	8	3.15p	1.30p	–	–	3.15p	1.30p

The revenue column of this statement is the profit and loss account of the Group.
All revenue and capital items in the above statement derive from continuing operations.
No operations were acquired or discontinued this year.

* Based upon the number of shares in issue on 6 February 2002.
The notes on pages 25 to 34 form part of these financial statements.

Balance Sheets

as at 31 December 2001

	Note	Group 2001 £'000	Company 2001 £'000	Group 2000 £'000	Company 2000 £'000
Fixed assets					
Investments at valuation	10	192,314	193,814	202,114	203,255
Current assets					
Investments of subsidiary undertakings	12	2,002	–	2,926	–
Debtors	13	8,659	8,670	893	365
Cash at bank	14	9,850	9,841	–	–
		20,511	18,511	3,819	365
Creditors – amounts falling due within one year					
Bank overdraft	14	–	–	15,439	13,795
Other creditors	15	15,972	15,562	4,406	3,737
		15,972	15,562	19,845	17,532
Net current assets/(liabilities)		4,539	2,949	(16,026)	(17,167)
Total assets less current liabilities		196,853	196,763	186,088	186,088
Provision for liabilities and charges	17	127	127	66	66
Net assets		196,726	196,636	186,022	186,022
Capital and reserves					
Share capital	18	8,302	8,302	8,505	8,505
Capital redemption reserve	19	22,617	22,617	22,414	22,414
Other capital reserves	19	(45,729)	(45,729)	(58,933)	(59,292)
		(14,810)	(14,810)	(28,014)	(28,373)
Special reserve	20	206,686	206,686	210,472	210,472
Revenue reserve	20	4,850	4,760	3,564	3,923
Total equity shareholders' funds	21	196,726	196,636	186,022	186,022
Net asset value per ordinary share	9	118.48p	118.42p	109.36p	109.36p

The financial statements on pages 22 to 34 were approved by the Board of Directors on 6 February 2002 and signed on its behalf by Mr Wilmot-Sitwell, Chairman.

The notes on pages 25 to 34 form part of these financial statements.

Consolidated Cash Flow Statement

for the year ended 31 December 2001

	Note	2001 £'000	2000 £'000
Net cash inflow from operating activities	4	9,520	3,790
Returns on investment and servicing of finance			
Interest paid on overdraft facility		(383)	(1,550)
Taxation (paid)/recovered		(1,002)	17
Capital expenditure and financial investment			
Purchase of fixed asset investments		(81,508)	(109,184)
Proceeds from the sale of fixed asset investments		104,914	138,111
Exchange (loss)/gain on foreign currency transactions		(269)	15
Net cash inflow for capital expenditure and financial investment		23,137	28,942
Equity dividends paid		(2,197)	(2,218)
Net cash inflow before financing		29,075	28,981
Financing			
Purchase of ordinary shares		(3,786)	(19,502)
Net cash outflow from financing		(3,786)	(19,502)
Increase in cash in the period	14	25,289	9,479

The notes on pages 25 to 34 form part of these financial statements.

Notes to the Financial Statements

1. Accounting policies

(i) Basis of preparation
The accounts have been prepared under the historical cost convention, modified to include the revaluation of investments and are in accordance with section 230 of, and schedule 4 to, the Companies Act 1985, and with applicable accounting standards and the Statement of Recommended Practice, Financial Statements of Investment Trust Companies ("SORP").

(ii) Income
Income from equity investments is included in revenue by reference to the date on which the investment is quoted ex-dividend. Where the Company elects to receive dividends in the form of additional shares rather than cash, the equivalent of the cash dividend is recognised as income in the revenue statement and any excess in value of the shares received over the amount of the cash dividend is recognised in capital reserve – realised. Interest income and expenses are accounted for on an accruals basis.

(iii) Expenditure and finance costs
Expenses and finance costs are accounted for on an accruals basis and are charged wholly to the revenue statement.

(iv) Profits and losses in subsidiary undertakings
Profits and losses arising from investment dealing are dealt with in the revenue statement.

(v) Foreign currency translation
All transactions in foreign currencies are translated into sterling at the rates of exchange ruling on the dates of such transactions. Foreign currency assets and liabilities at the balance sheet date are translated into sterling at the exchange rates ruling at that date. Exchange differences arising on the revaluation of investments held as fixed assets are included in capital reserve – unrealised. Exchange differences arising on the translation of foreign currency assets and liabilities are taken to capital reserve – realised; such differences in the subsidiary undertakings are taken to the revenue statement.

(vi) Taxation
Deferred taxation is provided using the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

(vii) Investments
Listed investments are valued at closing middle market prices on recognised stock exchanges ruling on the balance sheet date. The subsidiary undertakings are carried at the lower of cost or net realisable value. Unlisted investments are valued by the directors taking account of cost, latest dealing price, professional valuations and other available accounting information as appropriate.

1. Accounting policies continued

(viii) Capital reserve – realised

The following are accounted for in this reserve:
- gains and losses on the realisation of investments;
- realised exchange differences of a capital nature;
- expenses, together with the related taxation effect, charged to this reserve in accordance with the above policies; and
- realised exchange differences or valuation changes on transactions undertaken to hedge an exposure of a capital nature.

(ix) Capital reserve – unrealised

The following are accounted for in this reserve:
- increases and decreases in the valuation of investments held at the year end;
- unrealised exchange differences of a capital nature; and
- unrealised exchange differences or valuation changes on transactions undertaken to hedge an exposure of a capital nature.

2. Income

	2001 £'000	2000 £'000
Income from investments		
Dividends:		
UK listed	752	626
Overseas listed	10,244	6,769
	10,996	7,395
Interest receivable and other income:		
Profit on investments by subsidiary undertakings	536	573
Bank interest and other income	118	2
	654	575
Total income	11,650	7,970

3. Investment management fees

	2001 £'000	2000 £'000
Investment management fees	1,850	1,848
Irrecoverable VAT thereon	88	70
	1,938	1,918

Details of the investment management and administration contracts are disclosed in the directors report on page 17. The investment management fee is levied quarterly, based on the value of the gross assets on the last day of each quarter.

4. Operating activities

	2001 £'000	2000 £'000
(a) Operating expenses		
Custody fee	195	194
Administration fee	114	114
Auditors' remuneration:		
– audit services	17	17
– non-audit services	14	17
Registrars' fee	22	21
Directors' emoluments	56	62
Other administrative costs	76	79
	494	504
The Company's total expense ratio ("TER") calculated as a percentage of average net assets and using expenses, excluding interest costs, after relief for taxation was:	0.85%	0.92%

	2001 £'000	2000 £'000
(b) Reconciliation of net return before finance costs and taxation to net cash flow from operating activities		
Net return before finance costs and taxation	9,218	5,548
Net sales/(purchases) of investments by subsidiary undertakings	1,605	(299)
Increase in debtors	(159)	(110)
Decrease in creditors	(142)	(67)
Tax on investment income included within gross income	(466)	(709)
Profit on investments by subsidiary undertakings	(536)	(573)
Net cash flow from operating activities	9,520	3,790

5. Directors' emoluments

The aggregate emoluments of the directors, excluding VAT, where applicable, for the year to 31 December 2001 were £56,000 (2000: £62,000). The emoluments of the Chairman, who was also the highest paid director, were £15,000 (2000: £15,000).

The Company does not have a share option scheme or any incentive scheme. No pension contributions were made in respect of the directors. There were no employees other than the directors.

6. Interest payable and similar charges

	2001 £'000	2000 £'000
Interest on overdrafts repayable within one year	383	1,550

Notes to the Financial Statements continued

7. Taxation

	2001 £'000	2000 £'000
UK corporation tax at 30% (2000: 30%)	2,375	996
Double tax relief	(352)	(290)
	2,023	706
Overseas tax	352	290
Avoir Fiscal	(30)	(47)
Deferred taxation (see note 17)	61	37
Prior year adjustments – corporation tax	(5)	73
	2,401	1,059

8. Dividends

	2001 £'000	2000 £'000
Dividends on equity shares:		
Proposed final ordinary dividend of 1.45p (2000: 1.30p)	2,370	2,198
Declared special dividend of 1.70p (2000: nil)	2,779	–
Prior year adjustment due to share buyback	(1)	–
Total dividend for the year of 3.15p (2000: 1.30p) per share	5,148	2,198

9. Consolidated return and net asset value per ordinary share

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

	2001	2000
Net revenue attributable to shareholders after taxation	£6,434,000	£2,939,000
Net capital gains and losses	£13,204,000	(£18,614,000)
Equity shareholders' funds	£196,726,000	£186,022,000
Weighted average number of shares in issue during the year	168,244,008	180,199,129
Actual number of shares in issue at the year end	166,045,461	170,099,852

	2001			2000		
	Revenue p	Capital p	Total p	Revenue p	Capital p	Total p
Group earnings per share:						
Basic	3.82	7.85	11.67	1.63	(10.33)	(8.70)
Actual (based on number of shares in issue at year end)	3.87	7.95	11.82	1.73	(10.94)	(9.21)
Group net asset value per share:						
Basic			118.48			109.36

The net asset value per share of 118.48p (2000: 109.36p) was calculated by dividing equity shareholders' funds of £196,726,000 (2000: £186,022,000) by the number of ordinary shares in issue at the year end.

10. Investments at valuation

	Group 2001 £'000	Company 2001 £'000	Group 2000 £'000	Company 2000 £'000
UK listed	18,519	18,519	20,564	20,564
Overseas listed	173,100	173,100	181,550	181,550
Unlisted at directors' valuation	695	2,195	–	1,141
	192,314	193,814	202,114	203,255
Opening valuation of equity investments	202,114	203,255	249,412	250,251
Opening unrealised depreciation/(appreciation)	9,797	10,156	(33,098)	(32,437)
Opening cost of investments	211,911	213,411	216,314	217,814
Additions, at cost	81,272	81,272	109,434	109,434
Disposals, at cost	(105,177)	(105,177)	(113,837)	(113,837)
Closing cost of investments	188,006	189,506	211,911	213,411
Closing unrealised appreciation/(depreciation)	4,308	4,308	(9,797)	(10,156)
Closing valuation of equity investments	192,314	193,814	202,114	203,255

11. Gains and losses on investments

	Note	Group 2001 £'000	Company 2001 £'000	Group 2000 £'000	Company 2000 £'000
Realised (losses)/gains on sales		(539)	(539)	24,281	24,281
Change in unrealised depreciation/(appreciation)	19	14,105	14,464	(42,895)	(42,593)
		13,566	13,925	(18,614)	(18,312)

12. Investments of subsidiary undertakings

	2001 £'000	2000 £'000
Overseas listed	100	2,926
Gold bullion	1,902	–
	2,002	2,926

13. Debtors

	Group 2001 £'000	Company 2001 £'000	Group 2000 £'000	Company 2000 £'000
Sales for future settlement	–	–	7	7
Taxation recoverable	113	124	102	102
Derivative instruments	8,125	8,125	522	–
Prepayments and accrued income	421	421	262	256
	8,659	8,670	893	365

14. Movement in net funds

	2001 £'000	2000 £'000
(a) Reconciliation of net cash flow to movements in net debt		
Net funds at 1 January	(15,439)	(24,918)
Increase in cash in the period	25,289	9,479
At 31 December	9,850	(15,439)

	At 1 January 2001 £'000	Cash Flows £'000	At 31 December 2001 £'000
(b) Analysis of changes in net funds			
Cash at bank	–	9,850	9,850
Overdrafts	(15,439)	15,439	–
	(15,439)	25,289	9,850

15. Creditors – amounts falling due within one year

	Group 2001 £'000	Company 2001 £'000	Group 2000 £'000	Company 2000 £'000
Purchases for future settlement	14	14	250	250
Derivative instruments	8,716	8,487	532	–
Taxation payable	1,298	1,117	489	352
Accrued expenditure	795	795	937	937
Declared special and proposed final dividends	5,149	5,149	2,198	2,198
	15,972	15,562	4,406	3,737

16. Derivatives and other financial instruments

Background

The Group's financial instruments, other than derivative contracts, comprise securities and other investments, cash balances and debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement and debtors for accrued income.

The Group has little exposure to credit and cash flow risk. Unquoted investments in the portfolio are subject to liquidity risk. This risk is taken into account by the directors when arriving at their valuation of these holdings.

The principal risks the Group faces in its portfolio management activities are:

- market price risk, i.e. movements in the value of investment holdings caused by factors other than interest rate or currency movements;
- foreign currency risk; and
- interest rate risk.

The Investment Manager's policies for managing these risks are summarised below and have been applied throughout the year.

Policy

(i) Market price risk

By the very nature of its activities, the Group's investments are exposed to market price fluctuations. Further information on the investment portfolio and investment policy is set out in the Investment Manager's report.

(ii) Foreign currency risk

A substantial proportion of the Group's portfolio is invested in overseas securities and their sterling value can be significantly affected by movements in foreign exchange rates. The Group does not normally hedge against foreign currency movements affecting the value of the investment portfolio, but takes account of this risk when making investment decisions.

(iii) Interest rate risk

The Group is able to take advantage of a floating rate overdraft facility. At the year end this facility was not used, although it had been during the year.

(iv) Use of derivative contracts

The Group has entered into a variety of different derivative contracts during the year. Guidelines agreed with the Investment Manager limit any exposure to options, futures and contracts for differences to a maximum of 10% of the Group's gross assets.

16. Derivatives and other financial instruments continued

Financial assets and liabilities

Financial assets are included in the balance sheet at market values, which represent fair values. The currency denomination of the Group's investment portfolio, debtors and creditors, is set out below:

	2001			2000		
	Floating rate £'000	Non-interest bearing £'000	Total £'000	Floating rate £'000	Non-interest bearing £'000	Total £'000
South African Rand	–	59,641	59,641	–	71,539	71,539
Sterling	4,378	15,032	19,410	(11,756)	17,052	5,296
US Dollar	4,943	19,220	24,163	(3,575)	11,175	7,600
Canadian Dollars	–	22,970	22,970	–	37,047	37,047
Australian Dollars	528	21,217	21,745	–	23,482	23,482
Currencies linked to the Euro	–	16,648	16,648	–	12,830	12,830
Other Currencies	1	32,275	32,276	(108)	28,402	28,294
	9,850	187,003	196,853	(15,439)	201,527	186,088

Derivative contracts

During the year option contracts have been written in respect of the Group's holdings, of which four remained open at the year end. In addition, the Group has entered into a number of physical metals futures contracts during the year, of which four remained open at the year end.

17. Provision for liabilities and charges

	Group and Company 2001 £'000	Group and Company 2000 £'000
Deferred taxation in respect of timing differences		
At 1 January	66	29
Transfer during the year	61	37
At 31 December	127	66

There is no material amount of unprovided deferred tax.

18. Share capital

	Nominal 2001 No. '000	Company 2001 £'000
Authorised:		
Ordinary shares of 5p each	750,000	37,500
Ordinary shares of 5p each, issued and allotted, called up and fully paid:		
At 1 January	170,099	8,505
Shares purchased and cancelled during the year	(4,054)	(203)
At 31 December	166,045	8,302

During the year, 4,054,391 shares were purchased and cancelled. The cost of the purchase of these shares was charged to the special reserve (note 20). Since the year end, a further 2,600,000 ordinary shares have been purchased and cancelled up to 4 February 2002.

Notes to the Financial Statements continued

19. Non distributable reserves
– Company

	Capital Redemption Reserve Fund £'000	Capital Reserve – Realised £'000	Capital Reserve – Unrealised £'000
At 1 January 2001	22,414	(49,136)	(10,156)
Shares purchased and cancelled during the year	203	–	–
Losses on foreign currency transactions	–	(269)	–
Change in unrealised depreciation on futures	–	–	(362)
Losses on realisation of investments during the year	–	(270)	–
Change in unrealised depreciation	–	–	14,464
At 31 December 2001	22,617	(49,675)	3,946

– Group

	Capital Redemption Reserve Fund £'000	Capital Reserve – Realised £'000	Capital Reserve – Unrealised £'000
At 1 January 2001	22,414	(49,136)	(9,797)
Shares purchased and cancelled during the year	203	–	–
Losses on foreign currency transactions	–	(269)	–
Change in unrealised depreciation on futures	–	–	(362)
Losses on realisation of investments during the year	–	(270)	–
Change in unrealised depreciation	–	–	14,105
At 31 December 2001	22,617	(49,675)	3,946

20. Distributable reserves

	Group £'000	Company £'000
Special reserve		
At 1 January 2001	210,472	210,472
Shares purchased and cancelled through the year	(3,786)	(3,786)
At 31 December 2001	206,686	206,686
Revenue reserve		
At 1 January 2001	3,564	3,923
Surplus for the year	1,286	837
At 31 December 2001	4,850	4,760

The net revenue before distributions dealt with in the accounts of the parent company was £5,985,000 (2000: £2,637,000). As permitted under section 230 of the Companies Act 1985, the revenue statement of the parent company is not presented as part of these financial statements.

21. Reconciliation of movements in equity shareholders' funds

	Distributable £'000	Non distributable £'000	Total £'000
At 1 January 2001	214,036	(28,014)	186,022
Net gains on investments and futures for the year	–	13,204	13,204
Purchase of ordinary shares	(3,786)	–	(3,786)
Revenue profits available for distribution	6,434	–	6,434
Dividends proposed	(5,148)	–	(5,148)
At 31 December 2001	211,536	(14,810)	196,726

22. Investment in subsidiary undertakings

At 31 December 2001, the Company had two wholly-owned subsidiary undertakings, both of which are registered and operating in England and Wales.

	Description of shares	Issued ordinary share capital 2001	2000	Principal activity
Merrill Lynch Gold Limited	Ordinary shares of £1 each	£2	£2	Investment dealing
World Mining Investment Company Limited	Ordinary shares of £1 each	£100	£100	Investment dealing

The Company's investment in its subsidiary undertakings was valued by the directors at £1,500,000 (2000: £1,141,000).

23. Contingent liabilities

There were no contingent liabilities at 31 December 2001 (2000: nil).

24. Related Party Disclosures

The Company has appointed Merrill Lynch Investment Managers Limited ("MLIM") to provide investment management services and Merrill Lynch Investment Managers Group Services Limited ("MLIMGS") to provide company secretarial and administrative services. The fee arrangements between the Company, MLIM and MLIMGS are set out in the Directors' Report on page 17. The total fee paid by the Company to MLIM and MLIMGS for the year to 31 December 2001 for the above services was £1,947,000 excluding VAT, of which £468,000 was outstanding at the year end.

Analysis of Ordinary Shareholders

31 December 2001

By type of holder

	No. of Shares	% of Total 2001	% of Total 2000	No. of Holders	% of Total 2001	% of Total 2000
Direct private investors	8,860,422	5.3	6.2	3,182	82.8	84.8
Nominee companies	144,755,242	87.2	88.5	468	12.2	11.4
Others	12,429,797	7.5	5.3	193	5.0	3.8
	166,045,461	100.0	100.0	3,843	100.0	100.0

By size of holding

	No. of Shares	% of Total 2001	% of Total 2000	No. of Holders	% of Total 2001	% of Total 2000
1–10,000	8,601,525	5.2	5.5	3,419	88.9	89.5
10,001–100,000	8,158,465	4.9	5.3	280	7.3	6.9
100,001–1,000,000	40,270,470	24.2	23.5	110	2.9	2.8
1,000,001–5,000,000	57,407,723	34.6	29.1	27	0.7	0.6
Over 5,000,000	51,607,278	31.1	36.6	7	0.2	0.2
	166,045,461	100.0	100.0	3,843	100.0	100.0

Base Costs

15 December 1993

The base cost for UK taxpayers who invested in the Company on its launch on 15 December 1993 (capitals gains tax prices on the first day of dealing) is as follows:

Ordinary shares (per share)	92.11p
Warrants (per warrant)	39.47p

These figures have not been approved by the Inland Revenue and are subject to its agreement with investors on a case-by-case basis. The warrants, which had a base cost of 39.47p, expired on 30 April 1998, at which date the price of the Company's shares quoted on the London Stock Exchange was significantly below the exercise price of 100p. Warrant holders may have an allowable capital loss in respect of their holding of warrants and are recommended to consult their professional advisers.

Management & Administration

Registered Office
(Registered in England, No. 2868209)
33 King William Street
London EC4R 9AS

Investment Manager
Merrill Lynch Investment Managers Limited
33 King William Street
London EC4R 9AS
Regulated by The FSA

Secretary and Administrator
Merrill Lynch Investment Managers Group Services Limited
33 King William Street
London EC4R 9AS
Telephone No: 020 7743 3000

Registrars
Computershare Investor Services PLC
PO Box 435, Owen House
8 Bankhead Crossway North
Edinburgh EH11 4BR
Regulated by The FSA
Telephone No: 0870 702 0131

Savings Plan and ISA Administrator
The Merrill Lynch Investment Trusts Administrator
c/o The Bank of New York Europe Limited
33 King William Street
London EC4R 9AS
Telephone No: 0800 445522

Stockbrokers
Cazenove & Co. Ltd
12 Tokenhouse Yard
London EC2R 7AN

UBS Warburg
1 Finsbury Avenue
London EC2M 2PP

Solicitors
Simmons & Simmons
21 Wilson Street
London EC2M 2TX

Custodian and Banker
The Bank of New York Europe Limited
One Canada Square
London E14 5AL

Auditors
Ernst & Young LLP
Rolls House
7 Rolls Buildings
Fetter Lane
London EC4A 1NH

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
Preliminary results and final dividend for year announced. Annual report and financial statements published.

March
Annual General Meeting.

April
Dividend paid.

August
Interim figures announced and interim report published.

Dividend – 2001
The proposed final dividend in respect of the year ended 31 December 2001 is 1.45p per share.

The Board has declared a special dividend of 1.70p per share payable on the same date as the final dividend.

Ex-dividend date (shares transferred without the dividends)	13 February 2002
Record date (last date for registering transfers to receive the dividends)	15 February 2002
Dividend payment date	23 April 2002

Payment of dividends
Cash dividends will be sent by cheque to the first-named shareholder at his/her registered address, together with a tax voucher. Dividends may be paid direct into a shareholder's bank account via BACS (Bankers' Automated Clearing Service). This may be arranged by contacting the Company's registrars, Computershare Investor Services PLC, on 0870 702 0131. Tax vouchers will be sent to shareholders at their registered address, unless other instructions have been given, to arrive on the payment date.

Dividend reinvestment scheme
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 on 0870 702 0131. Shareholders who have already opted for dividend reinvestment do not need to re-apply.

Share price
The Company's mid-market ordinary share price is quoted daily in The Daily Telegraph, The Times and the Financial Times. The price appears under the section "Investment Trusts". The share price is also available on the Merrill Lynch Investment Managers website at www.mlim.co.uk/its

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.

Uncertificated Securities Regulations 1995 – CREST
The Company's shares have joined 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.

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

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

- to provide the nominee company with multiple copies of shareholder communications, so long as an indication of quantities has been provided in advance;
- to allow investors holding shares through a nominee company to attend general meetings, provided the correct authority from the nominee company is available;
- that investors in the Merrill Lynch Investment Trusts Savings Plan are automatically sent shareholder communications, including details of general meetings, together with a form of direction to facilitate voting and to seek authority to attend; and
- that investors through the Merrill Lynch Investment Trusts ISA or PEP are able to receive the annual and interim reports, including details of annual general meetings, by request.

Publication of net asset value/portfolio analysis
The net asset value ("NAV") per share of the Company is calculated daily, with details of the sector analysis of the Company's investments and the ten largest holdings usually being published monthly.

The daily NAV per share and monthly information are released through the Company Announcements Office of the London Stock Exchange and are available on the MLIM website at www.mlim.co.uk/its and through the Reuters News Service under the code "MLIMINDEX", on page 8800 on Topic 3 (ICV) and under "MLIM" on Bloomberg (monthly information only).

Internet
Other details about the Company are also available on the MLIM website at www.mlim.co.uk/its and shareholders can check details of their holdings on Computershare's website at www.computershare.com

Savings Plan
The Company participates in the Merrill Lynch Investment Trusts Savings Plan, which facilitates both regular monthly investments and occasional lump sum investments in the Company's ordinary shares. Shareholders who would like a brochure giving details of the Savings Plan should call MLIM free on 0800 445522.

Individual Savings Accounts ("ISA")
ISAs are a tax-efficient method of investment, introduced by the Government. The Company is a qualifying investment for the purposes of investment in the stocks and shares component of either a mini or maxi ISA. Investors may invest up to £7,000 in the stocks and shares component of a maxi ISA, or up to £3,000 in the stocks and shares component of a mini ISA.

The Company's shares are eligible investments within the stocks and shares component of the Merrill Lynch Investment Trusts ISA, which is a maxi ISA, details of which are available from MLIM by calling free on 0800 445522.

Personal Equity Plan ("PEP")
PEPs have been superseded by ISAs as the tax-efficient method of investment, but all PEP investments already in force by 5 April 1999 retained their tax-free status in line with ISAs. You may transfer any existing PEPs with other fund managers to MLIM for investment in the Company's ordinary shares without affecting any of the tax benefits you currently enjoy.

For more information on PEP transfers, or your existing Merrill Lynch Investment Trusts PEP, call free on 0800 445522.

Shareholder enquiries
The Company's registrars are Computershare Investor Services PLC. In the event of queries regarding your holding of shares, please contact the registrar on 0870 702 0131. Changes of name or address must be notified in writing to the registrars at:

Computershare Investor Services PLC
PO Box 435, Owen House
8 Bankhead Crossway North
Edinburgh EH11 4BR

Certain details relating to your holding can also be checked through the Computershare website. As a security check, specific information needs to be input accurately to gain access to an individual's account. This includes your folio number, available from either your share certificate or tax voucher. The address of the Computershare website is www.computershare.com

General enquiries or Savings Plan, ISA or PEP enquiries
Enquiries about the Company, or the Savings Plan, ISA or PEP should be directed to:

The Secretary
Merrill Lynch World Mining Trust plc
33 King William Street
London EC4R 9AS
Telephone No: 0800 445522.

Notice of Annual General Meeting

Notice is hereby given that the eighth Annual General Meeting of Merrill Lynch World Mining Trust plc will be held at 33 King William Street, London EC4R 9AS on Wednesday, 27 March 2002 at 2.30 p.m. to transact the following business:

Ordinary business

1. To receive the report of the directors and the financial statements for the year ended 31 December 2001, together with the report of the auditors thereon.

2. To declare a final dividend of 1.45p per ordinary share.

3. To re-elect Mr P S Wilmot-Sitwell as a director.

4. To elect Mr C A M Buchan as a director.

5. To elect Mr G H Sage as a director.

6. To reappoint Ernst & Young LLP as auditors to the Company.

7. To authorise the directors to determine the auditors' remuneration.

Special business – Ordinary Resolution

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

Special business – Special Resolution

9. That, in substitution for the Company's existing authority to make market purchases of ordinary shares of 5p in the Company ("ordinary shares"), the Company be and it is hereby authorised in accordance with section 166 of the Companies Act 1985 (the "Act") to make market purchases (within the meaning of section 163 of the Act) of ordinary shares provided that:

(i) the maximum number of ordinary shares hereby authorised to be purchased is 24,500,000;

(ii) the minimum price which may be paid for an ordinary share shall be 5p;

(iii) the maximum price which may be paid for an ordinary share shall be the lower of 5% above the average of the market values of the ordinary shares for the five business days immediately preceding the date of the purchase and the net asset value per ordinary share on the date of the purchase; and

(iv) unless renewed, the authority hereby conferred shall expire on 26 September 2003 save that the Company may, prior to such expiry, enter into a contract to purchase ordinary shares which will or may be completed or executed wholly or partly after such expiry.

By order of the Board
Merrill Lynch Investment Managers Group Services Limited
Secretary
6 February 2002

Registered Office:
33 King William Street
London EC4R 9AS

Notes:

1. A member entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. Proxy forms must reach the office of the Company's registrars in Bristol by 2.30 p.m. on 25 March 2002. A form of proxy is provided to shareholders with the annual report. Completion and return of the form of proxy will not prevent a member from attending the meeting and voting in person.
3. To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the number of votes they may cast), members must be entered on the Company's register of members at 2.30 p.m. on 25 March 2002 ("the specified time"). If the meeting is adjourned to a time not more than 48 hours after the time applicable to the original meeting, the specified time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. If, however, the meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company's register of members at the time which is 48 hours before the time fixed for the adjourned meeting or, if the Company gives notice of the adjourned meeting, at any other time specified in that notice.
4. No service contracts exist between the Company and any of the directors, who hold office in accordance with letters of appointment and the Articles of Association.

Glossary

Net asset value per share ("NAV")
This is the value of Merrill Lynch World Mining Trust plc's assets attributable to one ordinary share. It is calculated by dividing shareholders' funds by the total number of shares in issue. For example, as at 31 December 2001 shareholders' funds were £196,726,000 and there were 166,045,461 ordinary shares in issue; the NAV was therefore 118.48p per share.

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

Discount
Investment trust shares can frequently trade at a discount. This occurs when the share price is less than the NAV and investors may therefore buy shares at less than the value attributable to them by reference to the underlying assets. The discount is the difference between the share price and the NAV, expressed as a percentage of the NAV. For example, if the share price were 80p and the NAV 100p, the discount would be 20%.

Premium
A premium occurs when the share price is more than the NAV and investors therefore would be paying more than the value attributable to the shares by reference to the underlying assets. For example, if the share price were 120p and the NAV were 110p, the premium would be 9.1%.

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