BLACKROCK WORLD MINING TRUST PLC

Company Number 2868209

ANNUAL REPORT 31 DECEMBER 2009

BlackRock World Mining Trust plc

The Company's objective is to maximise total 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.

aic
The Association of Investment Companies

A MEMBER OF THE ASSOCIATION OF INVESTMENT COMPANIES

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

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Performance Record

Performance record

Year ended 31 December	Ordinary Shares in issue 000	Net Assets attributable to Ordinary Shareholders £ 000	Undiluted Net Asset Value per Ordinary Share p	Diluted Net Asset Value per Ordinary Share p	Gearing %	Ordinary Share Price p	Revenue available for Ordinary Shareholders £ 000	Earnings per Ordinary Share p	Dividends per Ordinary Share p
1994	425,790	446 816	104 94	104 12	–	93 50	3,642	0 86	0 77
1995	426,041	452 762	106 27	105 23	0 1	93 00	5,637	1 32	1 00
1996	426 053	424 774	99 70	n/a	–	86 50	5 082	1 19	1 15
1997	426,067	318,494	74 75	n/a	–	59 50	3 894	0 91	0 85
1998	377,986	230 284	60 92	–	–	55 75	5 619	1 43	2 35
1999	190,949	223,397	116 99	–	11 2	100 75	2,238	1 00	1 20
2000	177 099	186,022	109 36	–	8 3	91 50	2 939	1 63	1 30
2001	166,045	196 726	118 48	–	–	96 50	6 434	3 82	3 15
2002	162,800	243,350	149 48	–	–	131 75	4,110	2 52	2 10
2003	162 800	389,244	239 09	–	8 8	217 00	2 816	1 73	1 70
2004*	162,800	398,129	244 55	240 29	6 0	218 00	4,899	3 01	2 50
2005	168 299	668,202	397 03	–	0 7	351 50	5,642	3 39	2 80
2006	168 299	868,545	516 07	503 23	0 9	444 00	14,782	8 78	4 50
2007	172,143**	1,268,120	804 13	752 28	–	655 00	13 391	8 25	5 50
2008	193,011**	590,927	331 39	331 39	0 5	252 50	9,831	5 64	5 50
2009	**193,012****	**1,176,813**	**662 02**	**662 02**	**3 6**	**550 00**	**8,714**	**4 90**	**4 75**

* Prior to 2004 financial information has been prepared under UK GAAP From 2004 all information is prepared under IFRS as set out in note 2 on page 37

** Including treasury shares

Chairman's Statement

Performance

Following the sharp deterioration in the equity valuations of mining companies from May 2008 through to the end of November 2008, and subsequent corrections, it was most encouraging to see a significant recovery in mining shares in 2009 and the Company posting exceptionally strong positive returns

In the year ended 31 December 2009 the Company s net asset value (NAV) grew by 103 0% and the share price by 122 0% (both percentages calculated in sterling terms with income reinvested) By comparison, your Company s benchmark index increased by 83 2%

Performance to 31 December 2009

	One year	Five years
Net asset value per share		
– capital only	+99 8%	+170 7%
– with income and ⅕ warrant reinvested**	+103 0%	+187 5%
Ordinary share price		
– capital only	+117 8%	+152 3%
– with income and ⅕ warrant reinvested**	+122 0%	+170 4%
HSBC Global Mining Index*		
– capital only	+79 6%	+185 5%
– with income reinvested	+83 2%	+216 2%

* Adjusted for exchange rates relative to sterling
** 1 warrant for every 5 ordinary shares
Sources BlackRock and Datastream

Earnings and dividends

The earnings per share for the year amounted to 4 90p compared to 5 64p for the previous year representing a fall of 13 1% This reflected a reduction in corporate dividend rates of mining companies during the economic slowdown The Directors are proposing a final dividend of 4 75p per share compared with 5 50p for the previous year The dividend is payable on 28 April 2010 to shareholders on the Company s register on 19 March 2010

Discount to net asset value

The Board recognises the importance to investors of ensuring that any discount of the Company s share price to its underlying NAV is actively monitored The shares currently trade at a 18 8% discount to NAV and, during the year and up to the date of this report, 556,800 shares were bought back and subsequently placed in treasury

It is very important that the Company retains the ability to repurchase shares and accordingly, a resolution to renew the authority to buy back shares will be put to shareholders at the forthcoming Annual General Meeting

VAT

As stated in my interim statement, HM Revenue & Customs (HMRC) has repaid all of the irrecoverable VAT incurred by your Company for the periods from launch to 1996 and from 2001 onwards amounting to £3 559,000 The VAT recovered has been allocated 100% to revenue in accordance with the original allocation of the management fees In addition to this principal amount, interest of £263 000 has already been received from HMRC and a final interest payment of £395,000 is due to be received shortly and has been accrued in the Company s NAV

Alternative Investment Fund Managers ("AIFM") Directive

The European Commission s AIFM Directive is a controversial measure aimed at regulating alternative investment funds which, in its current form, will adversely affect all investment trusts including your Company The Association of Investment Companies (AIC) recognises the far reaching implications of the draft AIFM Directive and is currently engaged with the European Union (EU) to seek the development of rules which would allow the business model of the listed investment company sector to continue (albeit with additional regulatory obligations) BlackRock is also making representations to the EU to seek a final form of the AIFM Directive which will regulate companies such as this one in a more proportionate, fair and effective way The Board actively supports the AIC s representations and will keep shareholders informed of any major developments concerning the AIFM Directive

Portfolio manager

Graham Birch decided to retire from BlackRock at the end of his sabbatical in early 2010 He had managed the Company s portfolio since its launch in December 1993 until March 2009 and his extensive knowledge of the mining sector was invaluable to the Company I would like to thank Graham on behalf of the Board for his contribution and long service to the Company and wish him all the best for the future

We are very pleased to announce that Evy Hambro has succeeded Graham as the Company s lead portfolio manager Evy has taken full responsibility for the management of your Company s portfolio since Graham departed on sabbatical at the beginning of April 2009 His service with the Investment Manager dates back to 1994 and he became responsible for co-managing the Company alongside Graham in 2000 The Board is delighted that Evy will be continuing to run the portfolio, ably assisted by the BlackRock Natural Resources Team with its great depth of experience and resource

Outlook

With China and the emerging markets continuing to support commodities demand we are hopeful that global growth will begin to gather some momentum in the year ahead Demand growth and supply-side constraints should underpin commodity prices over the coming years and the prospects for equity returns are encouraging Accordingly, our positive outlook on the sector remains unchanged

A W Lea
18 February 2010

Investment Manager's Report

Portfolio performance

The first half of 2009 saw a significant recovery for mining shares after the turbulence of 2008 This upward trend continued during the second half of 2009 For the year to 31 December 2009, the Company s net asset value (NAV) and share price rose by 103 0% and 122 0% respectively (both percentages calculated in sterling terms with income and warrant proceeds reinvested) In capital only terms the NAV rose by 99 8% and the share price by 117 8% These figures compare with the HSBC Global Mining Index, in sterling terms, which rose by 79 6% (capital only) and 83 2% (total return)

Mining share overview

The year end rally in 2008 was in hindsight a sign that 2009 was set to be a year of recovery for mining shares after the collapse in valuations from May through to November 2008 From the low of 2008 to the end of 2009, the Company s NAV has risen 165 4% and yet is still some 32 4% below the peak reached in May 2008 It is hard to understand that valuations for real assets such as mines could be so volatile and trade so far below replacement cost

Throughout the year, the Company followed a strategy based upon cautious optimism about the potential for commodities demand to recover Whilst confident in our long term view of strong commodity demand from emerging markets coupled with, in some cases, severe supply-side constraints, we recognised the need for caution given the continued vulnerable state of the global economy and the potential for further negative shocks

When demand collapsed in the second half of 2008, we took the view that this was more a liquidity event driven by the credit crisis rather than a fundamental change in the consumption patterns of the last few years As such we started the year fully invested in the expectation that share prices would rebound However, the Company s gearing was not utilised immediately as this would have reduced our flexibility to participate in corporate refinancings or other such attractive opportunities

During the first half of the year, metals demand rebounded from the lows seen only a few months earlier China led the way with record imports of copper, iron ore and coking coal taking advantage of the spare capacity created by the absence of developed world consumption Early into this stage some commentators feared that this demand might be artificial and driven solely by strategic reserve purchases, but this was quickly dismissed as end consumption data supported the import statistics The recovery trend continued into the second half of the year with China breaking monthly import records for both base metals and bulk commodities As the year drew to a close the earlier concerns about sustainability of demand from China had eased, market commentators began to focus on improving western world economic data and investors looked to increase their exposure to the sector How different the final quarter of 2009 was to the equivalent period only twelve months before

On the supply side the mining companies exercised considerable discipline in response to the challenging commodity price and financing conditions they were facing As demand collapsed, most mining companies delayed further investment into new capacity as well as closing existing capacity The rapid and aggressive production cuts allowed the de-stocking process to happen far quicker than most investors expected, further supporting commodity price recovery

One of the more positive outcomes of the financial crisis for the Company has been the opportunity to take part in financings of high quality companies on very attractive terms Whilst banks resumed lending money again, they did so on a reduced scale and with much more stringent terms This has meant that companies within our sector have had to find other methods of refinancing to strengthen their balance sheets The Company has been the beneficiary, the gearing facility was used to underwrite equity placements by some of our existing holdings and we built up a portfolio of resource corporate debt This is mainly comprised of convertible bonds, giving us potential equity upside a fixed percentage coupon well above the Company s cost of debt and downside protection should the global economy double dip In an environment where many companies in the sector have cancelled or cut their dividends, this has provided an alternative source of income for the Company As at the end of December 2009, the Company s aggregate corporate debt position had a running yield on the current investment value of 4 9%, this is despite the majority of positions trading at a significant premium to par as share prices have moved above conversion prices

Selected corporate refinancing activities during 2009

Company	Date	Security type	Amount raised
Rio Tinto	July 09	Equity / Corporate debt	US$12,350m / US$3 500m
Xstrata	March 09	Equity	US$5,800m
Teck Resources	May 09	Corporate debt / Equity	US$4 225m / US$1 500m
Barrick Gold	September 09	Equity	US$3,500m
BHP Billiton	April 09	Corporate debt	US$3,000m
Anglo American	April 09 / September 09	Convertible bond / Corporate debt	US$1,700m / €750m
Glencore	December 09	Convertible bond	US$2,200m
Vedanta	June 09	Convertible bond	US$1 250m

Sources Bloomberg and company reports

Our largest and most recent convertible bond position is in Glencore Finance AG, a leading, diversified natural resources group with activities in mining, smelting, refining, processing and marketing of metals and minerals, energy products and agricultural products globally It has a 35% stake in Xstrata, as well as a number of equity stakes in other commodities producers We believe the convertible has the potential to provide the Company with an attractive entry point into Glencore were it to list in the future, whilst providing the Company with a good return if it were to remain private Obtaining exposure to Glencore is also not possible other than by investing in this security as the company is owned solely by the employees This position makes up 5 1% of the Company s portfolio

In summary the mining sector has recouped some, but far from all of the losses endured during the 100 day sell off in 2008 As demand recovered, commodity prices rebounded acting as a catalyst for investor confidence This in turn reopened the banking system allowing trade to flow again Investor risk appetite has now returned and despite far from normal demand conditions the fear of mining sector bankruptcy has eased away We remain cautious given the uncertainties around the potential withdrawal of fiscal stimulus plans but are confident that even if demand for commodities is materially lower than short term expectations, the sector is sufficiently well financed to survive another demand shock

Selected commodity price changes during 2009

	Price 31 December 2009	% change over 12 months to 31 December 2009	% change average 2009 vs 2008
Gold (US$/troy oz)	1,096	27 1	11 6
Platinum (US$/troy oz)	1,461	62 7	–23 4
Nickel (US$/tonne)	18,477	70 8	–30 4
Copper (US$/tonne)	7,345	153 2	–25 7
Aluminium (US$/tonne)	2,207	51 8	–35 0
Zinc (US$/tonne)	2,569	129 4	–11 5
Lead (US$/tonne)	2,392	152 2	–17 4
Uranium (US$/lb)	44 5	–16 0	–25 4
Potash (US$/tonne)	445	–42 6	–18 5
Iron Ore – lump (US$/dmtu)	112	–44 5	–*
Coking Coal – hard (US$/tonne)	128	–57 3	–*
Thermal Coal (US$/tonne)	69	–46 9	–*

* Priced on annual benchmarks
Sources Datastream and Bloomberg

Gold and precious commodities

2009 was a year of celebration for most long term gold bulls the Company included The price broke through critical resistance around US$1,000oz setting a new high of US$1,215oz in early December In addition, the gold price was the only metal price to average higher this year than last Finally gold shares also started to perform well having lagged the gold price during the last few years

Investment demand has been key with jewellery demand still weak following the slowdown in the global economy Investors have been attracted to gold as protection against a weakening US dollar, protection against the potential future impact of governments quantitative easing policies on inflation and as a safe haven asset that offers significant diversification benefits Central Bank activity has also taken centre stage In April China announced that it had increased its gold reserves by over 400t to 1,054t, a 61% increase in its holding This was followed shortly by a new European Central Bank Gold Agreement in which the annual sales cap was reduced from 500t to 400t and is inclusive of any IMF gold sales In November, India announced that it had purchased 200t of gold from the IMF which came as a surprise to the market who had expected China to be the likely buyer of the 403t the IMF had proposed selling It is likely that 2009 will prove to have been a year of net purchasing for Central Banks globally – a huge shift in strategic direction and one that should be very supportive to the gold price

On the corporate front there was considerable news Finally, after years of pressure from shareholders the new CEO at Barrick was able to persuade the old guard to close the hedge book Barrick is the last of the major producers to remove painful hedge positions initiated over two decades earlier when the gold price was significantly lower than today Whilst hedging itself is not necessarily a bad thing the effect of rising costs and poorer than expected growth delivery by the industry has meant that even without a rising gold price the hedging experience would have been an extremely negative one for investors Other activity centred on assets changing hands between companies as they positioned themselves for the higher price environment Examples include AngloGold Ashanti which sold its share of the Boddington mine to Newmont allowing them to use the proceeds to continue unwinding their hedge book and share the purchase of Moto Gold Mines with Randgold Resources, Eldorado completed the purchase of Sino Gold, the Australian listed Chinese gold miner, and Barrick and Goldcorp are competing for the El Morro copper-gold project in Chile

As a whole, gold companies made up 12 0% of the portfolio with our largest gold holding still Buenaventura Key new positions are in IAMGOLD (1 2% of the portfolio), Newmont Mining (1 0% – both in the equity and also through a convertible bond) G Resources (0 4%) and Randgold Resources (0 2%) G Resources is a new gold company that was created when it purchased OZ Minerals Martabe gold project in Indonesia The Martabe mine is scheduled to commence production early next year and, if recent exploration success continues, we are optimistic of a significant extension to the mine s life

The platinum price outperformed gold rising 62 7% in US dollar terms but despite this our investments were a significant drag on performance during the first half of the year Around three quarters of the world s platinum is produced in South Africa and in Rand terms the platinum price only rose 29 6% due to the appreciation of the Rand against the US dollar In addition the producers were impacted by rising power costs union demands for significant wage increases and a higher level of work stoppages related to safety issues The availability of finance for new platinum projects has been hampered not only by the aforementioned factors but also by the financial crisis This has resulted in significant delays to many projects that had been expected to enter production this year and next Taking all of this into account, we think 2010 is likely to be a much better year for the platinum holdings as production remains constrained and automotive manufacturing seems to be showing tentative signs of recovery

Current platinum holdings include Impala Platinum (4 7% of the portfolio), Anglo Platinum (1 6%) Aquarius Platinum (1 1% – both the equity and the convertible) and Platmin Mining (0 2%) During the year we accepted a bid for our holding in Ridge Mining from Aquarius Platinum and used the proceeds to add to our platinum exposure

Silver investments benefited from a 57 5% increase in the silver price, in US dollar terms Fresnillo, the largest silver position at 3 1%, closed the year up a massive 244% as it not only recovered from an oversold position at the end of 2008 but also delivered on its production and profit guidance

Rough diamond prices recovered over the year but still remain depressed as demand recovery from the US the world s largest diamond market, remains subdued Our exposure to diamonds is focused on three companies Gem Diamonds (0 6%), Harry Winston Diamond (0 5%) and Lucara Diamond (0 1%) Lucara is a new position following the purchase by the company of the AK6 kimberlite in Botswana from DeBeers

Base metals

Base metals were key beneficiaries of Chinese restocking, helped along by China s State Reserve Bureau s strategic purchases of copper, zinc and aluminium in the early part of the year and thereafter end user demand For much of the year the market to and froed about whether or not Chinese demand was sustainable and whether it was the result of real end-user demand or speculation It was most likely a bit of both, but with a commodity intensive stimulus package, strong GDP growth and prices well below what they had been the year before, China took advantage of lower prices by importing record quantities of many commodities particularly copper

In the latter half of 2009 despite rising base metal inventories, prices have continued to edge higher This is generally thought to have been the result of financial players returning to the commodities space playing the global recovery story or increasing exposure to real assets as protection against possible inflation In the case of aluminium it is rumoured clever financial manoeuvring by some key participants in the aluminium market has meant some of the metal reported in exchange inventories is in fact tied up under contracts and not available to the spot market

Copper arguably has the best supply and demand fundamentals of the base metals As the core "infrastructure metal, demand from industrialising and urbanising emerging markets is strong and likely to remain so over the coming years but there is a lack of significant supply side growth These drivers are key to the large exposure to copper producers in the Company At the year end, the Company had 16 1% of the portfolio exposed to copper producers compared with 8 2% at the end of 2008 The largest position is in First Quantum Minerals (4 2% of the portfolio – both equity and convertible) which rose an incredible 377 8% over the year This company had a roller-coaster year, with the confiscation of its Kolwezi project by the government of the Democratic Republic of Congo and the acquisition of the Ravensthorpe nickel mine from BHP Billiton Whilst it is our expectation they will get Kolwezi back at some stage this move into nickel appears to be part of a strategy to diversify away from Africa which illustrates that even those companies that have been successful in growing production in sub-Saharan Africa are nervous of the risks associated with operating in those countries Another holding exposed to this part of the world is Katanga Mining The company has been through an exhaustive restructuring and we hope that with the benefit of a robust copper price the company will be able to unlock the value from their copper projects without any additional capital from investors Other key contributors to the return from copper exposure were Freeport McMoRan (+201 9%), Cerro Verde (+143 6%) and Antofagasta (+149 7%)

Aluminium was the worst performing base metal, up only 51 8% in US dollar terms In early 2009 the industry sharply cut production as the aluminium price fell well below the marginal cost of production It is estimated that around 18% of the world s production was off-line in March 2009 However, as prices rose over the second half of the year, production swiftly came back on and by November around half of the curtailed capacity had been restarted Given the potential excess supply, whether through the restarting of production or through metal released from inventories, we are relatively cautious on aluminium and had only 2 5% of the portfolio exposed to aluminium producers (4 5% at the end of 2008)

Zinc and nickel also enjoyed a recovery in 2009 with the zinc price up 129 4% and the nickel price up 70 8% in US dollar terms Both commodities look to be in surplus in the near term although zinc fundamentals do look a little more interesting on a three to five year horizon The Company s zinc exposure is now predominantly in Nyrstar (0 9%), a smelting company that was created through the merger of Umicore and Zinifex s smelting businesses in 2007 A change in corporate strategy has meant that the company is now seeking to move upstream to secure concentrate supply to their smelters At the year end, exposure to pure nickel producers has been reduced to less than 1% of the Company s assets following the sale of the holding in Eramet However the Company has considerable exposure to nickel through its holdings in diversified mining companies

Energy commodities

The uranium price has been less volatile than other commodities during and following the financial crisis This is predominantly due to the small spot market and a lower level of speculative involvement Uranium prices drifted down over the year to close down 16 0% The long term fundamentals for uranium still appear compelling, as increased demand is likely to be driven by the government-led move to diversify into clean" energies and the potential for a supply shortfall In the near term, however, strong supply growth from Kazakhstan and a weak global economy have meant the short term drivers are less clear The Company s only exposure to pure uranium companies at the end of December 2009 was UEX (0 5%)

Thermal coal prices were victim to the fall in demand caused by the significant slowdown in the global economy Contract prices were settled down 46% in the early part of 2009 However with accelerated growth from China and other emerging markets the coal market in the Pacific Basin began to tighten and spot coal prices have moved higher as a result At the time of writing, news has been released that Xstrata have settled thermal coal prices at US$85t with one Japanese customer, up 21% compared to the 2009 benchmark price This is better than market forecasts and bodes well for thermal coal producers in 2010 Over the year the Company sold its holding in Bumi Resources following concerns over the company s corporate governance Exposure to thermal coal is through large holdings in the diversified mining companies that are themselves some of the largest coal miners in the world

Diversified mining companies and industrial commodities

As the largest consumer of bulk commodities in the world, China s strong economic growth and robust steel demand had a positive influence on iron ore and coking coal prices in 2009

As benchmark prices settled down 44% for iron ore in the first half of 2009, following the slowdown in the global economy, China imported record tonnages as they took advantage of lower prices to substitute lower quality domestic supplies for higher quality Australian and Brazilian ore With a lack of demand from the western world, Chinese demand grew to well over half of the sea-borne iron ore market Spot prices closed 2009 over 80% higher than the benchmark set in May as the western world began to recover, demand from China continued at near record levels, and export tariffs were imposed on Indian iron ore This is very encouraging for 2010 benchmark settlements

Exposure to iron ore is for the most part achieved from holdings in the large diversified mining companies However, the Company has a direct investment in the emerging Australian producer Atlas Iron and prior to the year end we invested in a private iron ore development company Jumelles The company owns an iron ore exploration project in the Republic of Congo which is being joint-ventured with Xstrata via an earn-in agreement Jumelles plans to list in London later this year following the results of a pre-feasibility study

Coking coal demand from China was also strong as Chinese production of steel continued to grow, reaching a rate of 600 million tonnes per annum by the end of 2009 The demand for imported coking coal was supported further by the closure of a number of mines due to safety issues in the Shanxi province the main coking coal producing region in China The transition by China to become a large importer of coking coal means that supply deficits are highly likely in the coming years as the supply side appears to be constrained in its ability to bring on new supply This bodes well for further price recovery especially for the higher quality products out of Australia The Company s exposure to coking coal is predominantly through the diversified mining companies, particularly Teck Resources (5 1% of the portfolio) and some smaller purer play companies such as Aquila Resources (0 6%) and Coal of Africa (0 1%)

China s influence has been increasingly felt in the mining industry in 2009 Not only is it now the largest customer, but it is also the marginal buyer of assets in the sector The most well reported example was the potential deal between Rio Tinto and Chinalco from which Rio eventually walked away However, there have been a number of other smaller successful acquisitions such as the purchases by China Investment Corporation of 17 2% of Teck Resources, one of the world s largest coking coal producers and 15% in Noble Group a leading commodities trader

The major diversified miners continued to make life interesting in 2009 Rio Tinto has probably had the most "exciting" year, entering 2009 with a heavy debt burden and the real risk of default, but leaving it with a healthy balance sheet following a rights issue and the sale of some non-core assets There is also the prospect of an iron ore joint venture with BHP Billiton that has the potential to release at least US$10 billion in synergies, an agreement with the Mongolian government that makes the go-ahead of the world class Oyu Tolgoi copper deposit more likely and a new chairman Perhaps the main negative would be a rather soured relationship with the Chinese as Rio Tinto walked away from a proposed deal with Chinalco which possibly contributed to four employees being arrested in China on charges of industrial espionage

BHP Billiton had a relatively quiet year It did achieve its main aim of merging their iron assets with Rio Tinto however, given their strong balance sheet and the distress the industry was in during the first quarter of 2009, one could argue they did not take full advantage of their relative balance sheet strength The speed at which the industry recovered was clearly a surprise to management, as it was to most market commentators We watch with interest to see how the company will put its growing cash balance to work

Xstrata on the other hand has been extremely busy Following a rescue rights issue and a US$2 billion asset deal with Glencore for the Prodeco coal mine, the company then proposed a merger with Anglo American The terms of the deal were rejected as inadequate but Anglo shareholders should be thanking Xstrata for triggering change within the company Anglo now has a new chairman, they have or are seeking to divest non core assets and there seems to be an improved approach to capital reinvestment Xstrata can revisit the deal later this year and it will be interesting to see if Anglo shareholders believe management has done enough to keep the company independent

Vale was also caught up in the eye of the financial crisis not because of their balance sheet which was supported by an earlier equity placing, but by key customers not performing on iron ore supply contracts This forced Vale to redirect sales into China that would otherwise have gone into Europe and this impacted contract negotiations for 2009 Since the early part of the year, Vale seems to have settled with customers and volumes to Europe are now recovering to more normalised levels Vale was also active during the financial crisis whilst others stood on the side lines The company managed to pick up additional iron ore production in Brazil and expand into the potash business, when they purchased assets sold by Rio Tinto as part of their debt reduction plan

Outside of the major diversified mining groups, the Company held exposure to a number of mid size companies such as Vedanta and African Rainbow Minerals These companies had similar share price performances during the year as they recovered from the financial crisis but of the two only African Rainbow Minerals was able to get by without a large refinancing to keep the banks at bay

Investment Manager's Report *continued*

Derivatives activity

The Company sometimes holds positions in derivatives contracts with virtually all the activity focused on selling either puts or calls in order to increase or decrease position sizes These derivative positions, which are small in comparison with the size of the Group usually have the effect of obliging us to buy or sell stock or futures at levels we believe are attractive During 2009, we focused on writing short dated calls in order to reduce some of our larger positions The premia generated by such option writing enables us to maximise the potential exit price from a position At the end of 2009 we had no derivatives positions in the portfolio

Gearing

At 31 December, the Company had gearing amounting to £42 0 million This has been drawn down against the higher yielding mining company corporate debt portfolio Gearing, which can be drawn down or repaid at any time, is used in the portfolio to take tactical advantage of market volatility and opportunities

Outlook and strategy for 2010

After the strong recovery in both metal prices and equity valuations in 2009 it is easy to conclude that 2010 will be a less exciting year However, we would argue that the lows were more a reaction to the state of the banking sector rather than a change in the long term drivers of commodities demand In fact much of the share price recovery can be ascribed to valuations moving back to levels that reflect the true cost of replacing assets In addition with commodity prices at higher levels than most management teams expected, cash generation will be in excess of many companies requirements We expect this to result in further M&A activity as companies look to reinvest this into existing projects rather than build new capacity when demand has not fully recovered

China and other emerging markets should continue to positively support commodities demand given their higher rate of forecast economic growth In fact it would not surprise us if their governments were to take action to prevent overheating We are generally optimistic over a continued OECD recovery but the potential for negative shocks to the sustainability of this recovery is still an area of concern as this could have a significant influence on potential restocking of metals inventories by manufacturers which still remain at historical lows

At the time of writing, the Company has built up significant exposure to producers of iron ore, coking coal, thermal coal copper and platinum We expect producers of these commodities to benefit from strong pricing and hope they are able to turn this into healthy earnings momentum Gold prices remain well supported by the limited supply growth and the scope for reduced Central Bank disposals

We also have great hopes for the new investments in Glencore and Jumelles The future of these investments should become clearer during the year and we hope that shareholders recognise their potential within the Company

Evy Hambro & Catherine Raw
BlackRock Investment Management (UK) Limited
18 February 2010

Ten Largest Investments

31 December 2009

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

Vale - (formerly known as CVRD) 10 8% (2008 15 6%) is the world s largest producer of iron ore Based in Brazil the company also has significant interests in other commodities such as nickel, aluminium copper gold and coal In addition Vale owns and operates transport infrastructure The company made a "transformational" acquisition in 2006 by purchasing Inco for cash This considerably broadened the company s asset mix and made it a formidable competitor in the global mining industry More recently they have ventured into the fertiliser sector acquiring assets from Rio Tinto

Rio Tinto - 9 1% (2008 5 9%) is the world s third largest mining company The company has interests over a broad range of metals and minerals including iron ore aluminium copper coal industrial minerals gold and uranium In October 2007 Rio Tinto acquired Alcan making it the world s largest bauxite and aluminium producer but also significantly increasing its debt burden During much of 2008 the company was the subject of a bid by its major rival BHP Billiton However in November 2008 with financial markets in crisis commodity prices collapsing and onerous conditions required for EU approval of the deal BHP Billiton withdrew Rio Tinto was left severely indebted and at the start of 2009 looked unable to fulfil its debt obligations In February 2009 the company announced a deal with Chinalco the Chinese state aluminium company worth US$19 5 billion through a combination of convertible debt and the sale of stakes in core assets Shareholder outcry over the lack of pre-emption rights the departure of the company s chairman and an improvement in financial and commodity market conditions meant Rio Tinto walked away from the Chinalco deal instead raising money through a US$3 5 billion bond issue a US$15 2 billion rights issue and a 50 50 iron ore joint venture with BHP Billiton Along with non-core asset sales Rio Tinto has ended 2009 with a much healthier balance sheet

BHP Billiton - 7 3% (2008 14 0%) is the world s largest diversified natural resource company formed in 2001 from the merger of BHP and Billiton The company is an important global player in a number of commodities including iron ore copper coal manganese aluminium diamonds and uranium In addition the company is the only sizeable holding in the portfolio with significant oil and gas assets BHP Billiton approached Rio Tinto in November 2007 about a potential merger but was rebuffed It subsequently launched a hostile bid in February 2008 but withdrew this offer in November 2008 following sharp falls in commodity prices and a worsening economic climate As a result of being in an offer period for most of 2008 BHP accrued a significant amount of cash on its balance sheet leaving it in an incredibly strong position going into 2009 relative to its peers In June 2009 BHP Billiton and Rio Tinto announced that they had agreed to a 50 50 iron ore joint venture in exchange for an "equalisation" payment by BHP to Rio Tinto

Teck Resources (formerly known as Teck Cominco) - 5 1% (2008 1 6%) is a Canadian diversified miner that is a leader in the production of metallurgical coal and zinc as well as a significant producer of copper In September 2008 the company acquired Fording Coal Trust which owned a 60% non-operating interest in Teck s metallurgical coal operations The cash portion of the deal was primarily funded by a US$9 8 billion bridge and term loan facility The subsequent global financial crisis and deterioration in the global economy meant Teck Resources started 2009 unable to refinance or pay-down this relatively short term debt However through the sale of its gold and other non-core assets the renegotiation and extension of the bridge and term loan facility a bond issuance worth US$4 3 billion and a private placement of 17 2% of the company to China Investment Corporation Teck Resources has managed to strengthen its balance sheet sufficiently enough to allay market concerns

Investment made 22 December 2009 - no change in valuation

Glencore - 5 1% (2008 nil) is a leading privately owned diversified natural resources group with activities in mining smelting refining processing and marketing of metals and minerals energy products and agricultural products globally It provides financing, logistics marketing and purchasing services to producers and consumers of commodities These activities are supported by investments in industrial assets operating in Glencore s core commodity areas The company has been operating for thirty five years and is one of the world s largest privately held companies (as measured by revenues)

Ten Largest Investments *continued*

31 December 2009

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

Minas Buenaventura - 5 0% (2008 7 5%) is South America s premier precious metals company Its main asset is a 43 65% stake in the Yanacocha gold mine in Peru which it jointly owns with Newmont Mining The company also operates seven mines in Peru has a controlling interest in zinc miner Minera El Brocal and an 18 5% interest in copper miner Cerro Verde

Impala Platinum - 4 7% (2008 6 1%) is the world s second largest producer of platinum group metals with mining and refining operations in South Africa The company also owns a number of substantial assets in Zimbabwe Impala restructured in 2006 converting the Bafokeng tribe s royalty into an equity stake In April 2008 the company exited from its position in Aquarius Platinum at a significant premium to its initial investment In October 2008 Impala announced a friendly takeover bid for Northam Platinum and Mvelaphanda Resources, however following a sharp decline in platinum prices and a worsening economic climate Impala walked away

First Quantum Minerals - 4 2% (2008 1 4%) is an integrated copper producer focused on the copper-cobalt belt in Zambia and the Democratic Republic of Congo (DRC) but also with an operation in Mauritania and a polymetallic exploration project in Finland It has proved itself to be adept at doing business in challenging political and operating environments avoiding many of the pitfalls that have tripped up competitors in the central African region In 2009 the company carried out a US$345 million equity financing and issued US$500 million in convertible bonds to fund the development of its Kolwezi mine in the DRC In September 2009 the 65% complete Kolwezi mine was confiscated by the DRC government and negotiations are ongoing with the company and the government over its return In December 2009 the company acquired the Ravensthorpe nickel mine from BHP Billiton for US$340 million significantly less than BHP Billiton had spent to develop the operation

Fresnillo - 3 1% (2008 2 0%) is the world s largest primary silver producer and Mexico s second largest gold producer The company has three producing operations and a portfolio of high quality development and exploration projects Industrias Penoles one of Mexico s leading mining companies owns 77% of the company, the remainder is publicly listed on the London Stock Exchange

Freeport McMoRan - 2 9% (2008 1 9%) is one of the largest copper producers in the world It has a large portfolio of assets including the Grasberg mining complex in Indonesia the world s largest copper and gold mine In 2007 the company merged with Phelps Dodge an Americas-focused copper and molybdenum miner In February 2009 the company raised US$725 million through an equity issue thereby dispelling market fears over its ability to service and pay down debt

All percentages reflect the value of the holding as a percentage of total investments

Percentages in brackets represent the value of the holding as at 31 December 2008

Investments

31 December 2009

	Main geographical exposure	Market value £'000	% of investments
Diversified			
Vale	Brazil	132,230	10 8
Rio Tinto*	Global	110 816	9 1
BHP Billiton	Global	89,775	7 3
Teck Resources*	Canada	62 058	5 1
Glencore*#	Global	61 925	5 1
African Rainbow Minerals	South Africa	28 945	2 4
Vedanta	India	25,309	2 1
Xstrata	Global	22,420	1 8
Sterlite Industries	India	19,745	1 6
Anglo American	Global	15 081	1 2
Eurasian Natural Resources	Kazakhstan	4,575	0 4
Grafton Resources#	Global	363	0 0
		573,242	**46 9**
Copper			
First Quantum Minerals	Zambia	50,874	4 2
Freeport McMoRan	Indonesia	35,524	2 9
Soc Min Cerro Verde	Peru	24 676	2 0
Equinox Minerals	Zambia	23 864	2 0
Antofagasta	Chile	23,808	1 9
OZ Minerals	Australia	23,230	1 9
Kazakhmys	Kazakhstan	10 624	0 9
Katanga Mining	DRC	2,899	0 2
Southern Peru Copper	Peru	602	0 1
		196,101	**16 1**
Gold			
Minas Buenaventura	Peru	61,330	5 0
Newcrest Mining	Australia	32 868	2 7
IAMGOLD	Canada	14,593	1 2
Newmont Mining	USA	11,810	1 0
Lihir Gold	Australia	10 960	0 9
G Resources	Indonesia	4 574	0 4
Randgold Resources	Africa	3,047	0 2
RTZ Zimbabwe	Zimbabwe	2 874	0 2
Gold Fields	South Africa	2,652	0 2
Minera IRL	Peru	2,249	0 2
AngloGold Ashanti	South Africa	256	0 0
		147,213	**12 0**

* Includes fixed interest securities
# Investment held at Directors valuation

Investments *continued*

31 December 2009

	Main geographical exposure	Market value £ 000	% of investments
Platinum			
Impala Platinum	South Africa	57,588	4 7
Anglo Platinum	South Africa	19,880	1 6
Aquarius Platinum	South Africa	12 917	1 1
Platmin Mining	South Africa	2,160	0 2
		92,545	**7 6**
Silver & Diamonds			
Fresnillo	Mexico	37,620	3 1
Industrias Penoles	Mexico	26,562	2 2
Gem Diamonds	Lesotho	7 295	0 6
Harry Winston Diamond	Canada	5,866	0 5
Lucara Diamond	Botswana	1,683	0 1
		79,026	**6 5**
Coal			
Peabody Energy	USA	20,960	1 7
Aquila Resources	Australia	6,739	0 6
Coal & Allied Industries	Australia	6 335	0 5
Australian Energy*	Australia	2,980	0 2
Coal of Africa	South Africa	1,493	0 1
		38,507	**3 1**
Aluminium			
Alumina	Australia	15 329	1 3
Alcoa	USA	14,974	1 2
		30,303	**2 5**
Zinc			
Nyrstar	Belgium	10 777	0 9
Soc Min El Brocal	Peru	1,970	0 2
		12,747	**1 1**
Other			
Iluka Resources	Australia	17,894	1 5
Minsur	Peru	13,684	1 1
UEX	Canada	6,688	0 5
Jumelles*	Republic of Congo	5,573	0 5
Potash Corp of Saskatchewan	Canada	3,370	0 3
Atlas Iron	Australia	2,446	0 2
London Mining	Global	753	0 1
Kenmare Resources	Mozambique	660	0 0
Noventa	Mozambique	495	0 0
Bindura Nickel	Zimbabwe	487	0 0
		52,050	**4 2**
Portfolio		**1,221,734**	**100 0**

All investments shown are in ordinary shares unless otherwise stated The total number of investments at 31 December 2009 was 60 (31 December 2008 50) Refer to note 19 for analysis of fixed interest and equity investments

Directors

Anthony W Lea
(Chairman)
Aged 61 was appointed to the Board in July 2005 He is chairman of The Emerging Africa Infrastructure Fund a non-executive director of BSI Group and The Office of Fair Trading, and a trustee of the RAF Benevolent Fund He was the finance director of Anglo American plc in London from 1999 to 2005, one of the world s leading mining and natural resources companies He was also a non-executive director of AngloGold Ashanti Limited, the world s second largest gold producer, and De Beers Investments SA

Ian C S Barby
Aged 65, was appointed to the Board in December 2003 He is non-executive chairman of Ecofin Water & Power Opportunities plc and INVESCO Perpetual UK Smaller Companies Investment Trust plc and a non-executive director of Pantheon International Participations PLC, Schroder Income Growth Fund PLC and SR Europe Investment Trust plc He was managing director of Merrill Lynch Investment Managers (now BlackRock Investment Management (UK) Limited) Investment Trusts division until 2003

Oliver A G Baring
Aged 65, was appointed to the Board in November 2004. He is executive chairman of Mwana Africa PLC and non executive chairman of First Africa Group Holdings Limited as well as holding directorships in Robert Fox Limited, Tilley International plc and Ferrexpo plc, and is a council member of the Sentient Group a private equity mining fund

Colin A M Buchan
Aged 55 was appointed to the Board in July 2001 He is chairman of Standard Life Investments Limited and a non-executive director of Standard Life plc, National Westminster Bank plc The Royal Bank of Scotland plc, The Royal Bank of Scotland Group plc and The Fettes Foundation He was Global Head of Equities at UBS Warburg before his retirement in March 2001

Gordon H Sage
Aged 62, was appointed to the Board in July 2001 He is a director of Balfour Beatty plc He was an executive director of Rio Tinto plc until his retirement in 2001 and was deputy chairman of ERM Holdings Limited, an environmental consulting concern, until retiring in October 2006

All the Directors are non-executive and Independent of the Investment Manager The Board as a whole constitutes the Audit & Management Engagement Committee

Directors' Report

The Directors present the annual report and financial statements of the Company and its subsidiaries for the year ended 31 December 2009

Business Review

Principal activity and business review

The Company carries on business as an investment trust Its principal activity is portfolio investment and that of its trading subsidiary, BlackRock World Mining Investment Company Limited, is investment dealing

Status of the Company

In the opinion of the Directors the Company has conducted its affairs during the year under review, and subsequently so as to qualify as an investment trust for the purposes of section 842 of the Income and Corporation Taxes Act 1988 (ICTA) The last accounting period for which the Company has been treated as approved as an investment trust by HM Revenue & Customs (HMRC) was for the year ended 31 December 2008 It is the Company s intention to continue to seek approval under section 842 of ICTA

The Company is an investment company and can take advantage of section 832 of the Companies Act 2006 which allows an investment company to disregard losses on the capital account when paying dividends out of the revenue account

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

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

Investment policy

The Company s investment policy is to provide a diversified investment in quoted mining and metal securities worldwide, actively managed with the objective of maximising total returns Up to 10% of the gross assets of the Company and its trading subsidiary BlackRock World Mining Investment Company Limited (the Group") may be invested in physical metals No material change will be made to the investment policy without shareholder approval

It is intended that the Group will normally be fully invested, which means at least 90% will be invested in stocks, shares and physical metals However, if such investments are deemed to be overvalued, or if the Investment Manager finds it difficult to identify attractively priced opportunities for investment, then up to 25% of the portfolio may be held in cash or cash equivalents Risk is spread by investing in a number of holdings, many of which themselves are diversified companies

The Group may also occasionally utilise derivative instruments such as options, futures and contracts, 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 It is the Board s policy that the aggregate exposure to such derivatives does not exceed 10% of the gross assets of the Group Details of derivatives activity is given in the Investment Manager s Report on page 10 and in note 19 on pages 47 to 54

Although investments are principally in companies listed on recognised stock exchanges, the Company may invest up to 10% of its gross assets in unquoted securities As at 31 December 2009 the Company held three unquoted investments, Australian Energy Corporation Glencore Finance AG and Jumelles The Company is also permitted to enter into stock lending arrangements

It is the Board s current policy that the Company will not invest in any holding that would represent more than 10% of its gross assets at the time of acquisition In addition, while the Company may hold shares in other listed investment companies (including investment trusts), the Board has agreed that the Company will not invest more than 15% of its gross assets in other UK listed investment companies

The Group s accounts are maintained in sterling Although many investments are denominated and quoted in currencies other than sterling the Group does not intend to employ a hedging policy against fluctuations in exchange rates

Information regarding the Company s investment exposures is contained within the ten largest investments on pages 11 and 12, the investments listing on pages 13 and 14 and portfolio analysis on page 15 Further information regarding investment risk and activity throughout the year can be found in the Investment Manager s Report

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

The level and benefit of gearing is discussed and agreed with the Board regularly The Investment Manager generally aims to be fully invested and it is anticipated that gearing will not exceed 15% of the Group s net assets At the balance sheet date, gearing stood at 3 6% of shareholders funds For further details refer to note 14 on page 45

Performance

In the year to 31 December 2009, the Company s net asset value per share increased by 103 0% (compared with a rise in the HSBC Global Mining Index of 83 2%) and the Company s share price rose by 122 0% (all percentages calculated in sterling terms with income and warrant proceeds reinvested)

The Investment Manager's Report on pages 5 to 10 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 consolidated profit for the year was £597,135,000 (2008 loss of £766,859,000) of which £8,714,000 (2008 £9 831 000) is revenue profit The results for the Group are set out in the Consolidated Income Statement on page 33

The Directors recommend the payment of a final dividend of 4 75p per share in respect of the year ended 31 December 2009 (2008 5 50p per share) The dividend will be paid on 28 April 2010 to shareholders on the register of members at close of business on 19 March 2010 The cost of the dividend amounts to £8,444,000

Derivative transactions
Details of the Group's derivative transactions are given in the Investment Manager's Report on page 10 and in note 19 on pages 47 to 54

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 Amongst others the key performance indicators (KPIs) used to measure the progress and performance of the Company over time and which are comparable to those reported by other investment trusts are set out below

	2009	2008
Net asset value	662 02p	331 39p
Share price	550 00p	252 50p
Discount to net asset value[1]	16 9%	23 8%
Revenue earnings per share - basic	4 90p	5 64p
Total expense ratio[2]	1 4%	1 2%

1 Calculated in accordance with AIC guidelines Discount calculated on diluted NAV
2 Operating expenses (excluding interest costs and VAT written back) as a % of average daily shareholders funds

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

The Directors recognise that it is in the long term interests of shareholders that shares do not trade at a significant discount to their prevailing net asset value During the year the shares traded at a discount to NAV of between 9 4% and 24 7% ending the year at 16 9% To enable the Board to take action to deal with any overhang or shortage in the market it seeks approval from shareholders each year to buy back and issue shares

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

- Performance risk – The Board is responsible for deciding the investment strategy to fulfil the Company's objectives and monitoring the performance of the Investment Manager An inappropriate strategy may lead to underperformance against the benchmark index To manage this risk the Investment Manager provides an explanation of significant stock selection decisions and the rationale for the composition of the investment portfolio The Board monitors and mandates an adequate spread of investments, in order to minimise the risks associated with particular countries or factors specific to particular sectors, based on the diversification requirements inherent in the Company's investment policy The Board also receives and reviews regular reports showing an analysis of the Company's performance against the HSBC Global Mining Index and other similar indices, including the performance of major companies in the sector

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

- Regulatory risk – The Company operates as an investment trust in accordance with section 842 of the Income and Corporation Taxes Act 1988 As such the Company is exempt from capital gains tax on the sale of its investments The Investment Manager monitors investment movements the level and type of forecast income and expenditure and the amount of proposed dividends to ensure that the provisions of section 842 are not breached and the results are reported to the Board

- Operational risk – Like most other investment trust companies, the Company has no employees The Company therefore relies upon the services provided by third parties and is dependent on the control systems of the Investment Manager and the Company's service providers The security, for example, of the Company's assets, dealing procedures, accounting records and maintenance of regulatory and legal requirements depend on the effective operation of these systems These are regularly tested and monitored and an internal control report, which includes an assessment of risks together with procedures to mitigate such risks, is prepared by the Investment Manager and reviewed by the Audit & Management Engagement Committee twice a year The custodian, (The Bank of New York Mellon (International) Ltd (BNYM), a subsidiary of The Bank of New York Mellon) and the Investment Manager also produce annual internal control reports which are reviewed by their respective auditors and give assurance regarding the effective operation of controls

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

- Financial risks – The Company s investment activities expose it to a variety of financial risks that include market price risk, foreign currency risk, interest rate risk and liquidity and credit risk In addition, it should be noted that the location of the companies in which the Company invests and shares of companies in the mining sector can prove to be volatile and therefore present a greater degree of risk Any unquoted investments in the Company s portfolio are also subject to additional liquidity risk Further details are disclosed in note 19 on pages 47 to 54, together with a summary of the policies for managing these risks

Future prospects
The Board s main focus is to maximise total returns The future performance of the Company is much dependent upon the success of the investment strategy and, to a large degree on the performance of financial markets The outlook for the Company in the next twelve months is discussed in the Investment Manager s Report on page 10

Investment management and administration
BlackRock Investment Management (UK) Limited (BlackRock) provides management services to the Company under a contract terminable on six months notice BlackRock also acted as the Secretary and Administrator of the Company throughout the year BlackRock receives an annual management fee of 1 3% of gross assets Where the Company invests in other investment or cash funds managed by BlackRock any underlying fee is rebated

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

BlackRock is a subsidiary of BlackRock, Inc which is a publicly traded corporation on the New York Stock Exchange operating as an independent firm The principal shareholders of BlackRock, Inc are PNC Financial Services Group, Inc , Bank of America Corporation and, following the merger with Barclays Global Investors on 1 December 2009 Barclays PLC PNC Financial Services Group, Inc and Bank of America Corporation are both US public companies

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

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

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

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

Voting policy
The exercise of voting rights attached to the Company s portfolio has been delegated to the Investment Manager whose voting policy states

- we will vote at all general meetings of companies in which our clients are invested, and it is our current intention to extend this policy to all markets in which we invest as and when practicable,

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

- we will vote against proposals which we believe may damage shareholders rights or economic interests,

- we will abstain on proposals which we feel unable to support and believe would be against our client s intentions to oppose publicly,

- where we abstain or vote against we will normally inform the company in advance of our intention and of the reasons for our decision, and

Directors' Report *continued*

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

Going concern

The financial statements of the Company have been prepared on a going concern basis The Directors consider this is the appropriate basis as the continuation vote, being an annual event, is considered to be a routine item and the Company s assets consist mainly of securities which are readily realisable The Company is able to meet all of its liabilities from its assets and income generated from these assets and the ongoing expenses are 1 4% of the net assets

Directors

The Directors of the Company on 31 December 2009, all of whom 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 2009	1 January 2009
A W Lea	6,000	6,000
I C S Barby	25,000	25,000
O A G Baring	-	-
C A M Buchan	24,000	24,000
G H Sage	12,000	12,000

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

The Directors retiring by rotation are Mr Barby and Mr Buchan who offer themselves for re-election Mr Barby has extensive experience of the investment industry and Mr Buchan has considerable knowledge of the mining sector worldwide as well as wider corporate finance and commercial experience Accordingly, their re-election is recommended to shareholders

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

Directors' indemnity

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

Conflicts of interest

The Company has changed its Articles of Association to reflect the codification of certain directors duties arising from the Companies Act 2006 and in particular the duty for Directors to avoid conflicts of interest which became effective from 1 October 2008

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 notified the Company Secretary of any situations where they considered that they had a direct or indirect interest or duty that conflicted or possibly conflicted, with the interests of the Company All such situations were reviewed by the Board and duly authorised Directors were also made aware that there remains a continuing obligation to notify the Company Secretary of any new situation that may arise, or any change to a situation previously notified It is the Board s intention to continue to review all notified situations on an annual basis

Directors' Remuneration Report

The Directors Remuneration Report is set out on pages 24 and 25 An ordinary resolution to approve this report will be put to members at the forthcoming Annual General Meeting

Substantial share interests

As at 12 February 2010, the Company had received notification in accordance with the FSAs Disclosure and Transparency Rule 5 1 2 R of the following interests in 3% or more of the voting rights attaching to the Company s issued share capital

	Holding	%
Legal & General Group PLC*	7 240,553	4 1
Rensburg Sheppards Investment Management Limited	7,217 730	4 1

* 0 4% held on behalf of clients

The Board is also aware that 5 6% of the Company s ordinary share capital is held by BlackRock on behalf of discretionary and non-discretionary clients and staff, including 1 2% held through the BlackRock Investment Trusts Savings Plan and ISA

Donations

The Company made no political or charitable donations during the year

Payment of suppliers

It is the policy of the Company and its subsidiaries 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

Warrants

In March 2006, shareholders were issued with bonus warrants on the basis of one warrant for every five shares held, exercisable over a three year period 3,844,373 warrants were exercised on 28 February 2007 20,867,250 warrants were exercised on 29 February 2008 and 1,313 warrants were exercised on 27 February 2009 at a price of 439p per share 478p per share and 565p per share, respectively Accordingly, of the 33,659 228 warrants issued 24 712 936 were exercised and 8 946 292 lapsed

Share capital and share repurchases

Full details of the Company s share capital are given in note 16 on page 45 Details of the voting rights in the Company s shares as at the date of this report are given in note 17 to the Notice of Annual General Meeting on page 63 There are no restrictions on the voting rights of the shares or on the transfer of shares and there are no shares that carry specific rights with regard to the control of the Company

During the year, the Company repurchased and subsequently placed in treasury 556 800 ordinary shares of 5p each, representing 0 3% of the called-up share capital (excluding shares held in treasury) at the beginning of the year for a total consideration of £1,480 000 At 31 December 2009 the Company s issued share capital was 177 762,242 ordinary shares excluding 15 249 600 shares held in treasury The latest authority to purchase ordinary shares for cancellation or to be held in treasury was granted to the Directors on 23 April 2009 and expires on 22 October 2010 The Directors are proposing that their authority to buy back shares be renewed at the forthcoming Annual General Meeting

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 Investment Manager initiates the buy backs, the policy and parameters are set by the Board and reviewed at regular intervals The Company intends to raise the cash needed to finance the purchase of ordinary shares either by selling securities in the Company s portfolio or by short term borrowing

Treasury shares

The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations allow companies to hold shares acquired by market purchase as treasury shares, rather than having to cancel them Up to 10% of the issued shares may be held in treasury and may be subsequently cancelled or sold for cash in the market This would give the Company the ability to reissue shares quickly and cost efficiently thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base

The Board currently intends only to authorise the sale of shares from treasury at prices at or above the prevailing net asset value per share (plus costs of the relevant sale) This should result in a positive overall effect on shareholders if shares are bought back at a discount and then sold at a price at or above the net asset value per share (plus costs of the relevant sale)

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

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, including the form of proxy, at once 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

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

Resolution 8 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 9 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 £482,529 which is equivalent to 9,650,592 ordinary shares of 5p each and represents 5% of the current issued share capital including treasury shares and 5 43% of the current issued share capital excluding treasury shares The Directors will use this authority when it is in the best interests of the Company to issue shares for cash This authority will expire at the conclusion of next year s Annual General Meeting, unless renewed prior to that date at an earlier general meeting

Resolution 10 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 10 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 £482 529 which is equivalent to 9,650,592 ordinary shares of 5p each and 5% of the Company s issued ordinary share capital including treasury shares 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 2011

Resolution 11 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

Under the Listing Rules of the Financial Services Authority, the maximum price which can be paid shall be the higher of (i) 5% above the average market value of the ordinary shares for the five business days immediately preceding the date on which the purchase is made and (ii) the higher of the price quoted for (a) the last independent trade of, and (b) the highest current independent bid for any number of ordinary shares on the trading venue where the purchase is carried out 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 28 932,475 ordinary shares (being 14 99% of the issued share capital including treasury shares) This authority, unless renewed at an earlier general meeting, will expire at the conclusion of next year s Annual General Meeting

Resolution 12 Deletion of the Company's Memorandum of Association
The Companies Act 2006 Act (the Act) significantly reduces the constitutional significance of a company s memorandum Under the Act the objects clause and all other provisions which are contained in a company s memorandum are deemed to be contained in the company s articles of association by virtue of Section 28 of the Act but the company can elect to remove these provisions by special resolution

Further, the Act states that unless a company s articles provide otherwise, a company s objects are unrestricted This abolishes the need for companies to have objects clauses For this reason, the Board is proposing to remove its objects clause together with all other provisions of its memorandum which are treated as forming part of the Company s Articles of Association (the "Articles) as of 1 October 2009

Resolution 13 Changes to the Company's Articles
Regulations implementing the EU Shareholder Rights Directive (the Directive) in the UK came into force on 3 August 2009, which amend the provisions relating to resolutions and company meetings in the Act In addition, the final stage of the Act came into effect on 1 October 2009 The Board is therefore proposing to adopt new Articles to reflect these changes

The principal changes to be introduced in the new Articles are as follows

(a) Liability of members – the effect of the resolution to delete the provisions of the memorandum will be to remove the statement currently in the Company s memorandum of association regarding limited liability, the new Articles contain an express statement regarding the limited liability of shareholders

(b) Authorised share capital – the requirement for a company s articles of association to state its authorised share capital and for this to serve as a limit on the maximum amount of shares which may be issued has been removed with effect from 1 October 2009 The provision in the existing Articles relating to authorised share capital is being deleted Directors will still need to obtain the usual shareholders authorisation in order to allot shares except in respect of employee share schemes Furthermore from 1 October 2009 the Company is able to re-denominate its share capital by converting shares from a fixed nominal value in one currency to having a fixed nominal value in another currency

(c) Reduction in notice period for general meetings – the notice period for meetings at which special resolutions are considered has been reduced from 21 days to 14 days However, this has been subject to further changes which have been implemented by the Directive The notice of general meetings clause had been broadly drafted to allow for changes imposed by the Directive

(d) Change of name – under the Act, the Company may change its name by the members passing a special resolution and also by other means provided for in its articles The new Articles therefore provide for the Company to change its name by a resolution of the Directors

(e) Chairman s casting vote – pursuant to the Directive a Chairman s casting vote at general meetings is no longer effective, therefore these provisions are being removed

(f) Redeemable shares – under the Act, the articles of association need not include the terms on which redeemable shares may be redeemed The Directors may determine the terms, conditions and manner of redemption of redeemable shares provided they are authorised to do so by the articles The new Articles contain such an authorisation

(g) Closing of the register – with effect from 1 October 2009, companies are no longer able to close their register, therefore the provisions allowing closure are being removed

(h) Stock – under the Act, shares can no longer be converted to stock Whilst existing stock can be converted to shares such authority is not required in the articles Therefore, these provisions are being removed

A copy of the proposed new Articles showing all the changes to the existing Articles will be available for inspection during normal business hours at the Company s registered office from the date of posting this document up to the conclusion of the Annual General Meeting

Recommendation The Board considers that each of the resolutions is likely to promote the success of the Company and is in the best interests of the Company and its shareholders as a whole The Directors unanimously recommend that you vote in favour of the resolutions as they intend to do in respect of their own beneficial holdings

Audit information

As required by Section 418 of the Companies Act 2006 the Directors in office at the date of this report each confirm that so far as they are aware, there is no relevant audit information of which the Company 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 Company s auditors are aware of that information

Auditors

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 Annual General Meeting

By order of the Board

BlackRock Investment Management (UK) Limited
Secretary
18 February 2010
Caroline Driscoll

Directors' Remuneration Report

The Board presents the Directors Remuneration Report for the year ended 31 December 2009 which has been prepared in accordance with the requirements of Sections 420-422 of the Companies Act 2006 An ordinary resolution for the approval of this report will be put to members at the forthcoming Annual General Meeting

The law requires the Company s auditors to audit certain parts of the disclosures provided Where disclosures have been audited, they are indicated as such The auditors opinion is included in their report on pages 31 and 32

Remuneration Committee

The Board as a whole fulfils the function of the Remuneration Committee which meets when necessary to consider any change in the Directors remuneration policy The Board is of the opinion that a Remuneration Committee is not appropriate for a Company of this size and nature and a separate Committee has therefore not been established The Company has no employees other than its Directors, all of whom are non-executive and are independent of the Investment Manager

Remuneration policy

The Board s policy is that the remuneration of the Directors needs to be sufficient to attract and retain Directors with suitable knowledge and experience and should be fair and reasonable in relation to the duties and responsibilities involved It is intended that this policy will continue for the forthcoming year

The Secretary provides a comparison of the Directors remuneration with other investment trusts of similar size and/or mandate as well as taking into account any data published by the Association of Investment Companies This comparison, together with consideration of any alteration in non-executive Directors responsibilities, is used to review whether any change in remuneration is necessary

Performance

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

Remuneration/Service contracts

The maximum remuneration of the Directors is determined within the aggregate limit set out in the Company s Articles of Association which amounts to £125,000 per annum No element of the Directors remuneration is performance related The Company has not awarded any share options or long term performance incentives to any of the Directors

None of the Directors has a service contract with the Company or receives any non cash benefits or pension entitlements The terms of their appointment are detailed in a letter sent to them when they join the Board These letters are available for inspection at the registered office of the Company

Retirement of Directors

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

Directors' remuneration

The fees payable in respect of each of the Directors, who served during the year, were as follows

Director	2009 £	2008 £
Anthony Lea (Chairman)	25,000	25,000
Ian Barby	18,000	18,000
Oliver Baring	18,000	18 000
Colin Buchan*	20 000	20,000
Gordon Sage	18,000	18,000
Total	99,000	99,000

*Including £2 000 as Chairman of the Audit & Management Engagement Committee

The information in the preceding table has been audited The amounts paid by the Company to the Directors were for services as non-executive Directors and the Directors remuneration was last increased on 1 January 2008

Compensation for loss of office

No past Director has been compensated for loss of office

By order of the Board

BlackRock Investment Management (UK) Limited
Secretary
18 February 2010

Corporate Governance

Background

The Board is committed to maintaining the highest standards of corporate governance and is accountable to shareholders for the governance of the Company's affairs The Board has put in place a framework for corporate governance which it believes is appropriate for an investment trust and which will enable the Company to comply with the relevant provisions of the Combined Code on Corporate Governance (the Combined Code) issued by the Financial Reporting Council in June 2008 Additionally, as the Company is a member of the Association of Investment Companies (the AIC), the Board has taken account of the recommendations of the AIC's Code of Corporate Governance (the "AIC Code) which complements the Combined Code and provides a framework of best practice for investment trust companies

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 non-executive Thus not all of the provisions of the Combined Code are directly applicable to the Company

The Board considers that the Company has complied with the provisions contained within the Combined Code throughout this accounting period except as explained below, and this statement describes how these principles of governance are applied to the Company

The Board

The Board currently consists of five non-executive Directors, all of whom are independent of the Company's Investment Manager Their individual independence, including that of the Chairman, has been considered and this independence allows all of the Directors to sit on the Company's various committees

Mr Sage has acted as the Senior Independent Director throughout 2009 The provision of the Combined 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 Directors biographies, on page 16, demonstrate a breadth of investment, commercial and professional experience which enables them to provide effective strategic leadership and proper governance of the Company

The Directors retire by rotation at every third Annual General Meeting and any Directors appointed to the Board since the previous Annual General Meeting also retire and stand for election The Directors retiring by rotation in accordance with the Company's Articles of Association are Mr Barby and Mr Buchan The Board has considered the position of Mr Barby and Mr Buchan as part of the evaluation process and believes that it would be in the Company's best interests to propose them for re-election at the forthcoming Annual General Meeting, given their material level of contribution

Any Director who will have served on the Board for more than nine years will be subject to annual re-election The Directors support a planned and progressive renewing of the Board

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 These letters are available for inspection at the registered office of the Company and will be available at the Annual General Meeting

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

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 Company has maintained appropriate Directors Liability Insurance cover throughout the year

Board's responsibilities

The Board meets at least five times a year and between these meetings there is regular contact with the Investment Manager The Board is responsible to shareholders for the overall management of the Company It reserves to itself decisions relating to the determination of investment policy, any change in investment strategy strategic gearing policy, policy on the buy back and issue of shares, whether to hold shares in treasury, and entering into any material contracts The Board also sets investment parameters, such as the acquisition or disposal of substantial interests and the maximum amount that can be invested in unquoted investments In addition changes relating to the Group's capital structure approval of circulars to shareholders and listing particulars relevant press releases and any significant change in accounting policies or practices must also be approved by the Board A formal schedule of matters specifically reserved for decision by the Board has been defined

The 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 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

Performance evaluation

The Board formally reviews its performance on a regular basis and an appraisal system has been agreed for the evaluation of the Board, its Committees and individual Directors, including the Chairman

The annual evaluation for the year ended 31 December 2009 has been carried out This took the form of questionnaires followed by discussions to identify how the effectiveness of its activities, including its Committees, policies or processes might be enhanced The results of the evaluation process were presented to and discussed by the Board and it was agreed that the current composition of the Board 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

The Board has delegated the following areas of responsibility

Management and administration

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

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 pages 19 and 20

Committees of the Board

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

A separately chaired Audit & Management Engagement Committee has been established and is made up of the independent Directors, including the Chairman of the Company The Board considers that at least one member of the Committee has sufficient recent and relevant financial experience for it to discharge its function effectively The Chairman of the Company is a member of this Committee to enable him to be kept fully informed of any issues which may arise The terms of reference of this Committee are available on request and on the Investment Manager s website at www blackrock co uk/its under the "Literature section and will also be available at each Annual General Meeting

The Committee meets at least twice a year and, amongst other things, examines the effectiveness of the control systems The two planned meetings are held prior to the Board meetings to approve the half yearly and annual results, including the valuation of any unquoted investments The Committee does not consider that as an investment trust company it needs to hold an additional meeting although this is kept under review

During the year the principal activities of the Audit & Management Engagement Committee included

- considering and recommending to the Board for approval the contents of the half yearly and annual financial statements and reviewing the external auditors report thereon,
- reviewing the scope, results, cost effectiveness, independence and objectivity of the external auditors
- reviewing and recommending to the Board for approval 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,
- reviewing the appropriateness of the Company s accounting policies,

- ensuring the adequacy of the internal control systems and standards, and

- considering the remuneration of the Investment Manager, the Secretary and Administrator and reviewing the terms of the investment management agreement

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

The Committee considers the risks associated with audit firms withdrawing from the market and the relationship with the Company s auditors The auditors appointment is reviewed each year and the audit partners change at least once every five years There are no contractual obligations that restrict the Committee s choice of auditor

Other audit service fees of £5,500 (excluding VAT) paid to Ernst & Young LLP, relate to their review of the half yearly financial statements The Committee considers whether the skills and experience of the auditors make them a suitable supplier of the non audit service and whether there are safeguards in place to ensure that there is no threat to their objectivity and independence in the conduct of the audit resulting from the provision of such services

On an annual basis Ernst & Young LLP review the independence of their relationship with the Company and report to the Board, providing details of any other relationship with the Investment Manager The Board has concluded that Ernst & Young LLP are independent of the Company and the Investment Manager

The external auditors are invited to attend the Audit & Management Engagement Committee meeting at which the annual accounts are considered and at which they have the opportunity to meet with the Committee without representatives of the Investment Manager being present

As the Board is small it fulfils the function of the Remuneration Committee which will meet when necessary to determine the remuneration of the Directors The remuneration of the Chairman and Directors is reviewed against the fees paid to directors of other specialist investment trusts and investment trusts of a comparable size, as well as taking account of any data published by the Association of Investment Companies

Membership of the Audit & Management Engagement Committee

Colin Buchan (Chairman)
Ian Barby
Oliver Baring
Anthony Lea
Gordon Sage

Attendance record

	Board	Audit
Number of Meetings held	5	2
Number of Meetings attended		
Anthony Lea	5	2
Ian Barby	4	2
Colin Buchan	5	2
Oliver Baring	4	2
Gordon Sage	4	2

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 reviews the effectiveness of the internal control systems on an ongoing basis to identify, evaluate and manage the Company s significant risks As part of that process, there are procedures designed to capture and evaluate any failings or weaknesses Should a case be categorised by the Board as significant procedures exist to ensure that necessary action is taken to remedy the failings The Board is not aware of any significant failings or weaknesses in the year

Control of the risks identified covering financial operational compliance and risk management is embedded in the operations of the Investment Manager and BNYM There is a monitoring and reporting process to review these controls, which has been in place throughout the year under review and up to the date of this report, carried out by the Investment Manager s corporate audit department This accords with the guidance in the Turnbull Report

The Investment Manager reports to the Company on its review of internal controls formally on a semi-annual basis and verbally at each Board and Audit & Management Engagement Committee meeting The Audit & Management Engagement Committee also receives a report from BNYM on the internal controls of its custodial operations The Company does not have its own internal audit function, as all the administration is delegated to the Investment Manager This matter is kept under review

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

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

The Board and the Investment Manager have agreed clearly defined investment criteria, specified levels of authority and exposure limits Reports on these issues including performance statistics and investment valuations, are submitted to the Board at each meeting

Financial reporting

The Statement of Directors Responsibilities in respect of the Financial Statements is set out on page 30, the Report of the Independent Auditors on pages 31 and 32 and the Statement of Going Concern on page 20

Socially Responsible Investment

The Company invests in mining companies around the world The Investment Manager s evaluation procedure and financial analysis of the companies within the portfolio includes research and appraisal, and also takes into account environmental policies and other business issues The Company invests primarily on financial grounds to meet its stated objectives The Investment Manager s policies on Socially Responsible Investment and Corporate Governance in the UK are detailed on their website www blackrock co uk/its, in the Investment Trust Literature" section

Communication with shareholders

All shareholders have the opportunity to attend and vote at the Annual General Meeting The Notice of the Annual General Meeting sets out the business of the Meeting and any item not of an entirely routine nature is explained in the Directors Report on pages 21 to 23 The Notice of Annual General Meeting and related papers are sent to shareholders at least 20 working days before the Meeting Separate resolutions are proposed for substantive issues

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

The Board discusses with the Investment Manager at each Board meeting any feedback from meetings with shareholders, and it also receives reports from its corporate broker

There is a section within this report entitled Shareholder Information , on pages 57 to 59 which provides an overview of useful information available to shareholders

The Company s accounts are also published on www blackrock co uk/its which is the website maintained by the Company s Investment Manager, BlackRock Investment Management (UK) Limited 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 accounts 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

Statement of Directors' Responsibilities in respect of the Annual Report and Financial Statements

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations Company law requires the Directors to prepare financial statements for each financial period Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the Group as at the end of each financial year and of the profit or loss of the Company and the Group for that period

In preparing those financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- present information, including accounting policies in a manner that provides relevant, reliable, comparable and understandable information
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions other events and conditions on the Group s financial position and financial performance, and
- state that the Group has complied with IFRS, subject to any material departures disclosed and explained in the financial statements

The Directors confirm that the financial statements comply with the above requirements The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation They also have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

Under applicable law and regulations, the Directors are also responsible for preparing a Directors Report, including a Business Review a Directors Remuneration Report and a Corporate Governance statement that comply with that law and those regulations

The Directors have delegated responsibility to the Investment Manager for the maintenance and integrity of the Company s corporate and financial information included on the Investment Manager s website Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

The Directors, whose names are listed on page 16, confirm to the best of their knowledge that

- the financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets liabilities financial position and profit or loss of the Company and Group, and
- the annual report includes a fair review of the development and performance of the business and the position of the Company and Group together with a description of the principal risks and uncertainties that it faces

By order of the Board
A W Lea
Chairman
18 February 2010

Report of the Independent Auditor

to the members of BlackRock World Mining Trust plc

We have audited the Group and Company s financial statements of BlackRock World Mining Trust plc for the year ended 31 December 2009 which comprise the Consolidated Income Statement Group and Company Statements of Changes in Equity, Group and Company Balance Sheets, Group and Company Cash Flow Statements and the related notes 1 to 21 The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union and as regards to the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006

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

Respective responsibilities of the directors and auditors

As explained more fully in the Statement of Directors Responsibilities on page 30, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board s Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the Company s circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements

Opinion on financial statements

In our opinion

- the financial statements give a true and fair view of the state of the Group s and parent company s affairs as at 31 December 2009 and of the Group s profit for the year then ended
- the Group s financial statements have been properly prepared in accordance with IFRS as adopted by the European Union
- the parent company s financial statements have been properly prepared in accordance with IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements Article 4 of the IAS Regulation

Opinion on other matters prescribed by the Companies Act 2006

In our opinion

- the part of the Directors Remuneration Report to be audited has been property prepared in accordance with the Companies Act 2006,
- the information given in the Directors Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and
- the information given in the Corporate Governance statement in compliance with rules 7 2 5 and 7 2 6 in the Disclosure Rule and Transparency Rules sourcebook issued by the Financial Services Authority (information about internal control and risk management systems in relation to financial reporting processes and about share capital structures) is consistent with the financial statements

Matters on which we are required to report by exception

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

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

Report of the Independent Auditor *continued*

to the members of BlackRock World Mining Trust plc

Under the Listing Rules we are required to review

- the Directors statement on page 20 in relation to going concern, and
- the part of the Corporate Governance statement relating to the Company s compliance with the nine provisions of the June 2008 Combined Code specified for our review

We have nothing to report in respect of these matters

Andrew McIntyre (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London
18 February 2010

Consolidated Income Statement

for the year ended 31 December 2009

	Notes	2009 Revenue £'000	2008 Revenue £ 000	2009 Capital £ 000	2008 Capital £ 000	2009 Total £'000	2008 Total £ 000
Income from investments held at fair value through profit or loss	3	**16,397**	30,295	**-**	-	**16,397**	30,295
Interest on prior years VAT	3	**658**	-	**-**	-	**658**	-
Other income	3	**1,110**	(2,867)	**-**	-	**1,110**	(2 867)
Total revenue		**18,165**	27,428	**-**	-	**18,165**	27,428
Gains/(losses) on investments held at fair value through profit or loss	10	**-**	-	**589,000**	(776 959)	**589,000**	(776,959)
Realised (losses)/gains on foreign exchange		**-**	-	**(579)**	269	**(579)**	269
		18,165	27 428	**588,421**	(776,690)	**606,586**	(749,262)
Expenses							
Investment management fees	4	**(11,864)**	(13 969)	**-**	-	**(11,864)**	(13 969)
VAT recovered from prior years	4	**3,559**	-	**-**	-	**3,559**	-
Other expenses	5	**(680)**	(1 269)	**-**	-	**(680)**	(1,269)
Total operating expenses		**(8,985)**	(15 238)	**-**	-	**(8,985)**	(15 238)
Profit/(loss) before finance costs and taxation		**9,180**	12,190	**588,421**	(776 690)	**597,601**	(764,500)
Finance costs	6	**(23)**	(976)	**-**	-	**(23)**	(976)
Profit/(loss) before taxation		**9,157**	11 214	**588,421**	(776,690)	**597,578**	(765 476)
Taxation	7	**(443)**	(1,383)	**-**	-	**(443)**	(1,383)
Profit/(loss) for the year		**8,714**	9,831	**588,421**	(776 690)	**597,135**	(766 859)
Earnings/(loss) per ordinary share – diluted and undiluted	9	**4 90p**	5 64p	**330 94p**	(445 65p)	**335 84p**	(440 01p)

The total column of this statement represents the Consolidated Income Statement, prepared in accordance with International Financial Reporting Standards (IFRS) The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies (AIC) The Group had no recognised gains or losses other than those disclosed in the Income Statement and the Statements of Changes in Equity All items in the above statement derive from continuing operations and no operations were acquired or discontinued during the year All income is attributable to the equity holders of BlackRock World Mining Trust plc There were no minority interests

The notes on pages 37 to 54 form part of these financial statements

Statements of Changes in Equity

for the year ended 31 December 2009

Group	Note	Ordinary share capital £'000	Share premium account £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
For the year ended 31 December 2008								
At 31 December 2007		8 607	28,452	122,457	22 779	1 057,877	27,948	1,268 120
Net (loss)/profit for the year after taxation		–	–	–	–	(776,690)	9 831	(766,859)
Exercise of warrants		1 044	98 695	–	–	–	–	99,739
Shares purchased during the year*		–	–	(1,399)	–	–	–	(1,399)
Dividend paid	8	–	–	–	–	–	(4,731)	(4,731)
Special dividend paid	8	–	–	–	–	–	(3 943)	(3,943)
At 31 December 2008		9,651	127,147	121,058	22,779	281,187	29,105	590,927
For the year ended 31 December 2009								
At 31 December 2008		9,651	127,147	121,058	22,779	281 187	29,105	590 927
Net profit for the year after taxation		–	–	–	–	588,421	8,714	597,135
Exercise of warrants		–	8	–	–	–	–	8
Shares purchased during the year*		–	–	(1 480)	–	–	–	(1,480)
Dividend paid	8	–	–	–	–	–	(9,777)	(9 777)
At 31 December 2009		9 651	127,155	119,578	22 779	869,608	28,042	1,176,813

Company	Note	Ordinary share capital £'000	Share premium account £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
For the year ended 31 December 2008								
At 31 December 2007		8,607	28,452	122,457	22,779	1 070 592	15 233	1 268 120
Net (loss)/profit for the year after taxation		–	–	–	–	(779 217)	12 358	(766,859)
Exercise of warrants		1,044	98,695	–	–	–	–	99,739
Shares purchased during the year*		–	–	(1 399)	–	–	–	(1 399)
Dividend paid	8	–	–	–	–	–	(4,731)	(4,731)
Special dividend paid	8	–	–	–	–	–	(3 943)	(3 943)
At 31 December 2008		9,651	127,147	121,058	22,779	291,375	18,917	590,927
For the year ended 31 December 2009								
At 31 December 2008		9,651	127,147	121,058	22,779	291,375	18,917	590,927
Net profit for the year after taxation		–	–	–	–	588 749	8 386	597 135
Exercise of warrants		–	8	–	–	–	–	8
Shares purchased during the year*		–	–	(1 480)	–	–	–	(1,480)
Dividend paid	8	–	–	–	–	–	(9 777)	(9 777)
At 31 December 2009		9,651	127,155	119,578	22 779	880,124	17,526	1,176,813

* Held in treasury

The notes on pages 37 to 54 form part of these financial statements

Balance Sheets

as at 31 December 2009

BlackRock World Mining Trust plc
Registered Number: 2868209

		2009		2008	
	Notes	**Group £ 000**	**Company £ 000**	Group £ 000	Company £ 000
Non current assets					
Investments held at fair value through profit or loss	*10*	**1,221,734**	**1,233,750**	581,698	593,386
Current assets					
Investments	*11*	**-**	**-**	280	-
Other receivables	*12*	**1,259**	1,187	14,801	14 454
		1,259	**1,187**	15 081	14 454
Total assets		**1,222,993**	**1,234,937**	596,779	607,840
Current liabilities					
Other payables	*13*	**(4,230)**	**(5,535)**	(2 706)	(3 522)
Bank loans and bank overdrafts	*14*	**(41,950)**	**(52,589)**	(3,104)	(13,349)
		(46,180)	**(58,124)**	(5,810)	(16,871)
Total assets less current liabilities		**1,176,813**	**1,176,813**	590,969	590,969
Non current liabilities					
Deferred tax	*15*	**-**	**-**	(42)	(42)
Net assets		**1,176,813**	**1,176,813**	590,927	590,927
Equity attributable to equity holders					
Ordinary share capital	*16*	**9,651**	**9,651**	9 651	9,651
Share premium account	*17*	**127,155**	**127,155**	127,147	127 147
Special reserve	*17*	**119,578**	**119,578**	121,058	121 058
Capital redemption reserve	*17*	**22,779**	**22,779**	22,779	22,779
Capital reserves	*17*	**869,608**	**880,124**	281 187	291,375
Revenue reserve	*17*	**28,042**	**17,526**	29,105	18,917
Total equity		**1,176,813**	**1,176,813**	590,927	590 927
Net asset value per ordinary share	*18*	**662 02p**	**662 02p**	331 39p	331 39p

The financial statements on pages 33 to 54 were approved by the Board of Directors and authorised for issue by the Board on 18 February 2010 and signed on its behalf by Mr A W Lea, Chairman

A. W. Lea

The notes on pages 37 to 54 form part of these financial statements

Cash Flow Statements

for the year ended 31 December 2009

	2009		2008	
	Group £'000	Company £'000	Group £'000	Company £'000
Operating activities				
Profit/(loss) before taxation	**597,578**	**597,450**	(765,476)	(764,467)
Add back interest paid	**23**	**23**	976	976
(Gains)/losses on investments held at fair value through profit or loss	**(589,000)**	**(589,328)**	776,959	779 486
Net losses/(gains) on foreign exchange	**579**	**579**	(269)	(269)
Net movement on current asset investments by subsidiaries	**316**	**-**	1,373	-
Sales of investments held at fair value through profit or loss	**225,437**	**225,437**	317 377	317,377
Purchases of investments held at fair value through profit or loss	**(276,473)**	**(276,473)**	(409,320)	(409,320)
(Increase)/decrease in other receivables	**(626)**	**(644)**	1 332	1,339
Decrease/(increase) in amounts due from brokers	**13,911**	**13,911**	(13,911)	(13 911)
Increase/(decrease) in other payables	**2,003**	**2,363**	(2 225)	(2,225)
Dealing (profits)/losses	**(36)**	**-**	3,855	-
Net cash outflow from operating activities before interest and taxation	**(26,288)**	**(26,682)**	(89 329)	(91,014)
Interest paid	**(23)**	**(23)**	(976)	(976)
Tax paid	**(222)**	**(222)**	(609)	(456)
Tax on overseas income	**(485)**	**(485)**	(1,588)	(1,109)
Net cash outflow from operating activities	**(27,018)**	**(27,412)**	(92,502)	(93,555)
Financing activities				
Purchase of ordinary shares	**(1,480)**	**(1,480)**	(1 393)	(1,393)
Exercise of warrants	**8**	**8**	99,739	99 739
Drawdown of loan	**24,151**	**24,151**	-	-
Dividends paid	**(9,777)**	**(9,777)**	(8,674)	(8 674)
Net cash inflow from financing activities	**12,902**	**12,902**	89 672	89,672
Decrease in cash and cash equivalents	**(14,116)**	**(14,510)**	(2,830)	(3,883)
Cash and cash equivalents at start of the year	**(3,104)**	**(13,349)**	(543)	(9 735)
Effect of foreign exchange rate changes	**(579)**	**(579)**	269	269
Cash and cash equivalents at end of the year	**(17,799)**	**(28,438)**	(3,104)	(13,349)

The notes on pages 37 to 54 form part of these financial statements

Notes to the Financial Statements

1 Principal activity

The principal activity of the Company is that of an investment trust company within the meaning of section 842 of the Income and Corporation Taxes Act 1988 (ICTA)

The principal activity of the subsidiary, BlackRock World Mining Investment Company Limited, is investment dealing The other subsidiary, BlackRock Gold Limited is no longer trading

2 Accounting policies

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

(a) Basis of preparation

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

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

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

(b) Basis of consolidation

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

(c) Presentation of the Consolidated Income Statement

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 Income Statement between items of a revenue and a capital nature has been presented alongside the Consolidated Income Statement In accordance with the Company s status as a UK investment company under section 833 of the Companies Act 2006, net capital returns may not be distributed by way of dividend

(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 treated 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 not expected to be received Interest income and expenses are accounted for on an accruals basis

Option premium income is recognised as revenue and included in the revenue column of the Consolidated Income Statement unless the option has been written for the maintenance and enhancement of the Company s investment portfolio and represents an incidental part of a larger capital transaction in which case any premia arising are allocated to the capital column of the Consolidated Income Statement

(f) Expenses

All expenses including finance costs are accounted for on an accruals basis Expenses have been treated as revenue except as follows

- expenses which are incidental to the acquisition of an investment are included within the cost of the investment Details of transaction costs on the purchases and sales of investments are disclosed in note 10 on page 43

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

2 Accounting policies *continued*

(g) Taxation

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

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

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

All investments are designated upon initial recognition as held at fair value through profit or loss Purchases of investments are recognised on a trade date basis The sale of assets are recognised at the trade date of the disposal Proceeds are measured at fair value which will be regarded as the proceeds of sale less any transaction costs

The fair value of the financial investments is based on their quoted bid price at the balance sheet date, without deduction for the estimated selling costs Unquoted investments are valued by the Directors at fair value based on recommendations from BlackRock s Pricing Committee and International Private Equity and Venture Capital Association Guidelines This policy applies to non current asset investments held by the Group

In order to improve the disclosure of how companies measure the fair value of their financial investments, the disclosure requirements in IFRS 7 have been extended to include a fair value hierarchy The fair value hierarchy consists of the following three levels

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

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability

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

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

(i) Other receivables and other payables

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

(j) Dividends payable

Final dividends are only recognised after they have been approved by shareholders Special dividends are recognised when paid to shareholders

(k) Foreign currency translation

Transactions involving foreign currencies are converted at the rate ruling at the date of the transaction

Foreign currency monetary assets and liabilities are translated into sterling at the rate ruling on the balance sheet date Foreign exchange differences arising on translation are recognised in the Consolidated Income Statement

(l) Cash and cash equivalents

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

(m) Bank borrowings

Bank overdrafts and loans are recorded as the proceeds received Finance charges, including any premia payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the Consolidated Income Statement 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

3 Income

	2009 £'000	2008 £ 000
Investment income		
UK listed dividends	**4,041**	6,101
Overseas listed dividends	**10,003**	19,969
Overseas listed special dividends	**762**	4,225
Fixed interest	**1,591**	-
	16,397	30,295
Other operating income		
Deposit interest	**61**	653
Dealing profits/(losses)	**36**	(3 855)
Underwriting commission	**1,013**	117
Stock lending income	**-**	218
	1,110	(2 867)
Interest on prior years VAT	**658**	-
Total income	**18,165**	27,428
Total income comprises		
Dividends	**14,806**	30,295
Deposit interest	**61**	653
Interest on prior years VAT	**658**	-
Fixed interest	**1,591**	-
Other income	**1,049**	(3,520)
	18,165	27,428

Dealing profits/(losses) are presented after deducting transaction costs incurred on the purchase and sale of investments

No securities were held out on loan by the Group during the year The maximum aggregate value of securities on loan at any one time during the year ended 31 December 2009 was nil (2008 £46 788,428)

Option premium income of £6 8 million was received by the Company for the year ended 31 December 2009 As all of the related options were written for portfolio maintenance purposes, all of this premium income has been allocated to capital For the year ended 31 December 2008, option premiums of £15 8 million were generated and allocated to capital

Notes to the Financial Statements *continued*

4. Management fees

	2009 £'000	2008 £ 000
Investment management fees	**11,864**	13 762
VAT on management fees	**-**	207
	11,864	13,969
VAT recovered from prior years	**(3,559)**	-
	8,305	13,969

Details of the investment management and administration contracts are given in the Directors Report on page 19 The investment management fee is levied quarterly based on the value of the gross assets on the last day of each quarter All management fees are charged to revenue

Following the outcome of the JPMorgan Claverhouse case management fees are now exempt from VAT

5. Other expenses

	2009 £'000	2008 £ 000
Custody fee	**256**	389
Administration fee	**-**	484
Auditors remuneration		
– audit services	**22**	21
– other audit services*	**5**	5
Registrar s fee	**78**	93
Directors remuneration**	**99**	99
Other administrative costs	**220**	178
	680	1 269
The Company s total expense ratio, calculated as a percentage of average net assets and using expenses excluding interest costs and VAT written back was	**1 4%**	1 2%

* Other audit services relate to the review of the half yearly financial statements

** The emoluments of the Chairman who was also the highest paid Director were £25 000 (2008 £25 000)

6 Finance costs

	2009 £'000	2008 £ 000
Interest on bank loans	**3**	147
Interest on bank overdrafts	**20**	829
	23	976

7 Taxation

	2009 £ 000	2008 £ 000
Corporation tax	-	1 578
Double taxation relief	-	(1,093)
	-	485
Overseas tax	551	999
	551	1,484
Overseas tax – prior year	(66)	(47)
Deferred tax	(42)	(54)
Total tax	443	1 383

The tax assessed for the year is lower than the standard rate of corporation tax of 28% (2008 28 5%) The differences are explained below

	2009			2008		
	Revenue £ 000	Capital £'000	Total £ 000	Revenue £ 000	Capital £ 000	Total £ 000
Total return on ordinary activities before taxation	9,157	588,421	597,578	11,214	(776,690)	(765 476)
Return on ordinary activities multiplied by standard rate of corporation tax (28%) (2008 28 5%)	2,564	164,758	167,322	3,196	(221,357)	(218,161)
Effects of						
Non taxable UK dividends	(1,131)	-	(1,131)	(1,721)	-	(1,721)
Non taxable overseas dividends	(1,340)	-	(1,340)	-	-	-
Withholding tax suffered	551	-	551	999	-	999
Overseas tax taken as allowable deduction	(93)	-	(93)	(1 093)	-	(1 093)
(Gains)/losses in investments not taxable	-	(164,758)	(164,758)	-	221,357	221,357
Prior year withholding tax recovered	(66)	-	(66)	(47)	-	(47)
Non taxable dividend collection expenses	-	-	-	(34)	-	(34)
Income taxable in different periods	-	-	-	137	-	137
	485	-	485	1,437	-	1 437
Deferred tax	(42)	-	(42)	(54)	-	(54)
Total corporation tax charge for the year	443	-	443	1,383	-	1,383

Investment trusts are exempt from corporation tax on capital gains provided the Company obtains agreement from HM Revenue & Customs that section 842 ICTA tests have been met

8 Dividends

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

	2009 £ 000	2008 £ 000
Final ordinary dividend in respect of the year ended 31 December 2007 of 3 00p, approved by shareholders on 10 April 2008	-	4 731
Special dividend in respect of the year ended 31 December 2007 of 2 50p, paid on 17 April 2008	-	3,943
Final ordinary dividend in respect of the year ended 31 December 2008 of 5 50p approved by shareholders on 23 April 2009	9,777	-
	9,777	8,674

The total dividends payable for the year which form the basis of section 842 of the Income and Corporation Taxes Act 1988 are set out below

	2009 £'000	2008 £ 000
Dividends on equity shares		
Proposed final ordinary dividend of 4 75p (2008 5 50p)	8,444	9 777

9 Consolidated return and net asset value per ordinary share

	2009 £'000	2008 £ 000
Net revenue attributable to ordinary shareholders (£ 000)	8,714	9,831
Net capital return attributable to ordinary shareholders (£ 000)	588,421	(776 690)
Total earnings attributable to ordinary shareholders (£ 000)	597,135	(766,859)
The weighted average number of ordinary shares in issue during each year, on which the return per ordinary share was calculated, was	177,805,471	174 283,731
Undiluted and diluted		
Revenue return per share	4 90p	5 64p
Capital return per share	330 94p	(445 65p)
Total earnings per share	335 84p	(440 01p)

There was no dilution to the returns for the year ended 31 December 2009 as there were no warrants outstanding at the year end

10 Investments

	2009		2008	
	Group £'000	**Company £ 000**	Group £ 000	Company £ 000
UK listed investments held at fair value through profit or loss	**330,424**	**330,424**	181,323	181,323
Overseas listed investments held at fair value through profit or loss	**820,469**	**820,469**	397,651	397,651
Unlisted investments held at fair value through profit or loss	**70,841**	**82,857**	2 724	14,412
	1,221,734	**1,233,750**	581,698	593,386
Valuation brought forward	**581,698**	**593,386**	1,266,714	1,280,929
Investment holdings losses/(gains)	**43,865**	**33,677**	(772,757)	(785,472)
Opening cost of equity investments	**625,563**	**627,063**	493 957	495,457
Additions at cost	**276,473**	**276,473**	409 320	409 320
Disposals	**(225,437)**	**(225,437)**	(317,377)	(317,377)
Realised gains	**8,310**	**8,310**	39,663	39,663
Cost carried forward	**684,909**	**686,409**	625,563	627 063
Investment holdings gains/(losses)	**536,825**	**547,341**	(43,865)	(33,677)
Closing valuation of investments	**1,221,734**	**1,233,750**	581,698	593,386

During the year, transaction costs of £442,000 were incurred on the acquisition of investments (2008 £1,325,000) Costs relating to the disposal of investments during the year amounted to £403,000 (2008 £499 000) All transaction costs have been included within the capital reserves

Gains/(losses) on investments held at fair value through profit or loss

	2009		2008	
	Group £ 000	**Company £ 000**	Group £ 000	Company £ 000
Realised gains on sales	**8,310**	**8,310**	39,663	39 663
Increase/(decrease) in investment holdings gains/(losses)	**580,690**	**581,018**	(816,622)	(819,149)
	589,000	**589,328**	(776,959)	(779,486)

Notes to the Financial Statements *continued*

11 Held for trading investments and investment in subsidiary

	2009 £ 000	2008 £ 000
Overseas listed	-	280

During the year the Company s trading subsidiary incurred transaction costs on the purchase and sale of investments totalling nil (2008 £31,000)

Subsidiary undertakings
At 31 December 2009 the Company had two wholly owned subsidiaries, both of which were registered in England and Wales

	Description of shares	Issued share capital 2009	2008
BlackRock Gold Limited	Ordinary shares of £1	£2	£2
BlackRock World Mining Investment Company Limited	Ordinary shares of £1	£100	£100

Under IFRS the investments in the subsidiaries are fair valued which is deemed to be the sum of the balance sheet values of each company, which equate to £12 016 000 (2008 £11,688,000)

12 Other receivables

	Group 2009 £'000	Company 2009 £ 000	Group 2008 £ 000	Company 2008 £ 000
Prepayments and accrued income	1,044	1,044	433	415
Amounts due from brokers	-	-	13,911	13 911
Other receivables	22	22	7	7
Current taxation	193	121	450	121
	1,259	1,187	14 801	14,454

13 Other payables

	Group 2009 £'000	Company 2009 £'000	Group 2008 £ 000	Company 2008 £ 000
Accruals for expenses and interest payable	4,230	4,230	2,221	2 221
Other creditors	-	-	6	6
Amounts due to subsidiary	-	1,188	-	828
Current taxation	-	117	479	467
	4,230	5,535	2,706	3,522

14 Interest bearing loans and borrowings

	Group 2009 £'000	Company 2009 £ 000	Group 2008 £ 000	Company 2008 £ 000
Bank loans (US$)	**24,151**	**24,151**	-	-
Bank overdrafts (US$)	**17,799**	**28,438**	3 104	13,349
	41,950	**52,589**	3,104	13,349

Bank overdrafts are repayable on demand and have been secured by a charge over the Group s assets The average effective interest rate on bank overdrafts and cash balances respectively approximate to 1 25% and 0 53% per annum (2008 5 43% and 4 32% per annum) At 31 December 2009, the Company had two loans outstanding one for US$17,000,000 and the other for US$22 000,000 Both these loans are provided by Bank of New York Mellon

15 Non current liabilities

	Group and Company 2009 £ 000	Group and Company 2008 £ 000
Deferred taxation in respect of timing differences		
At 1 January	**42**	96
Transfer during the year	**(42)**	(54)
At 31 December	**-**	42

16 Share capital

	Ordinary shares number (nominal)	Treasury shares number (nominal)	Total shares	£ 000
Authorised share capital comprised				
Ordinary shares of 5p each	750,000,000	-	750 000 000	37,500
Allotted, issued and fully paid				
At 1 January 2009	178 317,729	14,692,800	193 010,529	9,651
Shares transferred into treasury	(556,800)	556,800	-	-
Ordinary shares issued as a result of warrants exercised	1,313	-	1,313	-
At 31 December 2009	177,762,242	15 249 600	193,011,842	9,651

During the year, 556 800 ordinary shares (2008 250,000) were repurchased at a cost of £1 480 000 (2008 £1,399,000) and were held in treasury at 31 December 2009 On 27 February 2009, 1,313 warrants were exercised for a total consideration of £8,000 At the year end there were no warrants outstanding

17 Reserves

Group	Share premium account £ 000	Special reserve £ 000	Capital redemption reserve £ 000	Capital reserve - arising on investments sold £ 000	Capital reserve - arising on revaluation of investments held £ 000	Revenue reserve £ 000
At 1 January 2009	127,147	121 058	22 779	325,052	(43,865)	29,105
Movement during the year						
Net income for the year	-	-	-	7,731	580,690	8,714
Exercise of warrants	8	-	-	-	-	-
Shares bought back during the year	-	(1 480)	-	-	-	-
Dividends paid	-	-	-	-	-	(9,777)
At 31 December 2009	127,155	119,578	22,779	332 783	536 825	28,042

Company						
At 1 January 2009	127 147	121,058	22 779	325 052	(33,677)	18,917
Movement during the year						
Net income for the year	-	-	-	7,731	581,018	8 386
Exercise of warrants	8	-	-	-	-	-
Shares bought back during the year	-	(1,480)	-	-	-	-
Dividends paid	-	-	-	-	-	(9 777)
At 31 December 2009	127 155	119,578	22,779	332 783	547,341	17,526

The net revenue before distribution dealt with in the financial statements of the parent company was £8,386,000 (2008 £12 358 000) As permitted under section 408 of the Companies Act 2006, the Consolidated Income Statement of the parent company is not presented as part of these financial statements

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

18 Net asset value per ordinary share

	2009	2008
Net assets attributable to ordinary shareholders (£ 000)	**1,176,813**	590 927
The actual number of ordinary shares in issue at the year end, on which the net asset value per ordinary share was calculated, was	**177,762,242**	178,317,729
Number of shares in issue for net asset value	**177,762,242**	187 265 334
Net asset value per ordinary share	**662 02p**	331 39p
Share price	**550 00p**	252 50p
Warrant price	**n/a**	2 50p

At 31 December 2009 the 15,249,600 shares held in treasury were not dilutive, as the share price was below the net asset value

19 Risk Management policies and procedures

As an investment trust, the Company invests in equities and other investments for the long term so as to achieve its investment objective as stated on page 17 In pursuing its investment objective, the Company is exposed to a variety of risks that could result in either a reduction in the Company s net assets or a reduction in the revenue available for distribution by way of dividends

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

The objectives policies and processes for managing these risks and the methods used to manage these risks, that are set out below, have not changed from the previous accounting period

(i) Market risk

The fair value or future cash flows of a financial instrument held by the Company may fluctuate due to changes in market prices This market risk comprises currency risk (see note 19(ii)), interest rate risk (see note 19(iii)) and market price risk (see note 19(iv)) The Board of Directors reviews and agrees policies for managing these risks The Investment Manager assesses the exposure to market risk when making each investment decision and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis

(ii) Currency risk

A proportion of the Company s assets, liabilities and income are denominated in currencies other than sterling (the Company s functional currency, and that in which it reports its results) As a result, movements in exchange rates will affect the sterling value of those items At 31 December 2009 the value of non-sterling denominated investments amounted to £888,490,000 (2008 £415,686 000)

Management of the risk

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

Foreign currency borrowing and forward currency contracts are used to limit the Company s exposure to anticipated future changes in exchange rates which might otherwise adversely affect the value of the portfolio of investments

Income denominated in foreign currency is converted into sterling on receipt The Company 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

19 Risk Management policies and procedures *continued*

(ii) Currency risk *continued*

Foreign currency exposure

The fair values of the Company s monetary items which have foreign currency exposure at 31 December 2009 are shown below Where the Company s equity investments which are not monetary items are denominated in a foreign currency the principals have been included separately in the analysis so as to show the overall exposure

2009	US dollar £ 000	Canadian dollar £ 000	Australian dollar £ 000	Rand £ 000	Other £'000
Debtors (due from brokers, dividends and other receivables)	**523**	**-**	**-**	**8**	**39**
Creditors					
Loans	**(24,151)**	**-**	**-**	**-**	**-**
Overdrafts	**(17,799)**	**-**	**-**	**-**	**-**
Total foreign currency exposure on net monetary items	**(41,427)**	**-**	**-**	**8**	**39**
Investments at fair value through profit or loss that are equities	**381,541**	**157,976**	**118,780**	**108,040**	**122,153**
Total net foreign currency exposure	**340,114**	**157,976**	**118,780**	**108,048**	**122,192**

2008	US dollar £ 000	Canadian dollar £ 000	Australian dollar £ 000	Rand £ 000	Other £ 000
Debtors (due from brokers, dividends and other receivables)	14,170	-	145	-	121
Cash at bank and on deposit	420	-	8	-	(2)
Creditors (due to brokers accruals and other creditors)	-	-	-	-	-
Total foreign currency exposure on net monetary items	14,590	-	153	-	119
Investments at fair value through profit or loss that are equities	164,644	39 964	49,496	65 892	94,593
Total net foreign currency exposure	179 234	39 964	49,649	65,892	94,712

In the opinion of the Directors, the above sensitivity analyses are not representative of the year as a whole since the level of exposure changes frequently as part of the currency risk management process used to meet the Company s objective

Foreign currency sensitivity
The following table illustrates the sensitivity of the profit after tax for the year and the equity in regard to the Company s monetary financial assets and financial liabilities and the exchange rates for sterling/US dollar, sterling/Canadian dollar, sterling/Australian dollar and sterling/Rand

It assumes the following changes in exchange rates

Sterling/US dollar +/-8% (2008 25%)
Sterling/Canadian dollar +/-5% (2008 10%)
Sterling/Australian dollar +/-4% (2008 10%)
Sterling/Rand +/-2% (2008 5%)

These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months The sensitivity analysis is based on the Companys monetary foreign currency financial instruments held at each balance sheet date

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

	2009				2008			
	US dollar £ 000	**Canadian dollar £ 000**	**Australian dollar £ 000**	**Rand £ 000**	US dollar £ 000	Canadian dollar £ 000	Australian dollar £ 000	Rand £ 000
Projected change	**8%**	**5%**	**4%**	**2%**	25%	10%	10%	5%
Impact on revenue return	**503**	**(102)**	**(56)**	**(5)**	3 554	142	319	229
Impact on capital return	**28,592**	**8,315**	**4,949**	**2,205**	54 881	4,440	5,500	3,468
Total return after tax/effect on shareholders funds	**29,095**	**8,213**	**4,893**	**2,200**	58,435	4,582	5,819	3 697

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

	2009				2008			
	US dollar £'000	**Canadian dollar £'000**	**Australian dollar £ 000**	**Rand £ 000**	US dollar £ 000	Canadian dollar £ 000	Australian dollar £ 000	Rand £ 000
Projected change	**8%**	**5%**	**4%**	**2%**	25%	10%	10%	5%
Impact on revenue return	**(429)**	**93**	**52**	**5**	(2 132)	(116)	(261)	(207)
Impact on capital return	**(24,356)**	**(7,523)**	**(4,568)**	**(2,118)**	(32,929)	(3,633)	(4 500)	(3,138)
Total return after tax/effect on shareholders funds	**(24,785)**	**(7,430)**	**(4,516)**	**(2,113)**	(35 061)	(3,749)	(4,761)	(3,345)

19. Risk Management policies and procedures *continued*

(iii) Interest rate risk

Interest rate risk movements may affect the interest payable on the Company's variable rate borrowings and the level of income receivable on cash deposits

Management of the risk

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

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

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

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

Interest rate exposure

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

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

	2009			2008		
	Within one year £'000	**More than one year £'000**	**Total £'000**	Within one year £'000	More than one year £'000	Total £'000
Exposure to floating interest rates						
Bank loans*	**(24,194)**	**-**	**(24,194)**	-	-	-
Bank overdrafts	**(17,799)**	**-**	**(17,799)**	(3,104)	-	(3,104)
	(41,993)	**-**	**(41,993)**	(3,104)	-	(3,104)

* Includes interest payable to maturity

The above year end amounts are not representative of the exposure to interest rates during the year, as the level of exposure changes as investments are made in fixed interest securities, borrowings are drawn down and repaid, and the mix of borrowings between floating and fixed interest rates change The Company's exposure to interest rates is limited to the multi-currency borrowing facilities detailed above as the majority of financial assets are equity shares which do not pay interest Therefore, the Company's total income and equity is not materially affected by changes in interest rates

Interest receivable, and finance costs are at the following rates

- Interest received on cash balances or paid on bank overdrafts and loans respectively, is approximately 0.53% and 1.25% per annum (2008 4.32% and 5.43% per annum)

(iv) Market price risk

Market price risks (i e changes in market prices other than those arising from interest rate risk or currency risk) may affect the value of the investments The Company s investments are susceptible to market price risk arising from uncertainties about future prices of investments

Management of the risk

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

When appropriate the Company manages its exposure to risk by buying/selling put or call options on indices and on equity or commodity investments in its portfolio

The Company s exposure to other changes in market prices at 31 December 2009 on its quoted and unquoted equity or commodity investments and options on indices and investments was £1,221,734,000 (2008 £581 978,000)

Concentration of exposure to market price risks

An analysis of the Company s investment portfolio is shown on pages 13 to 15 At 31 December 2009, this shows that the portfolio had significant levels of investments in Latin America, Australia and South Africa Accordingly, there is a concentration of exposure to those countries, though it is recognised that an investment s country of domicile or of listing does not necessarily equate to its exposure to the economic conditions in that country

Market price risk sensitivity

The following illustrates the sensitivity of the profit after taxation for the year and the equity to an increase or decrease of 20% in the fair values of the Company s equities (including equity exposure through options) This level of change is considered to be reasonably possible based on observation of current market conditions in 2009 The sensitivity analysis is based on the Company s equities and equity exposure through options at each balance sheet date, with all other variables held constant

The impact of a 20% increase in the value of investments on the revenue return as at 31 December 2009 is a decrease of £3,177,000 (2008 £1 048,000) and on the capital return is an increase of £244,347,000 (2008 £116 340 000)

The impact of a 20% decrease in the value of investments on the revenue return as at 31 December 2009 is an increase of £3,177 000 (2008 £1 048 000) and on the capital return is a decrease of £244 347 000 (2008 £116 340,000)

Fair values of financial assets and financial liabilities

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

19 Risk Management policies and procedures *continued*
(iv) Market price risk *continued*
Fair value hierarchy disclosures
The table below sets out fair value measurements using the IFRS 7 fair value hierarchy

Financial assets at fair value through profit or loss
At 31 December 2009

	Total £ 000	Level 1 £ 000	Level 2 £ 000	Level 3 £ 000
Equities	1,107,045	1,094,768	3,361	8,916
Fixed interest securities	114,689	52,764	-	61,925
Total	1,221 734	1,147,532	3,361	70,841

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

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

Level 2 – valued by reference to valuation techniques using observable inputs other than quoted prices within Level 1

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

The valuation techniques used by the Company are explained in the accounting policies in note 2(h) There were no transfers during the year between Level 1 and Level 2 A reconciliation of fair value measurements in Level 3 is set out below

Level 3 Financial assets at fair value through profit or loss
At 31 December 2009

	£ 000
Opening fair value	2 724
Purchases at cost	68 446
Sales proceeds	(132)
Total gains or losses included in gains on investments in the Income Statement	
– on sold assets	(631)
– on assets held at the end of the year	434
Closing fair value	70 841

Level 3 valuations comprise investments held at Directors valuation as disclosed on pages 13 and 14

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

(v) Liquidity and credit risk

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

Management of the risk

Liquidity and credit risk is not significant as the majority of the Company s assets are investments in quoted equities and other quoted securities that are readily realisable The Company has an overdraft facility of £30 million (2008 £40 million) and a multi-currency loan facility of £70 million (2008 £60 million)

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

Liquidity and credit risk exposure

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

2009	3 months or less £'000	Not more than one year £'000	More than one year £ 000	Total £ 000
Current liabilities				
Bank loans and bank overdrafts	**41,950**	**-**	**-**	**41,950**
Amounts due to brokers and accruals	**4,230**	**-**	**-**	**4,230**
	46,180	**-**	**-**	**46,180**
2008				
Current liabilities				
Bank overdrafts	3,104	-	-	3,104
Amounts due to brokers and accruals	2 227	479	-	2,706
	5 331	479	-	5,810

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

Management of the risk

The risk is managed as follows

- where the Investment Manager makes an investment in a bond, corporate or otherwise the credit rating of the issuer is taken into account so as to determine the risk to the Company of default,

- transactions involving derivatives are either exchange traded where the relevant exchange guarantees settlement or on an over the counter basis Transactions are entered into only with those counterparties approved by the credit department of the Investment Manager Counterparties are selected on the basis of a number of risk mitigation criteria designed to reduce the risk to the Company of default,

- investment transactions are carried out with a large number of brokers, whose credit-standard is reviewed periodically by the Investment Manager, and limits are set on the amount that may be due from any one broker,

- the credit worthiness of financial institutions with whom cash is held or loan facilities are arranged is reviewed regularly by the Investment Manager

19 Risk Management policies and procedures *continued*

(v) Liquidity and credit risk *continued*

Management of the risk *continued*

- the credit worthiness of counterparties to stock lending is assessed by the Investment Manager prior to trading and on a regular ongoing basis All transactions are secured with collateral to 105% of the value of the stock on loan

In summary, compared to the amounts included in the Balance Sheet the maximum exposure to credit risk at 31 December was as follows

	2009 Balance Sheet £'000	2008 Balance Sheet £ 000
Other receivables (amounts due from brokers, dividends and interest receivable)	**1,259**	14 801

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

(vi) Fair values of financial assets and financial liabilities

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

(vii) Capital management policies and procedures

The Company s capital management objectives are

- to ensure it will be able to continue as a going concern, and

- to achieve an annual dividend target and, over the longer term, capital growth investing primarly 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 15% of the Group s net assets

The Company s total capital at 31 December 2009 was £1,218,763,000 (2008 £594,031,000) comprising £41,950,000 (2008 £3 104,000) of bank loans and overdrafts and £1,176,813,000 (2008 £590,927,000) of equity shares capital and reserves

20. Related party disclosure

The related party transaction with BlackRock Investment Management (UK) Limited is set out in the Directors Report on page 19 The investment management fee for the year was £11,864,000 (2008 £13,762,000) From 13 August 2008, the secretarial and administration fee was combined within the investment management fee (2008 £484 000)

At the year end the following amounts were outstanding in respect of investment management fees £3 840 000 (2008 £1,899,000)

21 Contingent liabilities

There were no contingent liabilities as at 31 December 2009 (31 December 2008 nil)

Analysis of Ordinary Shareholders

31 December 2009

By type of holder

	Number of shares	% of total 2009	% of total 2008	Number of holders	% of total 2009	% of total 2008
Direct private investors	6,107,391	3 2	3 5	2,740	40 9	43 0
Nominee companies	168,884,270	87 5	87 0	3,804	56 7	53 9
Others	2,770 581	1 4	1 9	160	2 4	3 1
Treasury shares	15 249,600	7 9	7 6	1	–	–
	193,011 842	100 0	100 0	6,705	100 0	100 0

By size of holding

	Number of shares	% of total 2009	% of total 2008	Number of holders	% of total 2009	% of total 2008
1-10,000	11 214,739	5 8	5 8	6,145	91 6	91 0
10 001-100,000	11,694,186	6 0	6 1	364	5 4	5 8
100,001-1,000,000	48 388 529	25 1	28 3	149	2 2	2 5
1 000 001-5 000,000	93,995,422	48 7	49 5	44	0 7	0 6
Over 5,000 000	27 718 966	14 4	10 3	3	0 1	0 1
	193 011 842	100 0	100 0	6 705	100 0	100 0

Base Costs

The base cost for UK taxpayers who invested in the Company s ordinary shares on its launch on 15 December 1993 (capital gains tax prices on the first day of dealing) is 92 11p per share

For indicative purposes the base costs of the warrants (for the purpose of calculating capital gains tax) for UK tax payers who acquired them on issue on 20 March 2006 is 28 25p per warrant For holders who purchased their warrants subsequently, the base cost of the warrants for the purpose of calculating capital gains tax will generally be the amount paid for the warrants, together with any allowable costs of acquisition

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

Management & Administration

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

Investment Manager
BlackRock Investment Management (UK) Limited*
33 King William Street
London EC4R 9AS

Secretary and Administrator
BlackRock Investment Management (UK) Limited*
33 King William Street
London EC4R 9AS
Telephone 020 7743 3000

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

Auditors
Ernst & Young LLP
1 More London Place
London SE1 2AF

Stockbrokers
JPMorgan Cazenove Limited*
20 Moorgate
London EC2R 6DA

Solicitors
Simmons & Simmons
CityPoint
One Ropemaker Street
London EC2Y 9SS

Custodian and Banker
The Bank of New York Mellon (International) Ltd*
One Canada Square
London E14 5AL

Savings Plan and ISA Administrator
FREEPOST RLTZ-KHUH-KZSB
BlackRock Investment Management (UK) Limited*
PO Box 9036
Chelmsford CM99 2XD
Telephone 0800 44 55 22

*Authorised and regulated by the Financial Services Authority

Shareholder Information

Financial calendar

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

February
Annual results and final dividend for year announced

Annual report and financial statements published

April
Annual General Meeting

Dividend paid

August
Half yearly figures announced and half yearly financial report published

Dividend – 2009

The proposed final dividend in respect of the year ended 31 December 2009 is 4 75p per share

Ex-dividend date (shares transferred without the dividend)	17 March 2010
Record date (last date for registering transfers to receive the dividend)	19 March 2010
Last date for registering DRIP instructions	7 April 2010
Dividend payment date	28 April 2010

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 on 0870 707 1187 or by completing the Mandate Instructions section on the reverse of your dividend counterfoil and sending this to the Company s registrar, Computershare Tax vouchers will be sent to shareholders at their registered address, unless other instructions have been given to arrive on the payment date

Dividend reinvestment scheme ("DRIP")

Shareholders may request that their dividends be used to purchase further shares in the Company Dividend reinvestment forms may be obtained from Computershare Investor Services PLC on 0870 707 1187 Shareholders who have already opted to have their dividends reinvested do not need to reapply The last date for registering for this service for the forthcoming dividend is 7 April 2010

Share price

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

ISIN/SEDOL numbers

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

	Ordinary Shares
ISIN	GB0005774855
SEDOL	0577485
Reuters code	BRWM L
Bloomberg code	BRWM LN

Share dealing

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

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

CREST

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

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

Electronic communications

Computershare provides a service to enable shareholders to receive correspondence electronically (including annual and half yearly financial reports) if they wish If a shareholder opts to receive documents in this way, paper documents will only be available on request (unless electronic submission fails, in which case a hard copy will be mailed to the investor s last known address)

Shareholders who opt for this service would receive a Notice of Availability via e-mail from Computershare with a link to the relevant section of the BlackRock website where the documents can be viewed and printed

Shareholder Information *continued*

For more information, to view the terms and conditions and to register for this service, please visit Computershare s internet site at www-uk computershare com/investor (you will need your shareholder reference number, which is given on your share certificate or tax voucher)

Electronic proxy voting

Shareholders are able to submit their proxy votes electronically via Computershare s internet site at www eproxyappointment com using their shareholder reference number, control number and a unique identification PIN and SRN 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

Risk factors

- As the Company invests worldwide, the value of its shares is also affected by changes in rates of exchange
- The price at which the Company s shares trade on the London Stock Exchange is not the same as their net asset value (although they are related) and therefore you may realise returns which are lower or higher than NAV performance
- A lack of growth in world industrial production may adversely affect metal prices
- Deteriorating economic conditions in certain countries may lead to aggressive exporting of their metal and mineral production potentially leading to price reductions
- There may be exposure to significant currency, political and nationalisation risks due to the location of the operation of companies in which the Company may invest
- Shares of companies in the mining sector can prove volatile and this may be reflected in the Company s share price
- Any investment in the Company will involve an above average risk and is suitable only for financially sophisticated investors
- 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

Duration of the Company

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

Nominee code

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

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

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

Publication of net asset value/portfolio analysis

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

The daily NAV per share and monthly information are released through the London Stock Exchange s Regulatory News Service and are available on the BlackRock website at www blackrock co uk/its 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)

Internet

Other details about the Company are also available on the BlackRock website at www blackrock co uk/its and shareholders can check details of their holdings on Computershare s website at www-uk computershare com/investor

The financial statements and other literature are published on the BlackRock 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

Savings Plan

The Company participates in the BlackRock 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 information on the Savings Plan should call BlackRock free on 0800 44 55 22

Stocks and shares Individual Savings Accounts ("ISA")

ISAs are a tax-efficient method of investment and the Company s shares are eligible investments within the BlackRock Investment Trust stocks and shares Individual Savings Account From 6 October 2009, the over 50s are able to invest £10,200 into an ISA The annual allowance for savers under the age of 50 will remain £7 200 until the next tax year, which starts on 6 April 2010 when it will also increase to £10,200 Details are available from BlackRock by calling free on 0800 44 55 22

Shareholder enquiries

The Company s registrar is Computershare Investor Services PLC In the event of queries regarding your holding of shares, please contact the registrar on 0870 707 1187 Changes of name or address must be notified in writing to the registrar at

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

Certain details relating to your holding can also 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 either your share certificate or tax voucher The address of the Computershare website is www-uk computershare com/investor

General enquiries

Enquiries about the Company should be directed to

The Secretary
BlackRock World Mining Trust plc
33 King William Street
London EC4R 9AS
Telephone 020 7743 2427

Enquiries about the Savings Plan and ISA should be directed to

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

Notice of Annual General Meeting

Notice is hereby given that the sixteenth Annual General Meeting of BlackRock World Mining Trust plc will be held at the offices of BlackRock Investment Management (UK) Limited, 33 King William Street, London EC4R 9AS on Wednesday 21 April 2010 at 11 30 a 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 2009, together with the report of the auditors thereon

2 To approve the Directors Remuneration Report for the year ended 31 December 2009

3 To declare a final dividend of 4 75p per ordinary share

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

5 To re-elect Mr C A M Buchan 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

To consider and, if thought fit, pass the following resolutions as ordinary resolutions

Ordinary resolutions

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

9 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 shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company (Securities) provided that such authority shall be limited to the allotment of shares and the grant of rights in respect of shares with an aggregate nominal amount of £482,529 (being 5% of the aggregate nominal amount of the issued share capital of the Company at the date of this notice) provided this authority shall expire at the conclusion of the next Annual General Meeting but so that the Company may, before such expiry, make any offer or agreement which would or might require Securities to be allotted pursuant to any such offer or agreement as if the authority hereby conferred had not expired

To consider and if thought fit pass the following resolutions as special resolutions

Special resolutions

10 That, in substitution for all existing authorities and subject to the passing of resolution numbered 9 above, the Directors of the Company be and are hereby empowered pursuant to section 570 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 9 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 in 2011 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 £482,529 (representing 5% of the aggregate nominal amount of the issued share capital of the Company at the date of this notice), and

(c) shall be limited to the allotment of equity securities at a price of not less than the net asset value per share

11 That, in substitution for the Company s existing authority to make market purchases of ordinary shares of 5p in the Company (Shares), the Company be and it is hereby 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 is 28,932,475 (being the equivalent of 14 99% of the Company s issued share capital at the date of this notice),

(b) the minimum price (exclusive of expenses) which may be paid for a Share shall be 5p, being the nominal value per ordinary share

(c) the maximum price (exclusive of expenses) which may be paid for a Share shall be the higher of 5% above the average of the market values of the Shares for the five business days immediately preceding the date of the purchase as derived from the Daily Official List of the London Stock Exchange the price of the last independent trade and the highest current bid on the trading venues 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 2011 save that the Company may prior to such expiry enter into a contract to purchase Shares which will or may be completed or executed wholly or partly after such expiry

All Shares purchased pursuant to the above authority shall be either

(a) cancelled immediately upon completion of the purchase or

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

12 That the Company s Articles of Association be amended by deleting all the provisions of the Company s Memorandum of Association which, by virtue of Section 28 of the Companies Act 2006, are to be treated as provisions of the Company s Articles of Association

13 That the Articles of Association of the Company produced to the meeting and marked A (and for the purposes of identification initialled by the Chairman of the meeting) be hereby approved and adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association

By order of the Board
BlackRock Investment Management (UK) Limited
Secretary
18 February 2010

Registered Office
33 King William Street
London EC4R 9AS

Notice of Annual General Meeting *continued*

Notes

1 A member entitled to attend and vote at the meeting convened by the above Notice is also entitled to appoint one or more proxies to exercise all or any of the rights of the member to attend, speak and vote instead of him/her 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 19 April 2010 Alternatively you can vote or appoint a proxy electronically by visiting www 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 19 April 2010

3 Completion and return of the form of proxy will not prevent a member from attending the meeting and voting in person

4 Any person receiving a copy of this Notice as a person nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a Nominated Person) should note that the provisions in Notes 1 to 2 above concerning the appointment of a proxy or proxies to attend the meeting in place of a member, do not apply to a Nominated Person as only shareholders have the right to appoint a proxy However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as proxy for the meeting If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such agreement to give instructions to the member as to the exercise of voting rights at the meeting

5 Nominated persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy the information rights (or perhaps the custodian or broker who administers the investment on their behalf) Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person s personal details and interest in the Company (including any administrative matter) The only exception to this is where the Company expressly requests a response from the Nominated Person

6 Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only shareholders registered in the register of members of the Company by not later than 6 00 p m two days prior to the time fixed for the meeting shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at such time If the meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is 6 00 p m two days prior to the time of adjournment Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the meeting

7 In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding

8 Holders of shares through the Savings Schemes are entitled to attend and vote at the meeting if the voting instruction form, which is enclosed with this document, is correctly completed and returned in accordance with the instructions printed thereon

9 Shareholders who hold their shares electronically may submit their votes through CREST, by submitting the appropriate and authenticated CREST message so as to be received by the Company s registrar not later than 48 hours before the start of the meeting Instructions on how to vote through CREST can be found by accessing the following website www euroclear com/CREST Shareholders are advised that CREST and the internet are the only methods by which completed proxies can be submitted electronically

10 If you are a CREST system user (including a CREST personal member) you can appoint one or more proxies or give an instruction to a proxy by having an appropriate CREST message transmitted To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by Computershare (ID number 3RA50) not later than 48 hours before the time appointed for holding the meeting For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which Computershare is able to retrieve the message CREST personal members or other CREST sponsored members should contact their CREST sponsor for assistance with appointing proxies via CREST For further information on CREST procedures, limitations and system timings please refer to the CREST manual The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001

11 If the Chairman, as a result of any proxy appointments is given discretion as to how the votes subject of those proxies are cast and voting rights in respect of those discretionary proxies, when added to the interest in the Company s securities already held by the Chairman result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Services Authority As a result any member holding 3 per cent or more of the voting rights in the Company, who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure and Transparency Rules, need not make a separate notification to the Company and the Financial Services Authority

12 Any questions 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

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 9 March 2010, 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 co uk/its

17 As at the date of this report, the Company s issued share capital comprised 177,762,242 ordinary shares of 5 pence each, excluding shares held in treasury Each ordinary share carries the right to one vote and therefore the total number of voting rights in the Company on 18 February 2010 is 177,762,242

18 No service contracts exist between the Company and any of the Directors who hold office in accordance with letters of appointment and the Articles of Association

Glossary

Net asset value per share ("NAV")
This is the value of the Company s assets attributable to one ordinary share It is calculated by dividing shareholders funds by the total number of ordinary shares in issue For example as at 31 December 2009 equity shareholders funds were £1,176,813,000 and there were 177,762,242 ordinary shares in issue (excluding shares held in treasury), the NAV was therefore 662 02p per share

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

Discount
Investment trust shares frequently trade at a discount to NAV This occurs when the share price (based on the mid-market share price) is less than the NAV and investors may therefore buy shares at less than the value attributable to them by reference to the underlying assets The discount is the difference between the share price and the NAV, expressed as a percentage of the NAV For example, if the share price was 550p and the NAV 570p, the discount would be 3 5%

Premium
A premium occurs when the share price (based on the mid-market share price) is more than the NAV and investors would therefore be paying more than the value attributable to the shares by reference to the underlying assets For example if the share price was 550p and the NAV 540p the premium would be 1 9%

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