

**BLACKROCK WORLD
MINING TRUST PLC
ANNUAL REPORT
AND FINANCIAL
STATEMENTS
31 DECEMBER 2015**

SATURDAY



A5608SOA

A10

30/04/2016

#246

COMPANIES HOUSE

Registered in England, No 2868209

Investment objective and policy

The Company's investment policy is to provide a diversified investment in mining and metal assets worldwide, actively managed with the objective of maximising total returns.

While the policy is to invest principally in quoted securities, the Company's investment policy includes investing in royalties derived from the production of metals and minerals, as well as physical metals. Up to 10% of gross assets may be held in physical metals and up to 20% may be invested in unquoted investments.

A MEMBER OF THE ASSOCIATION OF
INVESTMENT COMPANIES

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

Contents

Overview

Performance record	3
Chairman's statement	4
Historical record	6

Performance

Strategic report	7
Investment manager's report	13
Ten largest investments	19
Investments	21
Portfolio analysis	23

Governance

Governance structure and directors' biographies	24
Directors' report	25
Directors' remuneration report	30
Corporate governance statement	33
Report of the audit & management engagement committee	37
Statement of directors' responsibilities in respect of the Annual Report and Financial Statements	41

Financial statements

Independent auditor's report	42
Consolidated statement of comprehensive income	47
Statements of changes in equity	48
Statements of financial position	49
Cash flow statements	50
Notes to the financial statements	51

Additional information

Shareholder information	75
Analysis of ordinary shareholders	78
Management & other service providers	79

Regulatory disclosures

AIFMD disclosures	80
Information to be disclosed in accordance with Listing Rule 9.8.4	81

Annual General Meeting

Notice of annual general meeting	82
----------------------------------	----

Glossary

86

Share fraud warning

87

Overview

Performance record

FINANCIAL HIGHLIGHTS

Attributable to ordinary shareholders	31 December 2015	31 December 2014	Change %
Assets			
Net assets (£'000)	377,313	624,674	-39.6
Net asset value per ordinary share – with income reinvested	212.83p	352.35p	-39.6
Ordinary share price (mid-market) – with income reinvested	181.00p	310.35p	-41.7
Euromoney Global Mining Index Discount to net asset value	255.94 15.0%	405.41 11.9%	-36.9

	For the year ended 31 December 2015	For the year ended 31 December 2014	Change %
Revenue			
Net revenue return after taxation (£'000)	32,744	37,452	-12.6
Revenue return per ordinary share	18.47p	21.13p	-12.6
Dividend per ordinary share			
– Interim	7.00p	7.00p	–
– Final	14.00p	14.00p	–
Total dividends paid and payable	21.00p	21.00p	–

Overview

Chairman's statement

OVERVIEW

The last few years have been extremely challenging for commodity markets. A combination of slowing global economic growth and oversupply have continued to put substantial downward pressure on many commodities. Weakness has been largely driven by the deceleration in China's economy, which had its lowest growth rate for 25 years in 2015.

Movements in the U.S. dollar and the collapse of the oil price have also intensified pressure on commodity prices. The dollar's strong upward momentum has reduced global liquidity and led to some tightening in financial conditions. OPEC's decision to keep oil production at near-record levels in an already oversupplied market has also unsettled investors and the decline in the oil price has spilled over into other industrial commodities, including iron ore, copper and coal.

PERFORMANCE

Absolute performance has once again been disappointing over the twelve months to 31 December 2015, with the Company's net asset value (NAV) per share declining by 35.3% and the share price falling by 37.0%. The Company's NAV marginally outperformed its benchmark, the Euromoney Global Mining Index, which decreased by 36.9% in the reporting period (all percentages calculated in sterling terms with income reinvested).

Since the year end and up until the close of business on 25 February 2016, the Company's NAV has increased by 11.4% compared with a rise of 14.1% in the benchmark index.

REVENUE RETURN AND DIVIDENDS

The Company's revenue return per share for the year to 31 December 2015 amounted to 18.47p compared with 21.13p for the previous year, representing a decrease of 12.6%. As discussed at the interim stage, the Board is prepared to use some of the Company's retained revenue reserves this year to maintain the dividend and, accordingly, the Directors are recommending the payment of a final amount of 14.00p per share for the year ended 31 December 2015 (2014: 14.00p). This, together with the interim dividend of 7.00p per share (2014: 7.00p), makes a total of 21.00p per share (2014: 21.00p). The final payment will be made on 6 May 2016 to shareholders on the Company's register on 29 March 2016, the ex-dividend date being 24 March 2016.

Over recent months a number of underlying mining companies have announced reduced or cancelled dividends. Key holdings in the Company, BHP Billiton and Rio Tinto, have cut dividends by 75% and 50% respectively, which has significantly reduced the Company's income for 2016. However, shareholders will recall that due to a deliberate strategy to diversify its sources of income, approximately 50% of the Company's revenue has historically been derived from dividend payments, with the majority of the balance sourced from bonds and option writing. At the time of writing these other areas look likely to be less volatile than the significant falls seen in company dividends. Furthermore, we expect to receive royalty payments in 2016 as

Avanco brings its new mine into production during the first half of the year. Whilst these income sources provide important diversification at a time of continued uncertainty in the sector, shareholders should nevertheless expect a lower dividend in 2016 than the previous year. It remains the Company's intention to fully distribute all of the income available and the Board will be closely monitoring income to determine appropriate payments for the future.

DISCOUNT

The discount of the Company's share price to the underlying net asset value per share finished the year under review at 15.0% on a cum-income basis having stood at 11.9% at the start of the year. During the course of the year, the average discount was 10.6% with a range between 6.2% to 15.5%. The shares were trading at a discount of 20.4% as at the close of business on 25 February 2016.

At the Company's Annual General Meeting held on 29 April 2015, the Directors were granted authority to purchase up to 14.99% of the Company's issued share capital, excluding treasury shares, for cancellation or for holding in treasury. The decision as to whether to purchase the Company's shares is addressed regularly in Board discussions, but during the year ended 31 December 2015 the Company did not buy back any shares. Whilst share buy-backs are one method of addressing discount levels, in recent years the Board has believed that the most sustainable way to close the share price discount was to place much greater emphasis on seeking to generate additional demand for the shares by increasing dividend distributions. Mining sector weakness has clearly impacted this strategy but dividends remain key to discount management (although not at the expense of potential capital growth).

The Board will continue to consider on a regular basis whether share purchases should be made and is prepared to use its share buy-back powers if a wide discount to NAV persists. To provide maximum flexibility, the Board is proposing that the Company's existing authority to buy back up to 14.99% of the Company's issued share capital, excluding treasury shares, be renewed at the forthcoming Annual General Meeting.

CONTINUATION OF THE COMPANY

As agreed by shareholders in 1998, an ordinary resolution for the continuation of the Company is proposed at each Annual General Meeting. Following market weakness in the mining sector in recent years, we see classic signs typical of the low point in the sector. In particular, the industry is taking action to return commodities into balance, and the sector trades at an attractive valuation relative to the broader market. The sector should respond positively and your Board therefore recommends that shareholders vote in support of the Company's continuation.

THE BOARD

After serving as a Director since 2003, Ian Barby will be retiring at the conclusion of the forthcoming Annual General Meeting. On behalf of the Board, I would like to take this opportunity

to thank Ian for his wise counsel and invaluable contribution over this period. It is also my intention to step down as Chairman of the Company following the Annual General Meeting on 28 April 2016. The Senior Independent Director is currently leading the process to identify my successor.

INVESTMENT MANAGEMENT FEE

In October the Board announced that, following discussions with its Manager, agreement had been reached on a revised fee basis. Effective from 1 October 2015, the management fee (which includes all services provided by BlackRock) was reduced to 0.8% of the Company's gross assets. Where the Company invests in other investment or cash funds managed by BlackRock, any underlying fee is rebated.

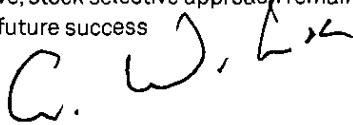
ANNUAL GENERAL MEETING

The Company's Annual General Meeting will be held at the offices of BlackRock at 12 Throgmorton Avenue, London EC2N 2DL on Thursday, 28 April 2016 at 11.30 a.m. Details of the business of the meeting are set out in the Notice of Meeting on pages 82 to 85 of the Annual Report and Financial Statements. The meeting will include a presentation by the Portfolio Managers on the Company's performance and the outlook for the year ahead.

OUTLOOK

The outlook for commodity prices remains subdued. A stronger U.S. dollar, lower oil prices and continued low growth inflation, all of which have weighed on commodities over the last year, are likely to remain headwinds for performance in 2016. Since the peak of the mining cycle in 2011, the industry has responded to lower commodity prices through cost cutting, capital expenditure reductions, asset sales and restructuring, although there is undoubtedly more to follow.

Whilst some companies continue to produce in volume, maintaining downward pressure on prices, there are some signs for optimism. The fall in prices forces companies to cut costs and loss making production which should strengthen balance sheets, bring supply into line with demand and help commodity markets rebalance over time. At the same time, valuations are becoming more attractive and present an interesting investment opportunity. The winners will be those who emerge leaner and more efficient when sentiment recovers. The Company's Investment Manager is focused on capturing such opportunities in the portfolio through detailed analysis and on the ground research. In current markets an active, stock selective approach remains critical to ensuring our future success.



AWLEA

Chairman

29 February 2016

Overview

Historical record

Year ended 31 December	Net Assets attributable to Ordinary Shareholders	Undiluted Net Asset Value per Ordinary Share	Diluted Net Asset Value per Ordinary Share	Gearing	Ordinary Share Price	Revenue available for Ordinary Shareholders	Revenue Earnings per Ordinary Share	Dividends per Ordinary Share
	£'000	p	p	%	p	£'000	p	p
1994	446,816	104.94	104.12	-	93.50	3,642	0.86	0.77
1995	452,762	106.27	105.23	0.1	93.00	5,637	1.32	1.00
1996	424,774	99.70	-	-	86.50	5,082	1.19	1.15
1997	318,494	74.75	-	-	59.50	3,894	0.91	0.85
1998	230,284	60.92	-	-	55.75	5,619	1.43	2.35
1999	223,397	116.99	-	11.2	100.75	2,238	1.00	1.20
2000	186,022	109.36	-	8.3	91.50	2,939	1.63	1.30
2001	196,726	118.48	-	-	96.50	6,434	3.82	3.15
2002	243,350	149.48	-	-	131.75	4,110	2.52	2.10
2003	389,244	239.09	-	8.8	217.00	2,816	1.73	1.70
2004*	398,129	244.55	240.29	6.0	218.00	4,899	3.01	2.50
2005	668,202	397.03	-	0.7	351.50	5,642	3.39	2.80
2006	868,545	516.07	503.23	0.9	444.00	14,782	8.78	4.50
2007	1,268,120	804.13	752.28	-	655.00	13,391	8.25	5.50
2008	590,927	331.39	331.39	0.5	252.50	9,831	5.64	5.50
2009	1,176,813	662.02	662.02	3.6	550.00	8,714	4.90	4.75
2010	1,708,023	962.06	962.06	1.8	811.00	11,667	6.57	6.00
2011	1,317,004	742.86	742.86	2.5	631.50	26,099	14.71	14.00
2012	1,215,743	685.75	685.75	7.1	586.50	38,614	21.78	21.00
2013	885,346	499.39	499.39	9.6	465.00	39,633	22.36	21.00
2014	624,674	352.35	352.35	11.7	310.35	37,452	21.13	21.00
2015	377,313	212.83	212.83	12.2	181.00	32,744	18.47	21.00

* Prior to 2004 financial information has been prepared under UK GAAP. From 2004 all information is prepared under IFRS as set out in note 2 on pages 51 to 54.

Performance

Strategic report

The Directors present the Strategic Report of the Company for the year ended 31 December 2015

PRINCIPAL ACTIVITY

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

OBJECTIVE

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

STRATEGY, BUSINESS MODEL AND INVESTMENT POLICY

Strategy

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

Business model

The Company's business model follows that of an externally managed investment trust. Therefore the Company does not have any employees and outsources its activities to third party service providers including the Manager who is the principal service provider.

The management of the investment portfolio and the administration of the Company have been contractually delegated to the Manager. The Manager, operating under an investment management agreement, 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.

Other service providers include the Depositary, BNY Mellon Trust & Depositary (UK) Limited. The Company also delegates fund accounting services to BlackRock Investment Management (UK) Limited (BIM (UK)), which in turn sub-delegates these services to Bank of New York Mellon (International) Limited and also sub-delegates registration services to the Registrar, Computershare Investor Services PLC.

Investment policy

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

the policy is to invest principally in quoted securities, the Company's investment policy includes investing in royalties derived from the production of metals and minerals, as well as physical metals.

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

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

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

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

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

The Investment Manager believes that tactical use of gearing can add value from time to time. This gearing is typically in the form of an overdraft or short term loan facility, which can be repaid at any time or matched by cash. The level and benefit of gearing is discussed and agreed with the Board regularly. The

Performance

Strategic report continued

Company may borrow up to 25% of the Group's net assets. The maximum level of gearing used during the year was 18.5% and, at the financial reporting date, net gearing (calculated as borrowings less cash as a percentage of net assets) stood at 12.2% of shareholders' funds (2014: 11.7%). For further details on borrowings refer to note 14 on page 60.

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

PORTFOLIO ANALYSIS

As at 31 December 2015, three investments were held at Directors' valuation (including one unquoted investment in the Banro gold-linked preference share) representing a total of £18,790,000 (2014: £24,089,000). The investment in Avanco Resources, the Banro gold-linked preference share and Ivanhoe Mines are held at Directors' valuation. Unquoted investments can prove to be more risky than listed investments.

Information regarding the Company's investment exposures is contained within the ten largest investments on pages 19 and 20, the investments listing on pages 21 and 22, and portfolio analysis on page 23. Further information regarding investment risk and activity throughout the year can be found in the Investment Manager's Report.

PERFORMANCE

In the year to 31 December 2015, the Company's net asset value per share (NAV) declined by 35.3% compared with a decrease in the Euromoney Global Mining Index of 36.9%. The Company's share price fell by 37.0% over the same period (all figures calculated in sterling terms with income reinvested).

RESULTS AND DIVIDENDS

The results for the Company are set out in the Consolidated Statement of Comprehensive Income on page 47. The total loss for the year, after taxation, was £210,131,000 (2014: loss of £223,442,000) of which £32,744,000 (2014: £37,452,000) is revenue profit.

It is the Board's intention to distribute the maximum dividend possible in terms of earnings each year. The Directors recommend the payment of a final dividend as set out in the Chairman's Statement on page 4. Dividend payments for the year ended 31 December 2015 (including the interim dividend) amount to £37,230,000 (2014: £37,230,000).

KEY PERFORMANCE INDICATORS

The Directors consider a number of performance measures to assess the Company's success in achieving its objectives. The key performance indicators (KPIs) used to measure the progress and performance of the Company over time and which are comparable to those reported by other investment trusts are set out on page 9.

	Year ended 31 December 2015	Year ended 31 December 2014
Net asset value per share	212 83p	352 35p
Share price	181 00p	310 35p
Discount to net asset value	15 0%	11 9%
Revenue earnings per share	18 47p	21 13p
Ongoing charges ¹	1 2%	1 4%

1 Ongoing charges represent the management fee and all other operating expenses excluding finance costs and taxation as a % of average shareholders funds

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

DISCOUNT

Details of the Company's share price discount to NAV are given in the Chairman's Statement on page 4.

PRINCIPAL RISKS

The principal risks faced by the Company are set out on the following pages. The Board has put in place a robust process to assess and monitor these risks. A core element of this is the Company's risk register. This identifies the risks facing the Company and assesses the likelihood and potential impact of each risk and the quality of controls operating to mitigate it. A residual risk rating is then calculated for each risk based on the outcome of the assessment. This approach allows the effect of any mitigating procedures to be reflected in the final assessment.

The risk register, its method of preparation and the operation of key controls in the Manager's and other third party service providers' systems of internal control, are reviewed on a regular basis by the Audit & Management Engagement Committee. In order to gain a more comprehensive understanding of the Manager's and other third party service providers' risk management processes and how these apply to the Company's business, the Audit & Management Engagement Committee periodically receives presentations from BlackRock's Internal Audit and Risk & Quantitative Analysis teams and reviews Service Organisation Control (SOC 1) reports from the Company's service providers.

In relation to the 2014 update to the UK Corporate Governance Code, the Board is comfortable that the procedures that the Company has put in place are sufficient to ensure that the necessary monitoring of risks and controls has been carried out throughout the reporting period. The Board will continue to

assess the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity, on an ongoing basis.

The current risk register includes 50 risks. The principal risks and uncertainties faced by the Company during the financial year, together with the potential effects, controls and mitigating factors, are set out in the following table.

Principal Risk	Mitigation/Control
<p>Investment performance</p> <p>Returns achieved are reliant primarily upon the performance of the portfolio.</p> <p>An inappropriate investment policy may lead to underperformance compared to the benchmark index, a loss of capital and dissatisfied shareholders.</p>	<p>To manage this risk the Board</p> <ul style="list-style-type: none"> ▶ regularly reviews the Company's investment mandate and long term strategy, ▶ has set investment restrictions and guidelines which the Investment Manager monitors and regularly reports on ▶ receives from the Investment Manager a regular explanation of stock selection decisions, portfolio exposure gearing and any changes in gearing and the rationale for the composition of the investment portfolio, ▶ monitors and 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 investment policy, ▶ receives and reviews regular reports showing an analysis of the Company's performance against the Euromoney Global Mining Index and other similar indices, including the performance of major companies in the sector, and ▶ ensures that the Investment Manager has training and development programmes in place for its employees and its recruitment and remuneration packages are developed in order to retain key staff.

Performance

Strategic report continued

Principal Risk	Mitigation/Control	Principal Risk	Mitigation/Control
<p>Market</p> <p>Market risk arises from volatility in the prices of the Company's investments. It represents the potential loss the Company might suffer through realising investments in the face of negative market movements.</p> <p>Changes in general economic and market conditions, such as interest rates, rates of inflation, industry conditions, tax laws, political events and trends can also substantially and adversely affect the securities and, as a consequence, the Company's prospects and share price.</p>	<p>The Board considers the diversification of the portfolio, asset allocation, stock selection, and levels of gearing on a regular basis and has set investment restrictions and guidelines which are monitored and reported on by the Investment Manager. The Board monitors the implementation and results of the investment process with the Investment Manager.</p>	<p>Operational</p> <p>In common with most other investment trust companies, the Company has no employees. The Company therefore relies on the services provided by third parties and is dependent on the control systems of the Manager, BNY Mellon Trust & Depositary (UK) Limited (the Depositary) and the Bank of New York Mellon (International) Limited, who maintain the Company's assets, dealing procedures and accounting records. The security of the Company's assets, dealing procedures, accounting records and adherence to regulatory and legal requirements depend on the effective operation of the systems of these third party service providers.</p> <p>Failure by any service provider to carry out its obligations could have a material adverse effect on the Company's performance. Disruption to the accounting, payment systems or custody records could prevent the accurate reporting and monitoring of the Company's financial position.</p>	<p>Due diligence is undertaken before contracts are entered into with third party service providers. Thereafter, the performance of the provider is subject to regular review and reported to the Board.</p> <p>Third party service providers produce Service Organisation Control (SOC 1) reports to provide assurance regarding the effective operation of internal controls as reported on by their reporting accountants. These reports are provided to the Audit & Management Engagement Committee.</p> <p>The Company's assets are subject to a strict liability regime and, in the event of a loss of assets, the Depositary must return assets of an identical type or the corresponding amount, unless able to demonstrate the loss was a result of an event beyond its reasonable control.</p> <p>The Board reviews the overall performance of the Manager, Investment Manager and all other third party service providers on a regular basis and compliance with the investment management agreement annually.</p> <p>The Board also considers the business continuity arrangements of the Company's key service providers.</p>
<p>Counterparty</p> <p>The potential loss that the Company could incur if a counterparty is unable (or unwilling) to perform on its commitments.</p>	<p>Due diligence is undertaken before contracts are entered into and exposures are diversified across a number of counterparties.</p> <p>The Depositary is now liable for restitution for the loss of financial instruments held in custody unless able to demonstrate the loss was a result of an event beyond its reasonable control.</p>		
<p>Income/dividend</p> <p>Low earnings in the underlying portfolio and any adverse change in the tax treatment of 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.</p>	<p>The Board monitors this risk through the receipt of detailed income forecasts and considers the level of income at each meeting.</p> <p>The Company has built up revenue reserves which can be drawn upon as required.</p> <p>The Investment Manager has the ability to write options (within set parameters) which generate additional income.</p>	<p>Financial</p> <p>The Company's investment activities expose it to a variety of financial risks which include market risk, counterparty credit risk, liquidity risk and the valuation of financial instruments.</p>	<p>Details of these risks are disclosed in note 18 on pages 62 to 73 together with a summary of the policies for managing these risks.</p>

Principal Risk	Mitigation/Control	
<p>Legal & Compliance</p> <p>The Company has been accepted by HM Revenue & Customs as an investment trust, subject to continuing to meet the relevant eligibility conditions. It operates as an investment trust in accordance with Chapter 4 of Part 24 of the Corporation Tax Act 2010. As such, the Company is exempt from capital gains tax on the profits realised from the sale of its investments.</p> <p>Any breach of the relevant eligibility conditions could lead to the Company losing investment trust status and being subject to corporation tax on capital gains realised within the Company's portfolio.</p> <p>Any serious breach could result in the Company and/or the Directors being fined or the subject of criminal proceedings or the suspension of the Company's shares which would in turn lead to a breach of the Corporation Tax Act 2010.</p> <p>The Company is required to comply with the provisions of the Companies Act 2006, the Alternative Investment Fund Managers' Directive and the UK Listing Rules and Disclosure Rules.</p>	<p>The Investment Manager monitors investment movements, the level and type of forecast income and expenditure and the amount of proposed dividends to ensure that the provisions of Chapter 4 of Part 24 of the Corporation Tax Act 2010 are not breached. The results are reported to the Board at each meeting. Compliance with the accounting rules affecting investment trusts are also carefully and regularly monitored.</p> <p>The Company Secretary, the Manager and the Company's professional advisers provide regular reports to the Board in respect of compliance with all applicable rules and regulation. The Board and the Manager also monitor changes in government policy and legislation which may have an impact on the Company.</p>	<ul style="list-style-type: none"> ▶ the Company invests predominantly in highly liquid, large listed companies so its assets are readily realisable and provides a level of cash receipts in the form of interest and dividends, ▶ the Company invests in mining companies with long life assets ▶ the Company's forecasts for revenues, expenses and liabilities are relatively stable and it has largely fixed overheads which comprise a very small percentage of net assets (1.2%), and ▶ notwithstanding the fall in the Company's NAV, the business model should remain attractive for much longer than three years, unless there is further regulatory change. <p>The Company will undertake its annual continuation vote at the forthcoming Annual General Meeting and the Board has reviewed the potential impact that this may have on the Company's viability. The Board is confident that the continuation vote will be passed and have prepared the viability statement under this assumption.</p> <p>The Directors have also reviewed</p> <ul style="list-style-type: none"> ▶ the Company's principal risks and uncertainties as set out above ▶ the potential impact of the continuation of the fall in commodity equity markets and on the value of the Company's investment portfolio and underlying dividend income, ▶ the ongoing relevance of the Company's investment objective, business model and investment policy in the current environment, and ▶ the level of demand for the Company's shares.
<p>Marketing</p> <p>Marketing efforts are inadequate or do not comply with relevant regulatory requirements. There is a failure to communicate adequately with shareholders or reach out to potential new shareholders resulting in reduced demand for the Company's shares and a widening of the discount.</p>	<p>The Board reviews marketing strategy and initiatives and the Manager is required to provide regular updates on progress. BlackRock has a dedicated investment trust sales team visiting both existing and potential clients on a regular basis. Data on client meetings and issues raised are provided to the Board on a regular basis.</p> <p>All investment trust marketing documents are subject to appropriate review and authorisation.</p>	<ul style="list-style-type: none"> ▶ the level of demand for the Company's shares. <p>The Directors reviewed the assumptions and considerations underpinning the Company's existing going concern assertion which are based on</p> <ul style="list-style-type: none"> ▶ processes for monitoring costs, ▶ key financial ratios, ▶ evaluation of risk management controls, ▶ compliance with the investment objective, ▶ portfolio risk profile, ▶ share price discount to NAV,

VIABILITY STATEMENT

In accordance with provision C 2.2 of the UK Corporate Governance Code, the Directors have assessed the prospects of the Company for a period of three years. This is generally the investment holding period investors consider while investing in the natural resources companies sector. In its assessment of the viability of the Company the Directors have noted that

Performance

Strategic report continued

- ▶ gearing, and
- ▶ counterparty exposure and liquidity risk

Based on the results of their analysis, the Directors have concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment

FUTURE PROSPECTS

The Board's main focus is to maximise total returns over the longer term through investment in mining and metal assets. Whilst sentiment is currently affected by U.S. dollar strength, global growth and geo-political concerns, China has traditionally been a key driver behind resource demand. However, uncertainties behind the size and nature of this demand level, along with volatile markets elsewhere, make accurate forecasting difficult. The outlook for the Company is discussed in both the Chairman's Statement on page 5 and the Investment Manager's Report on page 18.

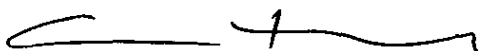
SOCIAL, COMMUNITY AND HUMAN RIGHTS ISSUES

As an investment trust with no employees, the Company has no direct social or community responsibilities or impact on the environment. However, the Company believes that it is in shareholders' interests to consider environmental, social and governance factors, and human rights issues, when selecting and retaining investments. Details of the Company's policy on socially responsible investment are set out on pages 35 and 36.

DIRECTORS, GENDER REPRESENTATION AND EMPLOYEES

The Directors of the Company on 31 December 2015, all of whom held office throughout the year, are set out in the governance structure and Directors' biographies on page 24. The Board currently consists of six male Directors and one female Director. The Company does not have any employees, therefore there are no disclosures to be made in that respect.

The information set out on pages 13 to 23, including the Investment Manager's Report, forms part of this Strategic Report. The Strategic Report was approved by the Board at its meeting on 29 February 2016.



BY ORDER OF THE BOARD
BLACKROCK INVESTMENT MANAGEMENT (UK) LIMITED

Caroline Driscoll
Company Secretary
29 February 2016

Performance

Investment manager's report

EVY HAMBRO

OLIVIA MARKHAM

PORTFOLIO PERFORMANCE

This year saw the sector venture further into uncharted territory resulting in 2015 being not only the fifth negative year in a row for the Company, but also the second worst annual return with the net asset value (NAV) falling by 35.3% and the share price by 37.0%. Similar to the previous year, the majority of this fall happened in the second half of the year as investors revised their commodity price assumptions downwards on the back of further weakness in demand and a reluctance from the mining companies to cut enough supply. Like a set of dominos falling in a row, the commodity price falls triggered EBITDA falls which in turn increased the prospect of indebted companies not being able to meet covenants on their debt. In this environment, share prices took the full force of such fears given equity investors would have the most to lose.

We know that it is small comfort, but the Company managed to deliver an excess return in NAV terms during the year by falling less than the Euromoney Global Mining Index which fell by 36.9%. The outperformance was due to a range of factors, of which the largest was a core holding in Norilsk Nickel, as well as gold producer Northern Star Resources, whose assets are located in countries where the domestic currency weakened relative to the U.S. dollar. Performance was also helped by avoiding companies that had no plan to escape the prospect of debt issues. These positives were in part offset by the overweight in copper producers, an underweight in the larger gold companies and an underweight in the aluminium producers.

MINING SECTOR OVERVIEW

In 2015, the market was dominated by huge moves in commodity prices and exchange rates on the back of the surging trade weighted dollar. These two factors were inextricably linked throughout the year. The relative weakness in the dollar in the first five months caused some commodity prices to shun the overall downward trend, for example copper and oil. However,

from June onwards, commodity prices sank as the dollar resumed its upward move based on the overwhelming view that the Federal Reserve would raise rates for the first time since 2006. Copper and oil joined the pack moving lower and those commodity prices that had already fallen rapidly fell further. The downdraft in prices left market forecasts out of touch with the spot price reality and the gap that opened up was soon overwhelming. Credit rating agency debt warnings and downgrades became commonplace in the sector and many companies have been left with debt trading well into junk territory. In some cases the collapse in share prices has left companies looking at huge dilution to existing shareholders, for example, Lonmin raised money during the year at 1p per share versus the £33 per share offer from Xstrata in 2007!

The link between the dollar and commodity prices has delivered some benefits to a select group of miners as the dollar strength has caused many 'producer currencies' to weaken massively. Allocating capital to companies that have

Currency moves in 2015 vs U.S. Dollar

	Sterling	Euro	Australian Dollar	Canadian Dollar	Chinese Yuan	Brazilian Real	South African Rand	Russian Ruble
1 year return	-5.4%	-10.2%	-10.9%	-19.1%	-4.6%	-47.0%	-33.7%	-25.5%
Spot at 31 December 2015	1.47	1.09	0.73	1.38	6.49	3.96	15.47	72.52

Source: Bloomberg

Performance

Investment manager's report continued

assets in 'producer countries' such as Australia, Canada, Brazil, Mexico, Russia and others, has been a key strategy within the Company for the last few years. It has helped to offset part of the fall in US dollar commodity prices by reducing local costs in dollar terms. The table on the previous page highlights the scale of the moves in exchange rates for 'producer countries' relative to the dollar.

Another factor helping companies to protect margins has been the general cost deflation across the industry. The reduced level of activity within the mining sector caused a drop in demand for just about everything – from explosives to people and equipment. In addition, the cost of consumables such as diesel and steel has dropped. This combination has helped some companies to shelter from the price falls, and in some cases profit from the moves, but it was far from enough to deliver positive share price returns. The scale of the fall this year, as mentioned previously, was the second worst in the 22 year history of the Company and the sector still faces the huge challenge of repaying the debt that was taken on to fund the capital investment and M&A adventures undertaken during the boom years.

Despite the negative background there is cause for hope as some companies have recognised the immediate challenges that they face. Those that moved quicker than others to sell assets, issue equity, pay down debt and have delivered on credible plans, have been rewarded with relative outperformance. Then there are the rest. These companies were reluctant to believe that things would deteriorate and they took comfort in having large undrawn revolving credit facilities in place offering them cheap access to liquidity. The ensuing collapse in the value of their equity during the year and a shift from a sellers-market for asset divestiture to one in favour of the buyer has left them like debt-ridden zombies with limited flexibility to restructure their balance sheet. Thankfully, the Company avoided some of the biggest losers in this space and this added to relative returns but it failed to avoid all of them. It remains to be seen whether investors have the conviction to back much needed refinancing packages and they will probably demand that existing shareholders suffer significant dilution.

BASE METALS

In 2015 it was a clean sweep of negative moves for the base metal sector. Nickel was the largest faller with the price dropping by 41.8% and the year-on-year average price just under 30% lower. Despite this, Norilsk Nickel, the world's largest producer of nickel and one of the Company's largest holdings was one of the best performing equities in 2015. This was due to three factors: relative balance sheet strength, aggressive cost cutting and the collapse of the Ruble. These factors allowed the company to preserve margins relative to others and the free cash flow was distributed to shareholders leading to significant outperformance relative to the sector.

SELECTED COMMODITY PRICE CHANGES DURING 2015

	Price 31 December 2015	% change over 12 months	% change average 2015 vs 2014
Uranium US\$/lb	34.25	-3.5%	+10.1%
Gold US\$/oz	1,062.4	-10.5%	-8.4%
Zinc US\$/lb	0.72	-26.5%	-10.7%
Aluminium US\$/lb	0.68	-17.8%	-10.9%
Lead US\$/lb	0.82	-2.5%	-14.7%
Silver US\$/lb	13.855	-12.0%	-17.7%
Copper US\$/lb	2.13	-26.1%	-19.7%
Platinum US\$/oz	868	-28.0%	-23.9%
Tin US\$/lb	6.62	-24.9%	-26.6%
Nickel US\$/lb	3.98	-41.8%	-29.8%
Hard Coking Coal (US\$/t)	77	-30.8%	-22.8%
Thermal Coal (US\$/t)	51.9	-19.9%	-16.6%
Iron Ore – fines 62% Fe China Import US\$/t	42	-37.8%	-44.1%
Lithium Carbonate CIF into China spot 99% (US\$/t)	15,789	161.5%	+29.9%
Potash (US\$/t)	265	-28.4%	-7.4%
Baltic Freight Rate Index US\$	478	-38.9%	-35.5%

Sources: Datastream and Bloomberg

On the negative side of returns, the Company's exposure to copper producers detracted from performance. The 19.7% fall in the average price, year-on-year, meant that cash flows were down sharply and share price performance was very negative. This happened in two phases. During the first half of the year copper prices held up relative to the group and this boded well for outperformance but, post the summer and the general weakness in demand for all commodities, copper fell sharply leaving companies little time to react. Freeport McMoRan Copper & Gold was forced to issue equity in two on-market tranches during the year. Other companies, such as Anglo American, First Quantum Minerals, Glencore and Barrick Gold, initiated asset sale strategies but buyers were restricted by both a desire to buy only the best assets and to keep balance sheet liquidity intact. By the year end, there was an even longer list of copper assets for sale and valuations for mines were falling in line with the market. Barrick had the most success by managing to sell half of its Zaldívar mine to Antofagasta on terms that look beneficial to the seller over the buyer.

GOLD & PRECIOUS METALS

It was a volatile year for gold which finished the period down 10.5% in U.S. dollar terms (-5.1% in sterling terms), outperforming base metals, bulk commodities and oil during the year. Precious metals started the year strongly, reaching a high of US\$1,300/oz in January, with the market acutely focused on a possible Greek exit. This trend subsequently reversed, bottoming at US\$1,050/oz in December with the U.S. Federal Reserve indicating that it would raise rates by 25 basis points which saw the U.S. dollar hit a 12½ year high. Much of the debate in gold circles during the year focused on how gold would perform in a Fed tightening cycle. Typically, gold performs poorly as interest rates rise, however, given expectations of a slow tightening cycle, lack of inflation and long term rates remaining low, gold has the potential to see a relief rally particularly for those concerned about the strength of the global economy.

As in 2014, there was generally a lack of investor interest in gold with small net ETF outflows for the year. Investors who loaded up on gold as the market began to take off in 2010 have now largely exited the market with changes in the holdings of physically-backed gold ETFs having limited influence on the gold price during 2015. The second half of the year witnessed a pick-up in physical volumes which was led by Indian and Chinese jewellery demand in line with seasonal strength, but also stimulated by the lower gold price. According to the World Gold Council, jewellery demand is expected to have risen by +5% in 2015 to 2,100 tonnes and remained the largest source of overall demand. Investment demand via bar and coin was also strong with official coin sales +111% year-on-year in Q3 2015, the strongest level of U.S. coin demand since the global financial crisis. The devaluation of the Chinese Yuan in August is also potentially supportive for gold, with Chinese investors looking to protect against further currency risk. Central banks continue to be net gold buyers with Russia remaining a large buyer of the metal. During Q3 2015, China reported its official gold holdings for the first time since April 2009. At 1,658 tonnes, China's gold holdings were up by 604 tonnes from the last reported figure but were far below the market's expectations for around 3,000 tonnes and this put pressure on the price. From a supply perspective, overall supply plateaued up 1% year-on-year (Q3-15 vs Q3-14). The lack of reinvestment into growth projects across the industry has seen forecast mine supply growth decline in recent years with overall mine supply expected to decline from 2016.

Gold equities, as measured by the FTSE Gold Mines Index, fell by 21.4% in U.S. dollar terms (16.9% in sterling terms), outperforming the industrial miners. There was a significant dispersion in returns across gold equities, with companies with heavily indebted balance sheets faring worse than those with stronger balance sheets. The fall in the gold price saw a number of companies look to deleverage via asset sales, the

most notable was Barrick Gold which successfully delivered on its target of reducing debt by US\$3 billion. The pick-up in M&A activity created a number of interesting opportunities for some of the small to mid-size gold companies. These companies have been able to acquire assets successfully and add value through refocusing on exploration and stripping out costs that are typically associated with a larger company. The portfolio's holding in Australian-based gold producer Northern Star was one of the largest contributors to performance during the year having successfully acquired assets from Newmont and Barrick.

Unlike the last two years, silver performed in line with gold, falling by 12.0% (in U.S. dollar terms). While the performance of the two metals was similar, it is interesting to note that the gold to silver ratio has been persistently high over the last year exceeding 70 versus a historical ratio of around 60. The bulk of the Company's silver exposure is through its holding in Fresnillo and its parent company, Industrias Penoles. Of the other precious metals, platinum and palladium ended the year down by 28.0% and 29.3% respectively (in U.S. dollar terms). The industry continues to be challenged by growing supply (despite a significant percentage of the industry being loss making), declining global auto sales and a new question mark around the demand for diesel vehicles following the Volkswagen scandal around emissions tests. The Company's portfolio has no exposure to platinum, with an indirect exposure to palladium via its holding in Norilsk Nickel, the world's largest palladium producer.

Diamond exposure in the portfolio increased year-on-year with additions to holdings in Petra Diamonds (via listed debt) and Dominion Diamonds. Total exposure to the diamond sector ended the year at over 4% of the portfolio. Rough diamond prices came under pressure in 2015, declining by an average of 15%, mirroring the last major shakeout in the diamond market in 2011/2012 when prices fell by 20%. Measures taken by the industry (principally by DeBeers) to reduce production helped support prices however, inventory held by polishers and dealers remains elevated with prices likely to remain under pressure until excess inventory is sold.

BULK COMMODITIES

Weakness across all three 'steel intensive' sectors in China – property, infrastructure and industry, saw global crude steel demand decline by 3.5% in 2015, the first decline in global steel consumption since 2009. Weakness in China's domestic economy saw the world's largest consumer and producer of steel meaningfully increase its level of steel exports, putting downward pressure on steel prices globally. Despite positive forecasts from major iron ore producer Rio Tinto, which expects China to grow its steel output to one billion tonnes by 2030 (from approximately 840Mt today), much debate this year has focused on whether China has now reached peak steel demand.

Performance

Investment manager's report continued

Weakness in steel demand saw the iron ore market come under significant pressure with the average iron ore price declining by 44.1% year-on-year. The market faces a number of challenges with a falling cost curve, declining demand and new low cost supply entering the market as major iron ore producers complete expansion projects committed to at the top of the cycle. The decline in the iron ore price has seen a significant amount of Chinese domestic production, as well as material from smaller producers, exit the market. The industry is on a 'race to the bottom', aggressively lowering operating costs, with weaknesses in the oil price, Australian dollar, Brazilian Real, as well as volume growth, resulting in a close to 50% reduction in unit operating costs since the peak for the major producers BHP Billiton, Rio Tinto and Vale.

The market is anticipated to remain oversupplied next year and this is likely to see the iron ore price remain around current prices, or move lower, to continue to force production out of the market. While the major producers are still generating decent margins, the amount of cash generated from their iron ore divisions has declined materially in recent years putting pressure on dividends. The Company's portfolio had minimal exposure to pure play iron ore producers throughout the year.

The metallurgical coal market faced similar challenges to that of the iron ore market – flattening and falling cost curves, as well as weak demand, forcing prices lower. At current prices, only select Australian, Russian and U.S. producers are making a margin. Long considered the marginal producer in the contestable metallurgical coal market, Chinese domestic supply has also been stronger than expected. In the absence of higher demand, higher cost U.S. production needs to be cut to return the market to balance. However, the modus operandi has been for heavily indebted miners to choose to burn cash and sell down inventory, before filing for Chapter 11 bankruptcy protection and restructuring their debt. While there are a number of companies which are likely to be forced down this route in 2016, mines often continue to operate but with different owners, with little production actually exiting the market.

Thermal coal prices have been falling for almost five years. Declining consumption growth in China has seen the country continue to reduce its imports of thermal coal and this has placed downward pressure on the seaborne market. In an effort to protect its massively indebted and cash flow negative coal industry, China has brought in a number of protectionist measures such as import restrictions and tax cuts. In addition, the growing recognition of the need to address climate change, has seen a number of major economies commit to reduce their use of thermal coal and focus on energy efficiency and alternative energy sources. The Company's portfolio ended the year with no pure play thermal coal exposure, exiting our position in China Shenhua during the second half of 2015.

INDUSTRIAL METALS

Unlike most commodities, the lithium sector has seen strong demand, constrained supply and a rally in prices with the Chinese lithium carbonate price rising +161.5% in 2015. Future demand looks set to be strong, driven by the growing uptake in lithium batteries, particularly via electric cars and static storage. Albermarle, one of the leading producers of lithium, forecasts demand to rise by approximately four times over the next decade. While these predictions appear very bullish, they do highlight the potential for future demand growth. Over the last five years, electric vehicles have grown significantly and appear on the tipping point for mainstream adoption. In addition, a number of large companies are building lithium battery factories, most notably Tesla's Gigafactory, which has the potential to transform the industry. During 2015, we initiated a position in Albemarle, a large U.S. based specialty metals company with lithium assets around the world.

ROYALTIES AND ILLIQUID INVESTMENTS

4.4% of the Company's portfolio is invested in unquoted investments. These, and any future investments, will be managed in line with the guidelines set by the Board as outlined to shareholders in the last Annual Report.

Banro gold-linked linked preference share

The Company's portfolio has a 2.5% exposure to a gold-linked preference share issued by Canadian listed gold company Banro Corporation. The preference share provides exposure to the gold price and production growth. The principal value moves in line with the gold price and the coupon ranges between 10% and 15% depending on Banro's overall level of production. Since the Company purchased the preference share in April 2013, the Company has received a total of US\$6.6 million in dividends, with deferred dividends expected to be received in the first half of 2016.

Following a challenging 2014, we are pleased to report that Banro successfully delivered on a number of milestones during the year. The company's primary mine Twang'iza delivered record production +38% year-on-year, operating ahead of design capacity. Namoya the company's second asset continued to ramp-up during the year declaring commercial production on 1 January 2016. Overall, the company produced 183,369 ounces of gold in 2015. This is expected to further increase in 2016 as production from Namoya builds. In addition, the company successfully completed a US\$90 million financing in February 2015 with Gramercy Funds Management to address near term liquidity needs.

As the gold price continued to weaken, Banro has sought to raise additional capital, signing definitive agreements with a Chinese mining investment fund, Resource FinanceWorks, for US\$98.75 million financing at the end of 2015. The transaction is subject to regulatory approval, with Banro targeting closure of the deal in the first quarter of 2016. The transaction consists of a US\$67.5 million stream over the Twangiza asset, a US\$22.5 million term loan facility maturing in November 2016, and a US\$8.75 million private placement of 50 million Banro shares plus 2.5 million warrants. In addition to general corporate and working capital purposes, the proceeds from the transaction will be used to meet remaining coupon payments on Banro's senior secured notes which mature in 2017, to repay local debt and outstanding dividends owed on the preference shares, and to expand crushing facilities at Twangiza.

As at the end of the year, the Board in conjunction with a recommendation from the BlackRock Pricing Committee, has applied a 30% discount to the valuation of the gold-linked preference share. This discount is consistent with the level of the discount to par value that the senior secured notes have traded at during the second half of 2015 and reflective of Banro's tight liquidity position at the year end. The Company reduced its exposure to Banro's senior secured notes throughout the year, exiting the holding prior to the year end.

Avanco royalty contract

In October 2013, the Company signed a non-binding memorandum of understanding with Avanco Resources for a contractual royalty covering its exploration licenses within the world-class mineral district of Carajas in Brazil. A binding royalty agreement was subsequently signed in July 2014. In return for US\$12 million the Company will receive Net Smelter Return (net revenue after deductions for freight, smelter and refining charges) royalty payments comprising 2% on copper, 25% on gold and 2% on all other metals that will be produced from their Antas North and Pedra Branca (Stage 1 and Stage 2) licenses. In addition, there will be a flat 2% royalty over all metals produced from any other discoveries within Avanco's licence area as at the time of the agreement.

Given the development style nature of the royalty, drawdown was conditional on Avanco achieving a number of milestones to de-risk the Company's royalty exposure. These conditions (achieved in the first half of 2015) included the publication of a JORC compliant reserve statement, the receipt of a mining license for Stage 1 and securing debt financing for the project. Delays in securing debt financing from a syndicate of Brazilian banks during 2014, saw the company announce and complete an equity raising during the first half of 2015. As a result, their Antas North (Stage 1) copper mine is fully financed into production. This places Avanco in an advantageous position of being fully financed, debt free and unhedged as it enters production.

As of the end of the year, the Company has invested US\$8 million of its US\$12 million commitment, with the remaining US\$4 million expected to be invested during the first quarter of 2016. Construction of the Antas North open pit mine continues to progress well, with commissioning of the operation targeted during Q1 2016. The project remains on time and on budget with pre-stripping well advanced, plant earthworks and civils complete, power connected to site and electrical installation underway. The project is initially targeting annual production of 12,000 tonnes of copper in concentrate and 7,000 ounces of gold, increasing to 15,000 tonnes of copper by 2018. Ongoing weakness in the Brazilian Real is expected to lower the US dollar denominated capital expenditure budget (including contingency and working capital) of US\$60 million and should also reduce operating costs with a significant amount of costs denominated in local currency.

Further upside potential is available via the Pedra Branca underground project which is also covered by the royalty. Pedra Branca is significantly larger than Antas with a current copper resource of 454,000 tonnes and 363,000 ounces of gold. Avanco is targeting copper production from the project of approximately 35,000 tonnes per annum. The project has good infrastructure and is close to its existing Antas mine. The company will continue to focus on early stage development studies and resource drilling, with further details to be released during 2016.

FIXED INCOME SECURITIES

The Company continues to have a significant part of the portfolio allocated to fixed income securities. As at the end of 2015, the Company had 12.9% of the portfolio in corporate debt. First Quantum debt made up the largest exposure to a single issuer at 5.8% of the Company's portfolio.

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 and take advantage of high prices paid for exposure to volatility. These derivative positions, which are small in comparison with the size of the Company, usually have the effect of obliging us to buy or sell stock or futures at levels we believe are attractive. During 2015, we primarily focused on writing short dated options to maximise the price paid for the implied volatility and at the same time minimise the duration of the exposure in keeping them short dated. This was done mostly by the selling of covered calls, but in some cases we also sold puts where we felt valuation levels were sufficiently attractive. Both strategies worked well during the year and income from option writing increased year-on-year. At the end of 2015, the Company had two option positions with time still to run and they both expired worthless in January.

Performance

Investment manager's report continued

GEARING

At 31 December 2015, the Company had gearing, net of group cash, amounting to £46.1 million, representing 12.2% of net assets. For the most part this gearing has been drawn down against the higher yielding mining company corporate bonds and is predominantly denominated in the same currency as the bonds. Gearing, which can be drawn down or repaid at any time, is used in the portfolio to take tactical advantage of market volatility and opportunities as well as enhance overall returns during the medium to long term.

OUTLOOK AND STRATEGY FOR 2016

This time last year we were worried that weakness in demand might cause the recent falls in commodity prices to accelerate further and make it difficult for companies to maintain the level of dividends being forecast by the market. In the second half of 2015 this happened and companies now face the challenge of dealing with the debt they had taken on to fund investments during the good times. Working out how this problem is to be tackled will be key to delivering good performance in 2016. We expect there to be a large dispersion in performance between those that have plans and those that either do not or are unable to produce one as it is 'too late' for them. Our intent is obviously to back the former and avoid the latter. In addition, we expect precious metal companies, mainly gold producers, to outperform broader commodity producers if the U.S. interest rate cycle goes into reverse. Lastly, we have been building exposure to industrial commodities versus base metals and we expect to add to this strategy during the year.

2016 is likely to be characterized yet again by high levels of volatility and this should allow the Company to increase revenue from selling options to the market. If we can build on this source of income during the year then it will go some way to softening the blow from cuts to mining company dividends. It is our hope that during 2016 common sense prevails and mining companies start to cut production so that supply and demand begin to return to balance. If mining companies fail to act, then commodity prices are likely to remain lower for longer.

EVY HAMBRO AND OLIVIA MARKHAM

BlackRock Investment Management (UK) Limited

29 February 2016

Performance

Ten largest investments as at 31 December 2015

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

BHP Billiton 11.3% (2014 10.8%) is the world's largest mining company by market cap. The company is an important global player in a number of commodities including iron ore, copper, coal, manganese, aluminium, diamonds and uranium. The company is the only sizeable holding in the portfolio with significant oil and gas assets. During the first half of 2015 the company completed the demerger of a series of smaller non-core assets into a new company South32. Samarco, a joint venture operated by mining majors BHP Billiton and Vale suffered a collapse in its tailings dam in November 2015. Tragically this resulted in the loss of lives and significant environmental damage. Uncertainty around the size of the environmental liability, as well as oil price weakness, put pressure on the company towards the end of the year.

Rio Tinto 10.7% (2014 10.8%) is the world's second largest mining company by market cap. It has interests over a broad range of metals and minerals including iron ore, aluminium, copper, coal, industrial minerals, gold and uranium. The company has recently completed the infrastructure expansion of its world class Pilbara iron operations to 360mtpa.

First Quantum Minerals 6.7%** (2014 8.6%) is an integrated copper producer whose principal operating assets are in Zambia, but also with nickel assets in Australia and Finland. First Quantum is in the midst of a significant expansion of its business comprising six major projects, most notable the Cobre Panama mine in Panama. During the first half of 2015, the company raised C\$1.25 billion in fresh equity to de-risk the balance sheet through its heavy investment phase. Further weakness in the copper price has seen the company take further action to protect the balance sheet, with further asset sales expected in 2016. The Company holds both the equity and the senior unsecured debt.

Lundin Mining 5.3%** (2014 4.6%) is a base metals producer with operations in Chile, Europe and the U.S. In addition, it holds a 24% minority stake in the Tenke copper-cobalt mine in the DRC. In October 2014, the company announced that it had agreed to purchase Freeport McMoRan's 80% interest in the Candelaria copper mine in Chile for US\$1.8 billion. To fund this purchase, the company raised US\$674 million in equity and issued US\$1 billion of senior secured notes. During the second half of 2015, the company announced an updated mine plan for the asset resulting in higher production between 2016 and 2019 which was well received by the market. The Company holds both the equity and the 7.875% senior secured notes due 2022.

Norilsk Nickel: 5.0% (2014 3.4%) is the world's largest nickel and palladium producer and also with significant platinum and copper production. It is a Russian company whose core assets are located in northern Siberia, within the Arctic Circle. Despite nickel and palladium price weakness during 2015, the company has benefited from the significant weakening in the Russian Ruble, which has seen the company continue to generate strong cash flow supporting its attractive dividend.

Performance

Ten largest investments as at 31 December 2015 continued

Fresnillo 4.5% (2014 3.0%) is a Mexican based precious metals mining company incorporated in the United Kingdom and headquartered in Mexico City. Fresnillo is the world's largest producer of silver and Mexico's second largest gold miner. The company has a strong exploration focus and organic growth pipeline targeting growth to 65moz silver and 750koz of gold by 2018.

Glencore: 3.8% (2014 8.4%) is a diversified miner with activities in mining, smelting, refining, processing and marketing of metals and minerals, energy products and agricultural products globally. In addition, the company provides financing, logistics, marketing and purchasing services to producers and consumers of commodities. During the year, the company took a number of actions outlining a plan to reduce US\$13 billion of net debt.

Sociedad Minera Cerro Verde: 3.8% (2014 3.6%) is a copper and molybdenum operation in Peru operated by Freeport McMoRan Copper & Gold where they maintain a 53.6% ownership in the company. In 2013, construction activities commenced on the US\$4.4 billion large-scale expansion of the asset to triple production at the concentrator facilities and provide an incremental 600mlbs of copper and 15mlbs of molybdenum from 2016.

Hudbay Minerals: 2.8% (2014 2.3%) is a Canadian mining company with operations, development properties and exploration activities across the Americas focused on the production of base and precious metals. The company has spent the last few years investing in the Lalor and Constanca projects, with Constanca achieving commercial production during 2015. In addition, Hudbay acquired the Rosemont project via its acquisition of Augusta Resources in 2014, to complement its growth profile in the long term. The company holds both the equity and the 9.5% senior unsecured notes due 2020.

Potash Corporation of Saskatchewan: 2.7% (2014 nil) is a Canadian based company and the world's largest fertilizer company by capacity, producing the three primary crop nutrients: potash, nitrogen and phosphate. The company has operations and business interests in seven countries and plays an important role in helping the world grow the food it needs. The company is part-owner of Canpotex, which manages all potash exporting from Saskatchewan, Canada.

* Includes fixed interest securities

† 0.9% in equity 5.8% fixed interest

‡ 2.0% in equity 2.9% fixed interest

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 2014. Together the ten largest investments represent 56.6% of total investments (31 December 2014 60.6%).

Performance

Investments as at 31 December 2015

	Main geographical exposure	Market value £'000	% of investments
Diversified			
BHP Billiton	Global	48,203	11.3
Rio Tinto	Global	45,517	10.7
Lundin Mining*	Global	22,542	5.3
Norilsk Nickel	Russia	21,287	5.0
Norilsk Nickel Call Option 15/01/16	Russia	(47)	-
Glencore	Global	16,267	3.8
Hudbay Minerals*	Global	11,721	2.7
Boliden	Sweden	5,762	1.3
Boliden call option 15/01/16	Sweden	(114)	-
African Rainbow Minerals	South Africa	1,118	0.3
Vale 0% 29/9/49#	Global	453	0.1
		172,709	40.5
Copper			
First Quantum Minerals*	Global	28,567	6.7
Sociedad Minera Cerro Verde	Peru	16,232	3.8
Avanco Resources*#~	Brazil	15,638	3.7
Nevsun Resources	Eritrea	10,203	2.4
OZ Minerals	Australia	8,223	1.9
Antofagasta	Chile	3,284	0.8
Aurubis	Global	2,370	0.6
Freeport-McMoRan Copper & Gold	Global	2,290	0.5
Reservoir Minerals	Serbia	1,475	0.3
Katanga Mining	DRC	769	0.2
Ivanhoe Mines#	DRC	259	0.1
		89,310	21.0
Gold			
Northern Star Resources	Australia	11,321	2.6
Banro+#	DRC	10,576	2.5
Randgold Resources	Africa	10,525	2.5
Franco-Nevada	Global	7,111	1.7
Newcrest Mining	Australia	6,723	1.6
Eldorado Gold	Global	5,993	1.4
AngloGold Ashanti	South Africa	3,848	0.9
Gold Fields	South Africa	3,745	0.9
Agnico Eagle Mines	Canada	3,553	0.8
G-Resources	Indonesia	2,607	0.6
Shanta Gold convertible	Tanzania	2,546	0.6
OceanaGold	Global	2,458	0.6
Metals X	Australia	1,523	0.4
Independence	Australia	1,173	0.3
Minas Buenaventura	Peru	1,034	0.2
Stratex International	Turkey	464	0.1
		75,200	17.7

Performance

Investments as at 31 December 2015 continued

	Main geographical exposure	Market value £'000	% of investments
Silver & Diamonds			
Fresnillo	Mexico	19,429	4.5
Petra Diamonds*	South Africa	8,425	2.0
Tahoe Resources	Global	7,600	1.8
Dominion Diamond	Canada	6,896	1.6
Industrias Penoles	Mexico	6,258	1.5
Mountain Province Diamonds	Canada	3,562	0.8
Lucara Diamond	Botswana	3,118	0.7
Sierra Metals	Peru	852	0.2
Volcan	Peru	237	0.1
		56,377	13.2
Industrial Minerals			
Potash Corporation of Saskatchewan	Canada	11,623	2.7
Iluka Resources	Australia	10,591	2.5
Albemarle	Global	5,699	1.3
		27,913	6.5
Aluminium			
Alumina	Australia	2,057	0.5
		2,057	0.5
Other			
Nyrstar	Global	883	0.2
Western Areas	Australia	747	0.2
Sociedad Minera El Brocal^	Peru	288	0.1
Bindura Nickel	Zimbabwe	33	-
		1,951	0.5
Iron Ore			
Equatorial Resources	Republic of Congo	407	0.1
		407	0.1
Portfolio			
		425,924	100.0

* Includes fixed interest investments
Investments held at Directors valuation
+ Includes Banro gold-linked preference share
^ Includes rights holdings
- Includes mining royalty contract

All investments are in equity shares unless otherwise stated

The total number of investments as at 31 December 2015 (including options classified as liabilities on the balance sheet) was 56 (31 December 2014 64)

As at 31 December 2015, the Company held equity interests in two companies comprising more than 3% of a company's share capital as follows: Stratex International and Avanco Resources

Performance

Portfolio analysis as at 31 December 2015

Governance

Governance structure and directors' biographies

Responsibility for good governance lies with the Board. The governance framework of the Company reflects the fact that as an investment company it has no employees and outsources investment management to the Manager and other external service providers.

The Board

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

Chairman Anthony Lea

5 full scheduled meetings per annum

Objectives

- ▶ To determine investment policy strategy and parameters
- ▶ To provide leadership within a framework of prudent and effective controls which enable risk to be assessed and managed and the Company's assets to be safeguarded
- ▶ To challenge constructively and scrutinise performance of all outsourced activities and
- ▶ To establish the Company's remuneration policy and keep under review

Committees

Audit & Management Engagement Committee

2 scheduled meetings per annum

Membership All NEDs

Chairman Colin Buchan

Key objectives

- ▶ To oversee financial reporting and the adequacy of the control environment
- ▶ To review and form an opinion on the effectiveness of the external audit process
- ▶ To review the performance of the Manager and
- ▶ To review other service providers

Nomination Committee

1 scheduled meeting per annum

The Board as a whole performs this function

Key objectives

- ▶ To review regularly the Board's structure and composition
- ▶ To be responsible for Board succession planning and
- ▶ To make recommendations for any new appointments

Directors as at 31 December 2015

Anthony Lea	Colin Buchan	Ian Barby	David Cheyne	Ian Cockerill	Russell Edey	Judith Mosely
Appointed as a Director on 29 July 2005 and Chairman on 17 March 2006	Appointed 25 July 2001 Audit & Management Engagement Committee Chairman and Senior Independent Director	Appointed 1 December 2003	Appointed 1 June 2012	Appointed 14 November 2013	Appointed 8 May 2014	Appointed 19 August 2014
is a trustee of the RAF Benevolent Fund. He was the finance director of Anglo American plc in London from 1999 to 2005, one of the world's leading mining and natural resources companies. He was also a non-executive director of AngloGold Ashanti Limited, at the time the world's second largest gold producer, and De Beers Investments SA.	is chairman of the Scottish Chamber Orchestra and a non-executive director of Environcom Ltd, Moneta Topco Limited, Moneta Bidco Limited and Regent Acquisitions (Holdings) Limited. He was also a non-executive director of Standard Life Investments Limited. He was Global Head of Equities at UBS Warburg and a member of the Group Management Board of UBS AG until his retirement in March 2001.	is non-executive chairman of Ecofin Water & Power Opportunities plc, INVESCO Perpetual UK Smaller Companies Investment Trust plc and Schroder Income Growth Fund PLC, and a non-executive director of Pantheon International Participations PLC. He was managing director of Merrill Lynch Investment Managers (now BlackRock Investment Management (UK) Limited) Investment Trusts division until 2003.	is a trustee of the RAF Benevolent Fund and a consultant at Moelis & Company, having retired as vice chairman Europe, Middle East and Africa on 31 July 2015. He retired as a consultant at Linklaters on 31 July 2015, where he was senior partner from 2006 to 2011 and a partner from 1980. Throughout his career at Linklaters he played a central role in a wide range of corporate transactions, including M&A deals, joint ventures, flotations and general corporate finance work. In particular, he advised on a number of large mining transactions.	is chairman of Petmin Ltd. He is a non-executive director of Orica Ltd, the senior lead independent director of Ivanhoe Mines Ltd and a non-executive director at Endeavour Mining Corporation. In addition, he is chairman of Leadership in Conservation in Africa, a not-for-profit organisation promoting sustainable employment opportunities linked to conservation projects across the African continent. He has nearly 40 years of experience in the mining industry, having previously been responsible for business development in AngloGold and chief executive of both Gold Fields Ltd and AngloCoal between 1999 and 2009.	is chairman of Avocet Mining PLC and a non-executive director of Genesis Emerging Markets Fund Limited. He served as a non-executive director of Old Mutual PLC from June 2004 to May 2013 and retired as chairman of AngloGold Ashanti Limited in May 2010, having been a member of that company's board since 1998. In June 2014, he retired as a non-executive director of several companies in the Rothschild Group, which he joined in 1977. Prior to that, he worked for Anglo American Corporation of South Africa Limited in South Africa and Australia.	is Business Development Director for Rand Merchant Bank in London, with responsibility for developing the bank's African business with international mining and metals companies. She is a Trustee of Earthwatch, an international environmental charity, a Liveryman of the Worshipful Company of Fan Makers and sits on the advisory board of Women in Mining. She was previously head of the mining finance team at Société Générale London branch and, in her early career, worked for National Westminster Bank's International Division and Hambros Bank.
Attendance record Board 5/5 Audit & Management Engagement Committee 2/2	Attendance record Board 5/5 Audit & Management Engagement Committee 2/2	Attendance record Board 4/5 Audit & Management Engagement Committee 2/2	Attendance record Board 5/5 Audit & Management Engagement Committee 2/2	Attendance record Board 5/5 Audit & Management Engagement Committee 2/2	Attendance record Board 5/5 Audit & Management Engagement Committee 2/2	Attendance record Board 5/5 Audit & Management Engagement Committee 2/2

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.

Governance

Directors' report

The Directors present the Annual Report and Financial Statements of the Company and its subsidiary for the year ended 31 December 2015

STATUS OF THE COMPANY

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

The Company is domiciled in the UK as an investment company within the meaning of section 833 of the Companies Act 2006. It is not a close company and has no employees.

As an investment company that is managed and marketed in the United Kingdom, the Company is an Alternative Investment Fund (AIF) falling within the scope of, and subject to the requirements of, the Alternative Investment Fund Managers' Directive (AIFMD). The Company is governed by the provisions of the European Union (Alternative Investment Fund Managers) Regulations 2013 (the Regulations) and is required to be authorised by the Financial Conduct Authority (FCA) and must comply with a number of obligations, including the appointment of an Alternative Investment Fund Manager (AIFM) and a depositary to carry out certain functions. The AIFM must also comply with the Regulations in respect of leverage, outsourcing, conflicts of interest, risk management, valuation, remuneration and capital requirements and must also make additional disclosures to both shareholders and the FCA. Further details are set out in the Regulatory Disclosures section on page 80 and in the notes to the financial statements on pages 62 to 73.

The Company's ordinary shares are eligible for inclusion in the stocks and shares component of a New Individual Savings Account (NISA).

FACILITATING RETAIL INVESTMENTS

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

THE COMMON REPORTING STANDARD

New tax legislation under the OECD (Organisation for Economic Co-operation and Development) Common Reporting Standard for Automatic Exchange of Financial Account Information (the Common Reporting Standard) was introduced on 1 January 2016.

The legislation requires investment trust companies to provide personal information to HM Revenue & Customs about investors who purchase shares in investment trusts. As an

affected company, BlackRock World Mining Trust plc will have to provide information annually to the local tax authority on the tax residencies of a number of non-UK based certificated shareholders and corporate entities. The local tax authority to which the information is initially passed may in turn exchange the information with the tax authorities of another country or countries in which the shareholder may be tax resident, where those countries (or tax authorities in those countries) have entered into agreements to exchange financial account information. All new shareholders, excluding those whose shares are held in CREST, entered on to the share register, will be sent a certification form for the purposes of collecting this information.

DIVIDENDS

Details of the dividends paid and payable in respect of the year are set out in the Strategic Report on page 8.

INVESTMENT MANAGEMENT AND ADMINISTRATION

BlackRock Fund Managers Limited (BFM) was appointed as the Company's AIFM with effect from 2 July 2014. The management contract is terminable by either party on six months' notice.

BlackRock Investment Management (UK) Limited (BIM (UK)) continues to act as the Company's Investment Manager under a delegation agreement with BFM. BIM (UK) also acted as the Secretary of the Company throughout the year. BFM received an annual management fee of 1.3% of gross assets up to and including 31 March 2015. With effect from 1 July 2015 the annual management fee was as follows: 120bps on the first £500 million of gross assets, 100bps on the next £500 million and 85bps on gross assets above £1 billion. However, between 1 April 2015 and 30 June 2015, the annual fee was further reduced to 110bps on the first £500 million of gross assets, 70bps on the next £500 million, and 40bps on gross assets above £1 billion. Effective from 1 October 2015, the management fee (which includes all services provided by BlackRock) was reduced to 0.8% of the Company's gross assets. Where the Company invests in other investment or cash funds managed by BlackRock, any underlying fee is rebated.

BFM and BIM (UK) are subsidiaries of BlackRock, Inc which is a publicly traded corporation on the New York Stock Exchange operating as an independent firm. The PNC Financial Services Group, Inc has a significant economic interest in BlackRock, Inc. PNC Financial Services Group, Inc is a US public company.

During the year, until 30 September 2015, the Company contributed to a focused investment trust sales and marketing initiative operated by BlackRock on behalf of the investment trusts under its management. The Company's contribution to the consortium element of the initiative, which enables the trusts to achieve efficiencies by combining certain sales and marketing activities, was a fixed amount of £106,000 and this contribution was matched by BIM (UK). In addition, a budget of £37,000 was allocated for Company specific sales and marketing activity. For the year ended 31 December 2015,

Governance

Directors' report continued

£143,000 (excluding VAT) has been accrued in respect of these initiatives after adjusting for the over accrual of previous years of £126,000

Following the change in fee basis announced on 21 October 2015, from 1 October 2015 the Company pays a management fee to BlackRock Fund Managers equivalent to 0.8% of the Company's gross assets, which includes all services provided by BlackRock. Also included within this management fee is a contribution of £141,000 + VAT to the consortium in respect of sales and marketing for 2016, which, as in previous years, is matched by BlackRock. This contribution will be deducted from the fee payable to BlackRock such that the total fee from 1 October 2015 will not exceed 0.8% of gross assets. The purpose of the programme overall is to ensure effective communication with existing shareholders and to attract new shareholders to the Company. This has the benefit of improving liquidity in the Company's shares and helps sustain the stock market rating of the Company.

APPOINTMENT OF THE MANAGER

The Board considers the arrangements for the provision of investment management services to the Company on an ongoing basis and a formal review is conducted annually. The Board has concluded that it is in shareholders' interests as a whole that BFM should continue as Manager of the Company on the revised terms set out on page 25.

As part of this review, the Board considered the quality and continuity of the personnel assigned to handle the Company's affairs, the investment process and the results achieved to date. As noted in the Chairman's Statement, the performance of the Company over the last financial year has been disappointing. However, the Board places greater importance on the Investment Manager's ability to deliver long term performance. 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.

DEPOSITARY AND CUSTODIAN

The Company appointed BNY Mellon Trust & Depository (UK) Limited (BNYMTD or the Depository) in this role with effect from 2 July 2014. Their duties and responsibilities are outlined in the investment fund legislation (as defined in the FCA AIF Rulebook). The main role of the Depository under AIFMD is to act as a central custodian with additional duties to monitor the operations of the Company, including monitoring cash flows and ensuring the Company's assets are valued appropriately in accordance with the relevant regulations and guidance. The Depository is also responsible for enquiring into the conduct of the AIFM in each annual accounting period and to report thereon to shareholders. The Depository receives a fee payable at 0.0115% of the net assets of the Company. The Company has appointed BNYMTD in a tripartite agreement to which BFM as AIFM is also a signatory. The Depository is also liable for the loss of the financial instruments held in custody.

Under the depositary agreement, custody services in respect of the Company's assets have been delegated to the Bank of

New York Mellon (International) Limited (BNYM). BNYM receives a custody fee payable by the Company at rates depending on the number of trades effected and the location of securities held. The depositary agreement is subject to 90 days' notice of termination by any party.

REGISTRAR

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

The Registrar receives a fixed fee each year plus disbursements and VAT. The fixed fee applies for the three years commencing on 1 July 2013. Fees in respect of corporate actions are negotiated on an arising basis.

CHANGE OF CONTROL

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

EXERCISE OF VOTING RIGHTS IN INVESTEE COMPANIES

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

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

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

Details of the voting record in respect of the Company's portfolio for the year ended 31 December 2015 are set out in the table on page 27.

Number of meetings voted	Number of proposals	% of meetings voted against, withheld or abstained on one or more management recommendations	% of proposals voted against management recommendations
68	799	31.5%	2.5%

CONTINUATION VOTE

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

PRINCIPAL RISKS

The principal risks faced by the Company are set out in the Strategic Report on pages 9 to 11.

GOING CONCERN

The financial statements of the Company have been prepared on a going concern basis. Having discussed the principal risks and the other matters disclosed in the viability statement, the Directors consider it appropriate to continue to adopt the going concern basis in preparing the financial statements. A statement on the medium term viability of the Company can be found in the Strategic Report on pages 11 and 12. The Group is able to meet all of its liabilities from its assets and income generated from these assets and the ongoing charges are 1.2% of net assets. The Company has an annual continuation vote with the next vote due to be held at the Annual General Meeting in April. The Board has no reason to believe that this resolution will not be passed.

DIRECTORS

The Directors of the Company and their biographies are set out on page 24. Details of their interests in the shares of the Company are set out in the Directors' Remuneration Report on page 32. All of the Directors held office throughout the year under review.

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

Notwithstanding these requirements, the Board has resolved that all of the Directors should be subject to re-election on an annual basis. Accordingly, all of the Directors will offer

themselves for re-election at the Annual General Meeting with the exception of Mr Barby and Mr Lea. Mr Barby and Mr Lea will retire at the Annual General Meeting but will not offer themselves for re-election.

The Board has considered the positions of the retiring Directors as part of the evaluation process and believes that it would be in the Company's best interests for the Directors to be proposed for re-election at the forthcoming Annual General Meeting, given their material level of contribution.

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.

CONFLICTS OF INTEREST

The Board has put in place a framework for Directors to report conflicts of interest or potential conflicts of interest which it believes has worked effectively during the year. All Directors have notified the Company Secretary of any situations or potential situations where they consider that they have or may have a direct or indirect interest, or duty that conflicts or possibly conflicts, with the interests of the Company. All such situations are reviewed by the Board and duly authorised. Directors are 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 a regular basis.

DIRECTORS' REMUNERATION REPORT

The Directors' Remuneration Report is set out on pages 30 to 32. An ordinary resolution to approve this report will be put to shareholders at the forthcoming Annual General Meeting.

NOTIFIABLE INTEREST IN THE COMPANY'S VOTING RIGHTS

As at 31 December 2015, the following investors had declared a notifiable interest in the Company's voting rights:

	Number of ordinary shares	% of issued share capital
Witan Investment Trust plc	9,900,000	5.6
Investec Wealth & Investment Limited	7,984,418	4.5
British Empire Securities and General Trust plc	5,878,547	3.3

The Board is also aware that as at 31 December 2015, 1.1% of the Company's share capital was held by BlackRock Investment Management (UK) Limited on behalf of the BlackRock Investment Trusts Savings Plan and NISA.

Governance

Directors' report continued

As at 22 February 2016, the following investors had declared a notifiable interest in the Company's voting rights

	Number of ordinary shares	% of issued share capital
Witan Investment Trust plc	9,900,000	5.6
Investec Wealth & Investment Limited	8,000,918	4.5
British Empire Securities and General Trust plc	5,878,547	3.3

The Board is also aware that as at 22 February 2016, 11% of the Company's share capital was held by BlackRock Investment Management (UK) Limited on behalf of the BlackRock Investment Trusts Savings Plan and NISA

FOREIGN EXCHANGE

At the financial year end, approximately 65.3% of the Company's portfolio was invested in non-sterling assets, with 32.3% invested in US dollar denominated assets. The Investment Manager does not actively hedge currency exposure.

DERIVATIVE TRANSACTIONS

During the year, the Group entered into a number of derivative put and call option contracts generating option premium income of £8,647,000 (2014: £8,007,000). Two option contracts remained open at 31 December 2015 (2014: three option contracts), details of which are given in the investment listing on pages 21 and 22. All open options were fully covered.

SHARE CAPITAL AND SHARE REPURCHASES

Full details of the Company's share capital are given in note 16 on page 61. 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 85. The ordinary shares carry the right to receive dividends and have one voting right per share. There are no restrictions on the voting rights of the shares or on the transfer of shares, and there are no shares that carry specific rights with regard to the control of the Company.

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

No shares were repurchased during the year. At 31 December 2015, the Company's issued share capital was 177,287,242 ordinary shares, excluding 15,724,600 shares held in treasury.

The latest authority to purchase ordinary shares for cancellation or to be held in treasury was granted to the Directors on 29 April 2015 and expires on 28 April 2016. The Directors are proposing that their authority to buy back shares be renewed at the forthcoming Annual General Meeting.

TREASURY SHARES

The Board has determined that up to 10% of the Company's issued shares may be held in treasury and may be subsequently cancelled or sold for cash in the market. This would give the Company the ability to reissue shares quickly and cost efficiently, thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base. The Board 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).

GLOBAL GREENHOUSE GAS EMISSIONS FOR THE PERIOD 1 JANUARY 2015 TO 31 DECEMBER 2015

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

ARTICLES OF ASSOCIATION

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

ANNUAL GENERAL MEETING

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

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

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

Resolution 11 Continuation of the Company as an investment trust

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

Resolution 12 Authority to allot shares

The Directors may only allot shares for cash if authorised to do so by shareholders in general meeting. This resolution seeks authority for the Directors to allot shares for cash up to an aggregate nominal amount of £443,218 which is equivalent to 8,864,362 ordinary shares of 5p each and represents 5% of the current issued share capital, excluding treasury shares, as at the date of the Notice of Annual General Meeting. This authority will expire at the conclusion of next year's Annual General Meeting in 2017, unless renewed prior to that date at an earlier general meeting.

Resolution 13 Authority to disapply pre-emption rights

By law, Directors require specific authority from shareholders before allotting new shares or selling shares out of treasury for cash without first offering them to existing shareholders in proportion to their holdings. Resolution 13 empowers the Directors to allot new shares for cash or to sell shares which are held by the Company in treasury, otherwise than to existing shareholders on a pro rata basis, up to an aggregate nominal amount of £443,218 which is equivalent to 8,864,362 ordinary shares of 5p each and 5% of the Company's issued ordinary share capital, excluding treasury shares, as at the date of the Notice of Annual General Meeting. Unless renewed at a general meeting prior to such time, this authority will expire at the conclusion of the Annual General Meeting of the Company to be held in 2017.

Resolution 14 Authority to buy back shares

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

The Directors are seeking authority to purchase up to 26,575,357 ordinary shares (being 14.99% of the issued share capital, excluding treasury shares, as at the date of this report) or, if less, 14.99% of the ordinary shares in issue at 28 April 2016. This authority, unless renewed at an earlier general meeting, will expire at the conclusion of next year's Annual General Meeting.

Resolution 15 Changes to the Company's Articles of Association

Resolution 15, as set out in the Notice of Annual General Meeting, seeks approval from shareholders to adopt new Articles of Association (Articles). The amendments to the Articles are required to ensure that the Company conforms with the U.S. Bank Holding Company Act 1956 (the Act). It is anticipated that the Company will be classified as a 'Regulation K' fund for the purposes of the Act. To ensure compliance with Regulation K requirements of the Act, the Company's shares may not be sold or distributed in the United States or to U.S. residents. The Board is therefore proposing to include a provision in the new Articles to give it the power to compulsorily transfer any persons out of the Company should their presence create a significant legal or regulatory issue for the Company under the Act.

A copy of the existing Articles and the proposed new Articles, marked to show the changes, will be available during normal business hours (Saturdays, Sundays and public holidays excepted) at the Company's registered office up to and including close of business on 28 April 2016 and at the Annual General Meeting for at least 15 minutes prior to the start of the Meeting and up to the close of the Meeting.

RECOMMENDATION

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

CORPORATE GOVERNANCE

Full details are given in the Corporate Governance Statement on pages 33 to 36. The Corporate Governance Statement forms part of this Directors' Report.

AUDIT INFORMATION

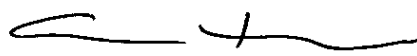
As required by section 418 of the Companies Act 2006, each of the Directors in office at the date of approval of this report confirm that, so far as they are aware, there is no relevant audit information of which the Group's auditor is unaware and each Director has taken all the steps that they ought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

INDEPENDENT AUDITOR

In line with emerging best corporate governance practice and EU regulations on mandatory audit rotation, an audit tender process was carried out by the Company during 2015 and, as a result, it was recommended that PricewaterhouseCoopers LLP be appointed as the Company's independent auditor for the year starting from 1 January 2016. As a result, Ernst & Young LLP will not be seeking reappointment as the Company's auditor for the financial year commencing 1 January 2016.

A resolution to appoint PricewaterhouseCoopers LLP as auditor of the Company will be proposed at the forthcoming Annual General Meeting, together with a resolution to authorise the Audit & Management Engagement Committee to determine its remuneration.

The Directors' Report was approved by the Board at its meeting on 29 February 2016.



BY ORDER OF THE BOARD
BLACKROCK INVESTMENT MANAGEMENT (UK) LIMITED
Caroline Driscoll
Company Secretary
29 February 2016

Governance

Directors' remuneration report

INTRODUCTION

The Board presents the Directors' Remuneration Report for the year ended 31 December 2015 which has been prepared in accordance with sections 420-422 of the Companies Act 2006. The remuneration policy which is subject to a triennial binding vote is set out in the policy table on page 31.

The law requires the Company's auditor to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The auditor's opinion is included in their report on pages 42 to 46.

STATEMENT BY THE CHAIRMAN

The Board's policy on remuneration is set out below. A key element is that fees payable to Directors should reflect the time spent by them on the Company's affairs, and should be sufficient to attract and retain individuals with suitable knowledge and experience. The basis for determining the level of increase in Directors' remuneration is set out in the Policy Report below. The remuneration was last increased on 1 October 2013.

REMUNERATION COMMITTEE

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

POLICY REPORT

In setting the appropriate level of Directors' fees, a number of factors are considered including the workload of the Directors, their responsibilities, any change in these responsibilities and additional legal duties (for example as a result of new legislation being implemented), the relationship with their suppliers and the size and complexity of the Company. The time commitment involved, the level of skills and appropriate experience required and the need for Directors to maintain on an ongoing basis an appropriate level of knowledge of regulatory and compliance requirements in an industry environment of increasing complexity are also taken into account. The Board also considers the average rate of inflation during the period since the last fee increase and reviews the level of Directors' remuneration at other investment companies with similarities, such as size, specialisation, emerging markets, illiquidity of investments and valuation issues, 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. This review is performed on an annual basis.

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, pension entitlements or compensation for loss of office. Directors are entitled to claim expenses in respect of their duties. 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.

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

CONSIDERATION OF SHAREHOLDERS' VIEWS

An ordinary resolution to approve the Remuneration Report is put to members at each Annual General Meeting and shareholders have the opportunity to express their views and raise any queries in respect of the remuneration policy at this meeting. To date, no shareholders have commented in respect of the remuneration policy. In accordance with the Companies Act 2006, the Company has obtained shareholder approval of its remuneration policy as set out in the table on page 31. The policy is subject to shareholder approval on a triennial basis and it is the intention of the Board that the above policy on remuneration will continue to apply for financial years of the Company up to 31 December 2016.

At the Company's previous Annual General Meeting held on 29 April 2015, 91.16% of votes cast (including votes cast at the Chairman's discretion) were in favour of the resolution to approve the Directors' Remuneration Report in respect of the year ended 31 December 2014 and 8.84% of votes cast were against.

At the Company's Annual General Meeting held on 8 May 2014, 99.74% of votes cast (including votes cast at the Chairman's discretion) were in favour of the resolution to approve the Remuneration Policy and 0.26% of votes cast were against.

POLICY TABLE

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

REMUNERATION IMPLEMENTATION REPORT

A single figure for the total remuneration of each Director is set out in the table below for the year ended 31 December 2015

Directors	Fees		Taxable benefits		Total	
	2015	2014	2015	2014	2015	2014
Anthony Lea ¹	45,000	45,000	-	-	45,000	45,000
Colin Buchan ²	37,500	37,500	2,165	1,174	39,665	38,674
Ian Barby	30,000	30,000	-	-	30,000	30,000
Oliver Baring ³	-	10,521	-	894	-	11,415
David Cheyne	30,000	30,000	-	-	30,000	30,000
Ian Cockerill	30,000	30,000	21,280	9,423	51,280	39,423
Russell Edey ⁴	30,000	19,479	396	-	30,396	19,479
Judith Mosely ⁵	30,000	11,014	-	-	30,000	11,014
Total	232,500	213,514	23,841	11,491	256,341	225,005

1 Chairman

2 Chairman of the Audit & Management Engagement Committee and Senior Independent Director

3 Retired 8 May 2014

4 Appointed 8 May 2014

5 Appointed 19 August 2014

The information in the above table has been audited. The amounts paid by the Company to the Directors were for services as non-executive Directors. As at 31 December 2015, fees of £19,375 (2014: £19,375) were outstanding to Directors.

Governance

Directors' remuneration report continued

RELATIVE IMPORTANCE OF SPEND ON PAY

As the Company has no employees, the table on page 31 also comprises the total remuneration costs and benefits paid by the Company To enable shareholders to assess the relative importance of spend on pay, this has been shown in the table below compared with the Group's total income, total profit/(loss) and dividend distributions

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

	2015	2014	Change
	£'000	£'000	£'000
Directors' total remuneration	256	225	+31
Total dividends paid and payable	37,230	37,230	-
Total income	39,245	46,295	-7,050
Net loss on ordinary activities after taxation	(210,131)	(223,442)	+13,311

No payments were made in the year to any past Directors (2014 nil)

PERFORMANCE

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

SHAREHOLDINGS

The Board has not adopted a policy that Directors are required to own shares in the Company, although all Directors, who held office throughout the year, are currently shareholders

The interests of the Directors in the ordinary shares of the Company are set out in the table below The Company does not have a share option scheme, therefore none of the Directors has an interest in share options

	31 December 2015	31 December 2014
A W Lea	12,000	12,000
I C S Barby	25,000	25,000
C A M Buchan	29,000	29,000
D W Cheyne	24,000	24,000
I D Cockerill	28,136	18,136
R P Edey	7,000	7,000
J Mosely	7,400	7,400

The information in the above table has been audited

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

RETIREMENT OF DIRECTORS

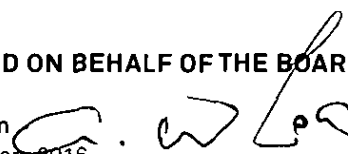
Further details are given in the Directors' Report on page 27

FOR AND ON BEHALF OF THE BOARD

AW LEA

Chairman

29 February 2016



Governance

Corporate governance statement

CHAIRMAN'S INTRODUCTION

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

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

As a UK-listed investment trust company our principal reporting obligation is driven by the UK Corporate Governance Code (the UK Code) issued by the Financial Reporting Council in September 2014. However, as listed investment trust companies differ in many ways from other listed companies, the Association of Investment Companies has drawn up its own set of guidelines, the AIC Code of Corporate Governance (the AIC Code) issued in February 2015, which addresses the governance issues relevant to investment companies and meets the approval of the Financial Reporting Council.

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

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

COMPLIANCE

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

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

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

Information on how the Company has applied the principles of the AIC Code and UK Code is set out below.

THE BOARD

Board composition

The Board currently consists of seven non-executive Directors, all of whom are independent of the Company's Manager. Mr Buchan acted as Senior Independent Director during the year. The provision of the UK Code (A 2.1) which relates to the combination of the roles of the chairman and chief executive does not apply as the Company has no executive directors.

The Directors' biographies, on page 24, demonstrate a breadth of investment, commercial, accounting, financial and professional experience which enables them to provide effective strategic leadership and proper governance of the Company. Details of the Chairman's other significant time commitments can also be found on page 24.

Board independence and tenure

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

Diversity

Our Company is highly specialised and our priority to shareholders is to have a Board with the specialist abilities and technical mining experience to look after the Group's investments. In addition, the Board should be able to demonstrate with conviction that any new appointee would make a meaningful contribution. We also focus on diversity in its broadest sense, in terms of expertise, geographic background, gender and race.

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

Directors' appointment, retirement and rotation

The rules concerning the appointment, retirement and rotation of Directors are discussed in the Directors' Report on page 27. The Directors support a planned and progressive renewing of the Board. The Board's tenure and succession policy seeks to ensure that the Board is well-balanced through the appointment

Governance

Corporate governance statement continued

of new Directors with the skills and experience necessary. Directors must be able to demonstrate commitment to the Company, including in terms of time.

Directors' training and induction

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

Directors' liability insurance

The Company has maintained appropriate insurance cover throughout the year.

BOARD'S RESPONSIBILITIES

The Board is responsible to shareholders for the effective stewardship of the Company and a formal schedule of matters reserved for the decision of the Board has been adopted. Investment policy and strategy are determined by the Board. It is also responsible for the gearing policy, dividend policy, public documents such as the Annual Report and Financial Statements, the terms of the discount control mechanism, buy back policy and corporate governance matters.

The Board meets at least five times a year to review investment performance, financial reports and other reports of a strategic nature. Board or Board committee meetings are also held on an ad hoc basis to consider particular issues as they arise. Key representatives of the Manager and/or Investment Manager attend each meeting and between these meetings there is regular contact with the Manager and Investment Manager. 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.

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

PERFORMANCE EVALUATION

In order to review the effectiveness of the Board, its Committees and individual Directors, the Board carries out an annual

appraisal process. The evaluation for the year ended 31 December 2015 has been carried out and took the form of self and peer group assessments followed by individual discussions between the Chairman and Directors. The performance of the Chairman was reviewed by the other Directors, led by the Senior Independent Director. The appraisal process is considered to be constructive in terms of identifying areas for improving the functioning of the Board and its Committees and the contribution of individual Directors, as well as building on and developing individual and collective strengths. There were no significant actions arising from the evaluation process and it was agreed that the Board as a whole 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 contractually delegated to BFM as the Company's AIFM, and BFM (with the permission of the Company) has delegated certain investment management and other ancillary services to BIM (UK) (the Investment Manager). The contractual arrangements with BFM (the Manager) are summarised on pages 25 and 26. The Manager, operating under guidelines determined by the Board, has direct responsibility for the decisions relating to the day-to-day running of the Company and is accountable to the Board for the investment, financial and operating performance of the Company. The Board has final investment authority on unquoted investments.

The review of the Investment Manager's performance is an ongoing duty and responsibility of the Board which is carried out at each Board meeting. In addition, a formal review is undertaken annually, details of which are set out on page 26 of the Directors' Report.

The Investment Manager has delegated the portfolio valuation, fund accounting and administration services to the Bank of New York Mellon (International) Limited.

The assets of the Company have been entrusted to the Depository for safekeeping. The Depository is Bank of New York Mellon Trustee & Depository (UK) Limited. The address at which this business is conducted is given on page 79.

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 26 and 27.

COMMITTEES OF THE BOARD

Nomination Committee

As the Board is small and comprises only non-executive Directors it fulfils the function of the Nomination Committee and is chaired by the Chairman of the Board. Should a vacancy occur or the Board decide to recruit new members, the Board

will take into account the size, balance and profile of the Board as a whole to identify any areas that need strengthening. Due to the specialist nature of the investment mandate, and the difficulty in finding new Directors with knowledge of the mining sector, the existing Directors will try to identify suitable individuals from their range of contacts, although other sources, including external search consultants, may also be used as required.

Audit & Management Engagement Committee

A separately chaired Audit & Management Engagement Committee has been established and currently consists of all the Directors of the Company. Further details are given in the Report of the Audit & Management Engagement Committee on pages 37 to 40.

Remuneration Committee

The Company's policy on Directors' remuneration, together with details of the remuneration of each Director, is detailed in the Directors' Remuneration Report on pages 30 to 32. As stated in the Directors' Remuneration Report, the full Board determines the level of Directors' fees and accordingly there is no separate Remuneration Committee.

INTERNAL CONTROLS

The Board is responsible for 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 to identify, evaluate and manage the Company's significant risks. As part of that process, there are procedures designed to capture and evaluate any failings or weaknesses and, should a case be categorised by the Board as significant, procedures exist to ensure that necessary action is taken to remedy the failing. The Board is not aware of any significant failings or weaknesses arising in the year under review.

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

The Company's risk register sets out the risks relevant to the Company and describes, where relevant, the internal controls that are in place at the AIFM, the Investment Manager and other third party service providers to mitigate these risks. The Audit & Management Engagement Committee (the Committee) formally reviews this register on a semi-annual basis and BFM as the Company's AIFM reports on any significant issues that have been identified in the period. In addition, BlackRock's internal audit department report to the Committee on a

semi-annual basis on the results of testing performed in relation to BlackRock's internal control processes. The Depositary also reviews the control processes in place at the custodian, the fund accountant and the AIFM and reports formally to the Committee twice yearly. Both the AIFM and the Depositary will escalate issues and report to the Committee outside of these meetings on an ad hoc basis to the extent this is required. The Committee also receives annual and quarterly Service Organisation Control (SOC 1) reports respectively from BlackRock and the Bank of New York Mellon on the internal controls of their respective operations, together with the opinion of their reporting auditors.

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

The Company does not have its own internal audit function, as all the administration is delegated to the Manager and other third party service providers. The Board monitors the controls in place through the SOC 1 reports and the Manager's internal audit department and feels that there is currently no need for the Company to have its own internal audit function although this matter is kept under review.

FINANCIAL REPORTING

The Statement of Directors' Responsibilities in respect of the Annual Report and Financial Statements is set out on page 41, the Independent Auditor's Report on pages 42 to 46 and the statement of Going Concern on page 27.

SOCIALLY RESPONSIBLE INVESTMENT

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

The Manager is supportive of the UK Stewardship Code, which sets out the responsibilities of institutional shareholders in respect of investee companies, and is voluntary and operates

Governance

Corporate governance statement continued

on a 'comply or explain' basis. The Manager's approach to the UK Stewardship Code and policies on Socially Responsible Investment are detailed on the website at blackrock.com/corporate/en-gb/about-us/responsible-investment/responsible-investment-reports

BRIBERY PREVENTION POLICY

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

COMMUNICATION WITH SHAREHOLDERS

All shareholders have the opportunity to attend and vote at the Annual General Meeting. The Notice of Annual General Meeting which is sent out 20 working days in advance of the meeting sets out the business of the Meeting and any item not of an entirely routine nature is explained in the Directors' Report on pages 28 and 29. Separate resolutions are proposed for substantive issues.

In addition, regular updates on performance are available to shareholders on the BlackRock website and the Portfolio Managers will review the Company's portfolio performance at the Annual General Meeting, where the Chairman of the Board and the Chairman of the Audit & Management Engagement Committee and representatives of the Manager and Investment Manager will be 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 website shortly after the meeting.

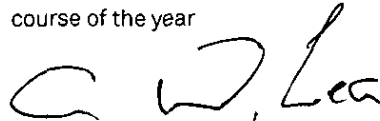
The Company's willingness to enter into discussions with institutional shareholders is also demonstrated by the programmes of institutional presentations by the Investment Manager. The Board discusses with the Investment Manager at each Board meeting any feedback from meetings with shareholders and it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

brokers. The Chairman and other Directors also meet with shareholders periodically without the Manager being present. The Chairman and Directors may be contacted via the Company Secretary. The dialogue with shareholders provides a two way forum for canvassing the views of shareholders and enabling the Board to become aware of any issues of concern, including those relating to performance, strategy and corporate governance.

There is a section within this report entitled 'Additional Information - Shareholder Information', on pages 75 to 77, which provides an overview of useful information available to shareholders. The Company's financial statements, regular factsheets and other information are also published on the BlackRock website at blackrock.co.uk/brwm. The work undertaken by the auditor does not involve consideration of the maintenance and integrity of the website and, accordingly, the auditor accepts no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the accounts may differ from legislation in their jurisdiction.

DISCLOSURE AND TRANSPARENCY RULES

Other information required to be disclosed pursuant to the Disclosure and Transparency Rules has been placed in the Directors' Report on pages 25 to 29 because it is information which refers to events that have taken place during the course of the year.



FOR AND ON BEHALF OF THE BOARD

AWLEA

Chairman

29 February 2016

Governance

Report of the audit & management engagement committee

As Chairman of the Company's Audit & Management Engagement Committee (the Committee) I am pleased to present the Committee's report to shareholders for the year ended 31 December 2015

ROLE AND RESPONSIBILITIES

The Company has established a separately chaired Committee whose duties include considering and recommending to the Board for approval the contents of the half yearly and annual financial statements and providing an opinion as to whether the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy. The Committee also reviews the external auditor's report thereon and is responsible for reviewing and forming an opinion on the effectiveness of the external audit process and audit quality. Other duties include reviewing the appropriateness of the Company's accounting policies and ensuring the adequacy of the internal control systems and standards.

The Board keeps the performance of the Manager under continual review. In addition, the Committee reviews the performance of the Manager's obligations under the investment management agreement to ensure that the service remains competitive and reasonable for shareholders and considers the need for any variation to the terms of this agreement on an annual basis. The Committee then makes a recommendation to the Board about the continuing appointment of the Manager under the terms of the investment management agreement. The Committee also reviews annually the performance of the Secretary and other third party service providers and any matters concerning their respective agreements with the Company.

The Committee operates within written terms of reference detailing its scope and duties and these are available on the Company's website at blackrock.co.uk/brwm

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

COMPOSITION

All of the Directors are members of the Committee. The Directors' biographies are given on page 24 and the Board considers that at least one member of the Committee has sufficient recent and relevant financial experience for the Committee to discharge its function effectively. The Chairman of the Company is a member of the Committee to enable him to be kept fully informed of any issues which may arise.

RESPONSIBILITIES AND REVIEW OF THE EXTERNAL AUDIT

During the year, the principal activities of the Committee included

Internal controls, financial reporting and risk management system

- ▶ ensuring the adequacy and effectiveness of the Group's internal financial controls and the internal control and risk management systems,
- ▶ reasonably satisfying itself that such systems meet relevant legal and regulatory requirements,
- ▶ monitoring the integrity of the financial statements,
- ▶ reviewing the consistency of, and any changes to, accounting policies,
- ▶ reviewing the half yearly and annual report and financial statements to ensure that the Group's results and financial position are represented accurately and fairly to shareholders,
- ▶ evaluating the need for an internal audit function,
- ▶ reviewing semi-annual reports from the Manager on its activities as AIFM, and
- ▶ reviewing half yearly reports from the Depositary on its activities.

Narrative reporting

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

External audit

- ▶ reviewing the scope, execution, results, cost effectiveness, independence and objectivity of the external auditor,
- ▶ reviewing and approving the audit and non-audit fees payable to the external auditor and the terms of its engagement,
- ▶ reviewing and approving the external auditor's plan for the following financial year, with a focus on the identification of areas of audit risk and consideration of the appropriateness of the level of audit materiality adopted,
- ▶ reviewing the efficiency of the external audit process and the quality of the audit engagement partner and the audit team, and making a recommendation with respect to the reappointment of the auditor,

Governance

Report of the audit & management engagement committee continued

- ▶ reviewing the role of the Manager and third party service providers in an effective audit process,
- ▶ considering the quality of the formal audit report to shareholders, and
- ▶ overseeing the relationship with the external auditor

Management engagement

- ▶ reviewing the investment management agreement to ensure that the terms remain competitive,
- ▶ satisfying itself that the continuing appointment of the Manager is in the interests of shareholders as a whole, and
- ▶ considering the remuneration of the Manager and other service providers

Third party service providers

- ▶ considering the appointment of other third party service providers and
- ▶ ensuring that third party service providers comply with the terms of their agreements and that the provisions of such agreements remain competitive

Reporting responsibilities

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

The fees paid to the external auditor are set out in note 5 on page 56. An explanation of how auditor objectivity and independence is safeguarded is reported under 'Assessment of the effectiveness of the external audit process' on page 39.

The Committee has also reviewed and accepted the 'whistleblowing' policy that has been put in place by the 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.

INTERNAL AUDIT

Due to the nature of the Company, being an externally managed investment company with no employees, and in view of BlackRock having an internal audit function which reports to the Committee, the Company does not have its own internal audit function.

SIGNIFICANT ISSUES CONSIDERED REGARDING THE ANNUAL REPORT AND FINANCIAL STATEMENTS

The Committee reviews the effectiveness of the Company's system of internal controls on an ongoing basis to identify, evaluate and manage the Company's significant risks. During the year, as part of this process, the Committee considered a number of significant issues and areas of key audit risk in respect of the Annual Report and Financial Statements. The Committee reviewed the external audit plan at an early stage and concluded that the appropriate areas of audit risk relevant to the Company had been identified and that suitable audit procedures had been put in place to obtain reasonable assurance that the financial statements as a whole would be free of material misstatements. The table below sets out the key areas of risk identified by the Committee and also explains how these were addressed.

As the provision of portfolio valuation, fund accounting and administration services is delegated to the Manager, who sub-delegates certain administrative functions to the Bank of New York (International) Limited, and the provision of depositary services is provided by BNYMTD, the Committee has also reviewed the Service Organisation Control (SOC 1) reports prepared by BlackRock and the Bank of New York to ensure that the relevant control procedures are in place to

Significant issue	How the issue was addressed
The accuracy of the valuation of the investment portfolio	Listed investments are valued using stock exchange prices from third party vendors. The Board reviews detailed portfolio valuations including the fair valuation of unquoted investments on a regular basis throughout the year and receives confirmation from the Manager that the pricing basis is appropriate and in line with relevant accounting standards as adopted by the Company and that the carrying values are materially correct. In relation to the Avanco Royalty contract, the Board engages an independent external mining consultant to conduct a periodic valuation of the royalty contract.
The risk of misappropriation of assets and unsecured ownership	The Depositary is responsible for financial restitution for loss of financial investments held in custody. The Depositary reports to the Committee on a twice yearly basis. The Committee reviews reports from its service providers on key controls over the assets of the Company. Any significant issues are reported by the Manager to the Committee. The Manager has put in place procedures to ensure that investments can only be made to the extent that the appropriate contractual and legal arrangements are in place to protect the Company's assets.
The risk that income is overstated, incomplete or inaccurate through failure to recognise proper income entitlements or to apply the appropriate accounting treatment for recognition of income	The Committee reviews income forecasts, including special dividends and written options, and receives explanations from the Manager for any variations or significant movements from previous forecasts and prior year numbers. The Committee also reviews and approves the rationale for the revenue/capital accounting treatment of option income and special dividends.

cover these areas of risk as identified on page 38 and are adequate and appropriate and have been confirmed as operating effectively by their respective reporting auditors

AUDITOR AND AUDIT TENURE

The Committee is mindful of the new EU regulations on mandatory auditor rotation which require the appointment of new auditors or an audit tender every ten years. As a result, the Company carried out a formal tender process and PricewaterhouseCoopers LLP was selected as the Company's new independent auditor for the forthcoming year. Ernst & Young LLP, who has been in office since 1993, will not seek re-election at the forthcoming Annual General Meeting. The Committee will continue to review the auditor's appointment each year to ensure that the Company is receiving an optimal level of service. There are no contractual obligations that restrict the Company's choice of auditor.

Other assurance service fees of £6,500 (excluding VAT) paid to Ernst and Young LLP relate to their review of the half yearly financial statements (2014: £6,250).

ASSESSMENT OF THE EFFECTIVENESS OF THE EXTERNAL AUDIT PROCESS

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

- ▶ the quality of the audit engagement partner and the audit team,
- ▶ the expertise of the audit firm and the resources available to it,
- ▶ identification of areas of audit risk,
- ▶ planning, scope and execution of the audit,
- ▶ consideration of the appropriateness of the level of audit materiality adopted,
- ▶ the role of the Committee, the Manager and third party service providers in an effective audit process,
- ▶ communications by the auditor with the Committee,
- ▶ how the auditor supports the work of the Committee and how the audit contributes added value,
- ▶ a review of the independence and objectivity of the audit firm, and
- ▶ the quality of the formal audit report to shareholders.

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

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

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

CONCLUSIONS IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

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

Governance

Report of the audit & management engagement committee continued

- ▶ the comprehensive control framework over the production of the Annual Report and Financial Statements, including the verification processes in place to deal with the factual content,
- ▶ the extensive levels of review that are undertaken in the production process by the Manager, the Depositary, the third party service providers responsible for accounting services and the Committee,
- ▶ the controls that are in place at the Manager and other third party service providers to ensure the completeness and accuracy of the Company's financial records and the security of the Company's assets, and
- ▶ the existence of satisfactory Service Organisation Control (SOC 1) reports that have been reviewed and reported on by external auditors to verify the effectiveness of the internal controls of the Manager, Depositary, Custodian and Fund Accountants

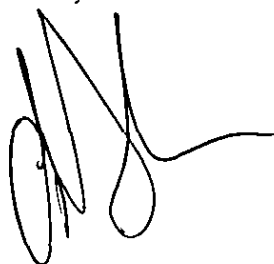
In addition to the work outlined above, the Committee has reviewed the Annual Report and Financial Statements and is satisfied that, taken as a whole, they are fair, balanced and understandable. In reaching this conclusion, the Committee has assumed that the reader of the Annual Report and Financial Statements would have a reasonable level of knowledge of the investment trust industry in general and of investment trusts in particular. The Committee has reported on these findings to the Board who affirm the Committee's conclusions in the Statement of Directors' Responsibilities on page 41.

COLIN BUCHAN

Chairman

Audit & Management Engagement Committee

29 February 2016



Governance

Statement of directors' responsibilities in respect of the Annual Report and Financial Statements

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors are required to prepare the financial statements under IFRS as adopted by the European Union.

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

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

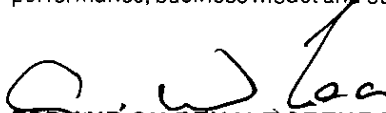
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Each of the Directors at the date of this report, whose names are listed on page 24, confirm to the best of their knowledge that

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

The 2014 UK Corporate Governance Code also requires Directors to ensure that the Annual Report and Financial Statements are fair, balanced and understandable. In order to reach a conclusion on this matter, the Board has requested that the Audit & Management Engagement Committee advise on whether it considers that the Annual Report and Financial Statements fulfil these requirements. The process by which the Committee has reached these conclusions is set out in the Audit & Management Engagement Committee's Report on pages 37 to 40. As a result, the Board has concluded that the Annual Report and Financial Statements for the year ended 31 December 2015, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's and Company's position, performance, business model and strategy.


FOR AND ON BEHALF OF THE BOARD
AWLEA
Chairman
29 February 2016

Financial statements

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

OUR OPINION ON THE FINANCIAL STATEMENTS

In our opinion

- ▶ BlackRock World Mining Trust plc's Group financial statements and Parent company financial statements (the financial statements) give a true and fair view of the state of the Group's and of the Parent company's affairs as at 31 December 2015 and of the Group's and the Parent company's loss for the year then ended,
- ▶ the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union
- ▶ the Parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union as applied by 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

WHAT WE HAVE AUDITED

BlackRock World Mining Trust plc's financial statements comprise

Group	Parent company (the Company)
Consolidated income statement for the year then ended	
Consolidated statement of changes in equity for the year then ended	Statement of changes in equity for the year then ended
Consolidated statement of financial position as at 31 December 2015	Statement of financial position as at 31 December 2015
Consolidated cash flow statement for the year then ended	Cash flow statement for the year then ended
Related notes 1 to 21 to the financial statements	Related notes 1 to 21 to the financial statements

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006

OVERVIEW OF OUR AUDIT APPROACH

Risks of material misstatement	<ul style="list-style-type: none"> ▶ Incorrect recording of option premium income ▶ Incorrect valuation and existence of the quoted and unquoted/illiquid investment portfolio
Audit scope	<ul style="list-style-type: none"> ▶ We performed an audit of the complete financial information of BlackRock World Mining Trust plc and BlackRock World Mining Investment Company Limited, collectively the Group ▶ In relation to the subsidiary, our audit procedures accounted for 100% of Profit before Tax, 100% of Revenue and 100% of Total Equity
Materiality	▶ Overall Group materiality of £3.8m represents 1% of net assets (2014 £6.2m)

OUR ASSESSMENT OF RISK OF MATERIAL MISSTATEMENT

We identified the risks of material misstatement described below as those that had the greatest effect on our overall audit strategy, the allocation of resources in the audit and the direction of the efforts of the audit team. In addressing these risks, we have performed the procedures as set out on page 43 which were designed in the context of the financial statements as a whole and, consequently, we do not express any opinion on these individual areas

Risk	Our response to the risk	What we concluded to the Audit & Management Engagement Committee	Risk	Our response to the risk	What we concluded to the Audit & Management Engagement Committee
<p>Incorrect recording of option premium income</p> <p>The Groups investment income for the year amounted to £39.2m, of which £8.6m was from option premiums received through writing Over-the-counter derivatives (OTC derivatives)</p> <p>The investment income receivable by the Group during the year directly drives the Company's ability to make dividend payments to shareholders. If the Company is not entitled to receive the income recognised in the financial statements, or the income recognised does not relate to the current financial year this will impact the extent of profits available to fund distributions to shareholders</p> <p>The Audit & Management Engagement Committee have included this income stream within the overall income risk within the table of significant issues in their report on page 38 of the Annual Report relating to whether the total income is overstated, incomplete or inaccurate</p>	<p>We performed the following procedures</p> <p>We understood and assessed the design and implementation of key controls surrounding the recording of option income</p> <p>We tested 55% of total option premium income received as stated within the Consolidated Income Statement to contract notes and bank statements</p> <p>For the sample selected, we tested the exchange rates used to translate option premium income received in foreign currencies to independent sources</p> <p>To test completeness of the option premium income we further obtained the aforementioned supporting documentation in relation to all material items listed within the income report and bank statements from 17 December 2015 to 15 January 2016 to verify that option premium income was recorded in the correct accounting period</p>	<p>▶ From the work performed on option income there were no misstatements that required reporting to the Audit & Management Engagement Committee</p>	<p>Incorrect valuation and existence of the quoted and unquoted/ illiquid investment portfolio</p> <p>The investment portfolio at the year-end comprised of quoted securities, OTC derivatives and unquoted/illiquid investments</p> <p>The valuation of the assets held in the investment portfolio is the key driver of the Groups investment return. Incorrect asset pricing or a failure to maintain proper legal title of the assets held by the Group could have a significant impact on the portfolio valuation and, therefore, the return generated for shareholders</p> <p>The Audit & Management Engagement Committee has included the accuracy of the valuation of the investment portfolio and the risk of misappropriation of assets and secured ownership as significant issues in their report on page 38 of the Annual Report</p>	<p>We performed the following procedures</p> <p>We understood and assessed the design and implementation of key controls surrounding the valuation and existence of portfolio investments</p> <p>For quoted investments we agreed the prices used in the valuation to independent third party sources</p> <p>For the Avanco Royalty investment, we obtained and reviewed the contractual terms and the valuation report prepared by SRK Consulting (UK) Limited (an independent consultancy firm). We held discussions with the Manager and with our internal experts in order to challenge and substantiate the valuations applied</p> <p>In relation to all other unquoted investments, we obtained third party evidence to support key inputs to the valuation of unlisted investments, including but not limited to external valuation reports, commodity market price data and other published financial information</p> <p>We agreed that the applied methodologies on valuations of all unquoted investments are consistent with IFRS fair valuation principles</p> <p>We agreed the number of shares held for each security to confirmations of legal title received from the Groups custodian, The Bank of New York Mellon (International) Limited and third party evidence. For contractual rights, we have agreed the holdings to royalty agreements</p>	<p>▶ For quoted investments we reported 12 pricing differences. These were immaterial both individually and in aggregate</p> <p>▶ From our work on unquoted investments, no misstatements were identified which required reporting to the Audit & Management Engagement Committee</p> <p>▶ From our work on the existence of investments no misstatements were identified which required reporting to the Audit & Management Engagement Committee</p>

Financial statements

Independent auditor's report continued

THE SCOPE OF OUR AUDIT

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Group and the Company Taken together, this enables us to form an opinion on the consolidated financial statements We take into account size, risk profile, the organisation of the Group and effectiveness of group-wide controls, including controls at the Investment Manager and BNYM levels, changes in the business environment and other factors such as recent Service Organisation Control (SOC) reporting when assessing the level of work to be performed at the component level

We have audited the entire Group and as there is only one subsidiary, BlackRock World Mining Investment Company Limited, this was included as full scope Our audit procedures for BlackRock World Mining Investment Company Limited accounted for 0.02% (2014 0.31%) of the Group's Loss before Tax, 0.09% (2014 1.43%) of the Group's Revenue and 2.02% (2014 1.78%) of the Group's Total Assets

There are no changes to our scope from the prior year

OUR APPLICATION OF MATERIALITY

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion

MATERIALITY

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements Materiality provides a basis for determining the nature and extent of our audit procedures

We determined materiality for the Group to be £3.8m (2014 £6.2m), which is 1% (2014 1%) of Total Equity This provided a basis for determining the nature, timing and extent of our risk assessment procedures, identifying and assessing the risk of material misstatement and determining the nature, timing and extent of further audit procedures We have derived our materiality calculation based on a proportion of Total Equity as we consider it to be the most important financial metric on which shareholders would judge the performance of the Group

PERFORMANCE MATERIALITY

The application of materiality at the individual account or balance level It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2014 75%) of our planning materiality, namely £2.8m (2014 £4.6m) Our objective in adopting this approach was to ensure that total undetected and uncorrected audit

differences in all accounts did not exceed our planning materiality level We have set performance materiality at this percentage due to our past experience of the audit that indicates a lower risk of misstatements, both corrected and uncorrected

Given the importance of the distinction between revenue and capital for the Company we have also applied a separate testing threshold of £1.8m (2014 £2.1m) for the revenue column of the Consolidated Income Statement, being 5% of the return on ordinary activities before taxation

The range of performance materiality allocated to the subsidiary was the same as the Group

REPORTING THRESHOLD

An amount below which identified misstatements are considered as being clearly trivial

We agreed with the Audit & Management Engagement Committee that we would report to them all uncorrected audit differences in excess of £189,000 (2014 £312,000), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Statement of Directors' Responsibilities set out on page 41, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the

financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

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

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 properly prepared in accordance with the Companies Act 2006, and
- ▶ the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

ISAs (UK and Ireland) reporting

We are required to report to you if, in our opinion, financial and non-financial information in the Annual Report is

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

In particular, we are required to report whether we have identified any inconsistencies between our knowledge acquired in the course of performing the audit and the Directors' statement that they consider the Annual Report and Financial Statements taken as a whole are fair, balanced and understandable and provide the information necessary for shareholders to assess the entity's performance, business model and strategy, and whether the Annual Report appropriately addresses those matters that we communicated to the Audit & Management Engagement Committee that we consider should have been disclosed

We have no exceptions to report

Companies Act 2006 reporting

We are required to report to you if, in our opinion

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

We have no exceptions to report

Listing Rules review requirements

We are required to review

- ▶ the Directors' statement in relation to going concern set out on page 27, and longer-term viability, set out on pages 11 and 12, and
- ▶ the part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review

We have no exceptions to report

STATEMENT ON THE DIRECTORS' ASSESSMENT OF THE PRINCIPAL RISKS THAT WOULD THREATEN THE SOLVENCY OR LIQUIDITY OF THE ENTITY

ISAs (UK and Ireland) reporting

We are required to give a statement as to whether we have anything material to add or to draw attention to in relation to

- ▶ the Directors' confirmation in the Annual Report that they have carried out a robust assessment of the principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity,
- ▶ the disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated,
- ▶ the Directors' statement in the Annual Report about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the entity's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements and

Financial statements

Independent auditor's report continued

- ▶ the Directors' explanation in the Annual Report as to how they have assessed the prospects of the entity, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions

We have nothing material to add or to draw attention to

Ernst & Young LLP

Matthew Price (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP

Statutory Auditor

London

29 February 2016

Notes

- 1 The maintenance and integrity of the BlackRock World Mining Trust plc website is the responsibility of the Directors. The work carried out by the auditor does not involve consideration of these matters and accordingly, the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website
- 2 Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Financial statements

Consolidated statement of comprehensive income for the year ended 31 December 2015

	Notes	Revenue 2015 £'000	Revenue 2014 £'000	Capital 2015 £'000	Capital 2014 £'000	Total 2015 £'000	Total 2014 £'000
Income from investments held at fair value through profit or loss	3	30,503	37,051	-	-	30,503	37,051
Other income	3	8,742	9,244	-	-	8,742	9,244
Total revenue		39,245	46,295	-	-	39,245	46,295
Losses on investments held at fair value through profit or loss	10	-	-	(236,061)	(248,160)	(236,061)	(248,160)
Realised losses on foreign exchange		-	-	(2,942)	(5,163)	(2,942)	(5,163)
Total		39,245	46,295	(239,003)	(253,323)	(199,758)	(207,028)
Expenses							
Investment management fee	4	(1,328)	(2,623)	(3,984)	(7,870)	(5,312)	(10,493)
Other operating expenses	5	(1,030)	(1,030)	(13)	(15)	(1,043)	(1,045)
Total operating expenses		(2,358)	(3,653)	(3,997)	(7,885)	(6,355)	(11,538)
Net profit/(loss) before finance costs and taxation		36,887	42,642	(243,000)	(261,208)	(206,113)	(218,566)
Finance costs	6	(288)	(407)	(864)	(1,223)	(1,152)	(1,630)
Net profit/(loss) on ordinary activities before taxation		36,599	42,235	(243,864)	(262,431)	(207,265)	(220,196)
Taxation	7	(3,855)	(4,783)	989	1,537	(2,866)	(3,246)
Profit/(loss) for the year		32,744	37,452	(242,875)	(260,894)	(210,131)	(223,442)
Earnings/(loss) per ordinary share	9	18.47p	21.13p	(137.00p)	(147.16p)	(118.53p)	(126.03p)

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

The net loss of the Company for the year was £210,131,000 (2014 net loss of £223,442,000)

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

Financial statements

Statements of changes in equity for the year ended 31 December 2015

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 2015								
At 31 December 2014		9,651	127,155	116,471	22,779	297,897	50,721	624,674
Total comprehensive income								
Net (loss)/profit for the year		-	-	-	-	(242,875)	32,744	(210,131)
Transactions with owners, recorded directly to equity								
Dividends paid	8	-	-	-	-	-	(37,230)	(37,230)
At 31 December 2015		9,651	127,155	116,471	22,779	55,022	46,235	377,313
For the year ended 31 December 2014								
At 31 December 2013		9,651	127,155	116,471	22,779	558,791	50,499	885,346
Total comprehensive income								
Net (loss)/profit for the year		-	-	-	-	(260,894)	37,452	(223,442)
Transactions with owners, recorded directly to equity								
Dividends paid	8	-	-	-	-	-	(37,230)	(37,230)
At 31 December 2014		9,651	127,155	116,471	22,779	297,897	50,721	624,674

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 2015								
At 31 December 2014		9,651	127,155	116,471	22,779	309,346	39,272	624,674
Total comprehensive income								
Net (loss)/profit for the year		-	-	-	-	(246,842)	36,711	(210,131)
Transactions with owners, recorded directly to equity								
Dividends paid	8	-	-	-	-	-	(37,230)	(37,230)
At 31 December 2015		9,651	127,155	116,471	22,779	62,504	38,753	377,313
For the year ended 31 December 2014								
At 31 December 2013		9,651	127,155	116,471	22,779	569,705	39,585	885,346
Total comprehensive income								
Net (loss)/profit for the year		-	-	-	-	(260,359)	36,917	(223,442)
Transactions with owners, recorded directly to equity								
Dividends paid	8	-	-	-	-	-	(37,230)	(37,230)
At 31 December 2014		9,651	127,155	116,471	22,779	309,346	39,272	624,674

The notes on pages 51 to 74 form part of these financial statements

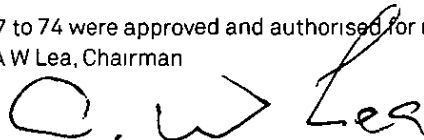
Financial statements

Statements of financial position as at 31 December 2015

	Notes	2015 Group £'000	2015 Company £'000	2014 Group £'000	2014 Company £'000
Non current assets					
Investments held at fair value through profit or loss	10	426,085	435,067	695,322	708,271
Deferred tax asset	15	-	-	449	449
		426,085	435,067	695,771	708,720
Current assets					
Cash and cash equivalents		13,223	5,307	31,054	19,825
Collateral pledged for written option contracts		1,340	1,277	1,684	1,620
Other receivables	12	3,797	3,797	6,002	5,332
		18,360	10,381	38,740	26,777
Total assets		444,445	445,448	734,511	735,497
Current liabilities					
Other payables	13	(6,254)	(7,257)	(3,494)	(4,480)
Derivative instruments - written options	10	(161)	(161)	(285)	(285)
Bank loans and overdrafts	14	(60,708)	(60,708)	(106,047)	(106,047)
		(67,123)	(68,126)	(109,826)	(110,812)
Total assets less current liabilities		377,322	377,322	624,685	624,685
Non current liabilities					
Deferred tax liabilities	15	(9)	(9)	(11)	(11)
Net assets		377,313	377,313	624,674	624,674
Equity attributable to equity holders					
Ordinary share capital	16	9,651	9,651	9,651	9,651
Share premium account	17	127,155	127,155	127,155	127,155
Special reserve	17	116,471	116,471	116,471	116,471
Capital redemption reserve	17	22,779	22,779	22,779	22,779
Capital reserves	17	55,022	62,504	297,897	309,346
Revenue reserve	17	46,235	38,753	50,721	39,272
Total equity		377,313	377,313	624,674	624,674
Net asset value per ordinary share	9	212.83p	212.83p	352.35p	352.35p

The financial statements on pages 47 to 74 were approved and authorised for issue by the Board of Directors on 29 February 2016 and signed on its behalf by Mr A W Lea, Chairman

BlackRock World Mining Trust plc



Registered in England, No 2868209

The notes on pages 51 to 74 form part of these financial statements

Financial statements

Cash flow statements for the year ended 31 December 2015

	2015 Group £'000	2015 Company £'000	2014 Group £'000	2014 Company £'000
Operating activities				
Loss before taxation*	(207,265)	(207,273)	(220,196)	(220,343)
Add back interest paid	1,152	1,152	1,630	1,630
Losses on investments held at fair value through profit or loss including transaction costs	236,061	240,028	248,160	247,625
Net losses on foreign exchange	2,942	2,942	5,163	5,163
Sales of investments held at fair value through profit or loss	230,407	230,407	336,903	336,903
Purchases of investments held at fair value through profit or loss	(197,355)	(197,355)	(294,254)	(294,254)
Decrease/(increase) in other receivables	2,187	1,517	(2,495)	(1,825)
Decrease in amounts due from brokers	18	18	2,787	2,787
Net movement in cash collateral pledged with counterparties	344	343	(392)	(328)
Increase/(decrease) in amounts due to brokers	2,714	2,714	(1,346)	(1,346)
Decrease in other payables	(191)	(166)	(18,473)	(18,477)
Net cash inflow from operating activities before interest and taxation	71,014	74,327	57,487	57,535
Interest paid	(1,242)	(1,242)	(1,619)	(1,619)
Taxation paid	(441)	(441)	(236)	(233)
Taxation on overseas income	(1,651)	(1,651)	(1,578)	(1,578)
Net cash inflow from operating activities before financing activities	67,680	70,993	54,054	54,105
Financing activities				
Repayment of loan	(48,305)	(48,305)	(693)	(693)
Dividends paid	(37,230)	(37,230)	(37,230)	(37,230)
Net cash outflow from financing activities	(85,535)	(85,535)	(37,923)	(37,923)
(Decrease)/increase in cash and cash equivalents	(17,855)	(14,542)	16,131	16,182
Effect of foreign exchange rate changes	24	24	(338)	(338)
Change in cash and cash equivalents/(debt)	(17,831)	(14,518)	15,793	15,844
Cash and cash equivalents at start of the year	31,054	19,825	15,261	3,981
Cash and cash equivalents at end of year	13,223	5,307	31,054	19,825
Comprised of				
Cash and cash equivalents	13,223	5,307	31,054	19,825

* Includes dividends and interest received in the year of £25,713,000 and £6,634,000 (2014: £26,634,000 and £7,231,000) respectively

Financial statements

Notes to the financial statements

1. PRINCIPAL ACTIVITY

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

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

2. ACCOUNTING POLICIES

The principal accounting policies adopted by the Group and 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. All of the Group's operations are of a continuing nature.

Insofar as the Statement of Recommended Practice (SORP) for investment trust companies and venture capital trusts issued by the Association of Investment Companies (AIC), revised in November 2014, is compatible with IFRS, the financial statements have been prepared in accordance with guidance set out in the SORP.

Substantially, all of the assets of the Group and Company consist of securities that are readily realisable and, accordingly, the Directors believe that the Group has adequate resources to continue in operational existence for the foreseeable future. Consequently, the Directors have determined that it is appropriate for the financial statements to be prepared on a going concern basis.

The Group's and the Company's financial statements are presented in sterling, which is the functional currency of the Group and the Company and 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.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2016 and have not been applied in preparing these financial statements (major changes and new standards issued are detailed below). None of these are expected to have a significant effect on the measurement of the amounts recognised in the financial statements of the Group.

IFRS 9 – Financial Instruments (2014) replaces IAS 39 and deals with a package of improvements including principally a revised model for classification and measurement of financial instruments, a forward looking expected loss impairment model and a revised framework for hedge accounting. In terms of classification and measurement the revised standard is principles based depending on the business model and nature of cash flows. Under this approach, instruments are measured at either amortised cost or fair value, though the standard retains the fair value option allowing designation of debt instruments at initial recognition to be measured at fair value. The standard is effective from 1 January 2018 with earlier application permitted but has not yet been endorsed by the European Commission. The Group does not plan to early adopt this standard and expects the eventual impact to be insignificant for its current investment portfolio, which is substantially comprised of quoted equities.

Amendments to IFRS 10, IFRS 12 and IAS 28 (amendments to IFRS 12 are effective 1 January 2016, a date is to be determined for IFRS 10 and IAS 28) are in relation to applying the consolidation exception for investment entities. The Group does not expect the eventual impact of these amendments to be significant.

Amendments to IAS 1 (effective 1 January 2016) require changes to the presentation of financial instruments. The amendment is not expected to have a significant effect on the measurement of amounts recognised in the financial statements of the Company.

Amendments to IAS 12 – Recognition of deferred tax assets for unrealised losses (effective 1 January 2017). The amendment is not expected to have a significant effect on the measurement of amounts recognised in the financial statements of the Company.

IFRS 14 – Regulatory Deferral Accounts (effective 1 January 2016) allows first time IFRS adopters to continue to account for 'regulatory deferral account balances' in accordance with previous GAAP. The Company has no such accounts and, therefore, the provisions of the standard are not applicable.

IFRS 15 – Revenue from Contracts with Customers (effective 1 January 2018) specifies how and when an entity should recognise revenue and enhances the nature of revenue disclosures. Given the nature of the Company's revenue streams from financial instruments, the provisions of this standard are not expected to have a material impact.

IFRS 16 – Leases (effective 1 January 2019). The Company does not enter into lease agreements, therefore the provisions of this standard are not applicable.

Financial statements

Notes to the financial statements continued

2. ACCOUNTING POLICIES continued

(b) Basis of consolidation

The consolidated financial statements are made up to 31 December each year and incorporate the financial statements of the Company and its wholly-owned subsidiary, BlackRock World Mining Investment Company Limited. Subsidiaries are consolidated from the date of their acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of subsidiaries used in the preparation of the consolidated financial statements are based on consistent accounting policies. All intra-group balances and transactions, including unrealised profits arising therefrom, are eliminated.

(c) Presentation of the Consolidated Statement of Comprehensive Income

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

(d) Segmental reporting

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

(e) Income

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

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

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

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

(f) Expenses

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

- ▶ expenses which are incidental to the acquisition of an investment are charged to the capital column of the Consolidated Statement of Comprehensive Income. Details of transaction costs on the purchases and sales of investments are disclosed in note 10 on page 59,
- ▶ the investment management fee and finance costs have been allocated 75% to the capital column and 25% to the revenue column of the Consolidated Statement of Comprehensive Income in line with the Board's expected long term split of returns, in the form of capital gains and income, respectively, from the investment portfolio,
- ▶ expenses are treated as capital where a connection with the maintenance or enhancement of the value of the investments can be demonstrated.

(g) Taxation

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

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

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

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

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

All investments, including contractual rights, are designated upon initial recognition as held at fair value through profit or loss. Purchases of investments are recognised on a trade date basis. Contractual rights are recognised on the completion date, where a purchase of the rights is under a contract, and is initially measured at fair value excluding transaction costs. The sales of assets are recognised at the trade date of the disposal. Proceeds are measured at fair value, which is 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 financial reporting date, without deduction for the estimated selling costs. For all financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed by the Board to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

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

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

(i) Offsetting

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

Financial statements

Notes to the financial statements continued

2. ACCOUNTING POLICIES continued

(j) Other receivables and other payables

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

(k) Dividends payable

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

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

(l) Foreign currency translation

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

(m) Cash and cash equivalents

Cash comprises cash in hand 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.

(n) Bank borrowings

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

(o) Derivatives

Derivatives are classified as financial instruments at fair value through profit or loss held for trading and are initially recognised at fair value. The derivatives are subsequently held at fair value based on the bid/offer prices of the options written to which the Group and Company are exposed. The value of the option is subsequently marked-to-market to reflect the fair value of the option based on traded prices. Where the premium is taken to revenue, an appropriate amount is shown as capital return such that the total return reflects the overall change in the fair value of the option. When an option is closed out or exercised the gain or loss is accounted for as a capital gain or loss.

(p) Critical accounting estimates and judgements

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

Fair value of financial instruments

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

3. INCOME

	2015 £'000	2014 £'000
Investment income		
UK listed dividends	9,782	8,911
Overseas listed dividends	14,460	16,651
Special dividends	71	3,602
Income from contractual rights	-	485
Fixed interest income	6,190	7,402
	30,503	37,051
Other income		
Option premiums	8,647	8,007
Deposit interest	26	26
Profit on futures	25	670
Stock lending income	44	-
Underwriting commission and other income	-	541
	8,742	9,244
Total income	39,245	46,295
Total income comprises		
Dividends	24,313	29,164
Deposit interest	26	26
Option premiums	8,647	8,007
Income from contractual rights	-	485
Fixed interest income	6,190	7,402
Profit on futures	25	670
Stock lending income	44	-
Other income	-	541
	39,245	46,295

The Company considers the treatment of premium arising on option transactions on a case-by-case basis. During the year ended 31 December 2015, the Company received option premiums of £8,503,000 (2014: £8,247,000). Options written for income purposes are credited to the revenue column of the Consolidated Statement of Comprehensive Income and recognised evenly over the life of the option contracts and amounted to £8,647,000 (2014: £8,007,000).

4. MANAGEMENT FEE

	2015			2014		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	1,328	3,984	5,312	2,623	7,870	10,493

Until 31 March 2015 the investment management fee was levied quarterly at a rate of 1.3% per annum, based on the value of gross assets on the last day of each quarter.

Between 1 April 2015 and 30 June 2015, the management fee was

- ▶ 1.10% on the first £500 million of gross assets
- ▶ 0.70% on the next £500 million
- ▶ 0.40% on gross assets above £1 billion

Financial statements

Notes to the financial statements continued

4. MANAGEMENT FEE continued

Between 1 July 2015 and 30 September 2015 the annual management fee was

- ▶ 1 20% on the first £500 million of gross assets
- ▶ 1 00% on the next £500 million
- ▶ 0 85% on gross assets above £1 billion

With effect from 1 October 2015 the annual management fee was reduced to 0 80% of gross assets

75% of the management fees are allocated to the capital column and 25% to the revenue column of the Consolidated Statement of Comprehensive Income

5. OTHER EXPENSES

	2015 £'000	2014 £'000
Allocated to revenue		
Custody fee	90	109
Auditor's remuneration		
– audit services	29	28
– other assurance services*	6	6
Registrar's fee	72	72
Directors' emoluments**	256	225
Broker fees	269	30
Depository fees	62	46
Marketing fees***	17	256
Other administrative costs	229	258
	1,030	1,030
Allocated to capital		
Transaction charges	13	15
	1,043	1,045
	2015	2014
The Company's ongoing charges, calculated as a percentage of average net assets and using expenses, excluding finance costs and taxation were	1.2%	1.4%

* Fees paid to the auditor for other assurance services of £6 500 excluding VAT (2014: £6 250) relate to the review of the half yearly financial statements

** Details of the Directors' emoluments are given in the Directors' Remuneration Report on page 31. The emoluments of Ian Cockerill, a non-executive director, who was also the highest paid Director were £51 280 (2014: £39 243). Emoluments include taxable benefits for reimbursement of expenses.

***After adjusting for the over accrual of £126,000 for the previous year.

6. FINANCE COSTS

	2015			2014		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Interest on bank loans	271	812	1,083	405	1,218	1,623
Interest on bank overdrafts	17	52	69	2	5	7
Total	288	864	1,152	407	1,223	1,630

7. TAXATION

a) Analysis of charge in year

	2015			2014		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Corporation tax	2,658	(1,436)	1,222	3,425	(3,278)	147
Less Double tax relief	(96)	-	(96)	-	-	-
Overseas tax	1,293	-	1,293	1,578	-	1,578
Peruvian capital gains tax	-	-	-	-	209	209
Prior year adjustment	-	-	-	-	234	234
Total current tax charge	3,855	(1,436)	2,419	5,003	(2,835)	2,168
Deferred tax movement	-	447	447	(220)	1,298	1,078
Total tax (note 7(b))	3,855	(989)	2,866	4,783	(1,537)	3,246

b) Factors affecting total tax charge for the year

The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for a large company of 20.25% (2014 21.49%). The differences are explained below

	2015			2014		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Profit/(loss) on ordinary activities before taxation	36,599	(243,864)	(207,265)	42,235	(262,431)	(220,196)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax 20.25% (2014 21.49%)	7,411	(49,382)	(41,971)	9,076	(56,396)	(47,320)
Effects of						
Non taxable UK dividends	(1,981)	-	(1,981)	(1,957)	-	(1,957)
Non taxable overseas dividends	(2,773)	-	(2,773)	(3,849)	-	(3,849)
Overseas tax	1,293	-	1,293	1,578	-	1,578
Non taxable foreign exchange losses	-	596	596	-	1,110	1,110
Double tax relief	(96)	-	(96)	(69)	-	(69)
Losses on investments held at fair value through profit or loss not subject to tax	-	47,802	47,802	-	53,535	53,535
Movement in deferred tax liability for Peruvian CGT	-	-	-	-	(266)	(266)
Peruvian capital gains tax	-	(2)	(2)	-	209	209
Effect of rate change	-	(6)	(6)	-	34	34
Prior year adjustment	-	-	-	-	234	234
Disallowable expenses	1	3	4	4	3	7
Total taxation charge for the year (note 7(a))	3,855	(989)	2,866	4,783	(1,537)	3,246

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

Financial statements

Notes to the financial statements continued

8. DIVIDENDS

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

	2015 £'000	2014 £'000
Interim ordinary dividend in respect of the year ended 31 December 2015 of 7.00p per share, declared on 13 August 2015 and paid on 18 September 2015	12,410	12,410
Final ordinary dividend in respect of the year ended 31 December 2014 of 14.00p per share, approved by shareholders on 29 April 2015 and paid on 8 May 2015	24,820	24,820
	37,230	37,230

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

	2015 £'000	2014 £'000
Dividends paid or proposed on equity shares		
Interim ordinary dividend paid of 7.00p (2014: 7.00p)	12,410	12,410
Proposed final ordinary dividend of 14.00p per share (2014: 14.00p)*	24,820	24,820
	37,230	37,230

* Based on 177,287,242 (2014: 177,287,242) ordinary shares

9. CONSOLIDATED EARNINGS AND NET ASSET VALUE PER ORDINARY SHARE

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

	2015	2014
Net revenue profit attributable to ordinary shareholders (£'000)	32,744	37,452
Net capital loss attributable to ordinary shareholders (£'000)	(242,875)	(260,894)
Total loss attributable to ordinary shareholders (£'000)	(210,131)	(223,442)
Equity shareholders' funds (£'000)	377,313	624,674
The weighted average number of ordinary shares in issue during the year, on which the return per ordinary share was calculated was	177,287,242	177,287,242
The actual number of ordinary shares in issue at the year end, on which the net asset value per ordinary share was calculated was	177,287,242	177,287,242
Revenue earnings per share	18.47p	21.13p
Capital loss per share	(137.00p)	(147.16p)
Total loss per share	(118.53p)	(126.03p)
Net asset value per share	212.83p	352.35p
Ordinary share price (mid-market)	181.00p	310.35p

10. INVESTMENTS

	Group 2015 £'000	Company 2015 £'000	Group 2014 £'000	Company 2014 £'000
UK listed investments held at fair value through profit or loss	147,626	147,626	258,330	258,330
Overseas listed investments held at fair value through profit or loss	270,317	270,317	436,992	436,992
Contractual rights held at fair value through profit or loss	8,142	8,142	-	-
Investment in subsidiary held at fair value through profit or loss	-	8,982	-	12,949
Total value of financial asset investments	426,085	435,067	695,322	708,271
Derivative financial instruments - written option contracts	(161)	(161)	(285)	(285)
Valuation of investments at 31 December	425,924	434,906	695,037	707,986
Valuation brought forward at 1 January	695,037	707,986	985,846	998,260
Investment holding losses/(gains) at 1 January	120,745	109,296	(47,324)	(58,238)
Opening cost of investments	815,782	817,282	938,522	940,022
Acquisitions at cost	197,355	197,355	294,254	294,254
Disposal proceeds	(230,407)	(230,407)	(336,903)	(336,903)
Realised (losses)/gains on sales	(99,832)	(99,832)	(81,114)	(81,114)
Contractual rights - return of capital	-	-	1,023	1,023
Cost carried forward at 31 December	682,898	684,398	815,782	817,282
Investment holding (losses)/gains at 31 December	(256,974)	(249,492)	(120,745)	(109,296)
Closing valuation of investments	425,924	434,906	695,037	707,986

During the year, transaction costs of £636,000 (2014: £694,000) were incurred on the acquisition of investments. Costs relating to the disposal of investments during the year amounted to £468,000 (2014: £517,000). All transaction costs have been included within the capital reserves. Royalty income from contractual rights considered as a return of capital and disclosed in the capital column of the Consolidated Statement of Comprehensive Income amounted to £nil (2014: £1,023,000).

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

	Group 2015 £'000	Company 2015 £'000	Group 2014 £'000	Company 2014 £'000
Realised losses on sales	(99,832)	(99,832)	(81,114)	(81,114)
Changes in investment and derivative holding gains	(136,686)	(140,653)	(102,727)	(102,192)
Contractual rights - return of capital	-	-	1,023	1,023
Revaluation of contractual rights	457	457	(65,342)	(65,342)
	(236,061)	(240,028)	(248,160)	(247,625)

Stock lending

	2015 £'000	2014 £'000
Aggregate value of securities on loan at year end	19,298	-
Maximum aggregate value of securities on loan during the year	35,485	-
Fee income from stock lending during the year	44	-

In respect of securities on loan at the year end, securities of £20,381,000 (2014: nil) were held as collateral, the value of which exceeded the value of securities on loan by £1,083,000 (2014: nil).

In respect of the maximum aggregate value of securities on loan during the year, securities of £39,075,000 (2014: nil) were held as collateral, the value of which exceeded the value of securities on loan by £3,590,000 (2014: nil).

The value of securities on loan did not exceed the value of collateral held at any time during the year ended 31 December 2015.

Financial statements

Notes to the financial statements continued

11. SUBSIDIARY UNDERTAKING

At 31 December 2015, the Company had one wholly owned subsidiary, which was registered in England and Wales

	Description of shares	Issued share capital	
		2015	2014
BlackRock World Mining Investment Company Limited	Ordinary shares of £1	£100	£100

Under IFRS, the investment in the subsidiary is fair valued in the separate financial statements of the Company which is deemed to be the total equity of the Company and equates to £8,982,000 (2014 £12,949,000) The subsidiary paid dividends of £4,000,000 (2014 £nil) to the parent company during the year ended 31 December 2015

12. OTHER RECEIVABLES

	Group 2015 £'000	Company 2015 £'000	Group 2014 £'000	Company 2014 £'000
Prepayments and accrued income	3,797	3,797	5,952	5,282
Amount due from brokers	-	-	18	18
Other receivables	-	-	31	31
Taxation recoverable	-	-	1	1
	3,797	3,797	6,002	5,332

13. OTHER PAYABLES

	Group 2015 £'000	Company 2015 £'000	Group 2014 £'000	Company 2014 £'000
Accruals for expenses and interest payable	2,857	2,857	3,061	3,061
Amounts due to brokers	2,714	2,714	-	-
Other payables	-	-	77	77
Tax payable	683	675	356	208
Amounts due to subsidiary	-	1,011	-	1,134
	6,254	7,257	3,494	4,480

14. INTEREST BEARING LOANS AND BORROWINGS

	Group 2015 £'000	Company 2015 £'000	Group 2014 £'000	Company 2014 £'000
Bank loans (US\$ and GBP)	60,708	60,708	106,047	106,047

The Group has an overdraft facility of £30 million (2014 £30 million) and a multi currency loan facility of £130 million (2014 £170 million) At 31 December 2015, the Company had a USD loan outstanding for US\$60,000,000 and a GBP loan for £20,000,000 which matures on 10 May 2016 (2014 USD loan for US\$110,000,000 and GBP loan for £35,500,000 which matured on 7 May 2015) The loans are provided by Bank of New York Mellon The interest rate on bank loans approximate to 1.30% per annum for USD balances and 1.57% for GBP balances (2014 1.23% per annum for USD balances and 1.54% per annum for GBP balances)

15. DEFERRED TAX ASSETS/(LIABILITIES)

	Group and Company 2015 £'000	Group and Company 2014 £'000
Deferred tax asset in respect of timing differences		
At 1 January	449	1,795
Utilisation of deferred tax asset	(449)	(1,346)
At 31 December	-	449
Deferred tax liabilities in respect of timing differences		
At 1 January	(11)	(277)
Movement in Peruvian capital gains tax liability	2	266
At 31 December	(9)	(11)
Comprised of		
Deferred tax assets	-	449
Deferred tax liabilities	(9)	(11)
	(9)	438

At 31 December 2015, the Company had net excess management expenses of £nil (2014 £2.2 million). A deferred tax asset of £nil (2014 £0.4 million) has been recognised at the tax rate of 20.0% in respect of these management expenses.

Following the changes in Peruvian tax legislation effective from 1 January 2011, a capital gains tax is imposed on gains realised by non-residents at rates of 5% or 30% depending on whether the transaction took place inside or outside of Peru. The Group has accrued a capital gains tax liability of £9,000 (2014 £11,000) for unrealised capital gains arising on investments in stocks listed on the Peruvian stock exchange. The tax has been calculated at the rate of 5% of the unrealised capital gains, being the difference between the market value of the investments at the year end and their average purchase cost.

16. SHARE CAPITAL

	Ordinary shares number (nominal)	Treasury shares number (nominal)	Total shares	£'000
Allotted, called up and fully paid share capital comprised Ordinary shares of 5p each				
At 1 January 2015	177,287,242	15,724,600	193,011,842	9,651
At 31 December 2015	177,287,242	15,724,600	193,011,842	9,651

During the year no shares (2014 nil) were repurchased.

Financial statements

Notes to the financial statements continued

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 investments held £'000	Revenue reserve £'000
At 1 January 2015	127,155	116,471	22,779	418,642	(120,745)	50,721
Movement during the year						
Total comprehensive income (Losses)/profit for the year	-	-	-	(106,646)	(136,229)	32,744
Transactions with owners						
Dividends paid	-	-	-	-	-	(37,230)
At 31 December 2015	127,155	116,471	22,779	311,996	(256,974)	46,235

Company	Share premium account £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserve – arising on investments sold £'000	Capital reserve – arising on investments held £'000	Revenue reserve £'000
At 1 January 2015	127,155	116,471	22,779	418,642	(109,296)	39,272
Movement during the year						
Total comprehensive income (Losses)/profit for the year	-	-	-	(106,646)	(140,196)	36,711
Transactions with owners						
Dividends paid	-	-	-	-	-	(37,230)
At 31 December 2015	127,155	116,471	22,779	311,996	(249,492)	38,753

The net revenue profit before distribution dealt with in the financial statements of the parent company was £36,711,000 (2014 £36,917,000) As permitted under section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements

The share premium account and capital redemption reserve are not distributable profits under the Companies Act 2006 The special reserve may be used as distributable profits for all purposes and in particular the repurchase by the Company of its ordinary shares Under the Company's Articles, the Company is permitted to distribute accumulated realised capital profits in the form of dividends

18. RISK MANAGEMENT POLICIES AND PROCEDURES

The Group's investment activities expose it to various types of risks which are associated with the financial instruments and markets in which it invests The following information is not intended to be a comprehensive summary of all risks and shareholders should refer to the Alternative Investment Fund Managers' Directive Fund 3 2 2R Disclosures which can be found at blackrock.co.uk/brwm for a more detailed discussion of the risks inherent in investing in the Company

The following information refers to the risk management framework of the Alternative Investment Fund Manager (AIFM) However, as disclosed in the Corporate Governance Statement on page 35 and in the Statement of Directors' Responsibilities on page 41, it is the ultimate responsibility of the Board to ensure that the Group's risks are appropriately monitored, and to the extent that elements of this are delegated to third party service providers, the Board is responsible for ensuring that the relevant parties are discharging their duties in accordance with the terms of the relevant agreements The AIFM reports to the Board at each meeting on key risks metrics and risk management processes, in addition, the Depository monitors the performance of the AIFM and reports to the Audit & Management Engagement Committee at each meeting Any issues are reported to the Board on an ad hoc basis as they arise

Risk management framework

The Directors of the Alternative Investment Fund Manager (AIFM) review quarterly investment performance reports and receive semi-annual presentations in person from the Investment Manager covering the Group's performance and risk profile during the year. The AIFM has delegated the day-to-day administration of the investment programme to the Investment Manager. The Investment Manager is also responsible for ensuring that the Group is managed within the terms of its investment guidelines and limits set out in the Alternative Investment Fund Managers' Directive Fund 3.2.2R Disclosures which can be found at blackrock.co.uk/brwm. The AIFM reserves to itself the investment performance, product risk monitoring and oversight and the responsibility for the monitoring and oversight of regulatory and operational risk for the Group. The Directors of the AIFM have appointed a Risk Manager who has responsibility for the daily risk management process with assistance from key risk management personnel of the Investment Manager, including members of the Risk and Quantitative Analysis Group (RQA) which is a centralised group which performs an independent risk management function. RQA independently identifies, measures and monitors investment risk. RQA tracks the actual risk management practices being deployed across the Group. By breaking down the components of the process, RQA have the ability to determine if the appropriate risk management processes are in place across the Group. This captures the risk management tools employed, how the levels of risk are controlled, ensuring risk/return is considered in portfolio construction and reviewing outcomes.

The risk exposures of the Group are set out as follows

(a) Market risk

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

Value at Risk (VaR) is a statistical risk measure that estimates the potential portfolio loss from adverse market moves in an ordinary market environment. VaR analysis reflects the interdependencies between risk variables, unlike a traditional sensitivity analysis.

In the Annual Report and Financial Statements for the year ended 31 December 2014, VaR was calculated with reference to the analytical parametric model. With effect from 1 September 2015 the adjusted historical simulation model replaced the analytical parametric model in the calculation of VaR and has therefore been used in these financial statements. The risk profile of the Company has not changed, although the values generated by the historical simulation model are lower than those previously generated by the analytical parametric model.

The VaR calculations are based on a confidence level of 99% with a holding period of not greater than 1 day and a historical observation period of not less than 1 year (250 days). A VaR number is defined at a specified probability and a specified time horizon. A 99% 1 day VaR means that the expectation is that 99% of the time over a 1 day period the Company will lose less than this number in percentage terms. Therefore, higher VaR numbers indicate higher risk. It is noted that the use of VaR methodology has limitations, namely assumptions that risk factor returns are normally distributed and that the use of historical market data as a basis for estimating future events does not encompass all possible scenarios, particularly those that are of an extreme nature and that the use of a specified confidence level (e.g. 99%) does not take into account losses that occur beyond this level. There is some probability that the loss could be greater than the VaR amounts. These limitations and the nature of the VaR measure mean that the Group can neither guarantee that losses will not exceed the VaR amounts indicated, nor that losses in excess of the VaR amounts will not occur more frequently.

The one-day VaR as of 31 December 2015 and 31 December 2014 (based on a 99% confidence level) was 5.36% and 2.76% respectively.

(i) Market risk arising from other price risk

Exposure to other price risk

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

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

Financial statements

Notes to the financial statements continued

18. RISK MANAGEMENT POLICIES AND PROCEDURES continued

Management of other price risk

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

Exchange traded and over-the-counter (OTC) financial derivative instruments

When appropriate, the Group may enter into commodity futures and write both exchange traded and over-the-counter option contracts as part of its investment policy. Options written by the Group provide the purchaser with the opportunity to purchase from or sell the Group the underlying asset at an agreed-upon value either on or before the expiration of the option. Options are generally settled on a net basis.

During the year ended 31 December 2015 and 2014, the Group entered into commodity futures and wrote covered call and put option contracts to generate revenue income for the Group. As the call and put options are covered by dedicated cash resources and no call and put option contracts were written to manage price risk, there is no impact on the Group's exposure to gearing or leverage as a result of writing covered call and put options. No commodity futures transactions were open at 31 December 2015 or 2014. The notional amount of the two call options written that were open (2014: two put options and one call option) at 31 December 2015 was £10,040,000 (2014: £10,312,000).

Management of OTC financial derivative instruments

Economic exposure through option writing and commodity futures transactions are monitored daily by the Investment Manager and its independent risk management team. The Company's Board also reviews the exposures regularly.

The economic exposures to options can be closed out at any time by the Group with immediate effect. Details of securities and exposures to market risk and credit risk implicit within the options portfolio are given above and on pages 67 and 68.

Concentration of exposure to market price risks

An analysis of the Group's investment portfolio is shown on pages 21 to 23. At 31 December 2015, this shows that the portfolio had significant levels of investments in Africa, Latin America, Australia, Canada 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.

(ii) Market risk arising from foreign currency risk

Exposure to foreign currency risk

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

The fair values of the Group's monetary items which have foreign currency exposure at 31 December 2015 and 31 December 2014 are shown below. Where the Group's equity investments which are not monetary items are denominated in a foreign currency, they have been included separately in the analysis so as to show the overall level of exposure.

	US dollar £'000	Canadian dollar £'000	Australian dollar £'000	Swedish krona £'000	Others £'000	Total £'000
2015						
Receivables (due from brokers, dividends and other income receivable)	3,628	-	-	-	-	3,628
Cash	598	-	-	761	-	1,359
Loans	40,708	-	-	-	-	40,708
Payables	(2,787)	-	-	-	-	(2,787)
Total foreign currency exposure on net monetary items	42,147	-	-	761	-	42,908
Investments held at fair value through profit or loss	137,789	69,352	50,261	5,649	15,248	278,299
Total net foreign currency exposure	179,936	69,352	50,261	6,410	15,248	321,207

2014	US dollar £'000	Canadian dollar £'000	Australian dollar £'000	South African rand £'000	Others £'000	Total £'000
Receivables (due from brokers, dividends and other income receivable)	5,521	233	43	-	-	5,797
Loans	(70,678)	-	-	-	-	(70,678)
Payables	-	-	-	-	(220)	(220)
Total foreign currency exposure on net monetary items	(65,157)	233	43	-	(220)	(65,101)
Investments held at fair value through profit or loss	197,108	122,384	50,364	12,078	54,773	436,707
Total net foreign currency exposure	131,951	122,617	50,407	12,078	54,553	371,606

Management of foreign currency risk

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

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

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

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

(iii) Market risk arising from interest rate risk

Exposure to interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates

The Group is exposed to interest rate risk specifically through its holdings in cash and fixed interest investments and its borrowing facility for investment purposes. Interest rate sensitivity has been covered by the VaR analysis under the market risk section

Interest rate exposure

The exposure at 31 December 2015 and 31 December 2014 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

	2015			2014		
	Within one year £'000	More than one year £'000	Total £'000	Within one year £'000	More than one year £'000	Total £'000
Exposure to floating interest rates						
Cash at bank	13,223	-	13,223	31,054	-	31,054
Bank loans	(60,708)	-	(60,708)	(106,047)	-	(106,047)
Exposure to fixed interest rates						
Fixed interest investments	-	54,813	54,813	-	72,913	72,913
Total exposure to interest rates	(47,485)	54,813	7,328	(74,993)	72,913	(2,080)

Financial statements

Notes to the financial statements continued

18. RISK MANAGEMENT POLICIES AND PROCEDURES continued

Interest rates received on cash balances are approximately nil for USD balances and 0.15% per annum for GBP balances (2014: nil for USD balances and 0.15% per annum for GBP balances). Interest rates paid on bank loans are approximately 1.30% per annum for USD balances and 1.57% per annum for GBP balances (2014: 1.23% per annum for USD balances and 1.54% per annum for GBP balances). Effective interest rates on fixed interest investments ranged from 8.56% to 12.97% (2014: 7.46% to 19.05%).

Management of interest rate risk

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

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

(b) Counterparty credit risk

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

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

Credit risk is monitored and managed by BlackRock's RQA Counterparty & Concentration Risk team. The team is headed by BlackRock's Chief Credit Officer who reports to the Global Head of RQA. Credit authority resides with the Chief Credit Officer and selected team members to whom specific credit authority has been delegated. As such, counterparty approvals may be granted by the Chief Credit Officer, or by identified RQA Credit Risk Officers who have been formally delegated authority by the Chief Credit Officer.

The BlackRock RQA Counterparty and Concentration Risk team completes a formal review of each new counterparty, monitors and reviews all approved counterparties on an ongoing basis and maintains an active oversight of counterparty exposures and the collateral management process.

Depository

With effect from 2 July 2014, the Group's Depository is BNY Mellon Trust & Depository (UK) Limited (the Depository) (Moody's long term credit rating as at 31 December 2015: Aa2). All of the equity and debt investments and cash of the Group are held within the custodial network of the Depository. Bankruptcy or insolvency of the Depository may cause the Company's rights with respect to its investments held by the Depository to be delayed or limited. The maximum exposure to this risk at 31 December 2015 is the total value of equity and fixed income investments held with the Depository and cash and cash equivalents in the Statements of Financial Position.

In accordance with the requirements of the depository agreement, the Depository will ensure that any agents it appoints to assist in safekeeping the equity and debt investments of the Group will segregate the equity and debt investments of the Group. Thus, in the event of insolvency or bankruptcy of the Depository, the Group's equity and debt investments are segregated and this reduces counterparty credit risk. The Group will, however, be exposed to the counterparty credit risk of the Depository in relation to the Group's cash held by the Depository. In the event of the insolvency or bankruptcy of the Depository, the Group will be treated as a general creditor of the Depository in relation to cash holdings of the Group.

Counterparties/Brokers

All transactions in listed securities are settled/paid for upon delivery using an approved broker. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has made payment. Payment is made on a purchase once the securities have been delivered by the broker. The trade will fail if either party fails to meet its obligation.

Counterparty credit risk also arises on transactions with a broker in relation to transactions awaiting settlement. Risk relating to unsettled transactions is considered small due to the short settlement period involved and the high credit quality of the broker used. The Group monitors the credit rating and financial position of the broker used to further mitigate this risk.

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

	Total number of counterparties	Maximum exposure to any one counterparty* £'000	Collateral held* £'000	Total exposure to all other counterparties* £'000	Lowest credit rating of any one counterparty
2015	2	13,223	nil	1,340	A-1
2014	2	31,054	nil	1,684	A-1

* Calculated on a net basis

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

Collateral

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

Cash collateral pledged by the Group is separately identified as an asset in the Statements of Financial Position and is not included as a component of cash and cash equivalents. The cash is subject to certain counterparty credit risk as the Group's access to its cash could be delayed should the counterparties become insolvent or bankrupt.

Cash collateral pledged to the counterparty is reflected in the table below.

	Pledged collateral	
	31 December 2015 £'000	31 December 2014 £'000
Cash collateral	1,340	1,684

Receivables

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

In summary, the exposure to credit risk at 31 December 2015 was as follows:

	2015 £'000	2014 £'000
Investment in contractual rights	8,142	-
Fixed interest securities	54,813	72,913
Cash and cash equivalents	13,223	31,054
Cash collateral pledged with counterparty	1,340	1,684
Other receivables (amounts due from brokers, dividends and interest receivable)	3,797	6,002
	81,315	111,653

There were no past or impaired assets as of 31 December 2015 (31 December 2014: nil).

Financial statements

Notes to the financial statements continued

18. RISK MANAGEMENT POLICIES AND PROCEDURES continued

Management of counterparty credit risk

RQA are responsible for the risk management of the Group, with duties comprising of identifying, monitoring and managing risk, including counterparty credit risk. RQA are supported in this role by the Investment Manager.

The counterparty/credit risk is managed as follows:

- ▶ 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 Group's listed investments are held on its behalf by the Bank of New York Mellon (International) Limited as the Group's custodian (as sub-delegated by the Depositary). Bankruptcy or insolvency of the custodian may cause the Group's rights with respect to securities held by the custodian to be delayed. The Board monitors the Group's risk by reviewing the custodian's internal control reports,
- ▶ transactions involving derivatives are either exchange traded where the relevant exchange guarantees settlement or on an over-the-counter basis. Transactions are entered into only with those counterparties approved by the credit department of the Investment Manager. Counterparties are selected on the basis of a number of risk migration criteria designed to reduce the risk to the Group of default.
- ▶ the creditworthiness of financial institutions with whom cash is held is reviewed regularly by the Investment Manager and
- ▶ all transactions in listed securities are settled on a payment against delivery basis using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has made payment. Payment is made on purchase once the securities have been delivered by the broker. The trade will fail if either party fails to meet its obligation.

The Board monitors the Company's counterparty risk by reviewing:

- ▶ the semi-annual report from the Depositary, which includes the results of periodic site visits to the Company's custodian where controls are reviewed and tested,
- ▶ the custodian's Service Organisation Control (SOC 1) reports which include a report by the custodian's auditor. This report sets out any exceptions or issues noted as a result of the auditor's review of the Custodian's control processes,
- ▶ the Manager's SOC 1 reports which include a report by the Manager's auditor. This report sets out any exceptions or issues noted as a result of the auditor's review of the Manager's control processes and
- ▶ in addition, the Depositary and the Manager report any significant breaches or issues arising to the Board as soon as these are identified.

Offsetting disclosures

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

For financial reporting purposes, the Group does not offset derivative assets and derivative liabilities that are subject to netting arrangements in the Statements of Financial Position. The disclosures set out in the following table include financial assets and financial liabilities that are subject to an enforceable master netting agreement or similar agreement.

At 31 December 2015 and 2014, the Group's derivative assets and liabilities (by type) are as follows

Derivatives	At 31 December 2015		At 31 December 2014	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Written option contracts	-	(161)	-	(285)
Total derivative assets and liabilities in the Statements of Financial Position	-	(161)	-	(285)
Derivatives not subject to a master netting agreement	-	-	-	-
Total assets and liabilities subject to a master netting agreement	-	(161)	-	(285)

The following table presents the Group's derivative liabilities by counterparty, net of amounts available for offset, under a master netting agreement and net of any related collateral paid by the Group at 31 December 2015

Counterparty	Derivative liabilities subject to a master netting agreement by a counterparty £'000	Derivatives available for offset £'000	Non-cash collateral given £'000	Cash collateral given £'000	Net amount of derivative liabilities £'000
At 31 December 2015					
Bank of America Merrill Lynch	(161)	-	-	161	-
At 31 December 2014					
Bank of America Merrill Lynch	(285)	-	-	285	-

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting obligations associated with financial liabilities. The Group is also exposed to the liquidity risk for margin calls on derivative instruments. The Group has an overdraft facility of £30 million (2014: £30 million) and a multi-currency loan facility of £130 million (2014: £170 million). As per the borrowing agreements, borrowings under the overdraft and loan facilities must not exceed 25% of the net assets of the Company and this covenant was complied with during the year. For details of the loan facility, refer to note 14.

Liquidity risk exposure

The remaining undiscounted gross cash outflows of the financial liabilities as at 31 December 2015 and 2014, based on the earliest date on which payment can be required, were as follows:

2015	3 months or less £'000	Not more than one year £'000	More than one year £'000	Total £'000
Current liabilities				
Bank loans and overdraft	60,708	-	-	60,708
Amounts due to brokers, accruals and provisions	6,254	-	-	6,254
Derivative financial instruments - written options	161	-	-	161
	67,123	-	-	67,123

2014	3 months or less £'000	Not more than one year £'000	More than one year £'000	Total £'000
Current liabilities				
Bank loans and overdraft	106,047	-	-	106,047
Amounts due to brokers, accruals and provisions	3,494	-	-	3,494
Derivative financial instruments - written options	285	-	-	285
	109,826	-	-	109,826

Financial statements

Notes to the financial statements continued

18. RISK MANAGEMENT POLICIES AND PROCEDURES continued

Management of liquidity risk

Liquidity risk is minimised by holding sufficient liquid investments which can be readily realised to meet liquidity demands. Asset disposals may also be required to meet liquidity needs. However, timely sale of trading positions can be impaired by many factors including decreased trading volume and increased price volatility. As a result, the Company may experience difficulties in disposing of assets to satisfy liquidity demands. Liquidity risk is not significant as the Company's assets are investments in listed securities that are readily realisable.

The Board gives guidance to the Investment Manager as to the maximum amounts of the Group's resources that should be invested in any one company. The policy is that the Group should remain 90% invested in normal market conditions and that 25% of the Group's assets may be invested in cash or cash equivalents. Short term borrowings may be used to manage short term cash requirements.

The Company's liquidity risk is managed on a daily basis by the Investment Manager in accordance with established policies and procedures in place. The Portfolio Managers review daily forward-looking cash reports which project cash obligations. These reports allow them to manage their obligations.

For the avoidance of doubt, none of the assets of the Company are subject to special liquidity arrangements.

(d) Valuation of financial instruments

IFRS 13 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The valuation techniques used by the Company are explained in the accounting policies note to the Financial Statements on pages 51 to 54.

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:

The fair value hierarchy has the following levels:

Level 1 – Quoted market price in an active market for an identical instrument. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2 – Valuation techniques used to price securities based on observable inputs. Valuation techniques used for non-standardised financial instruments such as options, currency swaps and other over-the-counter derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity specific inputs.

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

Level 3 – Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant impact on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments and instruments for which there is no active market.

For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Investment Manager. The Investment Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The investment in the subsidiary is classified within Level 3 since the subsidiary is not an open-ended entity. The fair value of the investment in the subsidiary is calculated based on the fair value of the underlying balances within the subsidiary. Therefore, no sensitivity analysis has been presented.

There has been no change to the valuation techniques during the period under review or as at the date of this report.

Valuation process and techniques for Level 3 valuations

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

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

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

Fair values of financial assets and financial liabilities

Financial assets and financial liabilities are either carried in the Statements of Financial Position at their fair value (investment and derivatives) or at an amount which is a reasonable approximation of fair value (cash and cash equivalents, collateral pledged, other receivables, other payables and bank loans and overdrafts).

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

Financial assets at fair value through profit or loss at 31 December 2015 – Group	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Equity	352,482	76	10,572	363,130
Fixed interest securities	54,813	–	–	54,813
Investment in contractual rights	–	–	8,142	8,142
	407,295	76	18,714	426,085
Liabilities				
Derivative financial instruments – written options	–	(161)	–	(161)
	407,295	(85)	18,714	425,924

Financial statements

Notes to the financial statements continued

18. RISK MANAGEMENT POLICIES AND PROCEDURES continued

Financial assets at fair value through profit or loss at 31 December 2014 – Group	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Equity	604,811	6,225	11,373	622,409
Fixed interest securities	66,422	-	6,491	72,913
	671,233	6,225	17,864	695,322
Liabilities				
Derivative financial instruments – written options	-	(285)	-	(285)
	671,233	5,940	17,864	695,037

Financial assets at fair value through profit or loss at 31 December 2015 – Company	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Equity	352,482	76	19,554	372,112
Investment in contractual rights	-	-	8,142	8,142
Fixed interest securities	54,813	-	-	54,813
	407,295	76	27,696	435,067
Liabilities				
Derivative financial instruments – written options	-	(161)	-	(161)
	407,295	(85)	27,696	434,906

Financial assets at fair value through profit or loss at 31 December 2014 – Company	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Equity	604,811	6,225	24,322	635,358
Fixed interest securities	66,422	-	6,491	72,913
	671,233	6,225	30,813	708,271
Liabilities				
Derivative financial instruments – written options	-	(285)	-	(285)
	671,233	5,940	30,813	707,986

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

Level 3 Financial assets at fair value through profit or loss at 31 December – Group	2015 £'000	2014 £'000
Opening fair value	17,864	65,342
Purchases at cost	7,685	-
Disposals	(8,861)	-
Transfer from level 2 to level 3	-	17,864
Total gains or losses included in gains/(losses) on investments in the Consolidated Statement of Comprehensive Income		
- assets disposed of during the year	2,370	-
- assets held at the end of the year	(344)	(65,342)
Closing balance	18,714	17,864

Level 3 Financial assets at fair value through profit or loss at 31 December – Company	2015 £'000	2014 £'000
Opening fair value	30,813	77,756
Purchases at cost	7,685	–
Disposals	(8,861)	–
Transfer from level 2 to level 3	–	17,864
Total gains or losses included in gains/(losses) on investments in the Consolidated Statement of Comprehensive Income		
– assets disposed of during the year	2,370	–
– assets held at the end of the year	(4,311)	(64,807)
Closing balance	27,696	30,813

Level 3 valuation process and techniques used by the Company are explained in the accounting policies in note 2(h). A more detailed description of the techniques is found on page 71 under 'Valuation process and techniques'.

Quantitative information of significant unobservable inputs – Level 3 – Group and Company

Description	2015 £'000	2014 £'000	Valuation technique	Unobservable input
Banro Corporate 10% note	–	6,491	Bond prices	25% Illiquidity discount
Banro gold-linked preference share	10,572	11,373	Discount to gold prices	30% Illiquidity discount
Avanco	8,142	–	Discount cash flows	Discount rate – weighted average cost of capital Average gold and copper prices
Investment in subsidiary company	8,982	12,949	Net assets	Net assets

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

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy, together with an estimated quantitative sensitivity analysis, as at 31 December 2015 are as shown below. The rationale for the explanation of the illiquidity discount is given on pages 16 and 17 of the Investment Manager's Report.

Description	Input	Estimated sensitivity used*	Impact on fair value
Banro gold linked preference share	Average gold prices	10%	£11m
Avanco royalty	Discount rate – weighted average cost of capital Average gold and copper prices	1% 10%	£0.6m £1.6m

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

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

(vii) Capital management policies and procedures

The Company's capital management objectives are:

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

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

The Company's total capital at 31 December 2015 was £438,021,000 (2014: £730,721,000), comprising of bank loans and overdraft of £60,708,000 (2014: £106,047,000) and equity shares, capital and reserves of £377,313,000 (2014: £624,674,000).

Financial statements

Notes to the financial statements continued

19. TRANSACTIONS WITH THE AIFM AND THE INVESTMENT MANAGER

BlackRock Fund Managers Limited (BFM) was appointed as the Company's Alternative Investment Fund Manager (AIFM) with effect from 2 July 2014. BlackRock Investment Management (UK) Limited (BIM (UK)) continues to act as the Company's Investment Manager under the delegation agreement with BFM.

The investment management fee due to BFM for the year ended 31 December 2015 amounted to £5,312,000 (2014: £10,493,000). At the year end, £1,952,000 (2014: £2,061,000) was outstanding in respect of the management fees.

In addition to the above services, BlackRock has provided marketing services. The total fees paid or payable for these services for the year ended 31 December 2015 amounted to £17,000 excluding VAT (2014: £256,000 excluding VAT) after adjusting for the over accrual of £126,000 for the previous year. Marketing fees of £143,000 were outstanding as at 31 December 2015 (2014: £299,000).

20. RELATED PARTY DISCLOSURE – DIRECTORS' EMOLUMENTS

The related party transactions with the Directors are set out in the Directors' Remuneration Report on pages 31 and 32. The amount of Directors' fees outstanding at 31 December 2015 was £19,375 (2014: £19,375).

21. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2015 (2014: nil).

Additional information

Shareholder information

FINANCIAL CALENDAR

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

February

Annual results and final dividend for year announced

March

Annual Report and Financial Statements published

April

Annual General Meeting

May

Final dividend paid

August

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

September

Interim dividend paid

DIVIDEND – 2015

The proposed final dividend in respect of the year ended 31 December 2015 is 14.00p per share

Ex-dividend date (shares transferred without the dividend)	24 March 2016
Record date (last date for registering transfers to receive the dividend)	29 March 2016
Last date for registering DRIP instructions	14 April 2016
Dividend payment date	6 May 2016

PAYMENT OF DIVIDENDS

Cash dividends will be sent by cheque to the first-named shareholder at their registered address. Dividends may also be paid direct into a shareholder's bank account via BACSTEL-IP (Bankers' Automated Clearing Service – Telecom Internet Protocol). This may be arranged by contacting the Company's registrar, Computershare Investor Services PLC, through their secure website investorcentre.co.uk, or by telephone on 0370 707 1187, or by completing the Mandate Instructions section on the reverse of your dividend counterfoil and sending this to the Company's registrar, Computershare. Tax vouchers will be sent to shareholders at their registered address, unless other instructions have been given, to arrive on the payment date.

DIVIDEND REINVESTMENT SCHEME (DRIP)

Shareholders may request that their dividends be used to purchase further shares in the Company. Dividend reinvestment forms may be obtained from Computershare Investor Services PLC through their secure website investorcentre.co.uk, or on 0370 707 1187. Shareholders who have already opted to have their dividends reinvested do not need to reapply. The last date for registering for this service for the forthcoming dividend is 14 April 2016.

DIVIDEND TAX ALLOWANCE

From April 2016, dividend tax credits will be replaced by an annual £5,000 tax-free allowance on dividend income across an individual's entire share portfolio. Above this amount, individuals will pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances. The Company will continue to provide registered shareholders with confirmation of the dividends paid and this should be included with any other dividend income received when calculating and reporting total dividend income received. It is a shareholder's responsibility to include all dividend income when calculating any tax liability.

This change was announced by the Chancellor, as part of the UK Government Budget, in July 2015. If you have any tax queries, please contact a financial advisor.

SHARE PRICE

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

ISIN/SEDOL NUMBERS

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

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

SHARE DEALING

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

Additional information

Shareholder information continued

For existing shareholders the Company's registrar, Computershare Investor Services PLC, has both internet and telephone share dealing services. To access the internet share dealing, log on to computershare.com/sharedealingcentre. The telephone share dealing service is available on 0370 703 0084. To use these services, you will need your shareholder reference number which is detailed on your share certificate.

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

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

CREST

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

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

ELECTRONIC COMMUNICATIONS

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

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

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

ELECTRONIC PROXY VOTING

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

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

DURATION OF THE COMPANY

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

NOMINEE CODE

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

- ▶ to provide the nominee company with multiple copies of shareholder communications, so long as an indication of quantities has been provided in advance,
- ▶ to allow investors holding shares through a nominee company to attend general meetings, provided the correct authority from the nominee company is available, and
- ▶ that investors in the BlackRock Investment Trusts Savings Plan and NISA 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 website at blackrock.co.uk/brwm and through the Reuters News Service under the code 'BLRKINDEX', on page 8800 on Topic 3 (ICV terminals) and under 'BLRK' on Bloomberg (monthly information only).

ONLINE ACCESS

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

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

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

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

SAVINGS PLAN

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

STOCKS AND SHARES NEW INDIVIDUAL SAVINGS ACCOUNTS (NISA)

NISAs are a tax-efficient method of investment and the Company's shares are eligible investments within the BlackRock Investment Trust Stocks and Shares NISA. In the 2015/2016 and 2016/2017 tax years, investors have an annual NISA allowance of £15,240. Details are available from BlackRock by calling free on 0800 44 55 22

SHAREHOLDER ENQUIRIES

The Company's registrar is Computershare Investor Services PLC. Certain details relating to your holding can be checked through the Computershare Investor Centre website. As a security check, specific information needs to be input accurately to gain access to an individual's account. This includes your shareholder reference number, available from your share certificate, tax voucher or other electronic communications you have previously received from Computershare. The address of the Computershare website is investorcentre.co.uk. Alternatively, please contact the registrar on 0370 707 1187

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

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

GENERAL ENQUIRIES

Enquiries about the Company should be directed to

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

Enquiries about the Savings Plan or NISA should be directed to

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

Additional information

Analysis of ordinary shareholders as at 31 December 2015

BY TYPE OF HOLDER

	Number of shares	% of total 2015	% of total 2014	Number of holders	% of total 2015	% of total 2014
Direct private investors	4,733,431	2.7	2.8	2,158	34.4	32.3
Nominee companies	169,700,612	95.7	95.9	3,989	63.7	65.7
Others	2,853,199	1.6	1.3	117	1.9	2.0
	177,287,242	100.0	100.0	6,264	100.0	100.0

BY SIZE OF HOLDING

	Number of shares	% of total 2015	% of total 2014	Number of holders	% of total 2015	% of total 2014
1-10,000	10,947,440	6.2	6.6	5,777	92.2	93.1
10,001-100,000	9,669,149	5.5	5.3	315	5.0	4.3
100,001-1,000,000	49,706,618	28.0	27.9	134	2.1	2.0
1,000,001-5,000,000	83,886,361	47.3	47.8	35	0.6	0.5
Over 5,000,000	23,077,674	13.0	12.4	3	0.1	0.1
	177,287,242	100.0	100.0	6,264	100.0	100.0

Additional information

Management & other service providers

REGISTERED OFFICE

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

ALTERNATIVE INVESTMENT FUND MANAGER

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

INVESTMENT MANAGER AND COMPANY

SECRETARY

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

DEPOSITARY

BNY Mellon Trust & Depositary (UK) Limited*
BNY Mellon Centre
160 Queen Victoria Street
London EC4V 4LA

REGISTRAR

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

AUDITOR

Ernst & Young LLP
Chartered Accountants and Statutory Auditors
25 Churchill Place
Canary Wharf
London E14 5EY

STOCKBROKERS

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

Winterflood Securities Limited*

The Atrium Building
Cannon Bridge
25 Dowgate Hill
London EC4R 2GA

SOLICITORS

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

CUSTODIAN AND BANKER

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

SAVINGS PLAN AND NISA ADMINISTRATOR

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

* Authorised and regulated by the Financial Conduct Authority

Regulatory disclosures

AIFMD disclosures

REPORT ON REMUNERATION

The Alternative Investment Fund Managers' Directive (the AIFMD), requires certain disclosures to be made with regard to the remuneration policy of the Company's Alternative Investment Fund Manager (AIFM)

Details of the BlackRock AIFM Remuneration Policy are disclosed on the website at blackrock.co.uk/brwm and have applied to the Manager since 1 January 2015, being the beginning of the first financial year of BlackRock following the Manager's authorisation as the Company's AIFM

QUANTITATIVE REMUNERATION DISCLOSURE

Disclosures in accordance with FUND 3.3.5, Article 22(2)e and 22(2)f of the AIFMD and Article 107 of the Delegated Regulation are disclosed on the website at blackrock.co.uk/brwm

LEVERAGE

The Company may employ leverage and borrow cash in accordance with its stated investment policy or investment strategy. The Company may also employ leverage in its investment programme through foreign exchange forward contracts. The use of borrowings and leverage has attendant risks and can, in certain circumstances, substantially increase the adverse impact to which the Company's investment portfolio may be subject. No derivatives were used for leverage purposes during the year.

Consistent with its investment objective and policy, the Company may utilise a variety of exchange traded and over-the-counter (OTC) derivative instruments such as covered put/call options as part of its investment policy. The use of derivatives may expose the Company to a higher degree of risk.

For the purposes of this disclosure, leverage is any method by which the Company's exposure is increased, whether through borrowing of cash or securities, or leverage embedded in foreign exchange forward contracts or by any other means. The AIFMD requires that each leverage ratio be expressed as the ratio between a Company's exposure and its NAV, and prescribes two required methodologies, the gross methodology and the commitment methodology (as set out in AIFMD Level 2 Implementation Guidance), for calculating such exposure.

Using the methodologies prescribed under the AIFMD, the leverage of the Group and Company is disclosed in the table below.

	Commitment leverage as at 31 December 2015	Gross leverage as at 31 December 2015
Leverage ratio	117	117

OTHER RISK DISCLOSURES

The financial risk disclosures relating to risk framework and liquidity risk are set out in note 18 to the notes to the financial statements on pages 62 to 73.

PRE INVESTMENT DISCLOSURES

The AIFMD requires certain information to be made available to investors in AIFs before they invest and requires that material changes to this information be disclosed in the Annual Report of each AIF. An Investor Disclosure Document, which sets out information on the Company's investment strategy and policies, leverage, risk, liquidity, administration, management, fees, conflicts of interest and other shareholder information is available on the website at blackrock.co.uk/brwm.

There have been no material changes (other than those reflected in these financial statements) to this information requiring disclosure. Any information requiring immediate disclosure pursuant to the AIFMD will be disclosed to the London Stock Exchange through a primary information provider.



BLACKROCK INVESTMENT MANAGEMENT (UK) LIMITED

Caroline Driscoll
Company Secretary
29 February 2016

Regulatory disclosures

Information to be disclosed in accordance with Listing Rule 9 8 4

The disclosures below are made in compliance with the requirements of Listing Rule 9 8 4

9 8 4 (1) The Company has not capitalised any interest in the period under review

9 8 4 (2) The Company has not published any unaudited financial information in a class 1 circular or prospectus or any profit forecast or profit estimate

9 8 4 (3) This provision has been deleted

9 8 4 (4) The Company does not have any long term incentive schemes in operation

9 8 4 (5) and 9 8 4 (6) No Director of the Company has waived or agreed to waive any current or future emoluments from the Company or any subsidiary undertaking

9 8 4 (7) The Company has not allotted any equity securities for cash in the period under review

9 8 4 (8) The Company's subsidiary has not allotted any equity securities for cash in the period under review

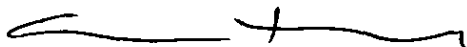
9 8 4 (9) This provision is not applicable to the Company

9 8 4 (10) There were no other contracts of significance subsisting during the period under review to which the Company is a party and in which a Director of the Company is or was materially interested, or between the Company and a controlling shareholder

9 8 4 (11) This provision is not applicable to the Company

9 8 4 (12) and 9 8 4 (13) There were no arrangements under which a shareholder has waived or agreed to waive any dividends or future dividends

9 8 4 (14) This provision is not applicable to the Company



BLACKROCK INVESTMENT MANAGEMENT (UK) LIMITED
Company Secretary
29 February 2016

Annual General Meeting

Notice of annual general meeting

Notice is hereby given that the twenty second Annual General Meeting of BlackRock World Mining Trust plc will be held at the offices of BlackRock at 12 Throgmorton Avenue, London EC2N 2DL on Thursday, 28 April 2016 at 11 30 a m to consider and, if thought fit, pass resolutions 1 to 12 as ordinary resolutions and resolutions 13 to 15 as special resolutions

ORDINARY BUSINESS

- 1 To receive the report of the Directors and the financial statements for the year ended 31 December 2015, together with the report of the auditor thereon
- 2 To approve the Directors' Remuneration Report for the year ended 31 December 2015
- 3 To declare a final dividend of 14 00p per ordinary share for the year ended 31 December 2015
- 4 To re-elect Mr C A M Buchan as a Director
- 5 To re-elect Mr D W Cheyne as a Director
- 6 To re-elect Mr I D Cockerill as a Director
- 7 To re-elect Mr R P Edey as a Director
- 8 To re-elect Ms J Mosely as a Director
- 9 To appoint PricewaterhouseCoopers LLP as auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company
- 10 To authorise the Audit & Management Engagement Committee to determine the auditors' remuneration

SPECIAL BUSINESS

Ordinary resolutions

- 11 That the Company shall continue in being as an investment trust
- 12 That in substitution for all existing authorities, the Directors of the Company be and they are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the Act), to exercise all the powers of the Company to allot relevant securities in the Company (as described in that section) up to an aggregate nominal amount of £443,218 (being 5% of the aggregate nominal amount of the issued share capital, excluding treasury shares, of the Company at the date of this notice) provided that this authority shall (unless previously revoked) expire at the conclusion of the Company's Annual General Meeting to be held in 2017, but the Company shall be entitled to make offers or agreements before the expiry of this authority which would or might require relevant securities to be allotted after such expiry and the Directors may allot such securities pursuant to any such offer or agreement as if the power conferred hereby had not expired

Special resolutions

- 13 That in substitution for all existing authorities and subject to the passing of resolution numbered 12 above, the Directors of the Company be and are hereby empowered pursuant to sections 570 and 573 of the Companies Act 2006 (the Act) to allot equity securities (as defined in section 560 of the Act) and to sell equity securities held by the Company as treasury shares (as defined in section 724 of the Act) for cash pursuant to the authority granted by the resolution numbered 12 above, as if section 561(1) of the Act did not apply to any such allotments and sales of equity securities, provided that this power
 - (a) shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2017, 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 £443,218 (representing 5% of the aggregate nominal amount of the issued share capital, excluding treasury shares, of the Company at the date of this notice), and
 - (c) shall be limited to the allotment and/or sale of equity securities at a price of not less than the net asset value per share as close as practicable to the allotment or sale
- 14 That in substitution for the Company's existing authority to make market purchases of ordinary shares of 5p each in the Company (Shares), the Company be and is hereby generally and, subject as hereinafter appears, unconditionally authorised in accordance with section 701 of the Companies Act 2006 (the Act) to make market purchases of Shares (within the meaning of section 693 of the Act) provided that
 - (a) the maximum number of Shares hereby authorised to be purchased shall be 26,575,357, or if less, that number of Shares which is equal to 14.99% of the Company's issued share capital (excluding treasury shares) as at 28 April 2016,
 - (b) the minimum price (exclusive of expenses) which may be paid for any such Share shall be 5p being the nominal value per share,
 - (c) the maximum price (exclusive of expenses) which may be paid for any such Share shall be the higher of (i) 105% of the average of the middle market quotations (as derived from the Official List) of the Shares for the

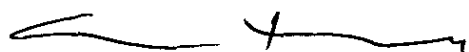
five dealing days prior to the date on which the market purchase is made and (ii) the higher of the price quoted for (a) the last independent trade of and (b) the highest independent bid for, any number of Shares on the trading venue where the purchase is carried out, and

- (d) unless renewed, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company in 2017 save that the Company may, prior to such expiry, enter into a contract to purchase Shares under the authority hereby conferred and may make a purchase of Shares pursuant to any such contract notwithstanding such expiry

All Shares purchased pursuant to the above authority shall be either

- (i) held, sold, transferred or otherwise dealt with as treasury shares in accordance with the provisions of the Act, or
- (ii) cancelled immediately upon completion of the purchase

- 15 That the draft regulations produced to the meeting and, for the purposes of identification, initialled by the Chairman of the meeting, be adopted as the Articles of Association of the Company in substitution for, and to the entire exclusion of, the existing Articles of Association



BY ORDER OF THE BOARD
BLACKROCK INVESTMENT MANAGEMENT (UK) LIMITED

Caroline Driscoll
Company Secretary
29 February 2016

Registered Office
12 Throgmorton Avenue
London EC2N 2DL

Annual General Meeting

Notice of annual general meeting continued

Notes

- 1 A member entitled to attend and vote at the meeting convened by the above Notice is entitled to appoint one or more proxies to exercise all or any of the rights of the member to attend speak and vote in his place A proxy need not be a member of the Company If a member appoints more than one proxy to attend the meeting each proxy must be appointed to exercise the rights attached to a different share or shares held by the member
- 2 To appoint a proxy you may use the form of proxy enclosed with this Annual Report To be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same must be completed and returned to the office of the Company's registrar in accordance with the instructions printed thereon as soon as possible and in any event by not later than 11 30 a m on 26 April 2016 Amended instructions must also be received by the Company's registrar by the deadline for receipt of proxies Alternatively you can vote or appoint a proxy electronically by visiting eproxyappointment.com You will be asked to enter the Control Number, the Shareholder Reference Number and PIN which are printed on the form of proxy The latest time for the submission of proxy votes electronically is 11 30 a m on 26 April 2016
- 3 Completion and return of the form of proxy will not prevent a member from attending the meeting and voting in person
- 4 Any person receiving a copy of this Notice as a person nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a Nominated Person) should note that the provisions in Notes 1 and 2 above concerning the appointment of a proxy or proxies to attend the meeting in place of a member, do not apply to a Nominated Person as only shareholders have the right to appoint a proxy However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as proxy for the meeting If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such agreement to give instructions to the member as to the exercise of voting rights at the meeting
- 5 Nominated Persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy the information rights (or perhaps the custodian or broker who administers the investment on their behalf) Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Persons personal details and interest in the Company (including any administrative matter) The only exception to this is where the Company expressly requests a response from the Nominated Person
- 6 Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001 only shareholders registered in the register of members of the Company by not later than 6 00 p m two days prior to the time fixed for the meeting shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at such time If the meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is 6 00 p m two days prior to the time of the adjournment Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the meeting
- 7 In the case of joint holders the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding
- 8 Holders of shares through the Savings Schemes are entitled to attend and vote at the meeting if the voting instruction form which is enclosed with this document, is correctly completed and returned in accordance with the instructions printed thereon
- 9 Shareholders who hold their shares electronically may submit their votes through CREST, by submitting the appropriate and authenticated CREST message so as to be received by the Company's registrar not later than 48 hours before the start of the meeting Instructions on how to vote through CREST can be found by accessing the following website euroclear.com/CREST Shareholders are advised that CREST and the internet are the only methods by which completed proxies can be submitted electronically
- 10 If you are a CREST system user (including a CREST personal member) you can appoint one or more proxies or give an instruction to a proxy by having an appropriate CREST message transmitted To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by Computershare (ID number 3RA50) not later than 48 hours before the time appointed for holding the meeting For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which Computershare is able to retrieve the message CREST personal members or other CREST sponsored members should contact their CREST sponsor for assistance with appointing proxies via CREST For further information on CREST procedures, limitations and system timings please refer to the CREST manual The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001
- 11 If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes subject of those proxies are cast and voting rights in respect of those discretionary proxies, when added to the interest in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority As a result, any member holding 3% or more of the voting rights in the Company, who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority
- 12 Any question relevant to the business of the meeting may be asked at the meeting by anyone permitted to speak at the meeting A shareholder may alternatively submit a question in advance by a letter addressed to the Company Secretary at the Company's registered office Under section 319A of the Companies Act 2006, the Company must answer any question a shareholder asks relating to the business being dealt with at the meeting unless (i) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (ii) the answer had already been given on a website in the form of an answer to a question, or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered
- 13 Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that, if it is appointing more than one corporate representative, it does not do so in relation to the same shares It is therefore no longer necessary to nominate a designated corporate representative Representatives should bring to the meeting evidence of their appointment, including any authority under which it is signed

- 14 Under section 527 of the Companies Act 2006, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to
- (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are laid before the meeting, or
 - (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006
- The Company may not require the members requesting such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
- 15 Under sections 338 and 338A of the Companies Act 2006, members meeting the threshold requirements in those sections have the right to require the Company
- (i) to give to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting and/or
 - (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business
- A resolution may properly be moved or a matter may properly be included in the business unless
- (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise),
 - (b) it is defamatory of any person, or
 - (c) it is frivolous or vexatious.
- Such a request may be in hard copy form or in electronic form and must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than 16 March 2016, being the date six weeks clear before the meeting and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.
- 16 Further information regarding the meeting which the Company is required by section 311A of the Companies Act 2006 to publish on a website in advance of the meeting (including this Notice), can be accessed at blackrock.co.uk/brwm
- 17 As at the date of this report, the Company's issued share capital comprised 177,287,242 ordinary shares of 5 pence each, excluding shares held in treasury. Each ordinary share carries the right to one vote and therefore the total number of voting rights in the Company on 29 February 2016 is 177,287,242.
- 18 No service contracts exist between the Company and any of the Directors, who hold office in accordance with letters of appointment and the Articles of Association.

Glossary

NET ASSET VALUE PER SHARE (NAV)

This is the value of the Company's assets attributable to one ordinary share. It is calculated by dividing shareholders' funds by the total number of ordinary shares in issue (excluding treasury shares). For example, as at 31 December 2015 equity shareholders' funds were £377,313,000 and there were 177,287,242 ordinary shares in issue (excluding shares held in treasury), the NAV was therefore 212.83p 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 170p and the NAV 195p, the discount would be 12.8%.

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 180p and the NAV 178p, the premium would be 1.1%.

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

GEARING

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

CLOSED-END COMPANY

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

LEVERAGE

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

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

Leverage ratio = exposure / net asset value

The Directive sets out two methodologies for calculating exposure. These are the Gross Method and the Commitment Method. The process for calculating exposure under each methodology is largely the same, except that, where certain conditions are met, the Commitment Method enables instruments to be netted off to reflect 'netting' or 'hedging' arrangements and the entity's exposure is effectively reduced.

Be ScamSmart

Investment scams are designed to look like genuine investments.

In association with the Institute of Chartered Secretaries and Administrators Registrars Group

Spot the warning signs.

Have you been...

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

If so, you might have been contacted by fraudsters.

How to avoid share fraud

- 1 Reject cold calls**
If you've been cold called with an offer to buy or sell shares, chances are it's a high risk investment or a scam. You should treat the call with extreme caution. The safest thing to do is to hang up.
- 2 Check the firm on the FS register at www.fca.org.uk/register**
The Financial Services Register is a public record of all the firms and individuals in the financial services industry that are regulated by the FCA.
- 3 Get impartial advice**
Think about getting impartial financial advice before you hand over any money. Seek advice from someone unconnected to the firm that has approached you.

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

Report a scam

If you suspect that you have been approached by fraudsters please tell the FCA using the share fraud reporting form at www.fca.org.uk/scams, where you can find out more about investment scams. You can also call the FCA Consumer Helpline on **0800 111 6768**.

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

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

April 2015