BlackRock

BlackRock World Mining Trust plc

Condensed Half Yearly Financial Report 30 June 2023

Freeport-McMoRan Copper Mark (independent ESG assessment: https://coppermark.org) 2

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

Further information about the Company can be found on our website at http://www.blackrock.com/uk/brwm.

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

Financial highlights

as at 30 June 2023

612.72p
NAV per ordinary share
-11.0%

599.00p[1]
Ordinary share price
-14.1%

£1,171.4m
Net assets
-9.8%

16.73p
Revenue return per ordinary share
-16.6%

11.00p
Interim dividends

6.7%[2]
Yield

-7.1%[1,2]
NAV total return

MSCI ACWI Metals and Mining 30% Buffer 10/40 Index -5.4%[1]
FTSE All-Share Index +2.6%[1]
FTSE 100 Index +3.2%[1]

-10.3%[1,2]
Share price total return

MSCI ACWI Metals and Mining 30% Buffer 10/40 Index -5.4%[1]
FTSE All-Share Index +2.6%[1]
FTSE 100 Index +3.2%[1]

CPI[3] +7.9%

The above financial highlights are as at 30 June 2023 and percentage comparisons are against 31 December 2022.

[1] Performance of mid-market share price, NAV and indices are calculated in Sterling terms with dividends reinvested.
[2] Alternative Performance Measures; see Glossary on pages 56 to 60.
[3] Consumer Price Index during 12 months to June 2023.

In early 2022 the Company made an investment into mining technology company Jetti Resources which has developed a new catalyst that appears to improve copper recovery from primary copper sulphides. If the technology is proven to work at scale, we see material valuation upside with Jetti Resources sharing in the economics of additional copper volumes recovered. Jetti Resources has two commercial contracts at mines operated by Freeport-McMoRan.
PHOTO COURTESY OF JETTI RESOURCES

Why BlackRock World Mining Trust plc?

Investment policy

The Company's investment policy is to provide a diversified investment in mining and metal assets worldwide, actively managed with the objective of maximising total returns. While the policy is to invest principally in quoted securities, the Company's investment policy includes investing in royalties derived from the production of metals and minerals as well as physical metals. Up to 10% of gross assets may be held in physical metals and up to 20% may be invested in unquoted investments.

Reasons to invest

Conviction

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

Yield

The Company offers an attractive yield of 6.7%[1] for the six months ended 30 June 2023. Whilst mainly invested in equities, the Company makes use of fixed income and unquoted instruments to enhance income. The Company's global remit means that the majority of its holdings generate earnings from around the world.

Flexibility

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

Opportunity

There is an increased focus on sustainability and, globally, regulation is stepping up as the world looks to crack down on pollution and carbon emissions. As part of its portfolio, the Company seeks opportunities in mining companies that produce materials required for the technology underpinning the carbon/energy transition.

Expertise

The Company is managed by BlackRock's Sectors and Thematics team, one of the largest investors in natural resources. The team has the resources to undertake extensive, proprietary, on-the-ground research and is best placed to assess the capability and reliability of management of the companies in which they invest.

[1] Alternative Performance Measure, see Glossary on page 60.

A member of the Association of Investment Companies

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

Contents

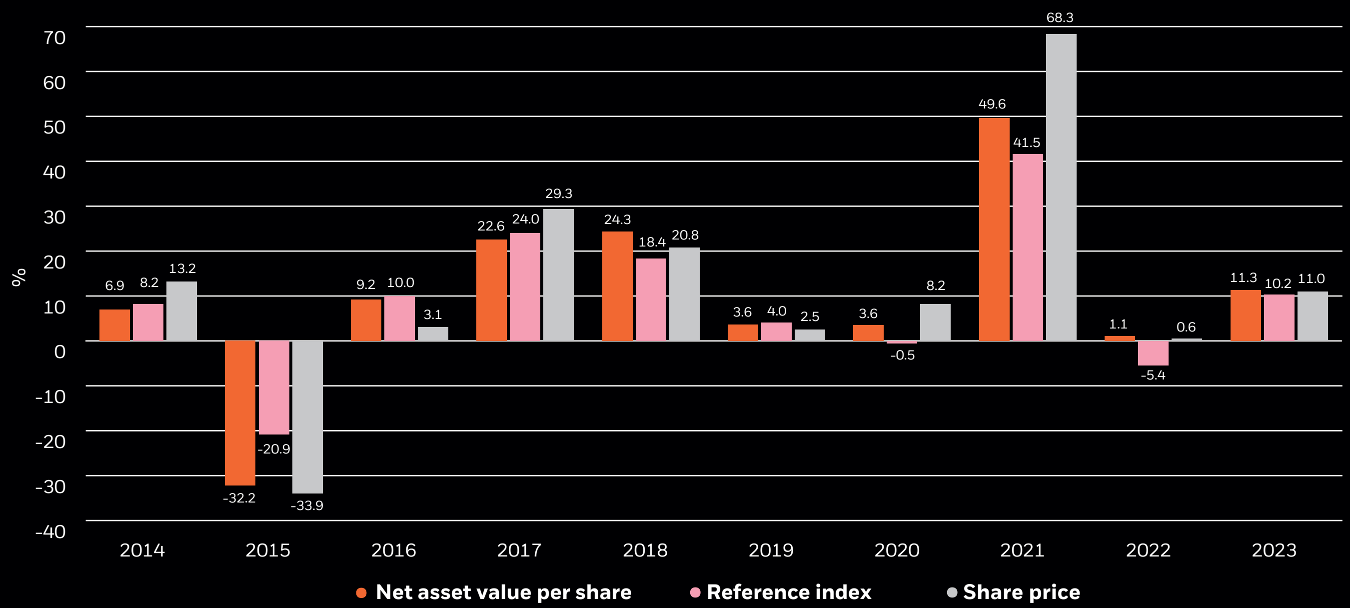
Performance record

	As at 30 June 2023	As at 31 December 2022
Net assets (£'000)[1]	1,171,418	1,299,285
Net asset value per ordinary share (NAV) (pence)	612.72	688.35
Ordinary share price (mid-market) (pence)	599.00	697.00
Reference index[2] – net total return	5,546.55	5,863.32
(Discount)/premium to net asset value[3]	(2.2%)	1.3%

	For the six months ended 30 June 2023	For the year ended 31 December 2022
Performance (with dividends reinvested)		
Net asset value per ordinary share[3]	-7.1%	+17.7%
Ordinary share price[3]	-10.3%	+26.0%
Reference index[2]	-5.4%	+11.5%

	For the six months ended 30 June 2023	For the six months ended 30 June 2022	Change %
Revenue			
Net revenue profit on ordinary activities after taxation (£'000)	31,767	37,148	-14.5
Revenue earnings per ordinary share (pence)[3]	16.73	20.07	-16.6
Dividend per ordinary share (pence)			
- 1st interim	5.50	5.50	–
- 2nd interim	5.50	5.50	–
Total dividends paid and payable	**11.00**	**11.00**	**–**

Annual performance from 30 June 2014 to 30 June 2023



Sources: BlackRock and Datastream.
Performance data relates to annual performance (in Sterling terms with dividends reinvested) for the years ended 30 June 2014 to 30 June 2023.

[1] The change in net assets reflects portfolio movements, dividends paid and the reissue of ordinary shares from treasury during the period.

[2] With effect from 31 December 2019, the reference index changed to the MSCI ACWI Metals & Mining 30% Buffer 10/40 Index (net total return). Prior to 31 December 2019, the reference index was the EMIX Global Mining Index (net total return). The performance returns of the reference index since inception have been blended to reflect this change.

[3] Alternative Performance Measures; further details are given in the Glossary on pages 56 to 60.

Chairman's Statement

Dear Shareholder

David Cheyne
Chairman

Overview

The global economy performed well at the start of the year, supported by factors such as falling energy prices, strong consumer balance sheets and the reopening of the Chinese economy. There was positive sentiment in the mining sector too following China's reversal of its zero COVID-19 policies which initially led to strong commodity demand and the majority of mined commodity prices performing well. However, relatively quickly, positive momentum stalled as global manufacturing activity receded and China's economy, historically a major demand engine, delivered a disappointing rebound. By the end of the first half of the year, most mined commodity prices had fallen below the levels where they started.

Performance

Against this backdrop, over the six months ended 30 June 2023, the Company's net asset value per share (NAV) returned -7.1% and the share price -10.3%. The Company's reference index, the MSCI ACWI Metals & Mining 30% Buffer 10/40 Index, returned -5.4% (all percentages calculated in Sterling terms with dividends reinvested).

Since the period end and up to the close of business on 22 August 2023, the Company's NAV has decreased by 5.2% compared to a fall of 3.2% (on a net return basis) in the reference index (in Sterling terms with dividends reinvested). Further information on the Company's performance and the factors that contributed to, or detracted from, performance during the six months are set out in the Investment Manager's Report.

Revenue return and dividends

The Company's revenue return per share for the six-month period ended 30 June 2023 amounted to 16.73p per share, compared to 20.07p per share during the same six-month period last year. This represents a decrease of 16.6% and reflects reductions in dividends from many mining companies.

The first quarterly dividend of 5.50p per share was paid on 31 May 2023 and, today, the Board has announced a second quarterly dividend of 5.50p per share which will be paid on 6 October 2023 to shareholders on the register on 8 September 2023, the ex-dividend date being 7 September 2023. It remains the Board's intention to distribute substantially all of the Company's available income in the future.

Management of share rating

The Directors recognise the importance to investors that the Company's share price should not trade at a significant premium or discount to NAV, and therefore, in normal market conditions, may use the Company's share buyback and share issuance powers to ensure that the share price is broadly in line with the underlying NAV.

The discount of the Company's share price to the underlying NAV per share finished the six months under review at 2.2% on a cum income basis, having stood at a premium of 1.3% at the beginning of the period. At the close of business on 22 August 2023, the Company's shares were trading at a discount of 1.9% on a cum income basis.

Over the six months to 30 June 2023, the Company's shares have traded at an average premium of 0.2%, and within a range of a 4.2% discount to a 3.1% premium. I am pleased to report that, during the first half of the year, the Company reissued 2,430,000 ordinary shares from treasury at an average price of 644.44p per share for a total consideration of £15,691,000. All shares were reissued at a premium to the prevailing NAV and were therefore accretive to existing shareholders. The Company did not buy back any shares during the six month period ended 30 June 2023. Since the period end and up to the date of this report, no ordinary shares have been reissued or bought back.

Gearing

The Company operates a flexible gearing policy which depends on prevailing market conditions. It is not intended that gearing will exceed 25% of the net assets of the Company and its subsidiary. Gearing as at 30 June 2023 was 9.6% and maximum gearing during the period was 14.6%.

Board composition

I am delighted to welcome Charles (Chip) Goodyear to the Board. Chip was appointed today and brings a wealth of relevant industry knowledge and experience and, subject to his re-election by shareholders, he is intended to succeed me as Chairman immediately following the next Annual General Meeting. He began his career at Kidder, Peabody & Co. where he participated in merger and acquisition and financing activities for natural resources companies. Chip then joined Freeport-McMoRan, one of the world's largest producers of copper and gold, where he was promoted to executive vice president and chief financial officer. In 1999 he joined BHP Billiton (now BHP) the world's largest diversified resources company as chief financial officer and served in that role until 2001 when he became chief development officer, a post he held until 2003 when he then became chief executive officer.

In October 2007 Chip retired from BHP and in 2009 served as CEO-designate of Temasek Holdings, an investment company wholly owned by the Singapore Minister for Finance. He also served on Temasek's board. He is currently the president of Goodyear Capital Corporation and Goodyear Investment Company and a director of several private companies. Chip has also been a member of the International Council on Mining and Metals and the National Petroleum Council.

Market outlook

Central banks in most parts of the world have aggressively tightened monetary policy to restrictive levels and the way forward remains uncertain as they try to strike a delicate balance between fighting inflation and maintaining financial stability. Headline inflation rates are currently falling in the developed world, driven by lower energy prices and normalising supply chains. However, core inflation, which excludes items frequently subject to volatile prices like food and energy, does not appear likely to fall to many central banks' 2.0% inflation target due to ongoing strength in wage growth.

Uncertainty on the interest rate path, reflecting inflation concerns, weighs on the outlook for economic growth. However, there has never been greater demand for metals and minerals and the mining sector must increase production to supply businesses with the materials, such as lithium and copper, they need in enabling the global economy to shift to a carbon-free future. The mining and metals industry as a whole is also confident that it can reconcile rapid output growth with sustainability goals.

Whilst near-term caution is warranted, the Board remains fully supportive of our portfolio managers, the strength of the holdings in the portfolio and their belief in the ability of our companies to navigate the upcoming environment.

David Cheyne
Chairman
24 August 2023

Investment Manager's Report

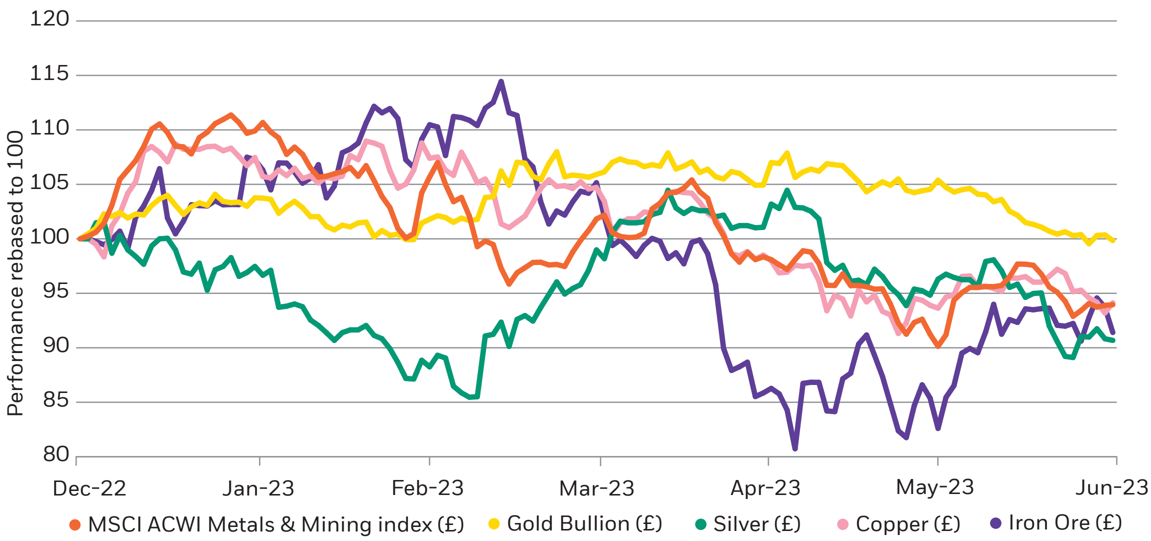
Evy Hambro

Olivia Markham

The first half of 2023 finished worse than expected, despite a strong start to the year. Commodity prices initially moved higher but by March started to fall, finishing the period in negative territory on the back of fears of further interest rate hikes and uncertainty on Chinese economic activity. The combination of these two factors was able to overwhelm supportive supply side constraints and growth from the energy transition related demand. Mining company share prices fell in tandem with the aforementioned moves but were also pressured by cost inflation that compressed margins.

Given the negative backdrop of the period, returns would historically have been worse than what transpired due to weak balance sheets, overspending on growth and falling margins. These factors have nearly always resulted in enlarging the negative returns and driving the steep cyclicality most investors associate with the sector, but once again the sector proved to be more resilient than in the past. Mining companies have largely paid down debt, leaving balance sheets supportive rather than the opposite. Disciplined capital spending has reduced commitments to growth related capital expenditure and thus freed up cash to spend on buybacks and dividends. If companies can hold to the capital allocation frameworks outlined at last cycle's low point, 2016, then there is a strong probability that once the near-term economic noise dissipates, the underlying fundamentals should drive returns.

Year-to-date performance



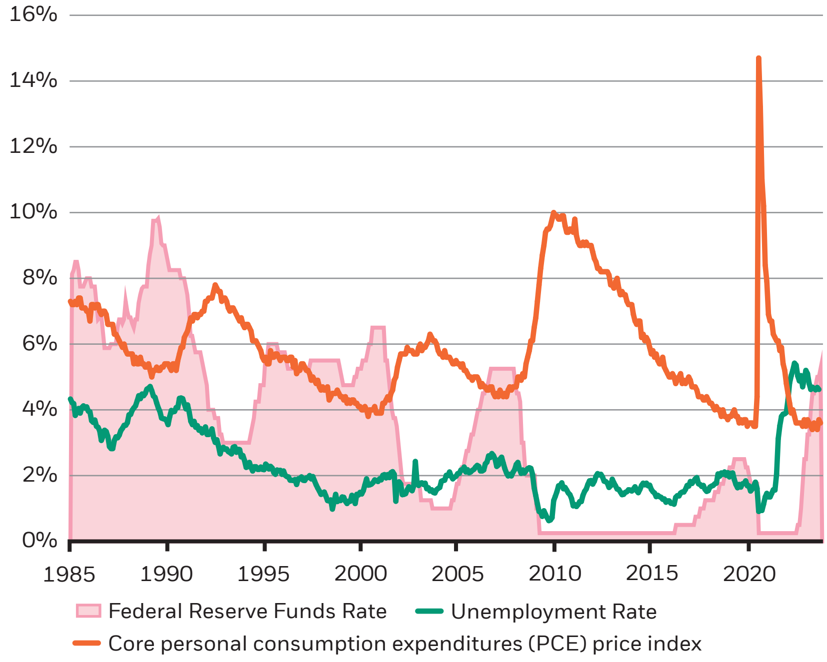
Source: Datastream, June 2023.

Over the period, the NAV of the Company was down by 7.1% with dividends reinvested and the share price total return was down by 10.3%. This compares to the FTSE 100 Index which was up by 3.2%, the Consumer Price Index (during the 12 months to 30 June 2023) which was up by 7.9% and the reference index (MSCI ACWI Metals & Mining Index 30% Buffer 10/40 Index net total return) which was down by 5.4% (all total return numbers based in Sterling terms).

The old enemy – inflation

Central banks from the Federal Reserve, the Bank of England, the European Central Bank and nearly all other regions sought to raise rates in a battle against inflation. A near perfect storm of supply chain issues, strong consumer balance sheets and tight labour markets drove inflation to levels not seen for years. In addition, the stickiness of the data continually defied market expectations that rates would peak in the near term.

US unemployment, inflation and rates

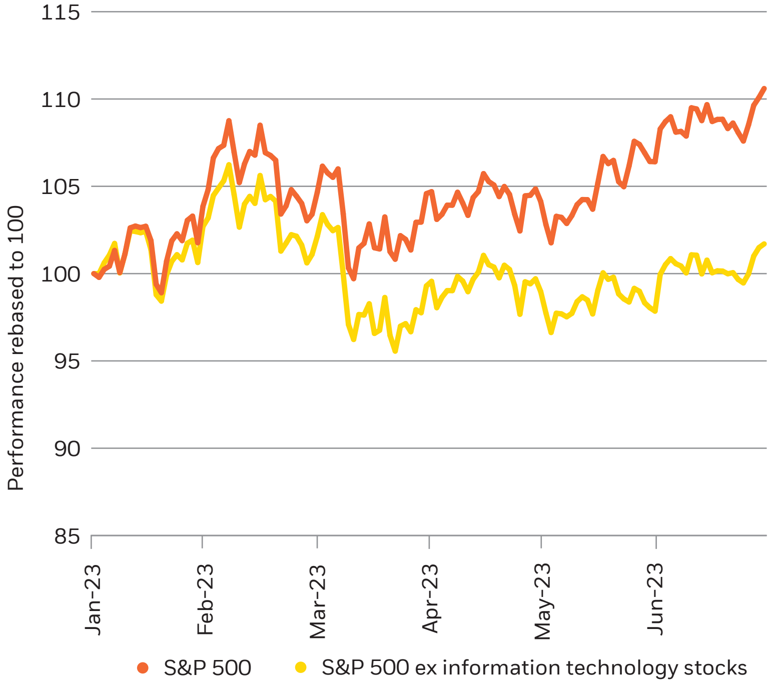


Sources: BlackRock Investment Institute and Datastream, June 2023.

Given the focus of governments, society and central banks on bringing inflation under control, we consider that it is likely that rates will remain higher than expected and for longer, especially if the consumer continues to spend down the "personal balance sheet" built up during the COVID-19 pandemic. However, recent data points are starting to show a reprieve in areas such as energy costs, raw materials and food prices. Time will tell if these will result in a steep enough fall in overall inflation data allowing central banks to pause rather than raise interest rates again.

As shown in the chart above, rates are now at a level where investors seem to be satisfied with the return available on short-term deposit rates of 5% or more. The attractiveness of this creates a significant burden for general equities given the higher volatility and lower yields versus the simple return on cash. In addition, ongoing economic uncertainty in certain parts of the world means that equity returns are likely to remain divergent. The year to date moves in large cap technology companies versus companies aligned to the broader economy is a case in point (as seen in the chart on page 9).

Divergence in returns



Source: Datastream, June 2023. Indices rebased to 100 in GBP terms.

ESG issues and the social licence to operate

ESG (Environmental, Social and Governance) issues are highly relevant to the mining sector and we seek to understand the ESG risks and possible related opportunities facing companies and industries in the portfolio. As an extractive industry, the mining sector naturally faces a number of ESG challenges given its dependence on water, carbon emissions and geographical location of assets. However, we consider that the sector can provide critical infrastructure, taxes and employment to local communities, as well as materials essential to technological development, enabling the carbon transition through the production of the metals required for the technology underpinning that transition.

We consider ESG insights and data, including sustainability risks, within the total set of information in our research process and make a determination as to the materiality of such information as part of the investment process used to build and manage the portfolio. ESG insights are not the sole consideration when making investment decisions but, in most cases, the Company will not invest in companies which have high ESG risks (risks that affect a company's financial position or operating performance) and which have no plans to address existing deficiencies.

- We take a long-term approach, focused on engaging with portfolio company boards and executive leadership to understand the drivers of risk and financial value creation in companies' business models, including material sustainability-related risks and opportunities, as appropriate.

- There will be cases where a serious event has occurred and, in that case, we will assess whether the relevant portfolio company is taking appropriate action to resolve matters before deciding what to do.

- There will be companies which have derated (the downward adjustment of multiples) as a result of an adverse ESG event or generally due to poor ESG practices where there may be opportunities to invest at a discounted price. However, the Company will only invest in these value-based opportunities if we are satisfied that there is real evidence that the relevant company's culture has changed and that better operating practices have been put in place.

The main areas of focus during the period have been on decarbonisation plans. It is increasingly clear how essential it is for resource producers to move away from the carbon heavy processes that have been used for generations. New technologies will be required to facilitate this transition, as well as significant amounts of capital. It is also important that investors understand that the journey will not be a straight line, as companies contend with both the speed of decarbonisation and the importance of growing production to meet the needs of customers. In order to monitor progress, it is hoped that some new industry standards are implemented that will make assessing progress easier, as happened when the sector focused on safety many years ago.

Another area of focus during the period has been on governance. Given the battle to grow either by investing in new supply or via mergers and acquisitions, it is important that management teams respect their fiduciary duty when dealing with the latter. It is too easy for executives to shy away from opportunities by retreating into the safety of their own structure rather than engaging to see what might be possible. It is our hope that the positives delivered by increased focus on capital discipline are not wasted when it comes to evaluating value accretive opportunities.

Weaker prices

The first half of 2023 has seen markedly lower prices versus both the start of the year and versus the average prices seen in the same period last year. Double digit falls are commonplace across the industrial metals arena, with only precious metals showing upwards moves. Despite the scale of the falls, current prices continue to deliver strong margins for the producers and it is therefore important to highlight the ongoing cash generation the sector is likely to enjoy. In addition, inventory levels have fallen to record lows for a number of metals meaning that when demand strength returns the impact on prices from restocking could be dramatic.

Commodity price moves

Commodity	30 June 2023	% change YTD in 1H 23	% change average price 1H23 vs 1H22
Gold US$/oz	1,916	5.5%	3.1%
Silver US$/oz	22.76	-4.2%	0.1%
Platinum US$/oz	897	-15.8%	1.7%
Palladium US$/oz	1,254	-29.9%	-31.8%
Copper US$/lb	3.77	-0.5%	-10.9%
Nickel US$/lb	9.23	-31.9%	-15.4%
Aluminium US$/lb	0.96	-10.3%	-23.9%
Zinc US$/lb	1.08	-20.6%	-26.0%
Lead US$/lb	0.97	-8.5%	-5.9%
Tin US$/lb	12.46	11.0%	-34.6%
Iron Ore (China 62% fines) US$/t	114	-3.4%	-15.3%
Thermal Coal (Newcastle) US$/t	159	-42.0%	12.0%
Metallurgical Coal US$/t	230	-14.0%	-8.0%
Lithium (Battery Grade China) US$/kg	106.2	-44.5%	-21.2%
West Texas Intermediate Oil (Cushing) US$/barrel	70.6	-12.0%	-26.4%

Sources: Datastream and Bloomberg, June 2023.

The key exposures for the Company are to producers of iron ore and copper. Average prices for these two commodities were lower in the first half of 2023 versus the first half of 2022 with iron ore down by 15% and copper down by 10%. What is interesting is that the actual year to date return for copper is flat, highlighting the volatility during the period. Inventories are now at levels rarely seen before, leaving consumers heavily exposed to price risk when they decide to rebuild stocks.

It is not just metals prices that have suffered during the period but also prices for other commodities such as oil and agricultural crops. During the period, OPEC (Organisation of Petroleum Exporting Countries) has had to step into the market to cut supply twice this year in order to protect prices in the face of lower economic activity. On the other side of the equation, sales of oil from the US Strategic Petroleum Reserve have moderated and the US Government has said they would look to restock at around US$70/bbl which is not far from current levels.

Capital allocation

It is now seven years since companies started to introduce changes to their capital allocation frameworks. The focus on value over volume, balance sheet risk, looking through the cycle, flexibility, improved payments to shareholders etc. have entrenched a culture of discipline which has steadied the ship during volatile times. It is great to see ongoing support for these plans and it is clear from the reduced share price volatility in periods like the first half of 2023 that they are working.

Many of the historic return plans continue to drive support for the sector. It is noteworthy the scale of delivery and ongoing ambition around share buyback plans that continue to erode the number of shares in issue for various companies. For example, ArcelorMittal has reduced its share count by 31.0%, Glencore by 5.2% and Vale by 7.4%. The full impact of deploying capital in this way is yet to be felt during an upswing in markets and time will tell just how much value can be generated from them but the potential is very exciting.

In regard to dividends, it is clear that based on current levels of profitability and existing pay-out policies, dividends to shareholders are likely to be lower and in some cases significantly lower in 2023 than the prior year. This is to be expected but what should not be ignored is just how competitive the forecast yields continue to be versus the broader market e.g. the reference index has a dividend yield of 4.1% versus the MSCI All Country World Index at 2.2%.

Decarbonisation a multi decade driver for the sector

The low carbon transition is one of the most encouraging structural opportunities that we see in the market and creates a compelling growth opportunity for those companies supplying the materials that enable the transition. In 2022 global battery electric vehicle sales reached 10 million units, with the International Energy Agency (IEA) forecasting this to increase to 13 million units in 2023. Energy storage systems doubled in 2022 compared with 2021 and are on track to double again in 2023. We also saw record spending on renewable energy in 2022 at almost US$600 billion, with China alone adding 100GW of solar capacity (+70% versus 2021) where they are looking to increase this to 150GW in 2023.

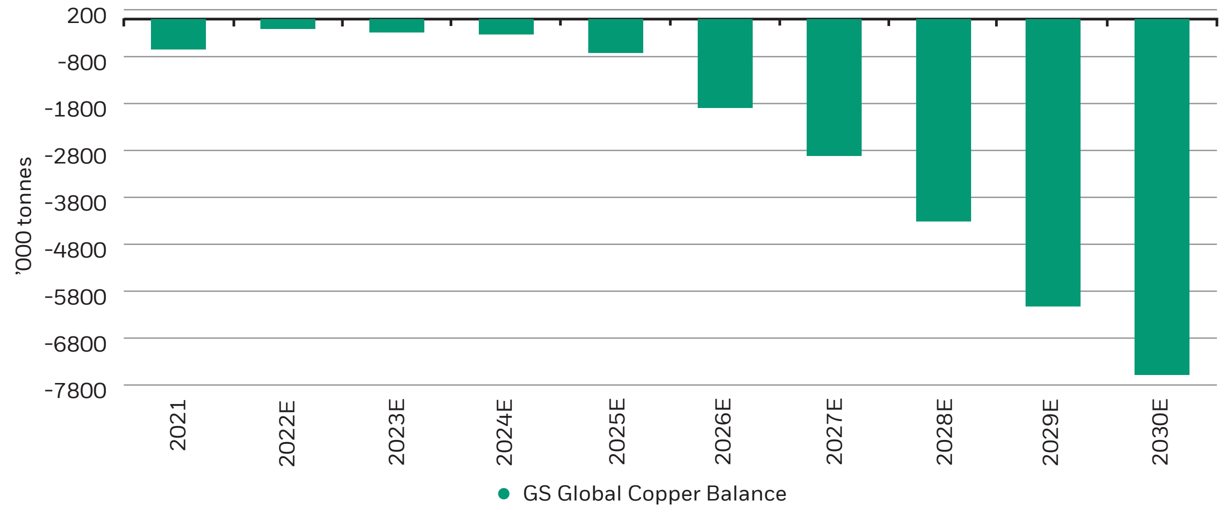
Policy continues to be supportive of this trend where we have seen an acceleration in legislation to support the transition to a low-carbon economy over the last 12 months. The US Inflation Reduction Act (IRA) passed in August 2022, contains a range of measures to support the transition with nearly US$400 billion of public spending in the form of tax incentives, rebates and loans. The IRA has contributed to a doubling of real manufacturing construction spending since late 2021. In Europe, the Green Deal Industrial Plan has earmarked more than EUR 600 billion in public sector investment to incentivise European production of clean technology and critical raw materials to ensure Europe remains competitive in the global race to net-zero.

Base metals

It was a difficult half year for the base metals as concerns around global growth, the strength of the recovery in China and higher interest rates depressed demand. Base metal prices for the first half of 2023 were between 11% to 26% lower than the corresponding period last year. While physical markets remain robust, particularly in the case of copper, the impact of using higher rates to stem inflation overwhelmed prices in the first six months. Encouragingly, as we approached the end of the period, China's two most senior politicians sought to allay concerns around China's growth and have indicated that they will look to stimulate parts of the economy to support growth.

Copper has been caught in the crossfires of a macro versus micro debate this year. The fundamentals of the copper market look robust – inventory levels are low and drawing down and China's apparent consumption is strong (copper imports into China reached a record level in May 2023). However, concerns around the growth outlook in China and the rest of the world depressed the price, with copper finishing the first half of the year flat (-0.5%) versus the beginning of the year. The copper price has benefited over the last two years from a number of project delays and supply downgrades. Whilst we do not see a wall of new supply entering the market, we will begin to see delayed production from assets such as Anglo American's Quelleveco mine in Peru and Teck Resources' QB2 project in Chile which began ramping up production this year.

Expected annual copper market balance at different points in time



Source: Goldman Sachs, 09/02/2023. For illustrative purposes only. There is no guarantee that any forecasts made will come to pass.

With the long-term fundamentals of the copper market remaining robust, in particular copper's role in enabling the energy transition, we continue to remain positively exposed to copper producers within the Company. Encouragingly, we saw a better performance from copper equities versus the underlying copper price during the period. A number of mid-cap and development companies performed particularly well. Lundin Mining (0.8% of the portfolio) delivered improved operational performance and acquired a 51% stake in the Casserone's copper mine in Chile. This is located close to the undeveloped Josemaria project and provides Lundin Mining with a strong presence in the Vicuna district of Chile which is also home to the world class Filo del Sol project owned by Filo Mining, another Lundin Group company. Ivanhoe Mines (2.2% of the portfolio) continues to deliver as they ramp-up their Komoa-Kakula asset in the Democratic Republic of the Congo. Ivanhoe Electric (2.8% of the portfolio) announced a concurrent equity investment and 50/50 exploration joint venture with Ma'aden (Saudi Arabia's leading mining company) to explore minerals in the Middle Eastern country which will see them invest US$126 million for a 9.9% stake in the company. This formerly private investment has continued to perform well now that it is listed on the New York Stock Exchange.

The aluminium price was down 13% compared with last year but has largely traded around its cost curve, which is used to estimate its price support level. This is a function of the move down in energy prices which are the largest cost component of producing aluminium. There have been risks to China's aluminium supply base with production restrictions imposed in Yunnan due to low hydro levels, but overall supply and demand have been reasonably well balanced in China. While the demand for "green" or low-carbon aluminium continues to grow, we have seen an element of aluminium de-stocking year-to-date. The Company's largest exposure to aluminium is via Norsk Hydro (2.4% of the portfolio) which is one of the lowest-carbon producers of aluminium by virtue of its access to hydro power in Norway and it continues to pursue its strategy of growing the low-carbon product mix via recycling and investing into renewable energy.

The nickel market was particularly challenged in 2023 as stainless steel production, its key source of demand, declined year-on-year. With Indonesian nickel pig iron supply continuing to grow, a substantial surplus has built up which caused the nickel price to decline 32% during the first half of the year. Nickel pig iron (NPI) producers are increasingly looking to adapt their facilities allowing production of nickel matte and other intermediary products. This move allows them to sell into the market for Class 1 battery grade nickel where demand is likely to remain high and could command a premium over time. The Company has two pure play* exposures to nickel – the first is Nickel Industries (0.9% of the portfolio), today a NPI producer which is transitioning towards LME grade nickel production which will improve earnings and margins. The second investment was done via a "PIPE" deal in 2022 that has now taken Lifezone Metals from private into a public company at the end of June. Lifezone Metals, in conjunction with BHP, owns the Kabanga project in Tanzania which is one of the world's largest undeveloped nickel sulphide deposits. As at the end of July, Lifezone Metals was trading 19.7% above the capital raising entry price of US$10 per share.

* Companies with significant revenue exposure to the commodity.

Bulk commodities and steel

The outlook for the iron ore market at the end of last year was largely positive with most investors expecting to see a recovery in construction activity, particularly in China, leading to better prices during the first half of the year. To a large extent this proved correct with the iron ore price reaching US$125/t in Q1 and averaging US$112/t for the first half of the year. While this iron ore price does not support the record levels of dividends paid by the iron ore exposed diversified miners in 2021 and 2022 it is a very attractive price for these low-cost producers.

China's steel production remains below 2021/22 seasonal peak levels

Sources: Mysteel, Morgan Stanley Research and China Iron and Steel Association (CISA).

The Company's exposure to iron ore is via the diversified majors BHP (8.9% of the portfolio), Vale (9.1% of the portfolio) and Rio Tinto (2.6% of the portfolio). Whilst iron ore prices have softened versus the prior year, so too have the share prices and the companies continue to offer an attractive and well supported dividend yield. In addition, the Company has exposure to two pure play high grade iron ore producers, Champion Iron and Labrador Royalty Company. Champion Iron is ramping up its Bloom Lake operation in Canada and targeting the production of high grade (69% Fe) iron ore which is a key component of low carbon steel production.

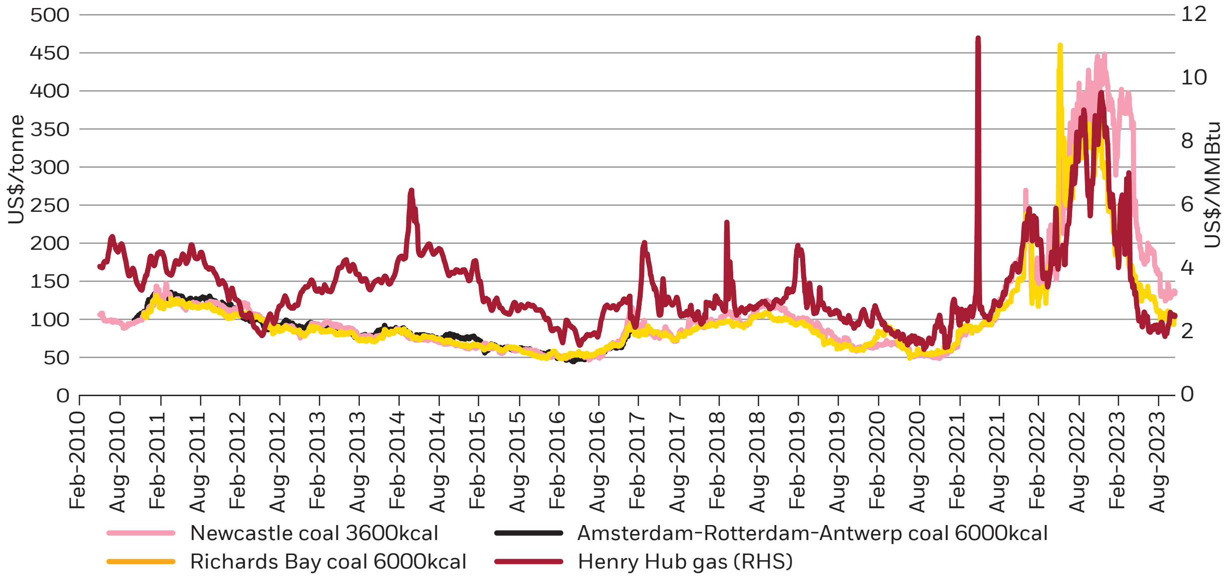
China's domestic steel mills are currently operating at break-even margins, with the steel price largely tracking moves in its key cost inputs, iron ore and coking coal. As we look into the second half of the year, we would expect to see a moderation in steel production rates in China given the government's goal of maintaining to reducing steel production year-on-year. During the first half of the year, China's steel output was annualising at 1,050Mt versus their capacity target of around 1,000Mt. Addressing oversupply and measuring the carbon intensity of production in the Chinese steel market is positive for those producers (namely European) who compete against Chinese imports.

The US has remained a bastion of relative strength for steel, supported by domestic construction, government policy and a recovery in automotive demand from the chip-impacted production in 2020-2022. As we look forward there is an increasingly positive outlook for steel in the US with higher infrastructure and re-shoring investment. The energy transition is also supportive of steel demand, with steel intensity of certain renewable power more steel intensive than a natural gas fired power plant, such as onshore wind at 3.4x for the same level of energy generation.

The Company's exposure to steel is focused on companies with a track record of capital returns through share buybacks and dividends, as well as disciplined growth and an industry leading approach to decarbonisation. Our preference in the Company is to have exposure to low carbon producers, such as the US EAF producers including Nucor and Steel Dynamics, or to be invested in those producers who might be carbon intensive today, but have credible plans to decarbonise their production as is the case with ArcelorMittal. During the first half, we saw Nucor (1.6% holding in the portfolio) announce a new US$4 billon share buyback plan in May – since 2020 Nucor has reduced its share count by 17%, with the newly announced buyback compressing this further. ArcelorMittal and Steel Dynamics (2.7% and 1.8% holdings respectively) have also reduced their share count by 27% and 20% respectively since the end of 2020 and we expect this trend to continue.

Coal markets have been some of the most interesting commodity markets over the last couple of years with record prices achieved for both metallurgical and thermal coal during 2022. While coal markets have continued to be interesting, the price performance has been the worst among the commodities, primarily due to an elevated starting point and lower demand due to a warmer than expected northern hemisphere winter. With coal demand in Europe, Japan and South Korea relatively muted year-to-date, China has been dominating imports with their coal burn up by 16% year-on-year in May. From here, the outlook for coal is largely weather dependent. If the northern hemisphere winter is colder than average, inventories will need to be replenished which should be supportive of prices.

Thermal coal moving in lock-step with the gas price



Sources: China Coal Resource and Bloomberg.

The Company's thermal coal exposure is via our 8.0% position in Glencore which is using elevated thermal coal prices to deleverage the business and remains focused on decreasing its coal exposure over time. During the first half of 2023, Glencore made a proposal to Teck Resources to merge their two businesses and subsequently demerge the combined coal business to create two separate companies – a metals business and a coal business. While the Teck Resources board has not accepted the proposal from Glencore, Glencore is separately pursuing an acquisition of Teck Resources' coking coal business that they have indicated will allow them to separate coal from the rest of the business over time. As a reminder, the Company has no exposure to pure play thermal coal producers.

A consistent feature of the metallurgical coal market has been its susceptibility to upside price surprises due to seasonal weather effects during the first half of the year. This has resulted in prices spiking to over US$600/t in recent years when Queensland, Australia's key coking coal region, was heavily impacted by extreme flooding. While not to the same extreme, volatility has been a feature of the hard coking coal market this year with prices reaching close to US$400/t in February as exports from Australia hit 6-year lows, to subsequently decline to around US$230-250/t at present as supply recovered. Limited investment into new supply and ongoing supply side risks are likely to keep this market well supported over the medium term. The Company's exposure to metallurgical coal remains in the two leading producers, BHP and Teck Resources, which have been able to generate very strong levels of free cash flow from their coking coal businesses to support returns to shareholders in recent years.

Precious metals

The last three years have seen a range bound environment for gold with the average annual price in a range of circa 10%. Whilst the price in US Dollar terms has been relatively stable, the performance of gold in non-US Dollar terms has been far stronger. In 2023 gold has traded at the top-end of its recent trading range surpassing US$2,000/oz, supported by persistent inflation concerns, heightened geopolitical tension and currency debasement. As we look to the remainder of the year, the performance of gold will be likely dictated by the outlook for inflation and in turn rates. If inflation proves to be more persistent than expected, yet central banks choose to pause on interest rate hikes, we will see real yields compress and a positive gold price environment emerge.

The silver price has modestly underperformed gold when looking at average prices during the first half of 2023 versus the same period last year. Longer term we see upside potential from greater solar penetration (the greater proportion of solar within the energy mix) and increasing usage of semi-conductors.

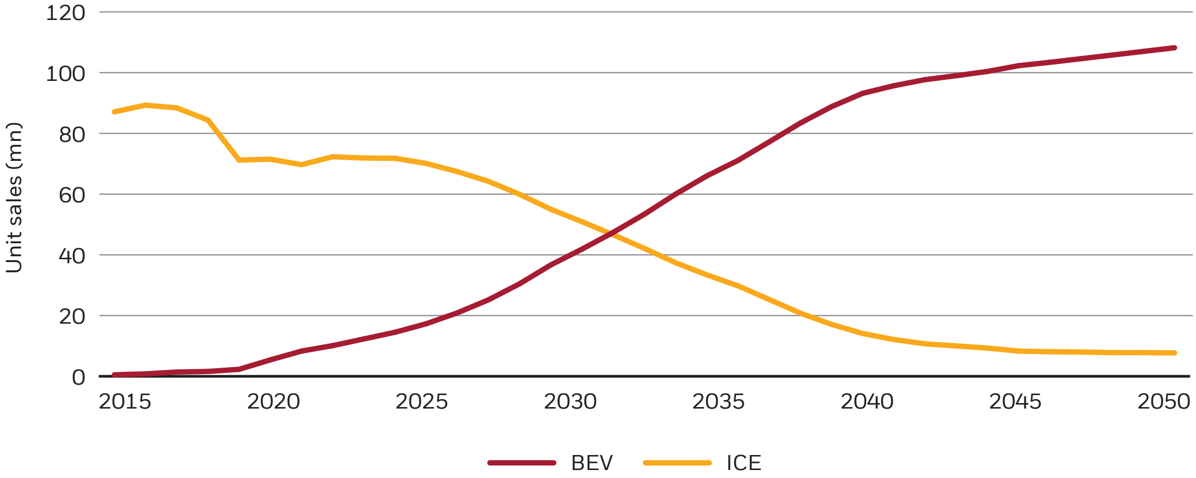
An encouraging feature of the gold equity market over recent years has been the increased focus on shareholder returns, free cash flow and dividends. Cost inflation has been a challenge for the gold producers over the last couple of years. However, signs are suggesting the cost inflation is reaching a peak and the move up in gold prices is also supporting margins.

The Company has modestly increased its exposure to gold producers during the six-month period given the improved outlook. However, we have maintained our strategy of focusing on high quality producers which have an attractive operating margin and solid production profile and resource base. This includes the Company's exposure to the royalty companies Franco-Nevada (2.2% of the portfolio) and Wheaton Precious Metals (3.1% of the portfolio) which have generally outperformed the gold equities during the year given their stronger margins and lack of exposure to cost inflation. We have also seen further consolidation in the sector with the Newcrest Mining (2.4% of the portfolio) board recommending Newmont Corporation's (3.2% of the portfolio) proposal to acquire Newcrest Mining to create the world's largest gold producer.

It was a torrid period for the platinum group metals (PGMs) with destocking driving prices significantly lower during the first half, with the platinum price down by 16%, palladium down by 30% and rhodium falling a spectacular 65% during the half given the elevated price levels over the last 18 months. It has been a challenging period for the PGMs with global auto production still tracking circa 15% below pre-COVID-19 levels, with Battery Electric Vehicles (BEV) continuing to take market share from Internal Combustion Engine (ICE) vehicles. We expect to see a modest recovery in auto sales in 2023 as chip shortages begin to ease, but an environment of rising inflation and interest rates is challenging for auto demand.

Among the PGMs, platinum has fared better than palladium which faces the structural challenge of declining diesel vehicle demand. Platinum continues to see autocatalyst demand growth, with increasing emissions standards requiring more platinum loading for autocatalysts in China. While the demand outlook has well recognised challenges, the supply of PGMs has come under significant pressure in recent years due to the lack of reinvestment and operating challenges (mainly power related) in South Africa. A key question for global PGM supply is whether sanctions are placed on Russian materials, which would significantly tighten the market.

Electric vehicles continue to take market share from ICE



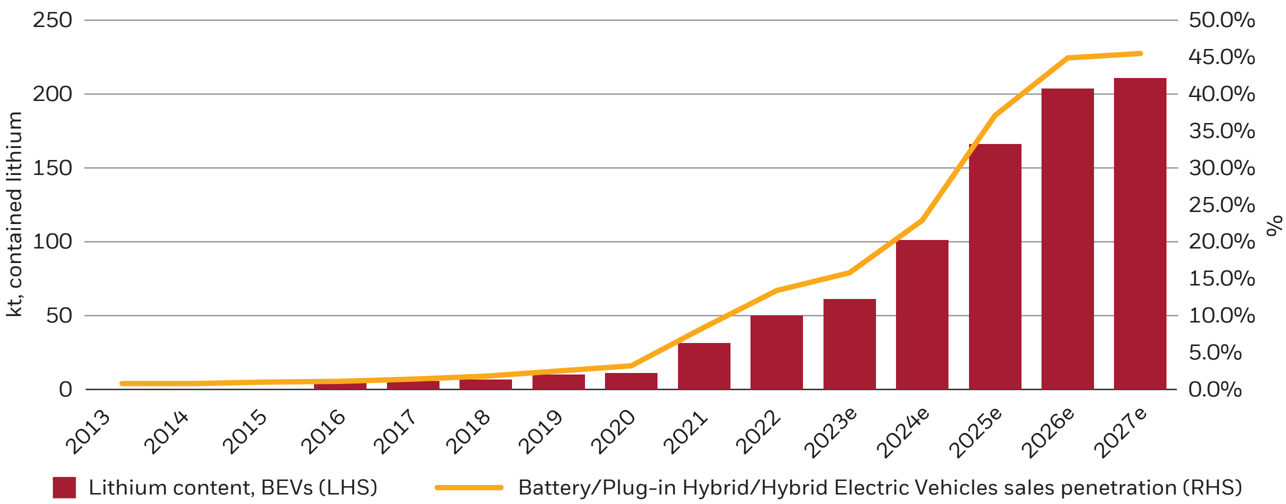
Sources: S&P Global Mobility and Morgan Stanley Research estimates.

As at the end of the period, the Company had a combined exposure of 2.3% to PGM producers through Bravo Mining, Impala Platinum, Northam Platinum and Sibanye Stillwater versus 2.0% at the same time last year. In addition, the Company has reduced its exposure to Anglo American (2.4% of the portfolio) which owns 79% of Anglo American Platinum. The clear bright spot for the Company's PGM exposure was from Bravo Mining, a Brazilian-based PGM exploration and development company which the Company invested in pre-IPO in April 2022 at US$0.50/share due to our belief in the assets and management's potential. Since our initial investment the company has successfully done an IPO and as at 30 June 2023 was trading at C$4/share, which represents a 500% return on our initial investment. They continue to have great success with the initial exploration phase confirming the occurrence of rhodium in the orebody, along with the potential for nickel sulphide.

Energy transition metals

It was a volatile half for lithium, a critical component of batteries, with the prices beginning the year at elevated levels and subsequently falling by 60% between January and April, due to de-stocking along the battery supply chain. Lithium demand is expected to remain solid this year at +20%, with the market to remain in balance which should support the recent rally in prices. Much has been said around the potential for meaningful supply growth in lithium. However, project delays have become a feature of this market in recent years. Concerns around the future availability of lithium has seen a number of OEM's (Original Equipment Manufacturers) including Ford and General Motors look to fund lithium projects and producers through a combination of equity investments, off-takes (the amount of goods purchased during a given period) and loans. Following the pullback in lithium equities alongside the fall in spot prices during Q1, the Company added to its lithium holdings through Albemarle (1.6% of the portfolio) and Mineral Resources (1.3% of the portfolio). The Company's lithium holdings constitute 7.8% of the portfolio.

EV's forecast lithium requirement (kt/yr)



Source: Liberum, company reports.

A critical component of the electric car is also the e-motor, which most commonly uses a Praseodymium-Neodymium (NdPr) magnet, an alloy of two rare earth elements (REEs). REEs are commonly mined and processed in China and have been deemed of strategic importance by both Europe and the USA. The Company has exposure to REEs through Lynas Rare Earths, a REE miner and processor crucially based in Malaysia and Australia, as well as through Iluka Resources which is building a rare earths conversion facility in Western Australia to process its Eneabba rare earths concentrate. It has been a challenging first half for Lynas Rare Earths, with the Malaysian Government confirming that no cracking and leaching of rare earths will be allowed at their facility in Malaysia from 1 January 2024. While Lynas Rare Earths is building a cracking and leaching plant in Western Australia, there was hope that both cracking and leaching assets could operate in both Malaysia and Western Australia, allowing Lynas Rare Earths to further grow volumes.

Other metals with uses in support of the energy transition include cobalt, where prices are down by 65% from their June 2022 peak. Demand has been challenged, with higher cobalt battery chemistries the slowest growth among the battery chemistries, but still up by 28% year-on-year. From a supply perspective, the market looks well supplied with China Molybdenum increasing both production and the processing of stockpiles. Supply growth is also set to continue, with cobalt being a by-product of many of the Indonesian Nickel projects announced. The Company's only exposure to cobalt is via Glencore.

Royalty and unquoted investments

Over the last year the Company has enjoyed a number of successes from the unquoted part of the portfolio with two private holdings, Ivanhoe Electric and Bravo Mining, going public at a substantially higher level than the Company's initial investment. The Company's long-standing Brazilian copper and gold royalty previously operated by OZ Minerals was transferred to BHP following its acquisition of OZ Minerals in 2023. Jetti Resources, a copper leaching company, completed a US$100 million fund raising at a substantially higher level than the Company's initial investment and finally two PIPE investments completed their business combinations and are trading above our entry price.

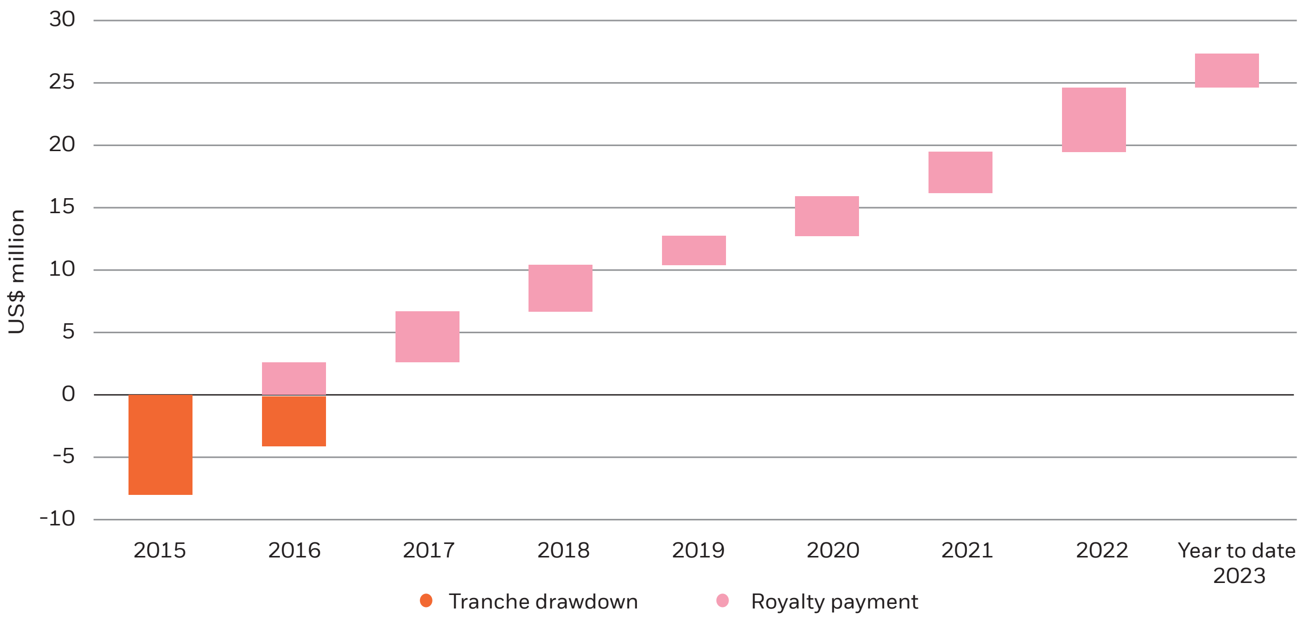
As at the end of the first half of 2023, the unquoted investments in the portfolio amounted to 6.9% of the portfolio and consist of the BHP Brazil Royalty Contract, the Vale Debentures, Jetti Resources and MCC Mining. These, and any future investments, will be managed in line with the guidelines set by the Board as outlined to shareholders in the Strategic Report in the 2022 Annual Report.

BHP Brazil Royalty Contract (1.5% of the portfolio)

In July 2014 the Company signed a binding royalty agreement with Avanco Minerals. The Company invested US$12 million in return for Net Smelter Return (net revenue after deductions for freight, smelter and refining charges) royalty payments comprising 2% on copper, 25% on gold and 2% on all other metals produced from mines built on Avanco Minerals' Antas North and Pedra Branca licences. In addition, there is a flat 2% royalty over all metals produced from any other discoveries within Avanco Minerals' licence area as at the time of the agreement.

In 2018 we were delighted to report that Avanco Minerals was successfully acquired by OZ Minerals, an Australian based copper and gold producer, for A$418 million. We are now equally pleased to report that OZ Minerals was acquired by the world's largest mining company, BHP, in early 2023, with BHP now operating the assets underlying the royalty. Since our initial US$12 million investment was made, we have received US$27.1 million in royalty payments, with the royalty achieving full payback on the initial investment in 3½ years. As at the end of June 2023, the royalty was valued at £19.4 million (1.5% of the portfolio) which equates to a 330.8% cash return on the initial US$12 million invested.

BHP Brazil Royalty payback



Source: BlackRock.

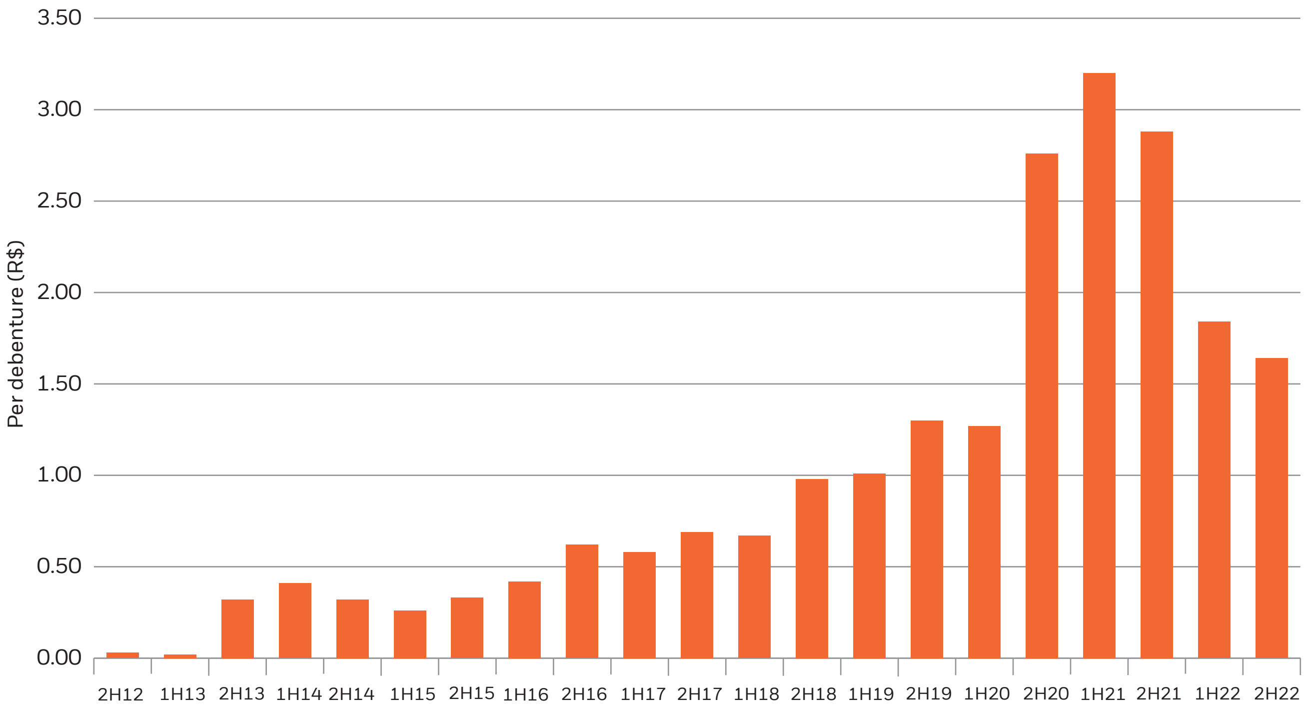
In 2021 OZ Minerals achieved a significant milestone and commenced mining of Pedra Branca ore. Since then we have seen production at Pedra Branca increase, with the company targeting production of 13kt-16kt of copper and 11koz-13koz of gold production in 2023 (Source: 2023 guidance, as at end 2022). We continue to remain optimistic on the longer-term optionality provided by the royalty via the development of Pedra Branca West, as well as greenfield exploration over the licence area. Following BHP's acquisition of OZ Minerals in early 2023, BHP is now the operator of the royalty. BHP's strong operating focus, balance sheet strength and ESG credentials leaves the Brazilian operations in a very strong set of hands.

Vale Debentures (2.5% of the portfolio)

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

We currently expect dividend payments to grow once royalty payments commence on the Southeastern System in 2024 and volumes from S11D and Serra Norte in the Northern System improve later in 2023 where project ramp-ups have been challenged in 2022 by licensing. In December, Vale reduced its longer-term iron ore production profile in light of licensing challenges and also a greater focus on high grade material. This now sees Vale target modest volume growth from the Northern System out to 2026. However, the improvement in grade will aid received pricing which the royalty will benefit from.

Distribution on Vale Shareholders' Debentures



Source: Vale, November 2022.

The Debentures continue to offer an attractive yield of circa 10.2% based on the 1H-2023 annualised dividend. This is an attractive yield for a royalty investment, with this value opportunity recognised by other listed royalty producers Franco-Nevada and Sandstorm Royalties, which have both acquired stakes in the Debentures since the sell-down occurred in 2021.

Whilst the Vale Debentures are a royalty, they are also a listed security on the Brazilian National Debentures System. As we have highlighted in previous reports, shareholders should be aware that historically there has been a low level of liquidity in the Debentures and price volatility is to be expected. We continue to actively look for opportunities to grow royalty exposure given it is a key differentiator of the Company and an effective mechanism to lock-in long-term income which further diversifies the Company's revenues.

Jetti Resources (2.2% of the portfolio)

In early 2022, the Company made an investment into mining technology company Jetti Resources (Jetti) which has developed a new catalyst that improves copper recovery from primary copper sulphides (specifically copper contained in chalcopyrite, which is often uneconomic) under conventional leach conditions. Jetti is currently trialling their technology across a number of mines where they will look to integrate their catalyst into existing heap leach SX-EW (solvent extraction and electrowinning) mines to improve recoveries at a low capital cost. The technology has been demonstrated to work at scale at Capstone's Pinto Valley copper mine, as well as Freeport-McMoRan's Bagdad and El Abra operations. If Jetti's technology is proven to work at scale, we see valuation upside with Jetti sharing in the economics of additional copper volumes recovered through the application of their catalyst.

During the second half of 2022 we were pleased to report that Jetti completed its Series D financing to raise US$100 million and a substantially higher valuation than when our investment was made at the beginning of 2022. This sees the company fully financed to execute on their expected growth plans in the years ahead.

MCC Mining (0.4% of the portfolio)

MCC Mining operates as a mineral exploration company focused on exploring for copper in Colombia. The company has several large porphyry targets which we believe could have significant potential. Shareholders include other mid to large cap copper miners, which is another indication of the strategic value of the company. The valuation of the Company is based on the US$170.7 million equity value implied by the April 2022 equity raise. The money they raised will fund a drilling campaign, which commenced in Q4 2022 at their Comita project, a joint venture with Rio Tinto, with drilling on two other projects (Urrao and Pantanos) commencing during the first half of 2023. Whilst it is still very early days, initial drilling looks encouraging. Importantly, MCC's three projects are located in the Forestry Reserve in Colombia which allows for exploration drilling in the forestry reserve based on new regulations introduced in Colombia in early 2022.

Derivatives activity

The Company from time to time enters into derivatives contracts, mostly involving the sale of "puts" and "calls". These are taken to revenue and are subject to strict Board guidelines which limit their magnitude to an aggregate 10% of the portfolio. In the first half of 2023 income generated from options was £2.5 million. Volatility levels for most of the period were lower, making option writing less value accretive to the Company, but nonetheless a number of opportunities presented themselves allowing healthy levels of income to be earned. At the end of the period the Company had 0% of the net assets exposed to derivatives and the average exposure to derivatives during the period was less than 5% of net assets.

Gearing

At 30 June 2023 the Company had £150.2 million of net debt, with a gearing level of 9.6%. The debt is held principally in US Dollar rolling short-term loans and managed against the value of the portfolio as a whole. During the period the Company reviewed the use of gearing given the sharp increase in rates, which had an impact on the returns for using debt to make investments. Less debt was used during the period than in prior years, which softened the impact of the negative drag on returns during the six months. At present we remain optimistic that, as some of the macro risks fade, opportunities will present themselves for gearing levels to rise back to normal levels even though the debt will have a higher cost. On the back of this, facilities were refreshed with our lenders and remain at £200 million for the revolving credit facility and £30 million for the overdraft. The current total cost of debt for the Company remains low at 5.99% and is linked to SONIA following the demise of LIBOR.

Outlook

The first half of the year was weaker than expected both in absolute terms and versus the broader market. Valuation multiples compressed alongside lower than forecast metal prices leading to reduced levels of profitability. As mentioned previously, we believe these poor returns are due both to the short-term focus on interest rates and to Chinese economic data. The energy transition appears to be happening faster than expected with EV car sales beating estimates, deployment of renewable infrastructure accelerating and corporate decarbonisation spending becoming mainstream. Supply of materials remains constrained and growth projects seem to be taking longer and costing more.

In this environment, shareholders should expect the portfolio to remain fully invested with a focus on stock specific outcomes rather than just market related factors such as commodity price sensitivity. This approach has delivered strong results over the last few years and the current mix of holdings has a high degree of exposure to similar dynamics, which we consider bodes well for the future.

In addition, the Company will continue to seek out opportunities to maximise income during the balance of the year in order to try to offset recent reductions to dividends from core holdings. Achieving this is integral to the goal of delivering a superior total return for shareholders through the cycle.

Evy Hambro and Olivia Markham
BlackRock Investment Management (UK) Limited
24 August 2023

Ten largest investments

1 ▲ Vale[1,2] (2022: 2nd)

Diversified mining group

Market value: £117,277,000
Share of investments: 9.1% (2022: 9.1%) comprising equity 6.6% and debentures 2.5%

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

2 ▼ BHP (2022: 1st)

Diversified mining group

Market value: £113,843,000
Share of investments: 8.9% (2022: 9.5%)

The world's largest diversified mining group by market capitalisation. The group is an important global player in a number of commodities including iron ore, copper, thermal and metallurgical coal, manganese, nickel, silver and diamonds.

3 ► Glencore (2022: 3rd)

Diversified mining group

Market value: £102,143,000
Share of investments: 8.0% (2022: 7.7%)

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

4 ▲ Teck Resources (2022: 9th)

Diversified mining group

Market value: £57,999,000
Share of investments: 4.5% (2022: 3.6%)

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

5 ▲ Freeport-McMoRan (2022: 8th)

Copper producer

Market value: £50,113,000
Share of investments: 3.9% (2022: 4.0%)

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

Ten largest investments

continued

6 ▶ First Quantum Minerals[1] (2022: 6th)

Copper producer

Market value: £45,866,000
Share of investments: 3.6% (2022: 4.1%) comprising equity 2.8% and bonds 0.8%

A Canadian-based mining and metals group with principal activities that include mineral exploration, development and mining. Its main product is copper.

7 ▲ Newmont Corporation (2022: 18th)

Gold producer

Market value: £40,518,000
Share of investments: 3.2% (2022: 1.9%)

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

8 ▲ Wheaton Precious Metals (2022: 14th)

Gold producer

Market value: £39,577,000
Share of investments: 3.1% (2022: 2.3%)

One of the world's largest precious metals streaming companies. The company purchases silver and gold production from mines that it does not own and operate. The company has streaming agreements with 19 operating mines and 13 development projects worldwide.

9 ▲ Ivanhoe Electric/I-Pulse[1] (2022: 11th)

Copper producer

Market value: £36,296,000
Share of investments: 2.8% (2022: 2.4%) comprising equity 1.9% and bonds 0.9%

An American minerals exploration and development company focused on advancing their portfolio of electric metals projects located primarily in the United States. Ivanhoe Electric has a specific focus on sources of electric metals such as copper, gold, silver and nickel. These metals are essential for the world's revolutionary transition to an electrified economy. I-Pulse is the former parent company of Ivanhoe Electric and today retains a minority shareholding interest in Ivanhoe Electric which was spun-out from the I-Pulse group in 2021.

10 ▼ ArcelorMittal (2022: 7th)

Steel producer

Market value: £35,172,000
Share of investments: 2.7% (2022: 4.0%)

A multinational steel manufacturing group, with a focus on producing safe 'lower carbon' steel. The group has operations across the globe and is the largest steel manufacturer in North America, South America and Europe.

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

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

Together, the ten largest investments represented 49.8% of total investments of the Company's portfolio as at 30 June 2023 (ten largest investments as at 31 December 2022: 54.3%).

Investments

as at 30 June 2023

	Main geographical exposure	Market value £'000	% of investments
Diversified			
Vale	Global	85,198	9.1
Vale Debentures*#^	Global	32,079	
BHP	Global	113,843	8.9
Glencore	Global	102,143	8.0
Teck Resources	Global	57,999	4.5
Rio Tinto	Global	33,766	2.6
Anglo American	Global	30,267	2.4
Trident	Global	5,214	0.4
		460,509	**35.9**
Copper			
Freeport-McMoRan	Global	50,113	3.9
First Quantum Minerals*	Global	45,866	3.6
Ivanhoe Electric	United States	24,125	2.8
I-Pulse*	United States	12,171	
Jetti Resources#	Global	28,264	2.2
Ivanhoe Mines	Other Africa	27,768	2.2
BHP Brazil Royalty#~	Latin America	19,350	1.5
Sociedad Minera Cerro Verde	Latin America	16,107	1.3
Develop Global	Australasia	15,432	1.2
Lundin Mining	Global	10,197	0.8
Ero Copper	Latin America	8,805	0.7
Solaris Resources	Latin America	7,823	0.6
CSA Cobar Mine#	Australasia	6,852	0.5
Foran Mining#	Canada	5,876	0.5
MCC Mining#	Latin America	5,506	0.4
Aurubis	Global	5,095	0.4
Filo Mining#	Latin America	4,179	0.3
Antofagasta	Latin America	2,284	0.2
MTAL Founders Shares#	Australasia	347	–
		296,160	**23.1**
Gold			
Newmont Corporation	Global	40,518	3.2
Wheaton Precious Metals	Global	39,577	3.1
Newcrest Mining	Australasia	30,243	2.4
Franco-Nevada	Global	28,470	2.2
Barrick Gold	Global	26,708	2.1
Northern Star Resources	Australasia	17,663	1.4
Endeavour Mining	Other Africa	9,675	0.8
Agnico Eagle Mines	Canada	5,992	0.5
Polymetal International	United Kingdom	1,842	0.1
Polyus	Russia	–	–
		200,688	**15.8**

Investments

continued

	Main geographical exposure	Market value £'000	% of investments
Industrial Minerals			
Sigma Lithium	Latin America	21,826	1.7
Albemarle	Global	21,182	1.6
Mineral Resources	Australasia	16,236	1.3
Iluka Resources	Australasia	12,963	1.0
Chalice Mining	Australasia	8,298	0.6
Lynas Rare Earths	Australasia	8,247	0.6
Sociedad Quimica y Minera ADR	Latin America	8,153	0.6
Sheffield Resources	Australasia	5,463	0.4
		102,368	**7.8**
Steel			
ArcelorMittal	Global	35,172	2.7
Steel Dynamics	United States	23,507	1.8
Nucor	United States	20,668	1.6
Stelco Holdings	Canada	6,989	0.5
		86,336	**6.6**
Aluminium			
Norsk Hydro	Global	30,431	2.4
Alcoa	Global	9,033	0.7
		39,464	**3.1**
Platinum Group Metals			
Bravo Mining	Latin America	21,825	1.7
Northam Platinum	Global	3,456	0.3
Impala Platinum	South Africa	2,170	0.2
Sibanye Stillwater	South Africa	1,169	0.1
		28,620	**2.3**
Iron Ore			
Labrador Iron	Canada	12,994	1.0
Champion Iron	Canada	10,238	0.8
Deterra Royalties	Australasia	4,852	0.4
Equatorial Resources	Other Africa	259	–
		28,343	**2.2**
Uranium			
Cameco	Canada	14,083	1.1
		14,083	**1.1**
Mining Services			
Woodside Energy Group	Australasia	7,819	0.6
Epiroc	Global	6,082	0.5
		13,901	**1.1**
Nickel			
Nickel Industries	Indonesia	11,679	0.9
Bindura Nickel	Global	40	–
Lifezone SPAC Commitment#	Global	–	–
		11,719	**0.9**

	Main geographical exposure	Market value £'000	% of investments
Zinc			
Titan Mining	United States	1,667	0.1
		1,667	**0.1**
Comprising:		**1,283,858**	**100.0**
– Investments		1,283,858	100.0
		1,283,858	**100.0**

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

All investments are in equity shares unless otherwise stated.

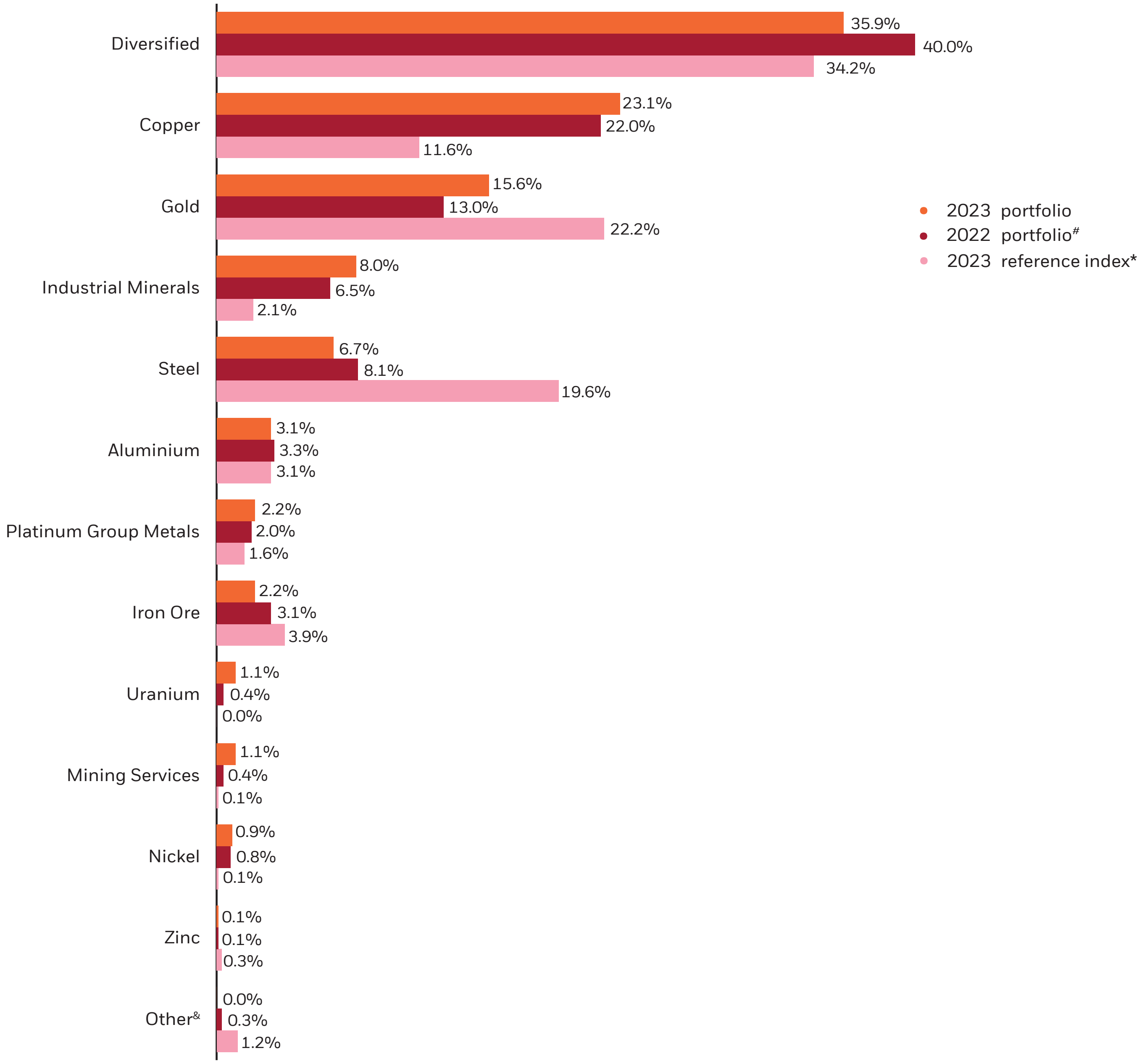
The total number of investments as at 30 June 2023 (including options classified as liabilities on the balance sheet) was 66 (31 December 2022: 68).

As at 30 June 2023 the Company did not hold any equity interests in companies comprising more than 3% of a company's share capital.

Portfolio analysis

as at 30 June 2023

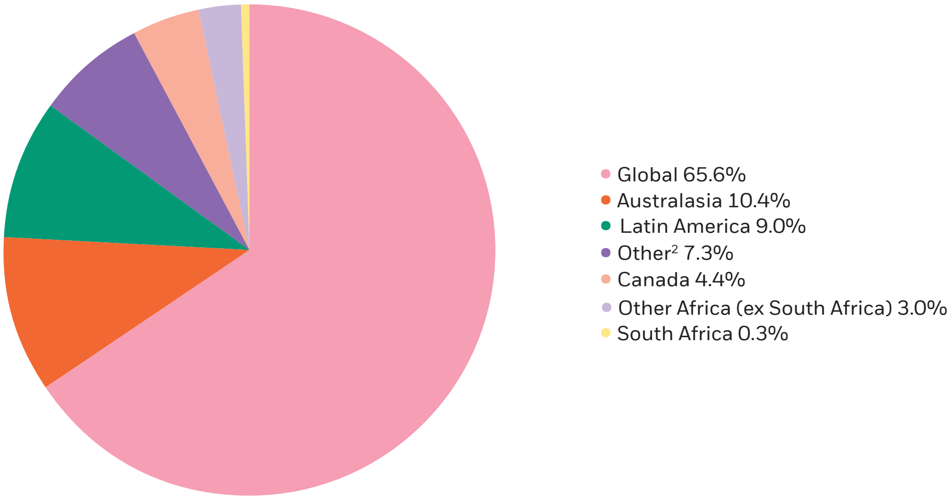
Commodity Exposure[1]



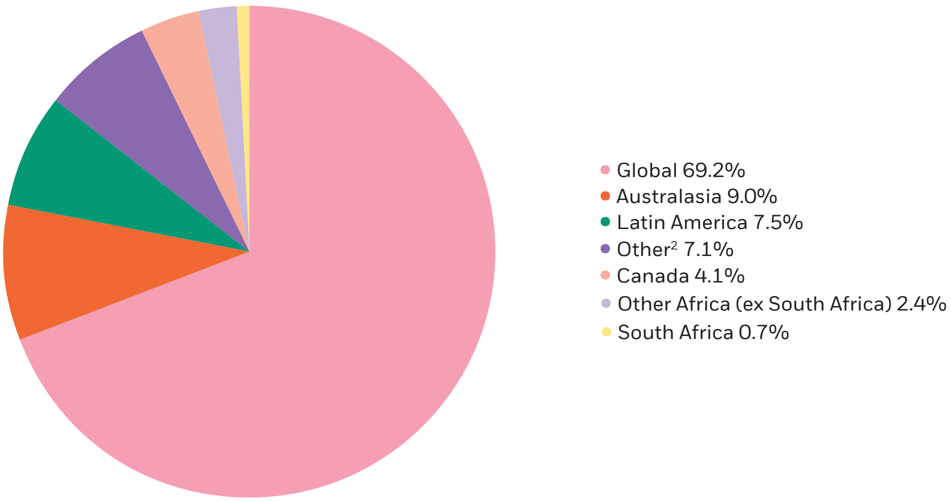
[1] Based on index classifications.
Represents exposure at 31 December 2022.
* MSCI ACWI Metals & Mining 30% Buffer 10/40 Index (net total return).
& Represents a very small exposure.

Geographic Exposure[1]

2023



2022



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

Interim Management Report and Responsibility Statement

The Chairman's Statement on pages 5 and 6 and the Investment Manager's Report on pages 7 to 20 give details of the important events which have occurred during the period and their impact on the financial statements.

Principal risks and uncertainties

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

- Counterparty;
- Investment performance;
- Legal and regulatory compliance;
- Market;
- Political;
- Operational; and
- Financial.

The Board reported on the principal risks and uncertainties faced by the Group in the Annual Report and Financial Statements for the year ended 31 December 2022. A detailed explanation can be found in the Strategic Report on pages 43 to 46 and note 18 on pages 113 to 131 of the Annual Report and Financial Statements which is available on the website maintained by BlackRock at www.blackrock.com/uk/brwm.

In the view of the Board, there have not been any changes to the fundamental nature of the principal risks and uncertainties since the previous report and these are equally applicable to the remaining six months of the financial year as they were to the six months under review.

Going concern

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

The Group has a portfolio of investments which are predominantly readily realisable and is able to meet all of its liabilities from its assets and income generated from these assets. Accounting revenue and expense forecasts are maintained and reported to the Board regularly and it is expected that the Group will be able to meet all its obligations. Borrowings under the overdraft and revolving credit facilities shall at no time exceed £230 million or 25% of the Group's net asset value (whichever is the lower) and this covenant was complied with during the period.

Ongoing charges for the year ended 31 December 2022 were approximately 0.95% of net assets and this is unlikely to change significantly going forward. Based on the above, the Board is satisfied that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Related party disclosure and transactions with the Manager

BlackRock Fund Managers Limited (BFM) was appointed as the Company's Alternative Investment Fund Manager (AIFM) with effect from 2 July 2014. BFM has (with the Company's consent) delegated certain portfolio and risk management services, and other ancillary services, to BlackRock Investment Management (UK) Limited (BIM (UK)). Both BFM and BIM (UK) are regarded as related parties under the Listing Rules. Details of the management and marketing fees payable are set out in notes 4 and 5 respectively on pages 36 and 37 and note 13 on page 46.

The related party transactions with the Directors are set out in note 14 on page 46.

Directors' responsibility statement

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

The Directors confirm to the best of their knowledge that:

- the condensed set of financial statements contained within the Condensed Half Yearly Financial Report has been prepared in accordance with UK-adopted International Accounting Standard 34 Interim Financial Reporting; and

- the Interim Management Report, together with the Chairman's Statement and Investment Manager's Report, include a fair review of the information required by 4.2.7R and 4.2.8R of the Financial Conduct Authority Disclosure Guidance and Transparency Rules.

This Condensed Half Yearly Financial Report has been reviewed by the Company's auditors and their report is set out on pages 48 and 49.

The Condensed Half Yearly Financial Report was approved by the Board on 24 August 2023 and the above responsibility statement was signed on its behalf by the Chairman.

David Cheyne
For and on behalf of the Board
24 August 2023

Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2023

		Six months ended 30 June 2023 (unaudited)			Six months ended 30 June 2022 (unaudited)			Year ended 31 December 2022 (audited)		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income from investments held at fair value through profit or loss	3	34,111	630	34,741	39,251	–	39,251	78,087	811	78,898
Other income	3	2,891	–	2,891	2,472	–	2,472	7,909	–	7,909
Total revenue		**37,002**	**630**	**37,632**	**41,723**	**–**	**41,723**	**85,996**	**811**	**86,807**
Net (loss)/profit on investments held at fair value through profit or loss		–	(123,495)	(123,495)	–	(30,608)	(30,608)	–	152,937	152,937
Net profit/(loss) on foreign exchange		–	8,301	8,301	–	(16,160)	(16,160)	–	(17,645)	(17,645)
Total		**37,002**	**(114,564)**	**(77,562)**	**41,723**	**(46,768)**	**(5,045)**	**85,996**	**136,103**	**222,099**
Expenses										
Investment management fee	4	(1,171)	(3,622)	(4,793)	(1,279)	(3,949)	(5,228)	(2,615)	(8,031)	(10,646)
Other operating expenses	5	(644)	(11)	(655)	(532)	(7)	(539)	(1,037)	(28)	(1,065)
Total operating expenses		**(1,815)**	**(3,633)**	**(5,448)**	**(1,811)**	**(3,956)**	**(5,767)**	**(3,652)**	**(8,059)**	**(11,711)**
Net profit/(loss) on ordinary activities before finance costs and taxation		**35,187**	**(118,197)**	**(83,010)**	**39,912**	**(50,724)**	**(10,812)**	**82,344**	**128,044**	**210,388**
Finance costs	6	(1,121)	(3,432)	(4,553)	(306)	(891)	(1,197)	(1,182)	(3,520)	(4,702)
Net profit/(loss) on ordinary activities before taxation		**34,066**	**(121,629)**	**(87,563)**	**39,606**	**(51,615)**	**(12,009)**	**81,162**	**124,524**	**205,686**
Taxation (charge)/credit		(2,299)	1,212	(1,087)	(2,458)	804	(1,654)	(5,149)	1,883	(3,266)
Net profit/(loss) on ordinary activities after taxation	8	**31,767**	**(120,417)**	**(88,650)**	**37,148**	**(50,811)**	**(13,663)**	**76,013**	**126,407**	**202,420**
Earnings/(loss) per ordinary share (pence) – basic and diluted	**8**	**16.73**	**(63.40)**	**(46.67)**	**20.07**	**(27.45)**	**(7.38)**	**40.68**	**67.64**	**108.32**

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

The Group does not have any other comprehensive income/(loss) (30 June 2022: £nil; 31 December 2022: £nil). The net profit/(loss) for the period disclosed above represents the Group's total comprehensive income/(loss).

The notes on pages 34 to 47 form part of these financial statements.

Consolidated Statement of Changes in Equity

for the six months ended 30 June 2023

	Note	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
For the six months ended 30 June 2023 (unaudited)								
At 31 December 2022		9,651	148,107	22,779	180,736	868,837	69,175	1,299,285
Total comprehensive income:								
Net (loss)/profit for the period		–	–	–	–	(120,417)	31,767	(88,650)
Transactions with owners, recorded directly to equity:								
Ordinary shares reissued from treasury		–	3,386	–	12,305	–	–	15,691
Share reissue costs		–	–	–	(31)	–	–	(31)
Dividends paid[1]	7	–	–	–	–	–	(54,877)	(54,877)
At 30 June 2023		**9,651**	**151,493**	**22,779**	**193,010**	**748,420**	**46,065**	**1,171,418**
For the six months ended 30 June 2022 (unaudited)								
At 31 December 2021		9,651	138,818	22,779	155,123	742,430	74,073	1,142,874
Total comprehensive income:								
Net (loss)/profit for the period		–	–	–	–	(50,811)	37,148	(13,663)
Transactions with owners, recorded directly to equity:								
Ordinary shares reissued from treasury		–	8,752	–	21,708	–	–	30,460
Share reissue costs		–	–	–	(61)	–	–	(61)
Dividends paid[2]	7	–	–	–	–	–	(60,148)	(60,148)
At 30 June 2022		**9,651**	**147,570**	**22,779**	**176,770**	**691,619**	**51,073**	**1,099,462**
For the year ended 31 December 2022 (audited)								
At 31 December 2021		9,651	138,818	22,779	155,123	742,430	74,073	1,142,874
Total comprehensive income:								
Net profit for the year		–	–	–	–	126,407	76,013	202,420
Transactions with owners, recorded directly to equity:								
Ordinary shares reissued from treasury		–	9,289	–	25,683	–	–	34,972
Share reissue costs		–	–	–	(70)	–	–	(70)
Dividends paid[3]	7	–	–	–	–	–	(80,911)	(80,911)
At 31 December 2022		**9,651**	**148,107**	**22,779**	**180,736**	**868,837**	**69,175**	**1,299,285**

[1] The final dividend for the year ended 31 December 2022 of 23.50p per share, declared on 3 March 2023 and paid on 26 April 2023, and 1st quarterly interim dividend for the year ended 31 December 2023 of 5.50p per share, declared on 18 April 2023 and paid on 31 May 2023.

[2] The final dividend for the year ended 31 December 2021 of 27.00p per share, declared on 8 March 2022 and paid on 19 May 2022, and 1st quarterly interim dividend for the year ended 31 December 2022 of 5.50p per share, declared on 6 May 2022 and paid on 30 June 2022.

[3] The final dividend of 27.00p per share for the year ended 31 December 2021, declared on 8 March 2022 and paid on 19 May 2022; 1st quarterly interim dividend of 5.50p per share for the year ended 31 December 2022, declared on 6 May 2022 and paid on 30 June 2022; 2nd quarterly interim dividend of 5.50p per share for the year ended 31 December 2022, declared on 23 August 2022 and paid on 30 September 2022; and 3rd quarterly interim dividend of 5.50p per share for the year ended 31 December 2022, declared on 16 November 2022 and paid on 22 December 2022.

For information on the Company's distributable reserves, please refer to note 11 on page 40.

The notes on pages 34 to 47 form part of these financial statements.

Consolidated Statement of Financial Position

as at 30 June 2023

	Notes	30 June 2023 (unaudited) £'000	30 June 2022 (unaudited) £'000	31 December 2022 (audited) £'000
Non current assets				
Investments held at fair value through profit or loss	12	1,283,858	1,232,361	1,424,844
Current assets				
Current tax asset		1,036	490	821
Other receivables		3,512	5,560	4,431
Cash collateral held with brokers		–	2,651	6,795
Cash and cash equivalents		42,207	52,255	29,492
Total current assets		**46,755**	**60,956**	**41,539**
Total assets		**1,330,613**	**1,293,317**	**1,466,383**
Current liabilities				
Current tax liability		(353)	(281)	(373)
Other payables		(8,326)	(15,135)	(6,155)
Derivative financial liabilities held at fair value through profit or loss	12	–	(550)	(1,227)
Bank overdraft		–	(177)	–
Bank loans		(150,234)	(177,273)	(158,783)
Total current liabilities		**(158,913)**	**(193,416)**	**(166,538)**
Total assets less current liabilities		**1,171,700**	**1,099,901**	**1,299,845**
Non current liabilities				
Deferred taxation liability		(282)	(439)	(560)
Net assets		**1,171,418**	**1,099,462**	**1,299,285**
Equity attributable to equity holders				
Called up share capital	9	9,651	9,651	9,651
Share premium account		151,493	147,570	148,107
Capital redemption reserve		22,779	22,779	22,779
Special reserve		193,010	176,770	180,736
Capital reserves		748,420	691,619	868,837
Revenue reserve		46,065	51,073	69,175
Total equity		**1,171,418**	**1,099,462**	**1,299,285**
Net asset value per ordinary share (pence)	**8**	**612.72**	**584.92**	**688.35**

The financial statements on pages 30 to 47 were approved and authorised for issue by the Board of Directors on 24 August 2023 and signed on its behalf by Mr David Cheyne, Chairman.

BlackRock World Mining Trust plc

Registered in England and Wales, No.2868209

The notes on pages 34 to 47 form part of these financial statements.

Consolidated Cash Flow Statement

for the six months ended 30 June 2023

	Six months ended 30 June 2023 (unaudited) £'000	Six months ended 30 June 2022 (unaudited) £'000	Year ended 31 December 2022 (audited) £'000
Operating activities			
Net (loss)/profit on ordinary activities before taxation	(87,563)	(12,009)	205,686
Add back finance costs	4,553	1,197	4,702
Net loss/(profit) on investments and options held at fair value through profit or loss (including transaction costs)	123,495	30,608	(152,937)
Net (profit)/loss on foreign exchange	(8,301)	16,160	17,645
Net amount for capital special dividends received	(535)	–	–
Sales of investments and derivatives held at fair value through profit or loss	343,438	266,982	489,236
Purchases of investments and derivatives held at fair value through profit or loss	(326,545)	(273,507)	(503,782)
Decrease/(increase) in other receivables	918	(203)	13
Increase in other payables	2,026	540	1,025
Decrease/(increase) in amounts due from brokers	1	(148)	243
Increase in amounts due to brokers	–	9,412	–
Net movement in cash collateral held with brokers	6,795	(2,071)	(6,215)
Net cash inflow from operating activities before taxation	**58,282**	**36,961**	**55,616**
Taxation paid	–	(261)	(432)
Taxation on investment income included within gross income	(1,437)	(1,733)	(3,210)
Net cash inflow from operating activities	**56,845**	**34,967**	**51,974**
Financing activities			
Drawdown of loans	–	22,359	2,359
Interest paid	(4,665)	(1,362)	(4,720)
Net proceeds from ordinary shares reissued from treasury	15,660	30,399	34,902
Dividends paid	(54,877)	(60,148)	(80,911)
Net cash outflow from financing activities	**(43,882)**	**(8,752)**	**(48,370)**
Increase in cash and cash equivalents	**12,963**	**26,215**	**3,604**
Cash and cash equivalents at start of the period	29,492	25,976	25,976
Effect of foreign exchange rate changes	(248)	(113)	(88)
Cash and cash equivalents at end of the period	**42,207**	**52,078**	**29,492**
Comprised of:			
Cash and cash equivalents	42,207	52,255	29,492
Bank overdraft	–	(177)	–
	42,207	**52,078**	**29,492**

The notes on pages 34 to 47 form part of these financial statements.

Notes to the financial statements

for the six months ended 30 June 2023

1. Principal activity

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

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

2. Basis of preparation

The Half Yearly Financial Statements for the six month period ended 30 June 2023 have been prepared in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the Financial Conduct Authority and with the UK-adopted International Accounting Standard 34 (IAS 34) Interim Financial Reporting. The Half Yearly Financial Statements should be read in conjunction with the Group's Annual Report and Financial Statements for the year ended 31 December 2022, which have been prepared in accordance with UK-adopted International Accounting Standards (IASs) in conformity with the requirements of the Companies Act 2006.

Insofar as the Statement of Recommended Practice (SORP) for investment trust companies and venture capital trusts, issued by the Association of Investment Companies (AIC) in October 2019 and updated in July 2022, is compatible with UK-adopted IASs, the financial statements have been prepared in accordance with guidance set out in the SORP.

Relevant International Accounting Standards that have yet to be adopted:

IFRS 17 – Insurance contracts (effective 1 January 2023). This standard replaces IFRS 4, which currently permits a wide range of accounting practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

This standard is unlikely to have any impact on the Group as it does not issue insurance contracts.

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

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

None of the standards that have been issued but are not yet effective are expected to have a material impact on the Group.

3. Income

	Six months ended 30 June 2023 (unaudited) £'000	Six months ended 30 June 2022 (unaudited) £'000	Year ended 31 December 2022 (audited) £'000
Investment income:			
UK dividends	5,150	9,575	17,536
UK special dividends	–	2,167	2,167
Overseas dividends	17,281	19,768	45,094
Overseas special dividends	6,269	1,670	3,808
Income from contractual rights (BHP Brazil Royalty)	2,760	1,674	3,096
Income from Vale debentures	1,498	3,308	3,863
Income from fixed income investments	1,153	1,089	2,523
Total investment income	**34,111**	**39,251**	**78,087**
Other income:			
Option premium income	2,483	2,371	7,297
Deposit interest	305	65	513
Broker interest received	49	–	18
Stock lending income	54	36	81
	2,891	**2,472**	**7,909**
Total income	**37,002**	**41,723**	**85,996**

During the period, the Group received option premium income in cash totalling £2,525,000 (six months ended 30 June 2022: £2,035,000; year ended 31 December 2022: £7,541,000) for writing put and covered call options for the purposes of revenue generation.

Option premium income is amortised evenly over the life of the option contract and, accordingly, during the period, option premiums of £2,483,000 (six months ended 30 June 2022: £2,371,000; year ended 31 December 2022: £7,297,000) were amortised to revenue.

At 30 June 2023 there were no open positions (30 June 2022: one; 31 December 2022: three) with an associated liability of £nil (30 June 2022: £550,000; 31 December 2022: £1,227,000).

Dividends and interest received in cash in the six months ended 30 June 2023 amounted to £27,716,000 and £3,080,000 (six months ended 30 June 2022: £34,977,000 and £3,775,000; year ended 31 December 2022: £68,630,000 and £5,918,000).

Special dividends of £630,000 have been recognised in capital for the six months ended 30 June 2023 (six months ended 30 June 2022: £nil; year ended 31 December 2022: £811,000).

Notes to the financial statements
continued

4. Investment management fee

	Six months ended 30 June 2023 (unaudited)			Six months ended 30 June 2022 (unaudited)			Year ended 31 December 2022 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	1,171	3,622	4,793	1,279	3,949	5,228	2,615	8,031	10,646
Total	**1,171**	**3,622**	**4,793**	**1,279**	**3,949**	**5,228**	**2,615**	**8,031**	**10,646**

The investment management fee (which includes all services provided by BlackRock) is 0.80% of the Company's gross assets (subject to certain adjustments). During the period, £4,793,000 (six months ended 30 June 2022: £4,961,000; year ended 31 December 2022: £9,848,000) of the investment management fee was generated from net assets and £nil (six months ended 30 June 2022: £267,000; year ended 31 December 2022: £798,000) from the gearing effect on gross assets due to the quarter-on-quarter increase in the NAV per share for the period as set out below:

Quarter end	Cum income NAV per share (pence)	Quarterly increase/ (decrease) %	Gearing effect on management fees (£'000)
31 December 2021	622.21	–	–
31 March 2022	769.58	+23.7	267
30 June 2022	584.86	-24.0	–
30 September 2022	602.65	+3.0	294
31 December 2022	688.35	+14.2	237
31 March 2023	664.51	-3.5	–
30 June 2023	612.72	-7.8	–

The daily average of the net assets under management during the period ended 30 June 2023 was £1,276,151,000 (six months ended 30 June 2022: £1,287,808,000; year ended 31 December 2022: £1,232,043,000).

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

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

5. Other operating expenses

	Six months ended 30 June 2023 (unaudited) £'000	Six months ended 30 June 2022 (unaudited) £'000	Year ended 31 December 2022 (audited) £'000
Allocated to revenue:			
Custody fee	55	59	101
Auditors' remuneration:			
– audit services	25	25	51
– non-audit services[1]	5	5	9
Registrar's fee	41	40	86
Directors' emoluments	94	88	197
AIC fees	10	10	21
Broker fees	12	12	24
Depositary fees	61	61	116
FCA fee	16	13	30
Directors' insurance	11	11	23
Marketing fees	65	81	132
Stock exchange fees	26	18	37
Legal and professional fees	82	20	35
Bank facility fees[2]	39	51	97
Printing and postage costs	29	28	47
Write back of prior year expenses[3]	–	(24)	(55)
Other administrative costs	73	34	86
	644	**532**	**1,037**
Allocated to capital:			
Custody transaction charges[4]	11	7	28
	655	**539**	**1,065**

1 Fees paid to the auditor for non-audit services of £4,675 excluding VAT (six months ended 30 June 2022: £4,500; year ended 31 December 2022: £8,925) relate to the review of the Condensed Half Yearly Financial Report.

2 There is a 4 basis point facility fee chargeable on the full loan facilities whether drawn or undrawn.

3 No expenses were written back during the six months ended 30 June 2023 (six months ended 30 June 2022: Directors' expenses, miscellaneous fees and professional services fees; year ended 31 December 2022: Directors' expenses, miscellaneous fees, legal fees and professional services fees).

4 For the six months ended 30 June 2023, expenses of £11,000 (six months ended 30 June 2022: £7,000; year ended 31 December 2022: £28,000) were charged to the capital account of the Statement of Comprehensive Income. These relate to transaction costs charged by the custodian on sale and purchase trades.

The transaction costs incurred on the acquisition of investments amounted to £504,000 for the six months ended 30 June 2023 (six months ended 30 June 2022: £488,000; year ended 31 December 2022: £828,000). Costs relating to the disposal of investments amounted to £67,000 for the six months ended 30 June 2023 (six months ended 30 June 2022: £106,000; year ended 31 December 2022: £238,000). All transaction costs have been included within the capital reserves.

Notes to the financial statements

continued

6. Finance costs

	Six months ended 30 June 2023 (unaudited)			Six months ended 30 June 2022 (unaudited)			Year ended 31 December 2022 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Interest payable – bank loans	1,118	3,423	4,541	304	885	1,189	1,177	3,505	4,682
Interest payable – bank overdraft	3	9	12	2	6	8	5	15	20
Total	**1,121**	**3,432**	**4,553**	**306**	**891**	**1,197**	**1,182**	**3,520**	**4,702**

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

7. Dividends

The final dividend of 23.50p per share for the year ended 31 December 2022 was paid on 26 April 2023. The Board has declared a first quarterly interim dividend of 5.50p per share for the quarter ended 31 March 2023, paid on 31 May 2023 to shareholders on the register on 5 May 2023.

The Board has declared a second quarterly interim dividend of 5.50p per share for the quarter ended 30 June 2023 which will be paid on 6 October 2023 to shareholders on the register on 8 September 2023. This dividend has not been accrued in the financial statements for the six months ended 30 June 2023 as, under IAS, interim dividends are not recognised until paid. Dividends are debited directly to reserves.

Dividends on equity shares paid during the period were:

	Six months ended 30 June 2023 (unaudited) £'000	Six months ended 30 June 2022 (unaudited) £'000	Year ended 31 December 2022 (audited) £'000
Final dividend for the year ended 31 December 2022 of 23.50p per share (2021: 27.00p)	44,392	49,898	49,898
1st quarterly interim dividend for the year ending 31 December 2023 of 5.50p per share (2022: 5.50p)	10,485	10,250	10,251
2nd quarterly interim dividend for the year ended 31 December 2022 of 5.50p per share (2021: 5.50p)	–	–	10,381
3rd quarterly interim dividend for the year ended 31 December 2022 of 5.50p per share (2021: 5.50p)	–	–	10,381
	54,877	**60,418**	**80,911**

8. Consolidated earnings and net asset value per ordinary share

Total revenue, capital earnings/(loss) and net asset value per ordinary share are shown below and have been calculated using the following:

	Six months ended 30 June 2023 (unaudited)	Six months ended 30 June 2022 (unaudited)	Year ended 31 December 2022 (audited)
Net revenue profit attributable to ordinary shareholders (£'000)	31,767	37,148	76,013
Net capital (loss)/profit attributable to ordinary shareholders (£'000)	(120,417)	(50,811)	126,407
Total (loss)/profit attributable to ordinary shareholders (£'000)	**(88,650)**	**(13,663)**	**202,420**
Equity shareholders' funds (£'000)	**1,171,418**	**1,099,462**	**1,299,285**
The weighted average number of ordinary shares in issue during each period on which the earnings per ordinary share was calculated was:	189,935,356	185,071,986	186,868,187
The actual number of ordinary shares in issue at the period end on which the net asset value per ordinary share was calculated was:	191,183,036	187,968,036	188,753,036
Earnings per ordinary share			
Revenue earnings per share (pence) – basic and diluted	16.73	20.07	40.68
Capital (loss)/earnings per share (pence) – basic and diluted	(63.40)	(27.45)	67.64
Total (loss)/earnings per share (pence) – basic and diluted	**(46.67)**	**(7.38)**	**108.32**

	As at 30 June 2023 (unaudited)	As at 30 June 2022 (unaudited)	As at 31 December 2022 (audited)
Net asset value per ordinary share (pence)	612.72	584.92	688.35
Ordinary share price (pence)	599.00	573.00	697.00

There were no dilutive securities at the period end.

9. Called up share capital

	Ordinary shares in issue number	Treasury shares number	Total shares number	Nominal value £'000
Allotted, called up and fully paid share capital comprised:				
Ordinary shares of 5 pence each:				
At 31 December 2022	188,753,036	4,258,806	193,011,842	9,651
Ordinary shares reissued from treasury	2,430,000	(2,430,000)	–	–
At 30 June 2023	**191,183,036**	**1,828,806**	**193,011,842**	**9,651**

During the six months ended 30 June 2023, the Company:

– did not buy back shares into treasury (six months ended 30 June 2022: no shares were bought back into treasury; year ended 31 December 2022: no shares were bought back into treasury).

– reissued 2,430,000 shares (six months ended 30 June 2022: 4,286,920 shares; year ended 31 December 2022: 5,071,920 shares) from treasury for a net consideration after costs of £15,660,000 (six months ended 30 June 2022: £30,399,000; year ended 31 December 2022: £34,902,000).

Since the period end and up to 24 August 2023, the Company has not reissued any ordinary shares from treasury.

Notes to the financial statements

continued

10. Reconciliation of liabilities arising from financing activities

	Six months ended 30 June 2023 (unaudited) £'000	Six months ended 30 June 2022 (unaudited) £'000	Year ended 31 December 2022 (audited) £'000
Bank loan and overdraft at beginning of the period/year	158,783	139,223	139,223
Cash flows:			
Movement in overdraft	–	(179)	(356)
Net drawdown of loan	–	22,359	2,359
Non-cash flows:			
Effects of foreign exchange (gain)/loss	(8,549)	16,047	17,557
Bank loan and overdraft at end of the period/year	**150,234**	**177,450**	**158,783**

11. Reserves

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

The share premium account and capital redemption reserve are not distributable reserves under the Companies Act 2006. In accordance with ICAEW Technical Release 02/17BL on Guidance on Realised and Distributable Profits under the Companies Act 2006, the special reserve and capital reserve of the Parent Company may be used as distributable reserves for all purposes and, in particular, the repurchase by the Parent Company of its ordinary shares and for payments such as dividends. In accordance with the Company's Articles of Association, the special reserve, capital reserve and revenue reserve may be distributed by way of dividend. The Parent Company's capital gains of £754,209,000 (six months ended 30 June 2022: capital gain of £697,303,000; year ended 31 December 2022: gain of £874,567,000) comprise a gain on capital reserve arising on investments sold of £494,063,000 (six months ended 30 June 2022: £405,815,000; year ended 31 December 2022: £426,822,000), a gain on capital reserve arising on revaluation of listed investments of £225,150,000 (six months ended 30 June 2022: £280,362,000; year ended 31 December 2022: £409,037,000), revaluation gains on unquoted investments of £27,706,000 (six months ended 30 June 2022: £3,941,000; year ended 31 December 2022: £31,477,000) and a revaluation gain on the investment in the subsidiary of £7,290,000 (30 June 2022: £7,185,000; year ended 31 December 2022: £7,231,000). The capital reserve arising on the revaluation of listed investments of £225,150,000 (six months ended 30 June 2022: £280,362,000; year ended 31 December 2022: £391,896,000) is subject to fair value movements and may not be readily realisable at short notice; as such it may not be entirely distributable. The reserves of the subsidiary company are not distributable until distributed as a dividend to the Parent Company. The investments are subject to financial risks, as such capital reserves (arising on investments sold) and the revenue reserve may not be entirely distributable if a loss occurred during the realisation of these investments.

12. Financial risks and valuation of financial instruments

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

Market risk arising from price risk

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

The current environment of heightened geopolitical risk given the war in Ukraine has undermined investor confidence and market direction. In addition to the tragic and devastating events in Ukraine, the war has constricted supplies of key commodities, pushing prices up and creating a level of market uncertainty and volatility which is likely to persist for some time.

Liquidity risk
The Group has an overdraft facility of £30 million (six months ended 30 June 2022: £30 million; year ended 31 December 2022: £30 million) and a multi-currency loan facility of £200 million (six months ended 30 June 2022: £200 million; year ended 31 December 2022: £200 million) which are updated and renewed on an annual basis. Under the loan facility, the individual loan drawdowns are taken with a three month maturity period.

At 30 June 2023, the Group had a US Dollar loan outstanding of US$191,000,000 which matures on 22 September 2023 (six months ended 30 June 2022: US Dollar loan of US$191,000,000 which matured on 23 September 2022; year ended 31 December 2022: US Dollar loan of US$191,000,000 which matured on 17 March 2023). The Group had no outstanding Pound Sterling loan at 30 June 2023 (six months ended 30 June 2022: £20,000,000 which matured on 23 September 2022; year ended 31 December 2022: £nil).

As per the borrowing agreements, borrowings under the overdraft and loan facilities shall at no time exceed £230 million or 25% of the Group's net asset value (whichever is the lower) (six months ended 30 June 2022 and year ended 31 December 2022: £230 million or 25% of the Group's net asset value (whichever is the lower)) and this covenant was complied with during the respective periods.

Valuation of financial instruments
Financial assets and financial liabilities are either carried in the Consolidated Statement of Financial Position at their fair value (investments and derivatives) or at an amount which is considered to be the fair value (due from brokers, dividends and interest receivable, due to brokers, accruals, cash at bank and bank overdrafts). IFRS 13 requires the Group to classify fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The valuation techniques used by the Group are explained in the accounting policies note 2(h), as set out in the Group's Annual Report and Financial Statements for the year ended 31 December 2022. All investments are held at fair value through profit or loss. The amortised cost amounts of due from brokers, dividends and interest receivable, due to brokers, accruals, cash at bank, bank loans and bank overdrafts approximate their fair value.

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

The fair value hierarchy has the following levels:

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

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

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

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

Level 3 – Valuation techniques using significant unobservable inputs
This category includes all instruments where the valuation technique includes inputs not based on market data and these 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 entity determined adjustments or assumptions are required to reflect differences between the instruments and instruments for which there is no active market. The Investment Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Notes to the financial statements
continued

12. Financial risks and valuation of financial instruments continued
The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the Level 3 asset or liability including an assessment of the relevant risks including but not limited to credit risk, market risk, liquidity risk, business risk and sustainability risk. The determination of what constitutes 'observable' inputs requires significant judgement by the Investment Manager and these risks are adequately captured in the assumptions and inputs used in measurement of Level 3 assets or liabilities.

Valuation process and techniques for Level 3 valuations
(a) BHP Brazil Royalty
The Directors engage a mining consultant, an independent valuer with a recognised and relevant professional qualification, to conduct a periodic valuation of the contractual rights and the fair value of the contractual rights is assessed with reference to relevant factors. At the reporting date the income streams from contractual rights have been valued on the net present value of the pre-tax cash flows discounted at a rate the external valuer considers reflects the risk associated with the project. The valuation model uses discounted cash flow analysis which incorporates both observable and non-observable data. Observable inputs include assumptions regarding current rates of interest and commodity prices. Unobservable inputs include assumptions regarding production profiles, price realisations, cost of capital and discount rates. In determining the discount rate to be applied, the external valuer considers the country and sovereign risk associated with the project, together with the time horizon to the commencement of production and the success or failure of projects of a similar nature. To assess the significance of a particular input to the entire measurement, the external valuer performs a sensitivity analysis. The external valuer has undertaken an analysis of the impact of using alternative discount rates on the fair value of contractual rights.

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

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

(b) Other Level 3 investments
Jetti Resources and MCC Mining
The fair value of the investment equity shares of Jetti Resources and MCC Mining were assessed by an independent valuer with a recognised and relevant professional qualification. The valuation is carried out based on market approach using earnings multiple and price of recent transactions. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Consolidated and Statements of Financial Position and the level where the instruments are disclosed in the fair value hierarchy. To assess the significance of a particular input to the entire measurement, the external valuer performs a sensitivity analysis.

Fair values of financial assets and financial liabilities
For exchange listed equity investments the quoted price is the bid price. Substantially all investments are valued based on unadjusted quoted market prices. Where such quoted prices are readily available in an active market, such prices are not required to be assessed or adjusted for any business related risks, including climate risk, in accordance with the fair value related requirements of the Group's financial reporting framework.

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

Financial assets/(liabilities) at fair value through profit or loss as at 30 June 2023 (unaudited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets:				
Equity investments	1,164,070	12,860	33,770	1,210,700
Fixed income securities	9,558	44,250	–	53,808
Investment in contractual rights	–	–	19,350	19,350
Total assets	**1,173,628**	**57,110**	**53,120**	**1,283,858**
Liabilities:				
Derivative financial instruments – written options	–	–	–	–
Total	**1,173,628**	**57,110**	**53,120**	**1,283,858**

Financial assets/(liabilities) at fair value through profit or loss as at 30 June 2022 (unaudited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets:				
Equity investments	1,070,588	16,122	20,563	1,107,273
Fixed income securities	53,978	50,916	–	104,894
Investment in contractual rights	–	–	20,194	20,194
Total assets	**1,124,566**	**67,038**	**40,757**	**1,232,361**
Liabilities:				
Derivative financial instruments – written options	–	(550)	–	(550)
Total	**1,124,566**	**66,488**	**40,757**	**1,231,811**

Financial assets/(liabilities) at fair value through profit or loss as at 31 December 2022 (audited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets:				
Equity investments	1,250,984	9	35,692	1,286,685
Fixed income securities	68,894	48,066	–	116,960
Investment in contractual rights	–	–	21,199	21,199
Total assets	**1,319,878**	**48,075**	**56,891**	**1,424,844**
Liabilities:				
Derivative financial instruments – written options	–	(1,227)	–	(1,227)
Total	**1,319,878**	**46,848**	**56,891**	**1,423,617**

Notes to the financial statements
continued

12. Financial risks and valuation of financial instruments continued

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

Level 3 Financial assets at fair value through profit or loss	Six months ended 30 June 2023 (unaudited) £'000	Six months ended 30 June 2022 (unaudited) £'000	Year ended 31 December 2022 (audited) £'000
Opening fair value	56,891	33,413	33,413
Return of capital – royalty	(341)	(145)	(267)
Additions at cost	–	18,895	20,106
Conversion of convertible bond to equity and transfer to Level 2	–	(10,160)	(10,160)
Transfer of equities and convertible bonds to Level 2	–	(19,305)	(19,305)
Transfer of equities from Level 1 to Level 3	–	2	2
Conversion of equity and transfer to Level 1	–	–	(2,546)
Total gains or losses included in net (loss)/profit on investments in the Consolidated Statement of Comprehensive Income:			
– assets transferred to Level 1 during the period	–	–	169
– assets transferred to Level 2 during the period	–	14,214	14,212
– assets held at the end of the period	(3,430)	3,843	21,267
Closing balance	**53,120**	**40,757**	**56,891**

The Level 3 investments as at 30 June 2023 in the table below relate to the BHP Brazil Royalty, Jetti Resources and MCC Mining and, in accordance with IFRS 13, these investments were categorised as Level 3. In arriving at the fair value of these investments, the key inputs are the underlying commodity prices and illiquidity discount. Ivanhoe Electric/I-Pulse went through an initial public offering during the period ending 30 June 2022 and its shares were listed. As the shares held by the Company were subject to a 180 day lock in period, a discount was applied to the market value of the shares and therefore these were transferred from Level 3 to Level 2 as the price was based on observable market data during that period.

The Level 3 valuation process and techniques used by the Company are explained in the accounting policies in notes 2(h) and 2(q) on pages 99 to 101 of the Company's Annual Report and Financial Statements for the year ended 31 December 2022 and a detailed explanation of the techniques is also available on page 42 under "valuation process and techniques".

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

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy, together with an estimated quantitative sensitivity analysis, as at 30 June 2023, 30 June 2022 and 31 December 2022 are as shown below.

Description	As at 30 June 2023 £'000	Valuation technique	Unobservable input	Range of weighted average inputs	Reasonable possible shift[1] +/ -	Impact on fair value
Jetti Resources	28,264	Market approach	Earnings multiple	6.22x	5.0%	£0.6m
BHP Brazil Royalty	19,350	Discounted cash flows	Discounted rate – weighted average cost of capital	5.0% - 8.0%	1.0%	£1.0m
			Average gold prices	US$1,400 – US$1,600 per ounce	10.0%	£1.5m
			Average copper prices	US$7,209 – US$8,510 per tonne	10.0%	£1.0m
MCC Mining	5,506	Market approach	Price of recent transaction		5.0%	£0.6m
Polyus ADRs	–	Listing suspended - valued at nominal US$0.01				
Total	**53,120**					

Description	As at 30 June 2022 £'000	Valuation technique	Unobservable input	Range of weighted average inputs	Reasonable possible shift[1] +/ –	Impact on fair value
BHP Brazil Royalty	20,194	Discounted cash flows	Discount rate – weighted average cost of capital	5.0% – 8.0%	1.0%	£1.0m
			Average gold prices	US$1,400 – US$1,600 per ounce	10.0%	£1.5m
			Average copper prices	US$7,209 – US$8,510 per tonne	10.0%	£1.0m
Jetti Resources	12,327	Market approach	Earnings multiple	2.51x	5.0%	£0.6m
MCC Mining	5,764	Market approach	Price of recent transaction		5.0%	£0.3m
Bravo Mining	2,470	Market approach	Price of recent transaction		5.0%	£0.1m
Polyus ADRs	2	Listing suspended – valued at nominal US$0.01				
Total	**40,757**					

Description	As at 31 December 2022 £'000	Valuation technique	Unobservable input	Range of weighted average inputs	Reasonable possible shift[1] +/ –	Impact on fair value
BHP Brazil Royalty	21,199	Discounted cash flows	Discounted rate – weighted average cost of capital	5.0% – 8.0%	1.0%	£1.0m
			Average gold prices	US$1,400 – US$1,600 per ounce	10.0%	£1.5m
			Average copper prices	US$7,209 - US$8,510 per tonne	10.0%	£1.0m
Jetti Resources	29,873	Market approach	Earnings multiple	5.93x	5.0%	£0.6m
MCC Mining	5,819	Market approach	Price of recent transaction		5.0%	£0.3m
Lifezone Commitment	–					
Polyus ADRs	–	Listing suspended – valued at nominal US$0.01				
Total	**56,891**					

[1] 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.

Notes to the financial statements

continued

13. Transactions with the Investment Manager and AIFM

BlackRock Fund Managers Limited (BFM) provides management and administration services to the Company under a contract which is terminable on six months' notice. BFM has (with the Company's consent) delegated certain portfolio and risk management services, and other ancillary services, to BlackRock Investment Management (UK) Limited (BIM (UK)). Further details of the investment management contract are disclosed in the Directors' Report on page 59 of the Annual Report and Financial Statements for the year ended 31 December 2022.

The investment management fee due for the six months ended 30 June 2023 amounted to £4,793,000 (six months ended 30 June 2022: £5,228,000; year ended 31 December 2022: £10,646,000). At the period end, £7,685,000 was outstanding in respect of the management fee (six months ended 30 June 2022: £5,228,000; year ended 31 December 2022: £5,443,000).

In addition to the above services, BIM (UK) has provided the Group with marketing services. The total fees paid or payable for these services for the period ended 30 June 2023 amounted to £65,000 excluding VAT (six months ended 30 June 2022: £81,000; year ended 31 December 2022: £132,000). Marketing fees of £81,000 were outstanding as at 30 June 2023 (30 June 2022: £134,000; 31 December 2022: £62,000).

The ultimate holding company of the Manager and the Investment Manager is BlackRock, Inc., a company incorporated in Delaware, USA.

14. Related party disclosure

Directors' emoluments

The Board consists of five non-executive Directors, all of whom are considered to be independent by the Board. None of the Directors has a service contract with the Company. The Chairman receives an annual fee of £49,350, the Chairman of the Audit Committee receives an annual fee of £41,475 and each of the other Directors receives an annual fee of £33,600.

As at 30 June 2023 an amount of £13,000 (30 June 2022: £15,000; 31 December 2022: £16,000) was outstanding in respect of Directors' fees.

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

Directors	30 June 2023 Ordinary shares	30 June 2022 Ordinary shares	31 December 2022 Ordinary shares
David Cheyne (Chairman)	35,000	35,000	35,000
Russell Edey[1]	n/a	20,000	20,000
Jane Lewis	5,362	5,362	5,362
Judith Mosely	7,400	7,400	7,400
Srinivasan Venkatakrishnan	1,000	1,000	1,000
Charles Goodyear[2]	n/a	n/a	n/a

[1] Retired as a Director on 18 April 2023.
[2] Appointed as a Director on 24 August 2023.

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

Significant Holdings
The following investors are:

a. funds managed by the BlackRock Group or are affiliates of BlackRock, Inc. (Related BlackRock Funds); or

b. investors (other than those listed in (a) above) who held more than 20% of the voting shares in issue in the Company and are, as a result, considered to be related parties to the Company (Significant Investors).

As at 30 June 2023

Total % of shares held by Related BlackRock Funds	Total % of shares held by Significant Investors who are not affiliates of BlackRock Group or BlackRock, Inc.	Number of Significant Investors who are not affiliates of BlackRock Group or BlackRock, Inc.
1.25	n/a	n/a

As at 30 June 2022

Total % of shares held by Related BlackRock Funds	Total % of shares held by Significant Investors who are not affiliates of BlackRock Group or BlackRock, Inc.	Number of Significant Investors who are not affiliates of BlackRock Group or BlackRock, Inc.
1.66	n/a	n/a

15. Capital commitments and contingent liabilities

The Group had one capital commitment at 30 June 2023 (30 June 2022: none; 31 December 2022: one). This was a US$10 million commitment in relation to the SPAC PIPE commitment for investment in Lifezone SPAC. There were no contingent liabilities at 30 June 2023 (30 June 2022: none; 31 December 2022: none).

On 6 July 2023 the Lifezone SPAC PIPE transaction was completed and the company did a successful IPO. The Company received 1,000,000 shares in Lifezone Metals Limited.

16. Publication of non-statutory accounts

The financial information contained in this Half Yearly Financial Report does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006. The financial information for the six months ended 30 June 2023 and 30 June 2022 has been reviewed by the Company's auditors.

The information for the year ended 31 December 2022 has been extracted from the latest published audited financial statements, which have been filed with the Registrar of Companies, unless otherwise stated. The report of the auditors on those accounts contained no qualification or statement under Sections 498(2) or (3) of the Companies Act 2006.

17. Annual results

The Board expects to announce the annual results for the year ending 31 December 2023 in February 2024.

Copies of the results announcement can be obtained from the Secretary on 020 7743 3000 or at cosec@blackrock.com. The Annual Report should be available by the beginning of March 2024, with the Annual General Meeting being held in May 2024.

Independent review report

to BlackRock World Mining Trust plc

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed BlackRock World Mining Trust plc's condensed consolidated interim financial statements (the interim financial statements) in the Condensed Half Yearly Financial Report of BlackRock World Mining Trust plc for the 6 month period ended 30 June 2023 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK-adopted International Accounting Standard 34 Interim Financial Reporting and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Consolidated Statement of Financial Position as at 30 June 2023;
- the Consolidated Statement of Comprehensive Income for the period then ended;
- the Consolidated Statement of Changes in Equity for the period then ended;
- the Consolidated Cash Flow Statement for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Half Yearly Financial Report of BlackRock World Mining Trust plc have been prepared in accordance with UK-adopted International Accounting Standard 34 Interim Financial Reporting and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

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

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

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

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the Directors have inappropriately adopted the going concern basis of accounting or that the Directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the Directors

The Half Yearly Financial Report, including the interim financial statements, is the responsibility of, and has been approved by the Directors. The Directors are responsible for preparing the Half Yearly Financial Report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Half Yearly Financial Report, including the interim financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

PricewaterhouseCoopers LLP
Chartered Accountants
Edinburgh
24 August 2023

Management and other service providers

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

Alternative Investment Fund Manager[1]
BlackRock Fund Managers Limited[2]
12 Throgmorton Avenue
London EC2N 2DL

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

Depositary, Custodian, Banker and Fund Accountant
The Bank of New York Mellon (International) Limited[2]
160 Queen Victoria Street
London EC4V 4LA

Registrar
Computershare Investor Services PLC[2]
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Telephone: 0370 707 1187

Auditors
PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Stockbrokers
JPMorgan Cazenove Limited[2]
25 Bank Street
Canary Wharf
London E14 5JP

Winterflood Securities Limited[2]
The Atrium Building
Cannon Bridge
25 Dowgate Hill
London EC4R 2GA

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

1 BlackRock Fund Managers Limited (BFM) was appointed as the Alternative Investment Fund Manager on 2 July 2014. BlackRock Investment Management (UK) Limited continues to act as the Investment Manager under a delegation agreement with BFM.
2 Authorised and regulated by the Financial Conduct Authority.

Directors

David Cheyne
Chairman
Appointed 1 June 2012

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

Jane Lewis
Chair of the Management Engagement Committee
Appointed 28 April 2016

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

Judith Mosely
Senior Independent Director
Appointed 19 August 2014

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

Srinivasan Venkatakrishnan
Chairman of the Audit Committee
Appointed 1 August 2021

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

Charles (Chip) Goodyear
Appointed 24 August 2023
Chip Goodyear is currently the president of Goodyear Capital Corporation and Goodyear Investment Company and a director of several private companies. He is the chairman of the BHP Foundation and also a trustee of the National World War II Museum. He brings a wealth of relevant industry knowledge and experience having retired in October 2007 as the chief executive officer of BHP, the world's largest diversified resources company. He is also a former executive vice president and chief financial officer of Freeport-McMoRan and began his career at Kidder, Peabody & Co. where he participated in merger and acquisition and financing activities for natural resources companies.

Shareholder information

Financial calendar

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

February	Annual results announced.
March	Hard copies of Annual Report and Financial Statements published.
April/May	Annual General Meeting.
August	Half yearly figures announced and Condensed Half Yearly Financial Report published.

Quarterly dividends

Dividends will be paid quarterly as follows:

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

Payment of dividends

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

Dividend Reinvestment Scheme (DRIP)

Shareholders may request that their dividends be used to purchase further shares in the Company. Dividend reinvestment forms may be obtained from Computershare Investor Services PLC through their secure website www.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 15 September 2023.

Dividend tax allowance

The annual tax-free allowance on dividend income across an individual's entire share portfolio reduced to £1,000 from 6 April 2023 and will reduce again to £500 from 6 April 2024. Above this amount, individuals pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances.

The Company continues to provide registered shareholders with a 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 the shareholder's responsibility to include all dividend income when calculating any tax liability. If you have any tax queries, please contact a Financial Advisor.

Share price

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

ISIN/SEDOL NUMBERS

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

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

Share dealing

Investors wishing to purchase more shares in the Company or sell all or part of their existing holding may do so through a stockbroker. Most banks also offer this service. Alternatively, please go to www.computershare.com/dealing/uk for a range of dealing services.

CREST

The Company's shares may be held in CREST, an electronic system for uncertificated securities trading. Private investors can continue to retain their share certificates and remain outside the CREST system. Private investors are able to buy and sell their holdings in the same way as they did prior to the introduction of CREST, although there may be differences in dealing charges.

Risk factors

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

Electronic communications

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

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

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

Duration of the Company

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

Nominee code

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

- to provide the nominee company with multiple copies of shareholder communications, so long as an indication of quantities has been provided in advance; and
- to allow investors holding shares through a nominee company to attend general meetings, provided the correct authority from the nominee company is available.

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

Shareholder information

continued

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 www.blackrock.com/uk/brwm and through the Reuters News Service under the code 'BLRKINDEX', on page 8800 on Topic 3 (ICV terminals) and under 'BLRK' on Bloomberg (monthly information only).

Individual Savings Accounts (ISAs)

ISAs are a tax-efficient method of investment and the Company's shares are eligible investments for inclusion within stocks and shares Individual Savings Accounts. In the 2023/2024 tax year investors have an annual ISA allowance of £20,000 (2022/2023: £20,000) which can be invested in either cash or shares.

Online access

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

Shareholders can also manage their shareholding online by using Investor Centre, Computershare's secure website at www.investorcentre.co.uk. To access Computershare's website, you will need your shareholder reference number which can be found on paper or electronic communications you have previously received from Computershare. Listed below are the most frequently used features of the website.

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

Shareholder enquiries

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

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

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

General enquiries

Enquiries about the Company should be directed to:

The Secretary
BlackRock World Mining Trust plc
12 Throgmorton Avenue
London EC2N 2DL
Telephone: 020 7743 3000
Email: cosec@blackrock.com

Glossary

Alternative Performance Measure (APM)

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

Closed-end company

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

Discount and premium*

Investment trust shares can frequently trade at a discount to NAV. This occurs when the share price (based on the mid-market share price) is less than the NAV and investors may therefore buy shares at less than the value attributable to them by reference to the underlying assets. The discount is the difference between the share price and the NAV, expressed as a percentage of the NAV. As at 30 June 2023, the share price was 599.00p (30 June 2022: 573.00p; 31 December 2022: 697.00p) and the NAV was 612.72p (30 June 2022: 584.92p; 31 December 2022: 688.35p). Therefore, the discount was 2.2% (30 June 2022: 2.0%; 31 December 2022: premium of 1.3%) (please see note 8 of the financial statements on page 39 for the inputs to the calculation).

A premium occurs when the share price (based on the mid-market share price) is more than the NAV and investors would therefore be paying more than the value attributable to the shares by reference to the underlying assets. For example, if the share price was 610p and the NAV 600p, the premium would be 1.7%.

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

Gearing and borrowings

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

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

Net gearing calculation	**Page**	**30 June 2023 (unaudited) £'000**	**30 June 2022 (unaudited) £'000**	**31 December 2022 (audited) £'000**	
Net assets	32	1,171,418	1,099,462	1,299,285	(a)
Borrowings	32	150,234	177,450	158,783	(b)
Total assets (a + b)		1,321,652	1,276,912	1,458,068	(c)
Current assets[1]	32	46,755	60,956	41,539	(d)
Current liabilities (excluding borrowings)	32	(8,679)	(15,966)	(7,755)	(e)
Cash and cash equivalents (d + e)		38,076	44,990	33,784	(f)
Net gearing (g = (c – f – a)/a) (%)		**9.6**	**12.1**	**9.6**	**(g)**

[1] Includes cash at bank.

* Alternative Performance Measure.

Gross assets

Gross assets is defined as the total of the Group's net assets and borrowings.

Leverage

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

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

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

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

NAV and share price return (with dividends reinvested)*

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

NAV total return – Sterling	**Page**	**Six months to 30 June 2023 (unaudited)**	**Six months to 30 June 2022 (unaudited)**	**Year ended 31 December 2022 (audited)**	
Closing NAV per share (pence)	39	612.72	584.92	688.35	
Add back interim and final dividends (pence)	38	29.00	32.50	43.50	
Effect of dividend reinvestment (pence)		(2.11)	(5.83)	0.58	
Adjusted closing NAV (pence)		639.61	611.59	732.43	(a)
Opening NAV per share (pence)	39	688.35	622.21	622.21	(b)
NAV total return (c = ((a – b)/b)) (%)		**(7.1)**	**(1.7)**	**17.7**	**(c)**

Share price total return – Sterling	**Page**	**Six months to 30 June 2023 (unaudited)**	**Six months to 30 June 2022 (unaudited)**	**Year ended 31 December 2022 (audited)**	
Closing share price (pence)	39	599.00	573.00	697.00	
Add back interim and final dividends (pence)	38	29.00	32.50	43.50	
Effect of dividend reinvestment (pence)		(2.82)	(5.84)	1.75	
Adjusted closing share price (pence)		625.18	599.66	742.25	(a)
Opening share price (pence)	39	697.00	589.00	589.00	(b)
Share price total return (c = ((a – b)/b)) (%)		**(10.3)**	**1.8**	**26.0**	**(c)**

* Alternative Performance Measure.

Glossary
continued

Net asset value per share (cum income NAV)

This is the value of the Group's assets attributable to one ordinary share. It is calculated by dividing 'equity shareholders' funds' by the total number of ordinary shares in issue (excluding treasury shares). For example, as at 30 June 2023, equity shareholders' funds were worth £1,171,418,000 (30 June 2022: £1,099,462,000; 31 December 2022: £1,299,285,000) and there were 191,183,036 ordinary shares in issue (excluding treasury shares) (30 June 2022: 187,968,036 shares; 31 December 2022: 188,753,036 shares); therefore, the undiluted NAV was 612.72p per ordinary share (30 June 2022: 584.92p; 31 December 2022: 688.35p) (please see note 8 of the financial statements for the inputs to the calculations).

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

Net asset value per share (capital only NAV)*

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

As at 30 June 2023, equity shareholders' funds less the current year net revenue return (after interim dividends) amounted to £1,150,136,000 (30 June 2022: £1,072,564,000; 31 December 2022: £1,254,285,000) and there were 191,183,036 ordinary shares in issue (excluding treasury shares) (30 June 2022: 187,968,036; 31 December 2022: 188,753,036); therefore, the capital only NAV was 601.59p per ordinary share (30 June 2022: 570.61p; 31 December 2022: 664.51p).

Equity shareholders' funds (excluding current period revenue) of £1,150,136,000 (30 June 2022: £1,072,564,000; 31 December 2022: £1,254,285,000) are calculated by deducting from the Group's net assets of £1,171,418,000 (30 June 2022: £1,099,462,000; 31 December 2022: £1,299,285,000) its current period revenue of £31,767,000 (30 June 2022: £37,148,000; 31 December 2022: £76,013,000) and adding back the interim dividends paid from revenue of £10,485,000 (30 June 2022: £10,250,000; 31 December 2022: £31,013,000).

Ongoing charges ratio*

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

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

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

* Alternative Performance Measure.

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

Ongoing charges calculation on net assets	Page	31 December 2022 (audited) £'000	31 December 2021 (audited) £'000	
Management fee	36	10,646	9,230	
Other operating expenses[1]	37	1,092	1,034	
Total management fee and other operating expenses		11,738	10,264	(a)
Average daily net assets in the year		1,232,043	1,085,438	(b)
Ongoing charges on net assets (c = a/b) (%)		**0.95**	**0.95**	**(c)**

[1] Excluding prior year expenses of £55,000 written off during the year ended 31 December 2022 (31 December 2021: £nil).

Ongoing charges calculation on gross assets	Page	31 December 2022 (audited) £'000	31 December 2021 (audited) £'000	
Management fee	36	10,646	9,230	
Other operating expenses[1]	37	1,092	1,034	
Total management fee and other operating expenses		11,738	10,264	(a)
Average daily gross assets in the year		1,403,426	1,221,651	(b)
Ongoing charges on gross assets (c = a/b) (%)		**0.84**	**0.84**	**(c)**

[1] Excluding prior year expenses of £55,000 written off during the year ended 31 December 2022 (31 December 2021: £nil).

Options and options overwriting strategy

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

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

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

Physical metals

Metals such as copper, zinc and nickel.

* Alternative Performance Measure.

Glossary

continued

Quoted securities and unquoted investments

Securities that trade on an exchange for which there is a publicly quoted price. Unquoted securities are financial securities that do not trade on an exchange for which there is not a publicly quoted price.

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

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

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

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

Revenue profit and revenue reserves

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

Royalties

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

Treasury shares

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

Yield*

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

	Page	30 June 2023 (unaudited)	30 June 2022 (unaudited)	31 December 2022 (audited)	
Interim and final dividends paid/payable (pence)[1]	38	40.00	43.50	40.00	(a)
Ordinary share price (pence)	39	599.00	573.00	697.00	(b)
Yield (c = a/b) (%)		**6.7**	**7.6**	**5.7**	**(c)**

[1] Comprising dividends declared/paid for the twelve months to 30 June and 31 December.

* Alternative Performance Measure.

Share fraud warning

Be ScamSmart

FINANCIAL CONDUCT AUTHORITY

Investment scams are designed to look like genuine investments

Spot the warning signs

Have you been:

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

If so, you might have been contacted by fraudsters.

Avoid investment fraud

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

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

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

Report a scam

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

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

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

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

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