

From the Chairman

The March Quarter was another challenging period for commodity markets marred once again by extreme nervousness about the outlook for raw materials demand in an uncertain global economy.

The International Monetary Fund (IMF) now expects world output to contract by 1.3 per cent this year before a modest recovery of 1.9 per cent next year - still well below the 4 per cent growth rate it averaged over the past decade.

Although global spot prices for metals showed some signs of stabilising over the quarter, the emergence of deep recessions amongst major consumers like Japan, Europe and the US means that a return to the volume growth of the recent past is unlikely anytime soon. Global trade volumes, according to the IMF, are expected to fall 11 per cent in the coming year.

In this challenging environment, commodity producers have a careful balancing act to perform in ensuring that the production cuts of today are enough to offset demand weakness but are also balanced to provide the scope to meet any sudden upturn in demand in the future.

It is the same tough ask for commodity investors: to select stocks that will best position them for the challenges ahead yet equip them for a recovery when it inevitably comes.

Faced with uncertainty as to when demand might recover, our preference remains for defensive stocks with the ability to ride out current conditions and, importantly grow with the cycle as it recovers.

GMI's portfolio remains focused on companies with these long-term credentials. Companies with long life and low cost assets, that are relatively insulated against short term price shocks and without the strains of heavy near term capital expenditure.

These preferences ensured GMI's portfolio saw strong relative performance in the first three months of the year with the GMI portfolio outperforming the benchmark HSBC Global Mining Index by 3.1 per cent over the period.

Despite the obvious challenges, there have been reasons for cautious optimism, particularly in China.

Recent economic figures suggest China's economy is responding well to the government's massive stimulus efforts with factory output recovering in March, up 8.3 per cent, and passenger vehicles and property sales also improving, up 10 per cent and 36 per cent respectively in March versus a year-ago.

Analysts have also noted new loans in China more than tripled to a record 4.58 trillion yuan in the March quarter in the wake of the government's decision to remove lending restrictions.

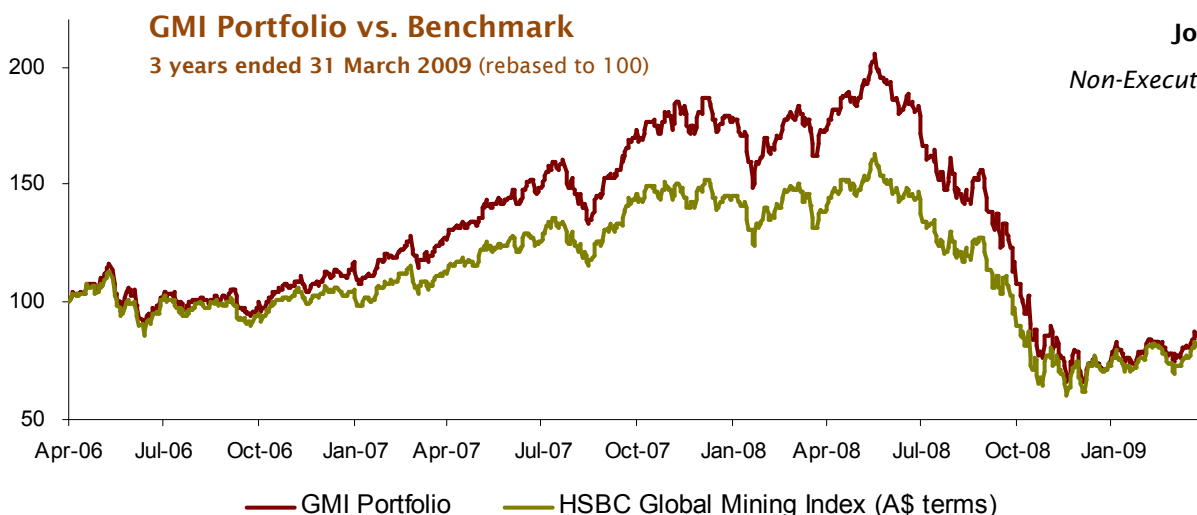
Chinese companies have also been active in taking advantage of historically low metal prices by either purchasing commodities directly or acquiring assets in equity markets (as with Minmetals successful revised \$1.2 billion bid for Australian based Oz Minerals).

On a broader scale, the International Monetary Fund's *World Economic Outlook* observed that - while the global economy contracted at a steep rate of around 6.25 per cent on an annual basis in the first-quarter - it also noted some early signs the downward spiral was slowing.

The scale of this crisis and its complexities makes it impossible for any definitive view as to when demand might recover and normalcy return, but GMI's portfolio of world-class assets gives us confidence we are relatively well-positioned for the challenges and opportunities ahead.

John Robinson

Non-Executive Chairman



March Quarter Summary

- Amid continuing volatility on global markets, the GMI portfolio rose 12.5 per cent in the March Quarter, outperforming the benchmark HSBC Global Mining Index (A\$), which rose 9.4 per cent over the same period.
- GMI's portfolio contracted 51.5 per cent in value in the year to 31 March 2009 against a 42.3 per cent decline in the benchmark HSBC Global Mining Index (A\$).
- On a longer term basis the portfolio continues to outperform the index. Over the past 3 years, on an annualised basis, it has outperformed by 1.5% having contracted 5.7% against a 7.2% decline in the benchmark index.
- China's output slowed to an annual rate of 6.1 per cent in the March quarter, according to the IMF, and is forecast to expand 6.5 per cent in 2009 and 7.5 per cent in 2010.
- As of 31 March 2009, 94.4 per cent of the portfolio was invested in metal and mining stocks with 5.6 per cent held in cash.
- GMI's Net Tangible Assets (NTA) rose 12.9 per cent over the Quarter to \$0.96 after allowing for tax on unrealised gains and losses.
- GMI's share price over the March Quarter rose by 17.6 per cent to \$0.87, up from \$0.74 as at 31 December 2008 resulting in a narrowing of the discount to NTA by Quarter end.

Portfolio Performance

Improved performance was reflected in a rise in Net Tangible Assets of 12.9 per cent over the three months ended 31 March 2009. The benchmark HSBC Global Mining Index (A\$), rose 9.4 per cent over the same period.

Holdings such as Peruvian precious metals giant Minas Buenaventura and Impala Platinum were among the strong contributors to performance over the Quarter. Another stand-out performer was our holding in Canadian diversified miner, First Quantum, which gained 101.7 per cent over the Quarter helped by a positive market update and some positive guidance for the year ahead.

Large gold producers continue to be well represented in our portfolio, affording us a strong suite of defensive assets with solid leverage to the positive upward trend for gold prices. Gold holdings, dominated by large producers such as Newcrest and GV Gold, now represent 23.2 per cent of the portfolio, up from 20 per cent as at 31 December 2008.

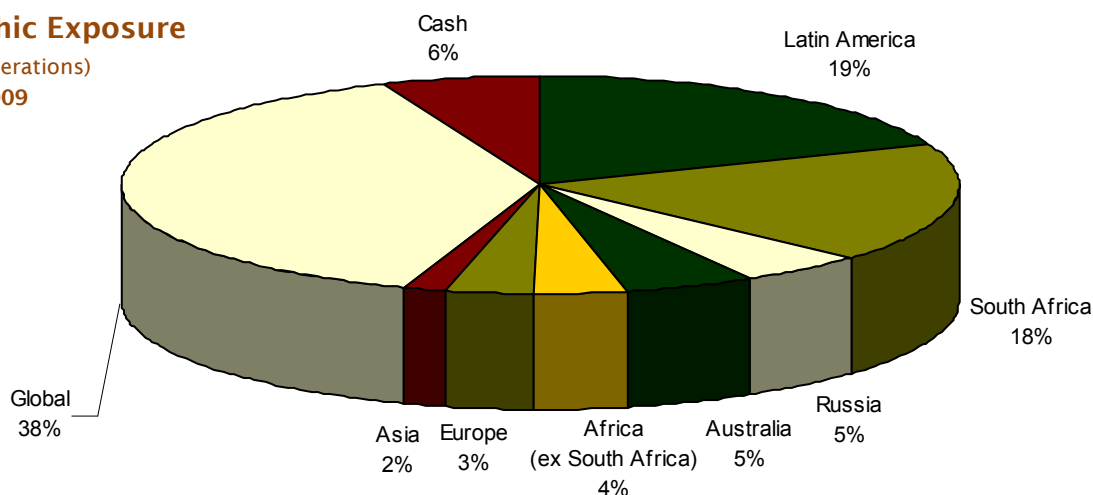
Our view is that investment demand for gold, a key determinant of prices, will remain strong while concerns remain about the global economic outlook and the potential for inflationary consequences to flow from the massive fiscal stimulus initiatives.

Gold producers are generally less leveraged to the global economic downturn, making them a compelling choice in volatile times and they are generally resilient in the face of deteriorating demand conditions for base metal and bulk commodities.

We also continue to hold significant exposure to large, diversified miners which currently represent the single largest portion of our portfolio at 39.8 per cent. In this sector our priorities continue to be large diversified miners with long-life assets designed for any stage of the commodities cycle.

Geographic Exposure

(based on operations)
31 March 2009



Commodity Snapshot

While it is not possible to have a clear view of the short-term outlook for commodity prices it is evident that some parts of the market are shaping up to be more resilient than others.

Gold producers have enjoyed relative immunity from the earnings fallout seen in base and bulk commodity exporters as gold prices spiralled to over the US\$1000 an ounce mark in February buoyed by strong 'safe-haven' investment buying.

While some risk appetite returned in the latter part of the Quarter with stocks recovering from their lows, investor preference for gold as a safe-haven asset is expected to remain strong.

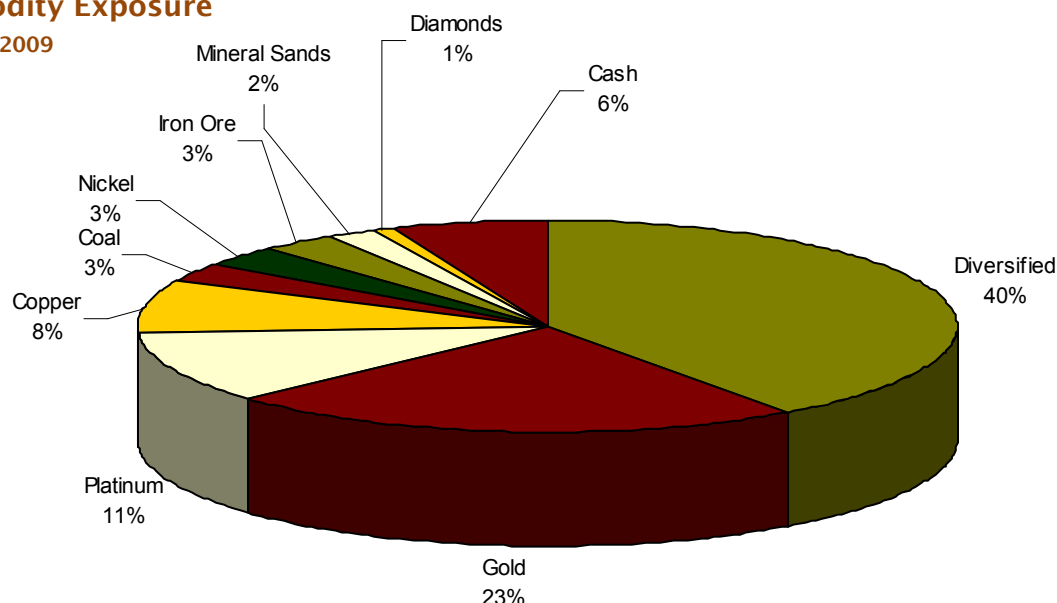
Base metals rallied relatively strongly in the early months of the year driven mainly by copper which rose from a low of US\$2,845 a tonne in December 2008 to an intraday high of US\$4,925 a tonne in mid-April.

Copper's price spike was linked to the restocking of strategic reserves by the Chinese State Reserve Bureau along with some speculative investment buying though the same out-performance hasn't been seen in the remainder of the bourse.

Large scale Chinese buying of aluminium and zinc also helped prices over the Quarter although these transactions are not seen as driven by any sustained improvement in demand fundamentals. In general, base metal prices are expected to remain subdued in the absence of a clearer outlook for short-term demand.

Commodity Exposure

31 March 2009



Outlook

- Considerable uncertainty remains around the outlook for base metal and bulk commodity demand. Uncertain conditions should continue to favour large diversified miners with long-life assets and greater flexibility to ride out, or grow, through the cycle.
- The larger gold producers should continue to benefit from investment demand for bullion while concerns remain about the global economic outlook and potential inflationary consequences of massive fiscal stimuli initiatives.
- The supply reaction by major producers - including the rate of investment in new capacity and closure of high-cost capacity - will prove crucial to any recovery in the near-to-long term.
- While demand growth is expected to pick up in emerging nations, including China and India, a recovery to previous healthy levels will also depend upon a pick-up in the US and Europe.

About Global Mining Investments

Global Mining Investments is one of the largest listed global mining investment vehicles in the Australian market. GMI provides exclusive exposure for Australian shareholders through a single listed entity to a global portfolio of metal and mining equity investments managed by the London-based natural resources team from BlackRock. The portfolio provides access to high quality mining equities with a diversified geographic and commodity exposure, in addition to exclusive access to the highly credentialed investment team at BlackRock.

The BlackRock natural resources investment group is London based and manages the world's largest mining mutual fund with some US\$30billion invested in international mining stocks. As GMI's Investment Manager, BlackRock provides unique investment exposure backed by strong analytical skills and ready access to new investment opportunities.

The portfolio comprises around 50 metal and mining stocks listed on Australian and international stock exchanges. It goes well beyond holdings in BHP and Rio to include positions in other major international mining companies, providing exposure to the world's largest iron ore, nickel and platinum producers, as well as the largest exporters of thermal and metallurgical coal.

The breadth and diversity of GMI's investment portfolio is illustrated by the charts on the previous two pages, and the top 20 holdings as at the end of March as listed below.

For further information, visit our website:
www.globalmining.com.au
or phone (03) 9235 1700

GMI Investment Portfolio - Top 20 Holdings

as at 31 March 2009

Company	% of GMI	Listed	Location	Commodity
BHP Billiton Limited	12.9	ASX / LSE	Global	Diversified
Vale	11.9	NYSE	Brazil	Diversified
Impala Platinum Holdings Ltd	8.0	JSE	South Africa	Platinum
Rio Tinto	6.3	LSE	Global	Diversified
Newcrest Mining	5.4	ASX	Australia	Gold
African Rainbow Minerals	4.4	JSE	South Africa	Gold
Minas Buenaventura	4.0	NYSE	Latin America	Gold
GV Gold	3.4	Unlisted	Russia	Gold
Xstrata Plc	3.0	LSE	Global	Diversified
First Quantum	2.6	TSX	Africa	Copper
Eramet Sln	2.5	BDP	Europe	Nickel
Freeport McMoran	2.2	NYSE	Global	Copper
Anglo American Plc	1.9	LSE	Global	Diversified
Northam Platinum	1.8	JSE	South Africa	Platinum
Sociedad Minera	1.8	BVL	Latin America	Copper
Iluka Resources	1.6	ASX	Australia	Mineral Sands
Eurasian Natural Resources	1.5	LSE	Asia	Diversified
Aquila Resources	1.4	ASX	Australia	Coal
Kumba Iron Ore	1.4	JSE	South Africa	Iron Ore
Equinox Minerals	1.2	TSX	Global	Copper
	79.2			

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