

# **Global Mining Investments Limited**

## **ASX Half-year report - 31 December 2011**

Lodged with the ASX under Listing Rule 4.2A.3.

This information should be read in conjunction with the 30 June 2011 annual financial statements

### **Contents**

Results for announcement to the market (Appendix 4D, items 2, 3, 5 and 6)  
Half-year report (ASX Listing Rule 4.2A1)

## Results for announcement to the market

				Current period \$'000
<b>Total income</b> from ordinary activities (Appendix 4D item 2.1)	down	147.3%	to	(2,455)
<b>Profit/(loss)</b> from ordinary activities after tax attributable to owners of the Company (Appendix 4D item 2.2)	down	1,321.8%	to	(3,455)
<b>Net profit/(loss)</b> for the period attributable to owners of the Company (Appendix 4D item 2.3)	down	1,321.8%	to	(3,455)

<b>Dividends</b> (Appendix 4D item 2.4)	2011 (cents)	2010 (cents)
Interim dividend	-	2.00
Final dividend paid (prior year)	4.00	4.00

<b>Net Tangible Asset (NTA) Backing</b> (Appendix 4D item 3)	31 December 2011 \$	31 December 2010 \$
Net tangible asset backing per ordinary share (before tax on unrealised gains or losses)	1.15	1.64
Net tangible asset backing per ordinary share (after tax on unrealised gains or losses)	1.15	1.52

The net tangible asset backing per ordinary share is calculated in accordance with ASX listing rule 4.12.

### Explanation of Results

Following the adoption of *AASB9 Financial Instruments*, from 7 December 2009 gains and losses on GMI's investment portfolio are recorded in two different areas of the statement of comprehensive income. Unrealised and realised gains/(losses) from fixed interest and convertible notes are recorded through profit or loss whereas unrealised and realised gains/(losses) from equity investments are now recorded in other comprehensive income.

### Explanation of income (Appendix 4D item 2.6)

Total income for the half-year to 31 December 2011 ("the reporting period") was a loss of \$2,455,000, a decrease of 147.3% over the last corresponding reporting period. The decrease in income was primarily due to unrealised losses on fixed income and convertible notes. Income from interest and dividends increased during the reporting period ended 31 December 2011 as compared to the prior reporting period.

### Explanation of profit/(loss) from ordinary activities after tax and net profit/(loss) after tax attributable to owners of the Company (Appendix 4D item 2.6)

The current reporting period loss after tax is \$3,455,000, a decrease of 1,321.8% from the prior reporting period. The decrease is primarily due to unrealised losses on fixed income and convertible notes. Income from interest and dividends increased during the reporting period ended 31 December 2011 as compared with the prior reporting period. There has also been a decrease in performance and management fees payable as compared to the prior reporting period.

### Explanation of other comprehensive income

Other comprehensive income for the reporting period is a loss of \$34,626,000, a decrease of 174.4% from the prior reporting period. The loss is primarily due to the decrease in the value of equity investments during the reporting period to 31 December 2011 resulting in an unrealised net loss for the reporting period.

**Results for announcement to the market (continued)**

**Additional dividend information** *(Appendix 4D item 5)*

An interim dividend in respect of the half-year ended 31 December 2011 has not been declared

A final dividend in respect of the full year ended 30 June 2011 of 4 cents per share fully franked was paid on 7 October 2011. The total amount paid was \$7,395,782.

**Dividend reinvestment plan** *(Appendix 4D item 6)*

The Company's Dividend Reinvestment Plan ("DRP") is currently suspended.

# **Global Mining Investments Limited**

ABN 31 107 772 467

## **Interim financial statements for the half-year ended 31 December 2011**

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## Directors' report

The directors of Global Mining Investments Limited ("the Company") present their report together with the financial statements of the Company for the half-year ended 31 December 2011 ("the reporting period").

Global Mining Investments Limited is a company limited by shares and is incorporated in Australia.

### Directors

The following persons were directors of the Company during the reporting period and up to the date of this report:

John Robinson (Chairman and Non-Executive director);  
 Lewis Bell (Non-Executive director); and  
 Lynette Gearing (Non-Executive director).

### Principal activities

The principal activity of the Company is to invest in the metal and mining sectors of global equity markets. The Company is managed locally by Bell Asset Management Limited. The highly credentialed natural resources team of BlackRock Investment Management (UK) Limited is the Investment Manager of the Company. There were no significant changes in the nature of the Company's activities during the reporting period.

### Review and results of operations

During the reporting period, the Company continued to invest funds in accordance with the governing documents of the Company.

The Company reported a net loss after tax for the reporting period of \$3,455,000 (2010: \$243,000 loss). Dividend and interest income for the reporting period was 40.2% higher than the corresponding period at \$4.414 million and total expenses were 49.0% lower than the corresponding reporting period at \$2.817million. These positive factors were more than offset by a 445.1% combined increase in net unrealised losses on fixed income and convertible note investments which recorded a loss of \$6.088 million and net losses on currency movements of \$0.953 million.

Other comprehensive income, representing after tax unrealised and realised movements in the value of the equities portfolio resulted in a net loss for the reporting period of (\$34,626,000) (2010: \$46,523,000 gain). The majority of this after tax loss was represented by unrealised market value adjustments resulting from the general decline in global equity markets over the period. The net realised loss from the disposal of equity investments for the reporting period was (\$524,000) (2010: \$7,292,000 gain).

The Net Tangible Assets (NTA) per share after tax on unrealised gains/(losses) as at 31 December 2011 was \$1.15 (2010: \$1.52) and before tax on unrealised gains/(losses) was \$1.15 (2010: \$1.64).

Recent NTA per share figures since 31 December 2011 that have been announced by the Company are:

	NTA Before Tax on unrealised gains/(losses)	NTA After Tax on unrealised gains/(losses)
31 January 2012	\$1.26	\$1.24
10 February 2012	\$1.26	\$1.23

Significant factors impacting on performance to 31 December 2011 were:

- a broad decline in global equity markets primarily resulting from concerns over European sovereign debt levels and the possible contagion of global economic activity, coupled with protracted weakness in the US economy
- a stronger Australian dollar relative to other major currencies

In line with the difficult investment environment over the reporting period, GMI's NTA before tax performance recorded a fall of 19.6% for the six months to 31 December 2011, however this compared favourably against the benchmark HSBC Global Mining Index which fell 21.3%, representing outperformance of 1.7%.

### **Dividends**

Directors have not declared a dividend at the half year point despite an improving portfolio performance since the beginning of calendar 2012. Federal government changes to the Corporations Act in June 2010 were intended to provide companies with greater flexibility. Unfortunately it has led to significant accounting and tax issues which have been compounded by indications from the Australian Taxation Office in respect of the validity of franking credits. Companies and the accounting profession have been urging the government to resolve this uncertainty. This issue is exacerbated in GMI's situation because of the limited availability of retained earnings at the half-year.

Directors have sought external advice on the matter and based upon the advice received have decided to defer a dividend decision until after the close of the financial year.

### **On-Market Buyback**

On 25 March 2011 the Company announced that it would continue its on market buy back facility. Under the terms of this buy back the Company is permitted to buy back 18.5 million shares over the 12 months commencing 8 April 2011. As at 31 December 2011 the Company has bought back 2,530,986 shares under the current buy back.

The Company last bought back shares under the existing buy-back facility on 17 January 2012.

### **Events occurring after the reporting period**

Except as disclosed in note 8 in the financial statements, no other matter or circumstance has arisen since 31 December 2011 that has significantly affected, or may significantly affect:

- (a) the Company's operations in future reporting periods, or
- (b) the results of those operations in future reporting periods, or
- (c) the Company's state of affairs in future reporting periods.

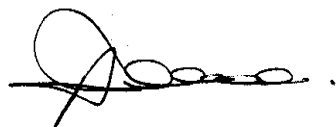
### **Rounding of amounts**

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' report and financial statements. Amounts in the directors' report and financial statements have been rounded off to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

### **Auditor's independence declaration**

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.

This report is made in accordance with a resolution of directors.

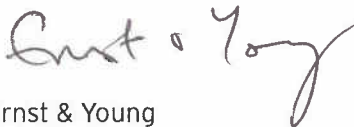


John Robinson  
Non-Executive Chairman

Melbourne  
17 February 2012

## Auditor's Independence Declaration to the Directors of Global Mining Investments Limited

In relation to our review of the financial report of Global Mining Investments Limited for the half-year ended 31 December 2011, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script, likely belonging to Denis Thorn.

Denis Thorn  
Partner  
17 February 2012



## Statement of comprehensive income

	For the reporting period ended	
	31 December 2011 \$'000	31 December 2010 \$'000
<b>Revenue</b>		
Interest income	799	635
Dividend income	<u>3,615</u>	<u>2,514</u>
<b>Total revenue</b>	<b>4,414</b>	<b>3,149</b>
Net unrealised gains/(losses) on investments at fair value through profit or loss	(6,088)	(1,778)
Net gains/(losses) on foreign currency transactions	(953)	3,818
Other income	<u>172</u>	<u>-</u>
<b>Total income/(loss)</b>	<b>(2,455)</b>	<b>5,189</b>
<b>Expenses</b>		
Management fees	1,345	1,774
Performance fees	678	2,937
Directors' fees	115	130
Audit and taxation fees	21	18
Interest expense	146	134
Service agreement fee	161	159
Withholding tax	80	103
Other expenses	<u>271</u>	<u>273</u>
<b>Total expenses</b>	<b>2,817</b>	<b>5,528</b>
<b>Profit/(loss) before income tax</b>	<b>(5,272)</b>	<b>(339)</b>
Income tax expense/(benefit)	<u>(1,817)</u>	<u>(96)</u>
<b>Profit/(loss) after income tax attributable to the owners of the Company</b>	<b>(3,455)</b>	<b>(243)</b>
<b>Other comprehensive income</b>		
Net unrealised gains/(losses) on investments at fair value through other comprehensive income	(48,717)	56,044
Income tax relating to net unrealised gains/(losses) on investments at fair value through other comprehensive income	14,615	(16,813)
Net realised gains/(losses) on investments at fair value through other comprehensive income	(749)	10,417
Income tax relating to net realised gains/(losses) on investments at fair value through other comprehensive income	<u>225</u>	<u>(3,125)</u>
<b>Total other comprehensive income for the reporting period attributable to the owners of the Company</b>	<b>(34,626)</b>	<b>46,523</b>
<b>Total comprehensive income for the reporting period attributable to the owners of the Company</b>	<b>(38,081)</b>	<b>46,280</b>
	<b>Cents</b>	<b>Cents</b>
<b>Earnings/(losses) per share for profit/(loss) after income tax attributable to the owners of the ordinary shares of the Company:</b>		
Basic and diluted earnings/(loss) per share	(1.87)	(0.13)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

## Statement of financial position

	Notes	As at	
		31 December 2011 \$'000	30 June 2011 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		3,247	180
Receivables		<u>637</u>	<u>741</u>
Total current assets		<u>3,884</u>	<u>921</u>
<b>Non-current assets</b>			
Investments	4	215,356	294,470
Deferred tax assets		<u>2,532</u>	<u>-</u>
Total non-current assets		<u>217,888</u>	<u>294,470</u>
<b>Total assets</b>		<u>221,772</u>	<u>295,391</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables		1,611	5,507
Bank overdraft	3	7,726	15,341
Foreign exchange contracts		<u>-</u>	<u>2</u>
Total current liabilities		<u>9,337</u>	<u>20,850</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		<u>-</u>	<u>14,125</u>
Total non-current liabilities		<u>-</u>	<u>14,125</u>
<b>Total liabilities</b>		<u>9,337</u>	<u>34,975</u>
<b>Net assets</b>		<u>212,435</u>	<u>260,416</u>
<b>Equity</b>			
Contributed equity	5	211,611	214,115
Accumulated other comprehensive income		4,257	38,359
Retained profits/(accumulated losses)		<u>(3,433)</u>	<u>7,942</u>
<b>Total equity attributable to the owners of the Company</b>		<u>212,435</u>	<u>260,416</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

Global Mining Investments Limited  
Statement of changes in equity  
For the reporting period ended 31 December 2011

Statement of changes in equity

	Contributed equity \$'000	Accumulated other comprehensive income \$'000	Retained profits/ (accumulated losses) \$'000	Total equity \$'000
<b>Balance at 1 July 2011</b>	214,115	38,359	7,942	260,416
Profit/(loss) for the reporting period attributable to the owners of the Company	-	-	(3,455)	(3,455)
<b>Other comprehensive income:</b>				
Net unrealised gains/(losses) on investments at fair value through other comprehensive income	-	(48,717)	-	(48,717)
Income tax relating to unrealised gains/(losses) on investments at fair value through other comprehensive income	-	14,615	-	14,615
Net realised gains/(losses) on investments at fair value through other comprehensive income	-	(749)	-	(749)
Income tax relating to net realised gains/(losses) on investments through other comprehensive income	-	225	-	225
	-	(34,626)	-	(34,626)
<b>Total other comprehensive income</b>				
<b>Total comprehensive income for the reporting period attributable to the owners of the Company</b>	<b>-</b>	<b>(34,626)</b>	<b>(3,455)</b>	<b>(38,081)</b>
<b>Transfer of realised other comprehensive income (net of tax) to retained profits</b>	<b>-</b>	<b>524</b>	<b>(524)</b>	<b>-</b>
<b>Transactions with owners in their capacity as owners:</b>				
On market share buy-back	(2,504)	-	-	(2,504)
Dividends provided for or paid	-	-	(7,396)	(7,396)
<b>Balance at 31 December 2011</b>	<b>211,611</b>	<b>4,257</b>	<b>(3,433)</b>	<b>212,435</b>
<b>Balance at 1 July 2010</b>	217,390	36,656	(8,462)	245,584
Profit/(loss) for the reporting period attributable to the owners of the Company	-	-	(243)	(243)
<b>Other comprehensive income:</b>				
Net unrealised gains/(losses) on investments at fair value through other comprehensive income	-	56,044	-	56,044
Income tax relating to unrealised gains/(losses) on investments at fair value through other comprehensive income	-	(16,813)	-	(16,813)
Net realised gains/(losses) on investments at fair value through other comprehensive income	-	10,417	-	10,417
Income tax relating to net realised gains/(losses) on investments through other comprehensive income	-	(3,125)	-	(3,125)
	-	46,523	-	46,523
<b>Total other comprehensive income</b>				
<b>Total comprehensive income for the reporting period attributable to the owners of the Company</b>	<b>-</b>	<b>46,523</b>	<b>(243)</b>	<b>46,280</b>
<b>Transfer of realised other comprehensive income (net of tax) to retained profits</b>	<b>-</b>	<b>(15,398)</b>	<b>15,398</b>	<b>-</b>
<b>Transactions with owners in their capacity as owners:</b>				
On market share buy-back	(3,275)	-	-	(3,275)
Dividends provided for or paid	-	-	(7,396)	(7,396)
<b>Balance at 31 December 2010</b>	<b>214,115</b>	<b>67,781</b>	<b>(703)</b>	<b>281,193</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

**Statement of cash flows**

	For the reporting period ended	
	31 December 2011 \$'000	31 December 2010 \$'000
<b><i>Cash flows from operating activities</i></b>		
Dividends received	3,517	2,584
Other income received	172	14
Interest received	476	267
Management and performance fees paid	(5,483)	(2,809)
Payment of other expenses	(816)	(797)
<b>Net cash (outflow)/inflow from operating activities</b>	<b><u>(2,134)</u></b>	<b><u>(741)</u></b>
<b><i>Cash flows from investing activities</i></b>		
Proceeds from sale of investments	46,781	32,410
Payments for purchase of investments	(23,293)	(22,697)
<b>Net cash (outflow)/inflow from investing activities</b>	<b><u>23,488</u></b>	<b><u>9,713</u></b>
<b><i>Cash flows from financing activities</i></b>		
Payments for share buyback	(2,504)	(3,276)
Dividends paid	(7,396)	(7,396)
<b>Net cash (outflow)/inflow from financing activities</b>	<b><u>(9,900)</u></b>	<b><u>(10,672)</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>11,454</b>	<b>(1,700)</b>
Cash and cash equivalents at the beginning of the reporting period	(15,161)	(18,746)
Effects of foreign currency exchange rate changes on cash and cash equivalents	(772)	2,248
<b>Cash and cash equivalents at end of the reporting period</b>	<b><u>(4,479)</u></b>	<b><u>(18,198)</u></b>

The above statement of cash flows should be read in conjunction with the accompanying notes.

## 1 Summary of significant accounting policies

### Basis of preparation

These general purpose financial statements for the interim half-year ended 31 December 2011 ("the reporting period") have been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting*.

These interim financial statements do not include all the notes of the type normally included in a set of annual financial statements. Accordingly, these statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2011 and any public announcements made by Global Mining Investments Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and Australian Stock Exchange Listing Rules.

The accounting policies adopted are consistent with those of the previous annual reporting period, unless otherwise stated.

### Realised gains / losses on equity investments

GMI changed the accounting treatment on realised gains/losses on equity investments during the half-year ended 31 December 2010. Any gains/losses arising on the derecognition of equity investments are included in the statement of comprehensive income in the reporting period the asset is derecognised as a realised gain or loss. The accumulated balance of realised gains or losses (net of tax) is then transferred from accumulated other comprehensive income to retained profits/(accumulated losses).

As at 31 December 2011 (\$524,000) of realised losses on equity investments (net of tax) were transferred from accumulated other comprehensive income to retained profits/(accumulated losses).

As at 31 December 2010, \$15,398,000 of realised gains on equity investments (net of tax) were transferred from accumulated other comprehensive income to retained profits/(accumulated losses). The amount transferred comprised \$8,106,000 being the realised component of accumulated other comprehensive income as at 30 June 2010, and a further \$7,292,000 which arose during the reporting period ended 31 December 2010.

### Compliance with International Financial Reporting Standards

Compliance with AASB 134 ensures that the interim financial statements of the Company, comprising the financial statements and notes thereto, complies with International Accounting Standard IAS 34 *Interim Financial Reporting*.

The financial statements were authorised for issue by the directors on 17 February 2012. The directors of the Company have the power to amend and reissue the financial statements.

## 2 Dividends

For the reporting period ended	
31 December 2011	31 December 2010
\$'000	\$'000

### (a) Recognised amounts - Dividends declared and paid during the reporting period

Final franked dividend for 30 June 2011: 4 cents per share (2010: 4 cents)	7,396	7,396
	7,396	7,396

The tax rate at which paid dividends have been franked is 30% (2010: 30%)

### (b) Dividends proposed (but not recognised as a liability as at 31 December)

Interim fully franked dividend for 2011: 0 cents (2010: 2 cents)	-	3,698
	-	3,698

Dividends proposed are franked at the rate of 30% (2010: 30%)

### 3 Borrowing facilities

As at	
31 December 2011 \$'000	30 June 2011 \$'000

The Company had access to the following borrowing facilities:

Overdraft facility (Bank of New York Mellon (International) Ltd)	7,726	15,341
- Used as at the reporting date	<u>32,274</u>	<u>24,659</u>
- Unused as at the reporting date	<u>40,000</u>	<u>40,000</u>

The overdraft facility enables the Investment Manager to gear the portfolio as permitted under the Investment Management Agreement.

### 4 Investments

As at	
31 December 2011 \$'000	30 June 2011 \$'000

#### At fair value through other comprehensive income

Listed investments	175,701	249,400
Unlisted investments	<u>10,685</u>	<u>7,460</u>
	<u>186,386</u>	<u>256,860</u>

#### At fair value through profit or loss

Convertible notes	22,605	31,464
Fixed interest securities	<u>6,365</u>	<u>6,146</u>
	<u>28,970</u>	<u>37,610</u>

#### Total investments

	<u>215,356</u>	<u>294,470</u>
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## 5 Equity securities issued

	Reporting period ended		Reporting period ended	
	31 December 2011 \$'000	31 December 2011 No '000	31 December 2010 \$'000	31 December 2010 No '000
	<b><i>Movement in shares on issue</i></b>			
Opening balance	214,115	184,895	217,390	187,687
Share buy-back	<b>(2,504)</b>	<b>(2,531)</b>	(3,275)	(2,792)
<b>Closing balance</b>	<b>211,611</b>	<b>182,364</b>	214,115	184,895

## 6 Operating segment information

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources is Bell Asset Management Limited, the Manager of the Company. Bell Asset Management Limited has outsourced the investment management of the portfolio to BlackRock Investment Management (UK) Limited. The Company operates as a listed investment company in Australia and has no reportable business or geographic segments.

The internal reporting provided to management is prepared on a consistent basis with the measurement and recognition principles of Australian Accounting Standards. There were no changes in the reportable segments during the reporting period.

Under the investment management of BlackRock Investment Management (UK) Limited, the Company invests in a global portfolio of over fifty metal and mining stocks. The Manager regularly reviews reports on the geographical locations and commodity sector in which the investments operate.

## 6 Operating segment information (continued)

### Investments by commodity sectors

The Company is domiciled and incorporated in Australia. The Company's principal activity is to invest in the metal and mining sectors of global equity markets. Details of these investments by commodity sector are disclosed in the table below:

	As at 31 December 2011		As at 30 June 2011	
	% of total investments	\$'000	% of total investments	\$'000
Diversified	44.7	93,193	52.6	147,006
Gold	22.3	46,380	16.1	44,970
Copper	17.0	35,280	16.1	44,958
Iron ore	9.6	19,874	6.8	19,036
Coal	5.1	10,605	6.7	18,643
Platinum	2.4	5,001	3.3	9,104
Mineral Sands	1.5	3,049	1.1	3,128
Zinc	0.3	711	0.5	1,530
Silver	0.3	640	-	-
Tin	0.2	317	-	-
Diamonds	0.1	223	1.2	3,476
Manganese	-	83	-	-
Nickel	-	-	0.4	1,164
Aluminium	-	-	0.4	1,133
Uranium	-	-	0.1	338
Cash and outstandings	(3.5)	(7,256)	(5.3)	(15,099)
<b>Total</b>	<b>100.0</b>	<b>208,100</b>	<b>100.0</b>	<b>279,387</b>

### Investments by geographical sectors

The Company is domiciled, and incorporated in Australia. Details of investments by geographical location based on the operation of investments are disclosed in table below:

	As at 31 December 2011		As at 30 June 2011	
	% of total investments	\$'000	% of total investments	\$'000
Global	46.8	97,323	46.5	129,911
Africa (ex South Africa)	11.0	22,808	9.7	27,204
Australia	9.9	20,619	12.9	36,140
Latin America	9.3	19,352	6.5	18,295
North America	8.6	17,873	11.3	31,526
South Africa	7.5	15,698	9.4	26,359
Russia	6.5	13,556	3.7	10,423
Asia	3.3	6,826	3.7	10,203
Middle East	0.6	1,301	-	-
Europe	-	-	1.6	4,425
Cash and outstandings	(3.5)	(7,256)	(5.3)	(15,099)
<b>Total</b>	<b>100.0</b>	<b>208,100</b>	<b>100.0</b>	<b>279,387</b>



## 7 Transfers between fair value hierarchy levels

### Fair value hierarchy

The Company is required to classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

<b>Level 1</b>	Value by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities;
<b>Level 2</b>	Value by reference to inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
<b>Level 3</b>	Value by reference to inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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 in its entirety.

The transfers between the levels of the fair value hierarchy used in the measurement of the fair value of financial instruments as at the reporting date are shown below:

As at 31 December 2011	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Transfers between levels 1 and 2:</b>			
Convertible notes	-	-	-
<b>Transfers into/(out of) level 3:</b>			
Listed equities	-	-	-
<b>Total increase/(decrease)</b>	<u>-</u>	<u>-</u>	<u>-</u>
As at 30 June 2011	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Transfers between levels 1 and 2:</b>			
Convertible notes	(9,478)	9,478	-
<b>Transfers into/(out of) level 3:</b>			
Listed equities	2,962	-	(2,962)
<b>Total increase/(decrease)</b>	<u>(6,516)</u>	<u>9,478</u>	<u>(2,962)</u>

## 8 Events occurring after the reporting period

No significant events have occurred since the reporting period which would impact on the financial position of the Company disclosed in the statement of financial position as at 31 December 2011 or on the results and cash flows of the Company for the reporting period ended on that date.

## 9 Contingent assets, liabilities and commitments

There are no outstanding contingent assets, contingent liabilities or commitments as at 31 December 2011 and 30 June 2011.

## **Directors' declaration**

In the directors' opinion:

- (a) the financial statements and notes set out on pages 8 to 16 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standards as it relates to AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001*; and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Company's financial position as at 31 December 2011 and of its performance for the reporting period ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



John Robinson  
Non-Executive Chairman

Melbourne  
17 February 2012

To the members of Global Mining Investments Limited

## Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Global Mining Investments Limited which comprises the statement of financial position as at 31 December 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration.

### Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Global Mining Investments Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report 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 Australian Auditing Standards 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.

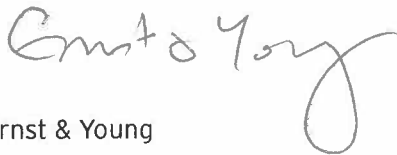
### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration.

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Global Mining Investments Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the company's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script, likely belonging to Denis Thorn.

Denis Thorn  
Partner  
Melbourne  
17 February 2012

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## Company particulars

### Registered Office

Level 20, 101 Collins Street  
Melbourne Victoria 3000  
Telephone 03 8637 6050  
[www.globalmining.com.au](http://www.globalmining.com.au)  
[info@globalmining.com.au](mailto:info@globalmining.com.au)

### Manager

Bell Asset Management Limited  
Level 20, 101 Collins Street  
Melbourne Victoria 3000  
Telephone 1300 305 476

### Investment Manager

BlackRock Investment Management (UK) Limited  
12 Throgmorton Avenue  
London EC2NDL

### Directors

John Robinson (Chairman and Non-Executive director)  
Lewis Bell (Non-Executive director)  
Lynette Gearing (Non-Executive director)

### Company Secretary

Liesl Petterd

### Auditor

Ernst & Young  
8 Exhibition Street  
Melbourne Victoria 3000

### Share Registrar

Link Market Services Limited  
Level 1, 333 Collins Street  
Melbourne Victoria 3000  
Telephone 1300 554 474  
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[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

### ASX Code: GMI