

Global Mining Investments Limited

ASX Half-year report - 31 December 2010

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

This information should be read in conjunction with the 30 June 2010 annual financial statements

Contents

Results for announcement to the market (Appendix 4D, items 2, 3, 5 and 6)

Media Release and Top 20 Investments as at 31 January 2011

Half-year report (ASX Listing Rule 4.2A1)

Results for announcement to the market

| | | | | Current period \$'000 |
|---|------|--------|----|--------------------------|
| Total income from ordinary activities (Appendix 4D item 2.1) | down | 47.4% | to | 5,189 |
| Profit/(loss) from ordinary activities after tax attributable to owners of the Company (Appendix 4D item 2.2) | down | 105.5% | to | (243) |
| Net profit/(loss) for the period attributable to owners of the Company (Appendix 4D item 2.3) | down | 105.5% | to | (243) |

| Dividends (Appendix 4D item 2.4) | Amount per security (cents) | Franked amount per security (cents) |
|--|--------------------------------|--|
| Interim dividend | 2.00 | 2.00 |
| Final dividend paid (prior year) | 4.00 | 4.00 |

| NTA Backing (Appendix 4D item 3) | 31 December 2010 \$ | 31 December 2009 \$ |
|--|-------------------------------|------------------------|
| Net tangible asset backing per ordinary share (before tax on unrealised gains or losses) | 1.64 | 1.42 |
| Net tangible asset backing per ordinary share (after tax on unrealised gains or losses) | 1.52 | 1.38 |

Explanation of income (Appendix 4D item 2.6)

Total income for the six months to 31 December 2010 (the reporting period) is \$5,189,000 a decrease of 47.4% over the last corresponding reporting period. The decrease in income was primarily due to realised gains on equity investments not being disclosed as income following the adoption of *AASB 9 Financial Instruments* from 7 December 2009, with realised gains from equity investments now being disclosed in other comprehensive income. Income from interest and dividends increased during the reporting period ended 31 December 2010 as compared to the prior reporting period, however no income was received from sub-underwriting fees during the reporting period ended 31 December 2010.

Explanation of profit/(loss) from ordinary activities after tax (Appendix 4D item 2.6)

The current reporting period profit/(loss) after tax is (\$243,000) a decrease of 105.5% from the prior reporting period. The decrease in profit was primarily due to realised gains on equity investments not being disclosed as income following the adoption of *AASB 9 Financial Instruments* from 7 December 2009, with realised gains from equity investments now being disclosed in other comprehensive income. Income from interest and dividends increased during the reporting period ended 31 December 2010 as compared to the prior reporting period, however no income was received from sub-underwriting fees during the reporting period ended 31 December 2010. There has been an increase in performance fees payable due to the improved performance of the portfolio as compared to the benchmark over the reporting period.

Explanation of net profit/(loss) after tax (Appendix 4D item 2.6)

Net profit/(loss) after tax attributable to owners of the Company is (\$243,000) a decrease of 105.5% from the prior reporting period. The decrease in net profit was primarily due to realised gains on equity investments not being disclosed as income following the adoption of *AASB 9 Financial Instruments* from 7 December 2009, with realised gains from equity investments now being disclosed in other comprehensive income.

Other comprehensive income

Other comprehensive income for the reporting period is \$46,523,000 an increase of 13.6% from the prior reporting period. The increase is primarily due to the recognition of realised gains from the disposal of investments in equities in other comprehensive income. Under *AASB 9 Financial Instruments* these realised gains are now disclosed in other comprehensive income. Prior to the adoption of *AASB 9* on 7 December 2009 they were disclosed as part of the profit or loss.

Results for announcement to the market (continued)

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

The directors have determined that an interim dividend of 2 cents per share fully franked in respect of the half-year ended 31 December 2010 is to be paid on 21 March 2011. The record date of the dividend is 4 March 2011.

The total amount of the dividend payable will be approximately \$3,698,000. As the dividend was not declared until 16 February 2011, a provision has not been recognised as at 31 December 2010.

A final dividend in respect of the full year ended 30 June 2010 of 4 cents per share fully franked was paid on 24 September 2010. The total amount paid was \$7,395,782.

The dates applicable to the interim dividend for the reporting period ended 31 December 2010 are:

Dividend Ex date: 28 February 2011

Dividend Record date: 4 March 2011

Dividend Payment date: 21 March 2011

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

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

GLOBAL MINING

INVESTMENTS LIMITED

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Media Release 31 December 2010 Half - Year Results

Global Mining Investments Announces Two Cent Fully Franked Dividend

- Fully Franked Interim Dividend increased to 2 cents per share vs 1 cent a year earlier
- Net tangible asset backing (before tax) at 31 December 2010 \$1.64; a return of 19.6% from a year earlier after inclusion of dividends paid
- Net tangible asset backing (before tax) outperforms HSBC Global Mining Index (A\$) by 6.0 percentage points
- Interim statutory net loss \$243,000 for six months to 31 December 2010
- Total comprehensive income increased to \$46.3 million
- Mining sector outlook improving despite market volatility

Global Mining Investments Limited (ASX: GMI) today announced an interim dividend for the six months to 31 December 2010 of 2 cents per share fully franked (vs 1 cent same period a year earlier). The record date of the dividend is Friday 4 March 2011.

“Reflecting strong fundamental drivers in the global mining sector, the value of GMI’s investment portfolio grew to \$305 million by the end of 2010,” said GMI Chairman John Robinson.

“With demand robust in emerging economies and improving demand in developed economies, along with constrained supply in some commodities, the outlook for the sector is particularly strong,” he said.

The statutory net loss for the latest period was \$243,000, in part reflecting the adoption of new accounting standards that mean realised gains and losses on equity investments are now reported as “other comprehensive income” rather than as part of net profit.

Total comprehensive income, the most appropriate measure of GMI’s financial results, increased to \$46.3 million for the six months to 31 December 2010 from \$45.4 million for the same period a year earlier.

Total comprehensive income for the six months to 31 December 2010 comprised:

- Net loss after tax: \$243,000
- Net realised gains on disposal of equity investments: \$7.3 million
- Net unrealised gains on equity investments: \$39.2 million

Reflecting gains in investment values over the past 12 months, net tangible asset backing before tax rose to \$1.64 per share at 31 December 2010 from \$1.42 a year earlier, and has further increased to \$1.66 at 11 February 2011. Reflecting the expertise of GMI’s investment manager, BlackRock UK, pre tax NTA outperformed GMI’s benchmark, the HSBC Global Mining Index (A\$), by 6.0 percentage points over the 12 months to 31 December 2010.

Outlook

Our Investment manager has commenced 2011 with a positive outlook for the mining sector. Recent strength illustrates the strong fundamental drivers underpinning the sector including:

- robust demand from emerging markets;
- improving demand in developed economies; and
- constrained supply in select commodities.

Market sentiment continues however to impact share price volatility and there is the potential for short term setbacks.

Given the volumes of free cash flow that mining companies are able to generate at current commodity prices, further M&A activity is likely during 2011.

GMI's top twenty holdings as at January 31, 2011 were:

| Company | % of GMI incl cash | Location | Commodity |
|-----------------------------|---------------------------|-----------------|------------------|
| Rio Tinto | 9.2 | Global | Diversified |
| BHP Billiton | 8.4 | Global | Diversified |
| Vale | 7.2 | Latin America | Diversified |
| Glencore | 5.0 | Global | Diversified |
| Freeport McMoran | 4.7 | Global | Copper |
| Teck Resources | 4.6 | North America | Diversified |
| Xstrata | 4.4 | Global | Diversified |
| Newcrest Mining | 3.9 | Australia | Gold |
| Anglo American | 3.7 | Global | Diversified |
| Sociedad Minera Cerro Verde | 3.2 | Latin America | Copper |
| Impala Platinum Holdings | 3.0 | South Africa | Platinum |
| Atlas Iron | 2.6 | Australia | Iron |
| First Quantum Minerals | 2.5 | Africa | Copper |
| Minas Buenaventura | 2.5 | Latin America | Gold |
| Aquila Resources | 2.3 | Australia | Coal |
| GV Gold | 2.2 | Russia | Gold |
| African Rainbow Minerals | 2.0 | South Africa | Diversified |
| Kumba Iron Ore | 1.9 | South Africa | Iron |
| Oz Minerals | 1.8 | Australia | Copper |
| Petropavlovsk | <u>1.8</u> | Russia | Gold |
| | 76.9 | | |

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Global Mining Investments Limited

ABN 31 107 772 467

Interim financial statements for the half-year ended 31 December 2010

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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 2010 ("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)
Lyn Gearing (Non-Executive director) (Appointed 14 October 2010)
Peter Griffin (Non-Executive director) (Resigned 23 November 2010)

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 most appropriate measure of GMI's financial performance for the six months to 31 December 2010 is total comprehensive income. Total comprehensive income was \$46,280,000 for the six months to 31 December 2010, being an increase of 1.9% as compared to \$45,405,000 for the six months to 31 December 2009. Total comprehensive income includes the net profit / (loss) after tax and both realised and unrealised gains on GMI's equity investments.

The Company adopted AASB 9 - *Financial Reporting*, effective 7 December 2009. Under AASB 9, the Company's investments in equities are classified as 'fair value through other comprehensive income'.

Under AASB 9, the Company recognises unrealised and realised gains/(losses) on equity investments through other comprehensive income. Previously realised gains/(losses) from the disposal of equity investments were recognised in the Company's net profit/(loss) after tax for the reporting period. The net gain after tax from the disposal of investments which has been recognised in other comprehensive income for the reporting period ended 31 December 2010 is \$ 7,292,000 (2009: \$1,252,000).

The Company's investments in convertible notes and fixed income instruments meet the definition of debt instruments, and are therefore classified as 'fair value through profit or loss'.

The Company's profit/(loss) before income tax for the reporting period is (\$339,000) (2009: \$6,410,000). The net profit/(loss) after tax for the reporting period is (\$243,000) (2009: \$4,446,000).

Basic earnings/(losses) per share after tax were (0.13) cents for the reporting period (2009: 2.27 cents).

The Net Tangible Assets (NTA) per share after tax on unrealised gains or losses as at 31 December 2010 were \$1.52 and \$1.64 before tax on realised gains and losses. The NTA after tax as at 31 January 2011 was \$1.50 (before tax \$1.61). The estimated NTA after tax as at 11 February 2011 was \$1.54 (before tax \$1.66). The NTA figures as at 31 January 2011 and 11 February 2011 are unaudited.

The NTA figures reported do not change as a result of the adoption of AASB 9 by the Company.

On 26 March 2010 the Company announced that it would continue its on-market buy-back. Under the terms of this buy-back the Company is permitted to buy back 19.1 million shares over the 12 months commencing 7 April 2010. As at 31 December 2010 the Company had bought back 5.9 million shares under the current buy-back. The Company last bought back shares under the existing buy-back facility on 18 August 2010.

Dividend

A fully franked interim dividend of 2 cents per share was declared on 16 February 2011. The record date of the dividend is 4 March 2011, with the dividend expected to be paid on 21 March 2011.

Events occurring after the reporting period

Except as disclosed in note 7 in the financial statements, no other matter or circumstance has arisen since 31 December 2010 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.

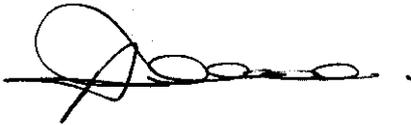
Rounding of amounts

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 8.

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

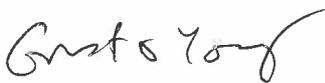


John Robinson
Non-Executive Chairman

Melbourne
16 February 2011

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 2010, 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 black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink, appearing to be 'D J Thorn'.

D J Thorn
Partner
16 February 2011

Statement of comprehensive income

For the reporting period ended

| | 31 December 2010 \$'000 | 31 December 2009 \$'000 |
|---|--|--|
| Income | | |
| Interest income | 635 | 217 |
| Dividend income | 2,514 | 1,729 |
| Net gains/(losses) on sale of investments derecognised prior to 7 December 2009 | - | 3,692 |
| Net unrealised gains/(losses) on investments at fair value through profit or loss | (1,778) | 2,678 |
| Net gains/(losses) on foreign currency transactions | 3,818 | 1,009 |
| Sub-underwriting fees | - | 519 |
| Other income | - | 30 |
| Total income/(loss) | 5,189 | 9,874 |
| Expenses | | |
| Management fees | 1,774 | 1,622 |
| Performance fees | 2,937 | 1,348 |
| Directors' fees | 130 | 119 |
| Audit and taxation fees | 18 | 22 |
| Interest expense | 134 | - |
| Service agreement fee | 159 | 153 |
| Withholding tax | 103 | - |
| Other expenses | 273 | 200 |
| Total expenses | 5,528 | 3,464 |
| Profit/(loss) before income tax | (339) | 6,410 |
| Income tax expense/(benefit) | (96) | 1,964 |
| Profit/(loss) after income tax attributable to the owners of the Company | (243) | 4,446 |
| | Cents | Cents |
| Earnings/(losses) per share for profit/(losses) after income tax attributable to the owners of the ordinary shares of the Company: | | |
| Basic and diluted earnings/(loss) per share | (0.13) | 2.27 |
| | 31 December 2010 \$'000 | 31 December 2009 \$'000 |
| Profit/(loss) after income tax attributable to the owners of the Company | (243) | 4,446 |
| Other comprehensive income | | |
| Net unrealised gains/(losses) on investments at fair value through other comprehensive income | 56,044 | 56,725 |
| Income tax relating to net unrealised gains/(losses) on investments at fair value through other comprehensive income | (16,813) | (17,018) |
| Net realised gains/(losses) on investments at fair value through other comprehensive income | 10,417 | 1,788 |
| Income tax relating to net realised gains/(losses) on investments at fair value through other comprehensive income | (3,125) | (536) |
| Total other comprehensive income for the reporting period attributable to the owners of the Company | 46,523 | 40,959 |
| Total comprehensive income for the reporting period attributable to the owners of the Company | 46,280 | 45,405 |

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

Statement of financial position

| | Notes | As at | |
|---|-------|-------------------------------|---------------------------|
| | | 31 December 2010 \$'000 | 30 June 2010 \$'000 |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 255 | 1,339 |
| Receivables | | <u>851</u> | <u>889</u> |
| Total current assets | | <u>1,106</u> | <u>2,228</u> |
| Non-current assets | | | |
| Investments | 4 | 325,164 | 267,925 |
| Foreign exchange contracts | | <u>4</u> | <u>1</u> |
| Total non-current assets | | <u>325,168</u> | <u>267,926</u> |
| Total assets | | <u>326,274</u> | <u>270,154</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Payables | | 5,062 | 2,761 |
| Bank overdraft | 3 | <u>18,453</u> | <u>20,085</u> |
| Total current liabilities | | <u>23,515</u> | <u>22,846</u> |
| Non-current liabilities | | | |
| Deferred tax liability | | <u>21,567</u> | <u>1,724</u> |
| Total non-current liabilities | | <u>21,567</u> | <u>1,724</u> |
| Total liabilities | | <u>45,082</u> | <u>24,570</u> |
| Net assets | | <u>281,192</u> | <u>245,584</u> |
| Equity | | | |
| Contributed equity | 5 | 214,114 | 217,390 |
| Accumulated other comprehensive income | | 67,781 | 36,656 |
| Retained profits/(accumulated losses) | | <u>(703)</u> | <u>(8,462)</u> |
| Total equity attributable to the owners of the Company | | <u>281,192</u> | <u>245,584</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 2010

Statement of changes in equity

| | Contributed equity \$'000 | Accumulated other comprehensive income \$'000 | Retained profits/ accumulated losses) \$'000 | Total equity \$'000 |
|--|---------------------------------|---|--|---------------------------|
| Balance at 1 July 2009 | 227,953 | 6,120 | (8,996) | 225,077 |
| Profit/(loss) for the reporting period attributable to the owners of the Company | - | - | 4,446 | 4,446 |
| Other comprehensive income: | | | | |
| Net unrealised gains/(losses) on investments at fair value through other comprehensive income | - | 56,725 | - | 56,725 |
| Income tax relating to net unrealised gains/(losses) on investments at fair value through other comprehensive income | - | (17,018) | - | (17,018) |
| Net realised gains/(losses) on investments at fair value through other comprehensive income after 7 December 2009 | - | 1,788 | - | 1,788 |
| Income tax relating to net realised gains/(losses) on investments through other comprehensive income after 7 December 2009 | - | (536) | - | (536) |
| Total other comprehensive income | - | 40,959 | - | 40,959 |
| Total comprehensive income for the reporting period attributable to the owners of the Company | - | 40,959 | 4,446 | 45,405 |
| Transactions with owners in their capacity as owners: | | | | |
| On market share buy-back | (4,232) | - | - | (4,232) |
| Balance at 31 December 2009 | 223,721 | 47,079 | (4,550) | 266,250 |
| Balance at 1 July 2010 | 217,390 | 36,656 | (8,462) | 245,584 |
| Profit/(loss) for the reporting period attributable to the owners of the Company | - | - | (243) | (243) |
| Other comprehensive income: | | | | |
| Net unrealised gains/(losses) on investments at fair value through other comprehensive income | - | 56,044 | - | 56,044 |
| Income tax relating to net 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) |
| Total other comprehensive income | - | 46,523 | - | 46,523 |
| Total comprehensive income for the reporting period attributable to the owners of the Company | - | 46,523 | (243) | 46,280 |
| Transfer of realised other comprehensive income (net of tax) to retained profits | - | (15,398) | 15,398 | - |
| Transactions with owners in their capacity as owners: | | | | |
| On market share buy-back | (3,276) | - | - | (3,276) |
| Dividends provided for or paid | - | - | (7,396) | (7,396) |
| Balance at 31 December 2010 | 214,114 | 67,781 | (703) | 281,192 |

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 2010 \$'000 | 31 December 2009 \$'000 |
|--|--|-------------------------------|
| <i>Cash flows from operating activities</i> | | |
| Dividends received | 2,584 | 1,705 |
| Other income received | 14 | 550 |
| Interest received | 267 | 305 |
| Management and performance fees paid | (2,809) | (1,427) |
| Payment of other expenses | (797) | (548) |
| Income tax refund received | - | 4 |
| Net cash (outflow)/inflow from operating activities | <u>(741)</u> | <u>589</u> |
| <i>Cash flows from investing activities</i> | | |
| Proceeds from sale of investments | 32,410 | 28,106 |
| Payments for purchase of investments | (22,697) | (45,667) |
| Net cash (outflow)/inflow from investing activities | <u>9,713</u> | <u>(17,561)</u> |
| <i>Cash flows from financing activities</i> | | |
| Payments for share buyback | (3,276) | (4,232) |
| Dividends paid | (7,396) | - |
| Net cash (outflow)/inflow from financing activities | <u>(10,672)</u> | <u>(4,232)</u> |
| Net increase/(decrease) in cash and cash equivalents | (1,700) | (21,204) |
| Cash and cash equivalents at the beginning of the reporting period | (18,746) | 2,401 |
| Effects of foreign currency exchange rate changes on cash and cash equivalents | 2,248 | 318 |
| Cash and cash equivalents at end of the reporting period | <u>(18,198)</u> | <u>(18,485)</u> |

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 2010 ("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 2010 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 has changed the accounting treatment on realised gains/losses on equity investments.

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 2010 \$15,398,000 of realised gains on equity investments (net of tax) were transferred from accumulated other comprehensive income to retained earnings. 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 (IFRS)

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 16 February 2011. The directors of the Company have the power to amend and reissue the financial statements.

2 Dividends

For the reporting period ended

| | 31 December 2010 \$'000 | 31 December 2009 \$'000 |
|--|-------------------------------|-------------------------------|
|--|-------------------------------|-------------------------------|

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

| | | |
|--|-------|---|
| Final franked dividend for 30 June 2010: 4 cents per share (2009: 0 cents) | 7,396 | - |
| | 7,396 | - |

The tax rate at which paid dividends have been franked is 30% (2009: 30%)

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

| | | |
|---|-------|-------|
| Interim fully franked dividend for 2010: 2 cents (2009: 1 cent) | 3,698 | 1,926 |
| | 3,698 | 1,926 |

Dividends proposed are franked at the rate of 30% (2009: 30%)

3 Borrowing facilities

| As at | |
|-------------------------------|---------------------------|
| 31 December 2010 \$'000 | 30 June 2010 \$'000 |

The Company had access to the following unsecured borrowing facilities:

| | | |
|--|---------------|---------------|
| Overdraft facility (Bank of New York Mellon (International) Ltd) | 18,453 | 20,085 |
| - Used as at the reporting date | 21,547 | 19,915 |
| - 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 2010 \$'000 | 30 June 2010 \$'000 |

At fair value through other comprehensive income

| | | |
|----------------------|----------------|----------------|
| Listed investments | 298,382 | 230,220 |
| Unlisted investments | 505 | 9,646 |
| | <u>298,887</u> | <u>239,866</u> |

At fair value through profit or loss

| | | |
|---------------------------|---------------|---------------|
| Convertible notes | 24,692 | 26,246 |
| Fixed interest securities | 1,585 | 1,813 |
| | <u>26,277</u> | <u>28,059</u> |

Total investments

| | | |
|--|----------------|----------------|
| | <u>325,164</u> | <u>267,925</u> |
|--|----------------|----------------|

5 Equity securities issued

| | Reporting period ended | | Reporting period ended | |
|--|-------------------------------|--------------------------------|-------------------------------|--------------------------------|
| | 31 December 2010 \$'000 | 31 December 2010 No '000 | 31 December 2009 \$'000 | 31 December 2009 No '000 |
| <i>Movements in shares on issue</i> | | | | |
| Opening balance | 217,390 | 187,687 | 227,953 | 197,009 |
| Share buy-back | <u>(3,276)</u> | <u>(2,792)</u> | <u>(4,232)</u> | <u>(3,960)</u> |
| Closing balance | <u>214,114</u> | <u>184,895</u> | <u>223,721</u> | <u>193,049</u> |

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 operating 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 approximately 70 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 2010 | | As at 30 June 2010 | |
|-----------------------|---------------------------|----------------|---------------------------|----------------|
| | % of total investments | \$'000 | % of total investments | \$'000 |
| Diversified | 47.2 | 144,470 | 51.7 | 128,008 |
| Copper | 18.7 | 57,391 | 11.9 | 29,588 |
| Gold | 17.6 | 53,925 | 21.3 | 52,986 |
| Coal | 7.8 | 24,007 | 7.5 | 18,586 |
| Iron Ore | 7.0 | 21,328 | 6.4 | 15,887 |
| Platinum | 4.6 | 14,192 | 6.2 | 15,418 |
| Diamonds | 1.3 | 4,093 | 1.5 | 3,737 |
| Zinc | 0.6 | 1,697 | 0.4 | 900 |
| Nickel | 0.5 | 1,546 | 0.5 | 1,291 |
| Aluminium | 0.5 | 1,515 | 0.4 | 1,074 |
| Uranium | 0.2 | 544 | 0.2 | 448 |
| Mineral sands | 0.1 | 456 | - | - |
| Cash and outstandings | (6.1) | (18,616) | (8.0) | (19,746) |
| Total | 100.0 | 306,548 | 100.0 | 248,177 |

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 2010 | | As at 30 June 2010 | |
|--------------------------|---------------------------|----------------|---------------------------|----------------|
| | % of total investments | \$'000 | % of total investments | \$'000 |
| Global | 36.1 | 110,629 | 34.5 | 85,519 |
| Latin America | 14.8 | 45,334 | 14.1 | 34,956 |
| Australia | 14.5 | 44,463 | 13.4 | 33,339 |
| South Africa | 11.1 | 33,884 | 14.0 | 34,687 |
| North America | 11.0 | 33,659 | 9.3 | 22,999 |
| Africa (ex South Africa) | 7.1 | 21,780 | 7.2 | 17,827 |
| Asia | 5.1 | 15,774 | 7.1 | 17,570 |
| Russia | 4.5 | 13,815 | 6.4 | 15,952 |
| Europe | 1.9 | 5,826 | 2.0 | 5,074 |
| Cash and outstandings | (6.1) | (18,616) | (8.0) | (19,746) |
| Total | 100.0 | 306,548 | 100.0 | 248,177 |

7 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 2010 or on the results and cash flows of the Company for the reporting period ended on that date.

8 Contingent assets and liabilities and commitments

As at 31 December 2010 the Company had a contingent liability for the purchase of shares in Equatorial Resources Limited. During December 2010, the Company participated in a placement to subscribe for shares in Equatorial Resources Limited which were to be issued subject to the approval of shareholders at a general meeting to be held on 21 January 2011. The obligation of the Company was \$720,000.

The issue of the shares by Equatorial Resources Limited was approved by its shareholders at the general meeting on 21 January 2011, with the Company subsequently purchasing the shares for \$720,000.

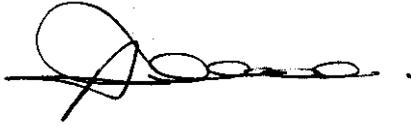
There are no other outstanding contingent assets, contingent liabilities or commitments as at 31 December 2010 and 30 June 2010.

Directors' declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 9 to 17 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards *AASB 134 Interim Financial Reporting*, the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the Company's financial position as at 31 December 2010 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
16 February 2011

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 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, 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 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.

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 Interim and other Financial Reports 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 2010 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.

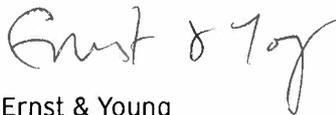
Independence

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, a copy of which is included in the Directors' Report.

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 2010 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 black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Denis Thorn'.

Denis Thorn
Partner
Melbourne
16 February 2011

Company particulars

Registered Office

Level 29, 101 Collins Street
Melbourne Victoria 3000
Telephone 03 9235 1700
www.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
33 King William Street
London EC4R 9AS

Directors

John Robinson (Chairman and Non-Executive director)
Lewis Bell (Non-Executive director)
Lyn Gearing (Non-Executive director) (Appointed 14 October 2010)
Peter Griffin (Non-Executive director) (Resigned 23 November 2010)

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
International +61 3 9615 9947
www.linkmarketservices.com.au

ASX Code: GMI

Corporate calendar

| | |
|--------------------------------|------------------|
| Shares trade ex-dividend | 28 February 2011 |
| Record date | 4 March 2011 |
| Expected dividend payment date | 21 March 2011 |