GLOBAL MINING
INVESTMENTS LIMITED

Quarterly Report

December 2008 Qtr

From the Chairman

The December Quarter was another tough period for the commodities sector as the global financial crisis extended its reach into the real economy with a speed and ferocity few could have anticipated.

Despite the best efforts of governments and central banks to avert the worst of the crisis through bank bailouts and massive fiscal stimulus, it is now clear many OECD countries are either approaching or already in recession.

For commodities, the Quarter was notable for the sharp retreat in global demand and significant falls across the entire sector with industrial metal prices roughly halving over the period.

Most significantly for the resources market, it became evident that the Chinese economy wasn't immune from the seismic financial shocks felt the world over. In the final three months of calendar 2008, China recorded its weakest pace of growth in seven years, albeit still in a position of relative strength with GDP growth tracking at 6.8 per cent over the latest Quarter.

The cycle of declining trade, contracting domestic demand and record low levels of consumer confidence is now firmly established the world over, ensuring an uncertain outlook for commodity prices into 2009.

Against such an uncertain backdrop, short-term or opportunistic bets on metal prices, even at such sharply discounted levels, is fraught with difficulty. As always, our focus remains on creating value through investing in quality long-life and low cost assets that can withstand short-term shocks and prosper well into the future.

During the Quarter we were active in repositioning the portfolio to reflect these priorities, reducing our sensitivity to volatile spot prices and increasing our exposure to long-term assets with significant capital creation potential such as gold and platinum. We also retained solid exposure to the bulk commodities sector with Brazilian company Vale, the world's largest iron ore producer, and BHP Billiton being the two largest holdings in the portfolio. We believe that prevailing conditions for bulk commodity producers remain consistent with our view that this sector offers long term value.

Our exposure to gold increased significantly to 20 per cent of the portfolio, up from 8.4 per cent as of June 30, ensuring the portfolio benefited from the strong relative performance of gold against other asset classes. We acquired holdings in miners such as African Rainbow Minerals, Eldorado Gold, Harmony Gold and benefited from the outperformance of existing positions such as Newcrest, which gained 22.7 per cent over the Quarter.

We believe gold will remain a popular risk aversion trade throughout 2009, trending towards the US$1000 mark as investors continue to favour bullion as a reliable store of intrinsic value at a time of falling asset prices and heightened macroeconomic risk.

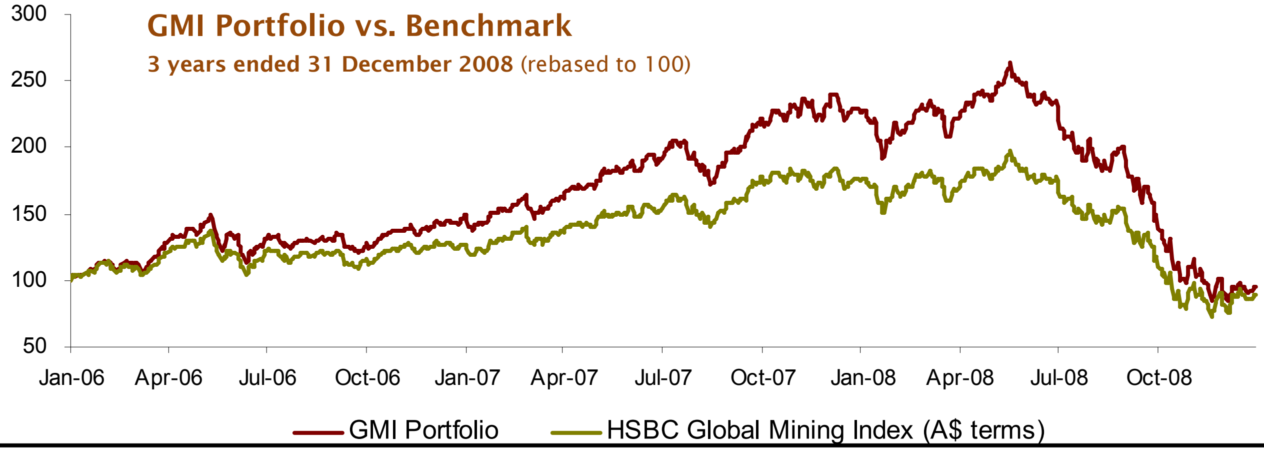
In base metal markets, we were encouraged by the swift and prudent actions of major producers many of whom made aggressive production cutbacks or shelved uneconomic projects (for example, BHP Billiton's Ravensthorpe nickel operation in Western Australia) to offset sliding prices and demand shortfalls.

Overall, cutbacks from major producers including Vale, Rio Tinto and Xstrata among others removed production equivalent to around 20 per cent of 2007 aluminium supply, 13.7 per cent of nickel, 9.1 per cent of zinc mine supply and 1.4 per cent of copper mine supply.

Collectively, these actions are important for the long-term health of the sector and should ensure the best chance of a swift recovery in prices once confidence returns and demand recovers.

John Robinson

Non-Executive Chairman



December Quarter Summary

- Quarter characterised by significant falls across the entire commodities sector with industrial metal prices roughly halving over the period.
- Amid significant upheaval in global economic conditions, GMI's portfolio fell 36.3 per cent over the quarter.
- Portfolio rebalancing continued with holdings reduced from 60 to around 45 core stocks, concentrating on global bulk commodity and gold and platinum producers.
- Gold holdings now represent 20 per cent of the portfolio, up from 8.4 per cent as of June 30, 2008. The weighting of platinum stocks also increased, now 11 per cent of the portfolio from 8.8 per cent as of June 30, 2008.
- As at 31 December 2008, 97% of the portfolio was invested in metal and mining stocks, with 3% being held in cash.
- Portfolio outperforms benchmark HSBC Global Mining Index ($A) by 2.4 percentage points over the past three years on an annualised basis, contracting 1.5 per cent against a 3.9 per cent decline in the benchmark index.
- Share price over the December Quarter fell by 50 per cent to $0.74 from $1.48, representing a significant widening in the discount to Net Tangible Assets, which fell 36 per cent over the Quarter to $0.85 after allowing for tax on unrealised gains and losses. GMI used this opportunity to add to shareholder value by buying back its own shares, acquiring 700,000 shares during the quarter and a further 1.2 million in the year-to-date.

Portfolio Performance

The GMI portfolio saw a 36% per cent contraction in value over the Quarter, reflected in a reduction in Net Tangible Assets of 36 per cent to $0.85 after allowing for tax on unrealised gains and losses. Over the same period the HSBC Global Mining Index decreased in value by 25.1 per cent.

Gold and platinum holdings were the strongest contributors to relative performance over the quarter, benefiting from the collective flight to relative "safe-havens" amid global equity market weakness.

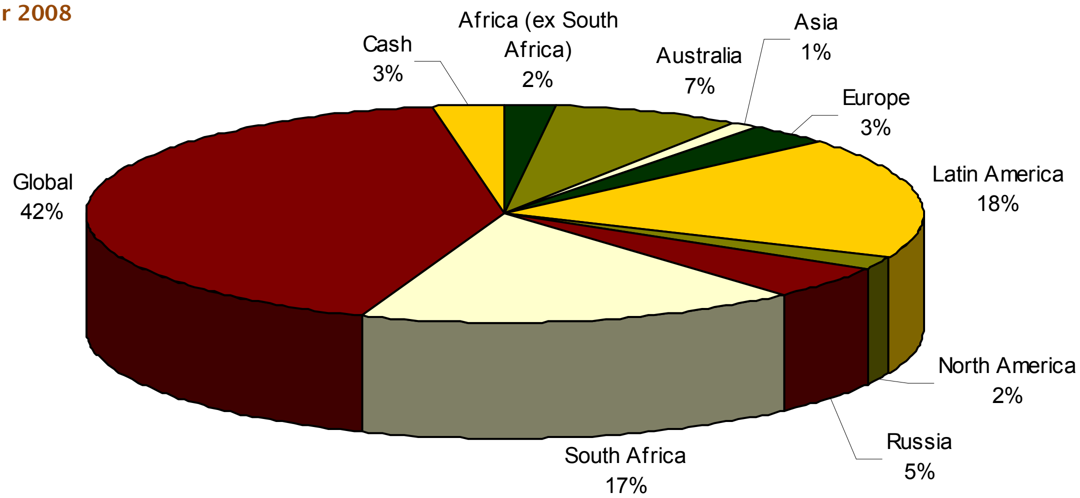
Considerable rebalancing of the portfolio took place over the Quarter with holdings of gold stocks more than doubling to 20 per cent of the portfolio and platinum increasing to 11 per cent. We also reduced our exposure to aluminium, disposing of holdings in Alcoa and Alumina.

Our priorities continue to be investing in companies with producing assets offering the certainty of strong, operating cashflows from long-term contracts rather than explorers and junior miners.

Geographic Exposure

(based on operations)

31 December 2008



Commodity Snapshot

Industrial metal forecasts were revised sharply lower during the Quarter reflecting the steep decline in global demand for raw materials and the subsequent rise in London Metal Exchange inventories. In response many leading producers initiated production cutbacks.

Among industrial metals, aluminium and nickel saw some of the most dramatic cutbacks with closures and suspensions reducing global supply equivalent to 19.7 per cent and 13.7 per cent of 2007 mine supply, respectively, according to UBS estimates.

Copper mining, on the other hand, saw relatively few production cutbacks, equivalent to just 1.4 per cent of 2007 mine supply.

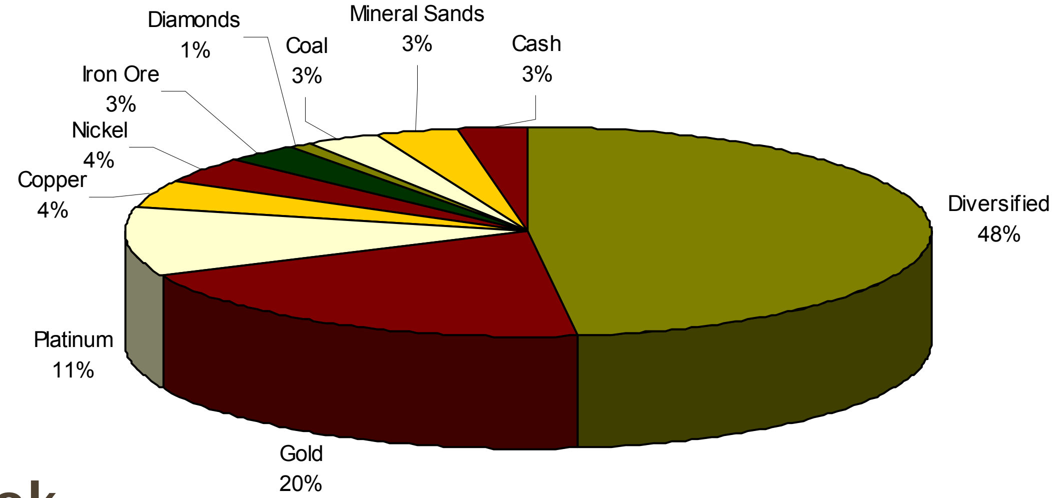
In the aluminium market, lower prices and high production costs meant many mines and smelters became uneconomic, forcing major producers to idle large amounts of capacity.

Demand for nickel, a vital product in steel manufacturing, also suffered as steel companies worldwide reduced output. The closure of BHP's 43,000 tonne per annum Ravensthorpe operation in Western Australia only eight months after it opened highlights just how quickly and dramatically conditions changed over the Quarter.

One bright spot in an otherwise lacklustre metals market continues to be gold and precious metals. We continue to see healthy prospects for gold prices to trend higher in the short-term supported by a combination of heightened risk aversion, inflationary fears and falling asset prices.

Commodity Exposure

31 December 2008



Outlook

- Risk aversion to remain at elevated levels in the year ahead – especially the first half of 2009 –heightening the appeal of gold and other precious metals investments as a store of reliable, long-term value in an uncertain market.
- Aggressive supply cutbacks by major industrial metal producers in 2008 and into 2009 provide the best conditions possible for a return to a stronger price environment when demand eventually recovers.
- Demand conditions remain uncertain over the next twelve months, however, large diversified producers with significant exposure to bulk commodities are well-placed to benefit once emerging market activity picks up.
- Despite the current economic uncertainty we believe that the needs of developing economies will continue to drive demand for raw materials and underpin solid cashflows over the longer term, with China continuing its growth trajectory well ahead of developed world rates, albeit moderated in the short term.
- We see no reason to change our view of commodities as "long dated" assets with the potential to generate solid returns for those with a medium to long term investment horizon. We continue to position the portfolio to reflect the above views with the primary objective of generating long term investor value.

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 December 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 December 2008

Company	% of GMI	Listed	Location	Commodity
BHP Billiton Limited	18.9	ASX / LSE	Global	Diversified
Vale	12.4	NYSE	Brazil	Diversified
Impala Platinum Holdings Ltd	7.3	JSE	South Africa	Platinum
Anglo American Plc	5.5	LSE	Global	Diversified
Newcrest Mining	4.8	ASX	Australia	Gold
African Rainbow Minerals	4.0	JSE	South Africa	Gold
GV Gold	3.7	Unlisted	Russia	Gold
Minas Buenaventura	3.6	NYSE	Latin America	Gold
Rio Tinto	3.5	LSE	Global	Diversified
Iluka Resources	2.9	ASX	Australia	Mineral Sands
Eramet Sln	2.9	BDP	Europe	Nickel
Xstrata Plc	2.7	LSE	Global	Diversified
Anglo Platinum	1.9	JSE	South Africa	Platinum
Aquila Resources	1.8	ASX	Australia	Coal
Teck Cominco Limited	1.6	TSE	North America	Diversified
Petmin Limited	1.6	JSE	South Africa	Platinum
Kumba Iron Ore	1.5	JSE	South Africa	Iron Ore
Eldorado Gold Corporation	1.3	TSE	Global	Gold
OZ Minerals	1.3	ASX	Australia	Diversified
Atlas Iron	1.3	ASX	Australia	Iron Ore
	84.4			