

GLOBAL MINING

INVESTMENTS LIMITED

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Dear Shareholder

31 December 2011 Half-Year Results

The Directors of Global Mining Investments Limited (ASX: GMI) report that the Company has recorded an interim statutory loss for the six months to 31 December 2011. The result reflects a sharp fall in share prices around the globe as the European debt crisis and concerns about U.S. and Chinese growth cruelled investor sentiment.

Reflecting a fall in asset prices, GMI's interim net loss after tax was \$3.5 million in the period to 31 December 2011, compared with a loss of \$243,000 for the prior corresponding period. GMI's other comprehensive income, which represents after tax unrealised and realised movements in the value of the equities portfolio, resulted in a net loss for the reporting period of \$34.6 million, compared with a gain of \$46.5 million for the six months to 31 December 2010. 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.

Important performance measures for GMI are the portfolio performance and growth in Net Tangible Assets (NTA) per share. Whilst both of these fell during the reporting period in line with the downturn in equity markets, they both outperformed the Company's benchmark, the HSBC Global Mining Index, demonstrating the value added expertise of GMI's investment manager, BlackRock Investment Management UK Limited.

The falls in global mining share prices together with adverse currency movements, resulted in GMI's portfolio declining by 19.4% in the six months that ended December 31. The NTA before tax fell 19.6% over the same period although this fall was less than the 21.3% decrease in the HSBC Global Mining Index. GMI's NTA before tax for the year ended 31 December 2011 also outperformed the benchmark, with the NTA before tax falling by 26.1% compared with a 28.8% decrease in the HSBC index. Over the longer term period of three years to 31 December 2011, GMI's NTA has also outperformed the benchmark, with the NTA before tax increasing 13.7% per annum, exceeding the benchmark by 5.0 percentage points per annum.

The Company's share price discount to NTA before tax has hovered around 20% for the half-year to 31 December 2011. A share price discount is common in the listed investment company sector and in GMI's case has persisted despite consistent outperformance of the Company's investment portfolio relative to its benchmark and the various initiatives taken over the last four years to close the discount gap. The share price discount remains an unacceptable aspect of the Company's profile and a range of options are under active consideration to address the discrepancy.

Interim Dividend

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.

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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.

Global Markets

The six-month period to 31 December 2011 was dominated by fears that the sovereign debt crisis would cripple Europe's economy along with concerns about the U.S. economic outlook and the sustainability of Chinese growth. Together these fears created a very uncertain environment for investors, who responded by reducing holdings across a wide range of asset classes, including resources shares, regardless of strong underlying fundamentals.

Late in 2011 there were signs that these fears were receding, assisted by policy action from the European Central Bank and 2012 has started with an improvement in both commodity prices and share prices.

Calendar 2012 Performance and Outlook

Since 31 December 2011, the value of GMI's portfolio has improved with the NTA before tax improving from \$1.15 per share at 31 December 2011, to \$1.26 at 31 January 2012.

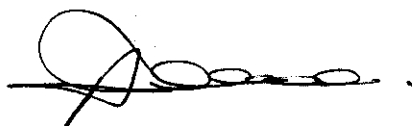
There is an expectation that merger and acquisition activity in the resources sector will continue. The most recent evidence of this is the announced Glencore / Xstrata merger and the acquisition of Coal & Allied by its major shareholders, Rio Tinto and Mitsubishi during December 2011. GMI benefited from the latter event and is expected to benefit from the likely gains arising from the Glencore / Xstrata merger. Glencore is GMI's third-largest portfolio holding, with Xstrata also being one of GMI's top-ten holdings.

Looking ahead, the global economic outlook remains clouded as European officials continue to meet to seek a sustainable conclusion to the debt crisis. However, the underlying fundamentals of the mining sector are encouraging:

- The supply-demand balance in certain commodities supports the prospect of capacity expansion;
- Chinese demand for commodities remains robust and could be boosted if China continues a policy of monetary easing;
- Supply disruptions to some companies are possible in 2012 due to labour action, infrastructure challenges, declining grades and weather events. These events are expected to benefit other industry participants.

Many mining companies are trading at depressed valuations while still generating strong cashflows, making them prime candidates for M&A activity. Mining sector shares look extremely attractive according to a range of measures including earnings and cash flow multiples.

Yours faithfully



John Robinson
Non-Executive Chairman

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