QUARTERLY REPORT 10
FOR THE QUARTER ENDED 30 SEPTEMBER 2010

GLOBAL MINING INVESTMENTS LIMITED

We believe that the global resources sector is the place to be for the next decade and GMI is a simple, diverse and high quality way to secure exposure and benefit from resources growth. We offer global and commodity diversification, internationally renowned and specialised investment management, exposure to "hard to access" resources, a bias towards producers, franked dividends, and instant ASX liquidity.

HIGHLIGHTS

- Market sentiment towards commodities improved and the mining sector ended the quarter strongly due to evidence of resilient commodity demand globally and speculation over a second round of quantitative easing in the U.S.
- Cash flow generation from the mining sector has improved significantly in 2010 as commodity prices have averaged well above companies' expectations at the start of the year.
- Metal prices rallied in the quarter with both base metals and precious metals gaining significantly.
- Analysts predict strong growth for emerging market economies, which is positive for commodity demand.
- Commodity prices in the fourth quarter look well supported as China potentially enters a restocking phase and global industrial activity picks up following the seasonally weak summer months.
- GMI is overweight those commodities where we see the most severe supply-demand imbalances such as copper, coking coal, iron ore and platinum. It is underweight those commodities where there is over-capacity such as aluminium.

MARKET UPDATE

Over July and August mining equities were largely driven by fluctuations in market sentiment as concerns persisted over a "double-dip" in western economies and the potential for a "hard landing" in China. Whilst the rate of economic growth in the US and Europe moderated over the northern hemisphere summer, we did not see the collapse that some had predicted. In addition, despite a slowing in industrial production growth in China, commodity consumption within the country remained robust. As we moved into September, evidence of resilient commodity demand globally and speculation over a second round of quantitative easing out of the US improved market sentiment towards commodities and the mining sector ended the quarter strongly.

Metal prices rallied over the period with both base metals and precious metals reporting significant gains. Base metals performed well with copper, aluminium and nickel up 23%, 19% and 19% respectively (in US$ terms). LME warehouse inventories in copper reduced by over 16% over the quarter suggesting mine supply is not meeting demand. Gold and silver hit highs in September at over US$1310 and US$22 respectively. The gold price was supported by AngloGold completing the elimination of its 3.2m oz gold hedge-book, and a weakening in the US dollar driven by the increasing possibility of further quantitative easing in the US. Improving risk appetite and a strong gold price contributed to silver reaching a thirty year high, up 17.8% over the quarter (in US$ terms).

Cash flow generation from the mining sector has improved significantly in 2010 as commodity prices have averaged well above companies' expectations at the start of the year. This has led to a rapid strengthening of the sector's balance sheet and as a result M&A activity has returned to the mining sector with force. So far in 2010, US$104bn worth of deals have been announced, the largest of which was BHP Billiton's US$40bn all-cash bid for Potash Corp of Saskatchewan. Potash Corp is the world's largest fertiliser company by capacity. The acquisition would diversify BHP Billiton's book of business and give them exposure to a "tier one" potash asset base. The bid process is underway and will play out over the coming months.

PERFORMANCE

During the quarter to 30 September 2010, the GMI Portfolio rose by 9.7 percent, outperforming the Company's benchmark, the HSBC Global Mining Index A$, by 3.6 percentage points. For the year to 30 September the portfolio has performed strongly, with positive performance of 18.5 percent, exceeding the performance of the benchmark by 5.6 percentage points. For the five years to 30 September, the portfolio has returned positive performance on an annualised basis of 13.1 percent, being 3.6 percentage points in excess of benchmark.

In line with portfolio performance, Net Tangible Assets (NTA) before tax also increased over the quarter, rising by 9.1 percent (including dividends paid), and by 18.9 percent for the year to 30 September 2010 to A$1.40 per share from A$1.22 per share.

PERFORMANCE ATTRIBUTION

The portfolio outperformed its benchmark over the quarter:

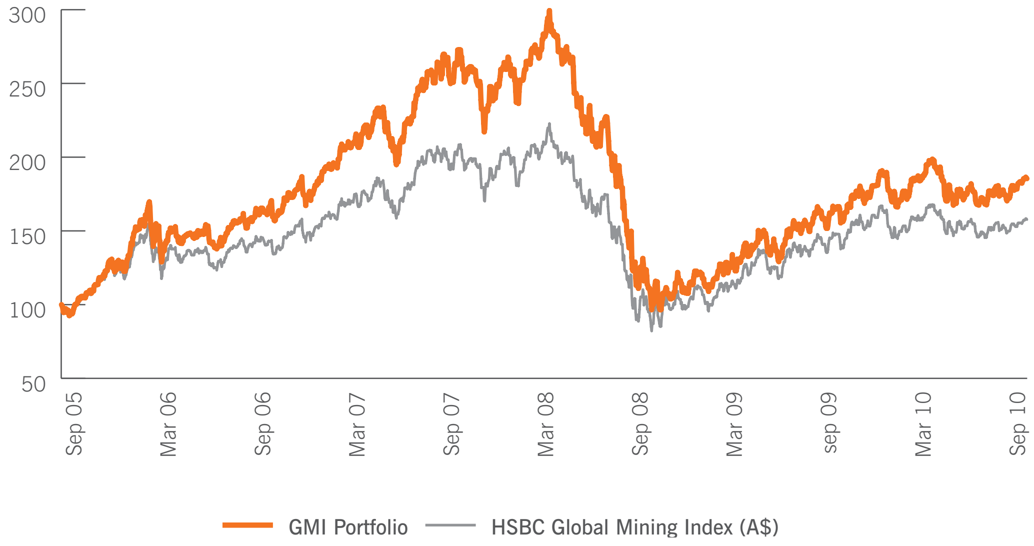
- **Underweight to major gold producers:** The outperformance of industrial commodities relative to gold and increasing investor risk appetite meant the gold majors such as Barrick, Newmont and Goldcorp underperformed over the period under review. Whilst GMI is underweight these gold majors, it is overweight a number of higher-growth, but still high quality, gold producers that should not only benefit from strong gold prices, but also from increasing production into that positive gold price environment.
- **Overweight copper producers:** The strong performance of the copper price in the September quarter led to the significant outperformance of GMI's copper holdings relative to the rest of the sector. A combination of supply side constraints, a lack of significant growth in production over the next five years and strong demand from emerging markets suggests the copper price is likely remain at elevated levels relative to historic prices. However, as a proxy for global economic growth the copper price has exhibited significant volatility this year as fears over global growth have taken precedence over the strong underlying supply-demand fundamentals.

  Through owning a number of high quality, low cost producers with strong margins, as well as focusing on those companies that are able to deliver growth in a challenging supply side environment, GMI seeks to benefit from the high levels of profitability of these companies whilst limiting the effect the short-term price volatility will have on the performance of the overall portfolio.
- **Takeover bid for Sphere Resources:** The Company initiated a position in Sphere Resources in May 2010, recognising that management had significantly de-risked its Askaf development project over the previous twelve months. In August, Xstrata made an all cash bid for Sphere at a 56% premium to our initial purchase price.

GMI PORTFOLIO (NET OF MANAGEMENT FEES) V HSBC GLOBAL MINING INDEX (A$)

Non-annualised returns (re-based to 100) for five years to 30 September 2010

Source: DataStream and Internal. All data in A$.



PORTFOLIO ACTIVITY

- GMI added to its copper exposure over the quarter, initiating a position in Antofagasta, a London-listed copper producer with assets predominantly in Chile, and taking part in the IPO of Central Asia Metals – an AIM listed company seeking to develop the Kounrad project in Kazakhstan. The portfolio also added to its existing positions in Freeport McMoran and Grupo Mexico.
- The Company reduced its exposure to BHP Billiton, in favour of increasing its exposure to Rio Tinto. This is due to the preferred commodity exposure of Rio Tinto and recognition that BHP Billiton's bid for Potash was likely to hold back the share price in the near term. GMI reduced its position in Vale owing to concerns over the re-allocation of capital in the business.

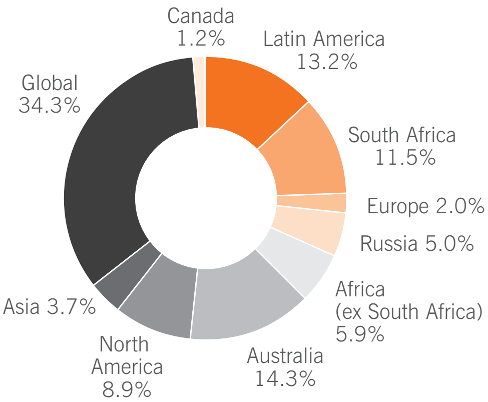
OUTLOOK

The medium-to-long-term outlook for the mining sector appears robust. Analyst forecasts for the emerging market economies predict strong growth which is positive for commodity demand. In the shorter term, commodity prices in the fourth quarter look well supported as China potentially enters a restocking phase and global industrial activity picks up following the seasonally weak summer months. In addition, ongoing fears over the effect of quantitative easing on the US dollar are providing further support for commodity prices, particularly gold.

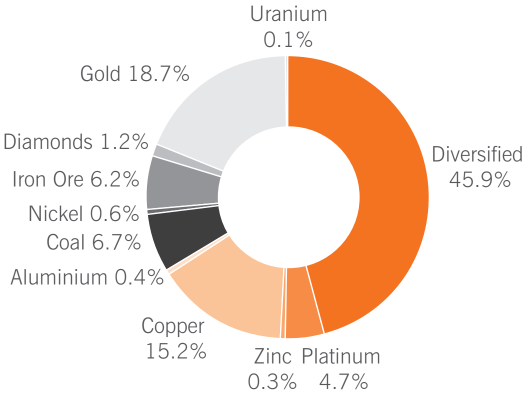
Supply growth for a number of commodities remains constrained in its ability to meet this increase in demand. Whilst double dip fears may resurface, we believe the resilience of industrial activity despite mixed economic data from the western world economies does not give us cause to substantially revise our positive outlook for the sector, particularly given the low valuations at which much of the sector is trading. At these levels, we would not be surprised to see further M&A activity within the mining sector. Not only could this act to lift valuations across the sector, but the Company's focus on high quality, long-life assets that have the ability to grow production in the near term – the likely targets for corporate activity – means the portfolio should benefit.

GMI is positioned to be overweight those commodities where we see the most severe supply-demand imbalances such as copper, coking coal, iron ore and platinum; and underweight those commodities where there is over-capacity such as aluminium. We are positive on the outlook for gold while the environment remains one in which investors, whether Central Banks or individuals, seek to protect their wealth from the risks of currency debasement, inflation and/or market uncertainty.

GEOGRAPHIC EXPOSURE
as at 30 September 2010



COMMODITY EXPOSURE
as at 30 September 2010



IN LINE WITH PORTFOLIO PERFORMANCE, NET TANGIBLE ASSETS (NTA) BEFORE TAX ALSO INCREASED OVER THE QUARTER, RISING BY 9.1 PERCENT (INCLUDING DIVIDENDS PAID), AND BY 18.9 PERCENT FOR THE YEAR TO 30 SEPTEMBER 2010 TO A$1.40 PER SHARE FROM A$1.22 PER SHARE.

ABOUT GLOBAL MINING INVESTMENTS

Global Mining Investments (ASX: GMI) is one of the largest listed global mining investment vehicles in the Australian market.

GMI provides exclusive exposure for Australian shareholders through a single ASX-listed entity to a global portfolio of metal and mining securities.

The portfolio comprises around 55 metal and mining stocks and goes well beyond holdings in BHP and Rio to include positions in other major international mining companies.

GMI's Investment Manager is the highly credentialed, London-based natural resources team from BlackRock.

The BlackRock natural resources investment team 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.

TOP TWENTY HOLDINGS AS AT 30 SEPTEMBER 2010

Company	% of GMI incl cash	Listing	Location	Commodity
Rio Tinto	9.6	LSE	Global	Diversified
BHP Billiton	8.2	LSE	Global	Diversified
Vale	7.7	NYSE	Latin America	Diversified
Glencore	6.0	LUXX	Global	Diversified
Newcrest Mining	4.8	ASX	Australia	Gold
Xstrata	4.6	LSE	Global	Diversified
Freeport McMoran	4.6	NYSE	Global	Copper
Teck Resources	4.0	TSX	North America	Diversified
Impala Platinum Holdings	3.6	JSE	South Africa	Platinum
Minas Buenaventura	3.2	NYSE	Latin America	Gold
Atlas Iron	3.0	ASX	Australia	Iron
Anglo American	3.0	LSE	Global	Diversified
African Rainbow Minerals	2.8	JSE	South Africa	Diversified
GV Gold	2.6	Unlisted	Russia	Gold
Aquila Resources	2.6	ASX	Australia	Coal
Petropavlovsk	2.3	LSE	Russia	Gold
Equinox Minerals	2.3	TSX	Africa	Copper
Oz Minerals	2.2	ASX	Australia	Copper
Sociedad Minera Cerro Verde	2.1	BVL	Latin America	Copper
Kumba Iron Ore	2.1	JSE	South Africa	Iron
	81.3			

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

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