

GLOBAL MINING

INVESTMENTS LTD

ACN 107 772 467 • Level 28, 80 Collins Street, Melbourne VIC 3000

May 2004 NTA / Investment Update

Global Mining Investments Limited (GMI) listed on the Australian Stock Exchange on 8 April 2004.

As at 31 May 2004, 92% (30 April 81%) of the portfolio had been invested in natural resource companies in accordance with the Investment Strategy of the Investment Manager, Merrill Lynch Investment Managers Limited. The balance of the portfolio is held in cash in US\$.

The NTA before tax as at 31 May 2004 was 95.74 (30 April 90.45) cents per share and the NTA after tax was 95.19 (30 April 89.97) cents per share.

GMI has also issued options to subscribe for shares at an exercise price of \$1.00 on or before 30 November 2006. The options have no dilutive effect on the NTA per share until the NTA exceeds \$1.00.

(NTA figures are unaudited)

Investment Manager Commentary

After the extreme nature of GMI's first month May was a month of recovery for both mining shares and commodity prices. The MG Base Metal Price index rallied 4.4% in Australian dollars during the period whilst the HSBC Global Mining Index rallied 5.97% in Australian dollars. The NAV of the portfolio also rallied to rise by 5.8% during the month, only slightly behind the growth in the Benchmark.

Performance Table

	Starting Value	Value 30/4/05	Value 31/5/04	% Change 1 month	% Change Since Launch
GMI Assets US\$	57,109,602	50,726,923	53,068,600	+4.62%	-7.08%
HSBC US\$	226.5	188.31	198.04	+5.17%	-12.57%
GMI Assets A\$	75,510,839	70,130,569	74,200,644	+5.80%	-1.74%
HSBC A\$	297.01	261.3	276.9	+5.97%	-6.77%

(performance numbers are unaudited)

The recovery in the mining shares came as no surprise due to the extreme volatility in April. The bounce in May, although not able to recoup all the lost ground from the previous month, was significant. The recovery also highlighted how short term the sell off has been and the magnitude of the short positions held in most of the mining companies by hedge funds. The table below has been updated to include the performance for shares and underlying commodities in both April and May.

	Country	Metal Exposure	A\$ % April	A\$ % May
Gold Price			-3.6%	+2.8%
Newcrest	Australia	Gold	-11.4%	+13.0%
Harmony	Sth Africa	Gold	-25.2%	+10.1%
Goldfields	Sth Africa	Gold	-20.1%	+18.6%
Copper Price			-5.2%	+4.1%
Jiangxi Copper	China	Copper	-24.4%	+18.9%
Southern Peru Copper	Peru	Copper	-24.1%	+8.7%
Phelps Dodge	USA	Copper	-19.4%	+4.4%
Nickel Price			-15.1%	+8.8%
Falconbridge	Canada	Nickel/Copper	-13.6%	+9.3%
Noranda	Canada	Ni/Cu/Al	-16.1%	+16.6%
MPI Mines	Australia	Nickel	-19.9%	-4.2%
Inco	Canada	Nickel	-12.2%	+15.7%
Aluminium Price			+3.5%	+1.6%
Alcoa	USA	Aluminium	-6.3%	+3.0%
Alcan	Canada	Aluminium	-5.1%	+0.5%

All numbers from Datastream

Activities Report

Following on from the intense period of investing in April the Investment Manager continued to invest the remaining cash in the portfolio. During the period holdings in some of the major positions were increased in order to take advantage of the low share prices. Shares were purchased in CVRD, Buenaventura, Amerigo Resources, Impala, Newcrest, Noranda and Anglo American. New holdings in Eramet, Zinifex and La Mancha were initiated.

Top Ten Holdings as at 31 May 2004 (% of gross assets including cash)

	% of GMI including cash	Country	Commodity
BHP Billiton Ltd	9.7%	Global	Diversified
CVRD	9.4%	Brazil	Iron Ore
Rio Tinto Ltd	8.7%	Global	Diversified
Alumina Ltd	6.1%	Australia	Alumina
Impala Platinum	5.5%	South Africa	Platinum
Buenaventura	5.3%	Peru	Gold
Xstrata Plc	5.0%	Global	Diversified
Alcan	4.1%	Canada	Aluminium
Alcoa	3.5%	USA	Aluminium
Anglo American Plc	3.2%	Global	Diversified
	60.5%		

Last month the Investment Manager stated that the sell off in the sector was not based on fundamentals and that a bounce in the sector was anticipated. May has delivered on this forecast and going forward the Investment Manager remains convinced of the importance of the demand and supply forces on metal prices. As a result further good news is expected when earnings results for half year and full year reporting periods ending 30 June 2004 are released during the third quarter of 2004. Until then the Investment Manager will continue to take advantage of opportunities as and when they come along for the portfolio.