

GLOBAL MINING

INVESTMENTS LIMITED

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April 2005 NTA and Monthly Investment Update

The Company was listed on the Australian Stock Exchange on 8 April 2004.

As at 30 April 2005, 99.0% of the portfolio was 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 30 April 2005 was \$1.10 (31 March \$1.21 per share) and the NTA after allowing for tax on unrealised gains was \$1.07 (31 March \$1.14 per share).

GMI has also issued Options to subscribe for shares at an exercise price of \$1.00 on or before 30 November 2006. If all options had been exercised as at 31 March 2005, the diluted NTA before tax would have been \$1.05, and \$1.03 after allowing for tax on unrealised gains.

(NTA figures are unaudited)

Investment Manager Commentary

Summary

Last month was another period of poor absolute performance for the mining sector reminiscent of April 2004. For the month of April 2005, the portfolio fell 8.7% in A\$ terms, compared to a fall of 9.8% in the HSBC Global Mining Index. (In April 04 the Index fell by 10.7% in A\$ terms.) Overall, we are pleased with the further, although small, out-performance of the portfolio during April 2005 as compared to the HSBC Global Mining Index. GMI had its first birthday during April and since inception the Portfolio is up 16% as compared to a 3.1% rise in the Benchmark.

Performance Table

	Starting Value	Value 30/4/05	% Change 1 month	% Change 3 months	% Change 6 months	% Change Since Launch
GMI Assets US\$m	56.9	68.2	-7.5%	-2.1%	9.9%	19.9%
HSBC US\$	226.5	236.66	-8.6%	-3.3%	4.2%	5.6%
GMI Assets A\$m	75.2	87.1	-8.7%	-2.8%	5.2%	16.0%
HSBC A\$	297.01	302.9	-9.8%	-4.0%	-0.2%	3.1%

*Note performance numbers are sourced from BONYE valuation report as at 30th April 2005. They reflect the performance of the funds made available to MLIM, the investment manager on the launch date of GMI 8th April 2004. Australian dollar FX rate used in Index conversion sourced from Bloomberg. Differences will occur versus the audited report due to management fees, other expenses, dividends, interest and tax.

Metal Prices

During the month metal prices in Australian dollar terms fell by 4.6%. The fall occurred despite continued erosion of inventories and favourable economic data out of China. Chinese GDP growth for the first quarter was 9.5% ahead of market consensus of 9.0% and equivalent to April 2004. In addition, industrial production was up a massive 16%. In contrast to this market expectations for OECD economic growth weakened with worse than expected economic data out of the US and Europe.

First Quarter Announcements

A number of the Fund's holdings released their first quarter production and earnings figures. Teck Cominco (2.5%) reported extremely strong results, with operating earnings up 84% year-on-year. This large increase was primarily due to significantly higher realised metal prices – copper up 8%, zinc up 20%, coal up 36% and molybdenum up 238%. Teck also announced a further doubling of its dividend, as the company passed on its strong cash flows to shareholders.

Rio Tinto (8.7%) and BHP Billiton (9.3%) also released their first quarter production figures, both of which benefited from solid production and high metal prices. Rio's iron ore production rose 17% year-on-year, alumina by 38% and coking coal by 58%. BHP Billiton saw record alumina production and iron ore production up 14% compared to the first quarter of 2004.

Results from the gold companies for the first quarter of 2005 on the whole were weaker than expected. Higher costs, lower production and lower levels of profitability despite higher gold prices made for a depressing reading for gold share investors. GMI is currently underweight gold equities relative to the HSBC Global Mining Index, but has a mind to adjust this given the favourable supply/demand fundamentals for the price of gold.

Portfolio Movements

Activity during the month was restricted to further profit taking in BHP Billiton and the sale of the last remaining shares in WMC Resources for a premium to the BHP Billiton bid level. In addition GMI participated in four placements.

The first was a gold exploration company, which is involved in projects in Eastern Europe. The second was a South African based coal and gold producer, which is also developing a large copper/cobalt mine in Zambia. The third new holding was an international base metals mining and exploration company, which also owns and operates a lead mine in Western Australia. Lastly, an investment was made in a Chinese based producer of alumina and primary aluminium.

In addition, at the end of the month GMI initiated some direct exposure to uranium, by participating in the Initial Public Offering of a company which will hold and trade uranium in the Canadian market. We expect that this company will commence trading on the Toronto Stock Exchange during May.

Top Twenty Holdings as at 30th April 2005 (% of gross assets including cash)

Description	% of GMI including cash	Country	Commodity
BHP Limited	9.2	Global	Diversified
CVRD	8.9	Brazil	Diversified
Rio Tinto Limited	8.5	Global	Diversified
Impala Platinum Holdings Limited	5.5	South Africa	Platinum
Alumina Limited	5.1	Australia	Alumina
Xstrata Plc	5.0	Global	Diversified
Minas Buenaventura	4.2	Peru	Gold
Alcoa Inc	3.4	Nth America	Aluminium
Anglo American Inc	3.2	Global	Diversified
Falconbridge Limited	3.2	Nth America	Nickel
Alcan Inc	2.9	Canada	Aluminium
Vedanta Resources Plc	2.7	India	Diversified
Teck Cominco Limited	2.4	Nth America	Diversified
Iluka Resources Limited	2.3	Australia	Industrial Minerals
Zinifex Limited	2.2	Australia	Zinc
First Quantum Minerals Limited	2.1	Africa	Copper
Newcrest Mining Limited	1.7	Australia	Gold
Kimberly Diamond Company	1.6	Australia	Gold
Peter Hambro Mining Plc	1.6	Russia	Gold
Antofagasta Plc	1.8	Latin America	Copper
	<u>77.5</u>		

Commodity Allocation as at 30th April 2005

	GMI	HSBC Global Mining Index
Diversified	43.4%	49.2%
Gold	14.4%	15.4%
Aluminium	12.1%	10.5%
Copper	8.4%	6.9%
Platinum	5.7%	3.8%
Nickel	5.2%	3.1%
Industrial Minerals	3.2%	1.4%
Zinc	2.4%	0.7%
Diamonds	3.1%	0.4%
Other	1.9%	8.6%
Cash	<u>0.2%</u>	-
	100.0%	100.0%

Outlook

We remain optimistic that 2005 will be another year of strong performance for the mining companies. Base metal prices continue to trade well ahead of consensus forecasts and when combined with high prices for the bulk commodities this should provide for further earnings upgrades as the year matures. In the meantime we expect merger and acquisition activity to pick up further as companies look to deploy excess cash.