

DIRECTORS' REPORT

Your Directors present their report on Global Iron Limited ("Global Iron") or (the "Company") for the year ended 30 June 2009.

1. DIRECTORS

The names of Directors in office during the whole of the year and up to the date of this report:

Mr Antony Sage
Mr Roberto Catena
Mr Timothy Turner

2. COMPANY SECRETARY

Mr Timothy Turner resigned as company secretary and Ms Eloise von Puttkammer was appointed as company secretary on 1 April 2009. Ms von Puttkammer has many years of experience in the finance and investment industry. Over the past 10 years she has held administration, compliance and company secretarial roles within both private and public companies. Ms von Puttkammer has experience in the provision of governance and secretarial advice to ASX and AIM public listed companies.

3. PRINCIPAL ACTIVITIES

The principal activity of the Company during the financial year was mineral exploration.

There were no significant changes in the nature of the Company's principal activities during the financial year.

4. REVIEW OF OPERATIONS

Mineral Exploration

Rock chip samplings confirm the presence of potentially economic iron ore grades in outcrops on the Evanston tenements.

Financial Result

The Company incurred a loss after income tax of \$1,188,142 for the year (2008: loss of \$862,277). The Company has cash funds on hand of \$1,388,625 (2008: \$2,208,668).

5. OPERATING RESULTS

The loss after income tax for the year amounted to \$1,188,142 (2008: loss of \$862,277).

6. DIVIDENDS PAID OR RECOMMENDED

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend at the date of this report.

7. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Company during the year.

8. AFTER BALANCE DATE EVENTS

No matter or circumstance has arisen since 30 June 2009 that has significantly affected, or may significantly affect:

- (a) the Company's operations in future financial years; or
- (b) the results of those operations in future financial years; or
- (c) the Company's state of affairs in future financial years.

9. FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The entity will continue its mineral exploration activity at and around its exploration projects with the object of identifying commercial resources.

10. ENVIRONMENTAL ISSUES

The entity is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work.

DIRECTORS' REPORT CONTINUED



11. INFORMATION ON DIRECTORS

Antony William Paul Sage	Executive Chairman
Qualifications	B.Com, FCPA, CA, FTIA
Experience	Mr Sage has in excess of 25 years experience in the fields of corporate advisory services, funds management and capital raising. Mr Sage is based in Western Australia and has been involved in the management and financing of listed mining companies for the last 14 years. Mr Sage is also a director of Cape Lambert Iron Ore Limited, International Goldfields Limited, Tianshan Goldfields Limited, Corvette Resources Limited, Cauldron Energy Limited and Buka Gold Limited. Mr Sage has not been a director of any other ASX listed entity during the last three years.
Interest in Shares and Options	Fully Paid Ordinary Shares held: 1,998,383
Timothy Paul Turner	Non-Executive Director
Qualifications	B.Bus, FCPA, FTIA, Registered Company Auditor
Experience	<p>Mr Turner specialises in business structuring, corporate and trust tax planning and has in excess of 20 years experience in new ventures and capital raising.</p> <p>As the senior partner of the accounting firm Hewitt, Turner & Gelevitis he specialises in all areas of business consultancy, strategic planning and is responsible for the issuing of audit opinions.</p> <p>Mr Turner has a Bachelor of Business (Accounting and Business Administration), is a Registered Company Auditor, a Fellow of CPA (Australia) and a Fellow of the Taxation Institute of Australia. Mr Turner is also a director of Cape Lambert Iron Ore Limited, International Goldfields Limited and Legacy Iron Ore Limited. Mr Turner has not been a director of any other ASX listed entity during the last three years.</p>
Interest in Shares and Options	Fully Paid Ordinary Shares held: 11,993
Roberto Catena	Non-Executive Director, Member of Audit Committee
Qualifications	BEC (Hons)
Experience	<p>Mr Catena is currently an adviser with Indian Ocean Capital, a specialist securities firm based in Perth.</p> <p>Mr Catena has over 20 years experience in the finance industry including positions in fund management and stock broking. He holds a degree in Economics (Hons) from the University of Western Australia and lectures at the University on a casual basis.</p> <p>Mr Catena has assisted numerous companies raise capital over the past 10 years and he has extensive experience in dealing and understanding equity markets. Mr Catena has not been a director of any other ASX listed entity during the last three years</p>
Interest in Shares and Options	Fully Paid Ordinary Shares held: 107,585 20 Cent Options expiring on 31 July 2010 held: 3,500,000

DIRECTORS' REPORT CONTINUED

12. REMUNERATION REPORT (audited)

This report details the nature and amount of remuneration for key management personnel of Global Iron Limited.

Details of Directors and Key Management Personnel

- (i) *Directors*
 - Antony Sage – Executive Chairman
 - Roberto Catena – Non-Executive Director
 - Timothy Turner – Non-Executive Director

- (ii) *Other Key Management Personnel*
 - Eloise von Puttkammer – Company Secretary
 - Fiona Taylor – Chief Financial Officer

Remuneration Policy

The Board's policy for determining the nature and amount of remuneration for board members is as follows:

The remuneration policy, setting the terms and conditions for the directors, was approved by the Board as a whole. The Board considered that it was not necessary to establish a separate remuneration committee. This function could be performed just as efficiently with full board participation.

The entity is an exploration entity, and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, directors and senior executives are paid market rates associated with individuals in similar positions, within the same industry. The remuneration may consist of a salary, bonuses or any other element but must not be a commission on or percentage of operating revenue. The Board were issued options as part of the terms of the initial public offer.

The executive directors do not receive any retirement benefits. All remuneration paid to Directors is valued at the cost to the Company and expensed. Options are valued using the Binomial methodology.

The Board policy is to remunerate Non-executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Executive Chairman determines payments to the Non-executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Fees for non-executive directors are not linked to the performance of the Company. However, to align Directors' interests with shareholder interests, where able, the Directors were issued with options upon listing on ASX. No other remuneration of Directors or Executives is related to the company's performance.

Company Performance and Shareholder Wealth and Directors' and Executives' Remuneration

Where permitted by the ASX, options were issued to Directors to increase goal congruence between shareholders and Directors.

DIRECTORS' REPORT CONTINUED



Details of Directors' and Key Management Personnel Remuneration

For the year ended 30 June 2009

Name	Short Term Benefits			Share-based Payment	Post Employment	Percentage Performance Related	Total
	Salary, Fees and Commissions	Non-cash Benefits	Cash Bonus	Options	Superannuation Contribution		
	\$	\$	\$	\$	\$	%	\$
Directors							
Antony Sage (i)	350,000	-	-	-	-	-	350,000
Roberto Catena (ii)	48,000	-	-	-	-	-	48,000
Timothy Turner (iii)	48,000	-	-	-	-	-	48,000
	446,000	-	-	-	-	-	446,000
Key management							
E von Puttkammer (iv)	4,385	-	-	-	-	-	4,385
F Taylor (v)	7,277	-	-	-	-	-	7,277
	11,662	-	-	-	-	-	11,662
Total	457,662	-	-	-	-	-	457,662

- (i) An aggregate amount of \$350,000 was paid, or due and payable to Okewood Pty Ltd, a company controlled by Antony Sage, for the provision of his director services to the Company.
- (ii) An aggregate amount of \$48,000 was paid, or due and payable to Mercury Anetac Capital Pty Ltd, a company controlled by Mr Roberto Catena for the provision of his director services to the Company.
- (iii) An aggregate amount of \$48,000 was paid, or due and payable to Corporate Resource and Mining Services, for the provision of Mr Timothy Turner's director services to the Company.
- (iv) Ms Eloise von Puttkammer was appointed as Company Secretary on 1 April 2009.
- (v) Ms Fiona Taylor was appointed as Chief Financial Officer on 20 April 2009.

Details of Directors' Remuneration

For the year ended 30 June 2008

Name	Short Term Benefits			Share-based Payment	Post Employment	Percentage Performance Related	Total
	Salary, Fees and Commissions	Non-cash Benefits	Cash Bonus	Options	Superannuation Contribution		
	\$	\$	\$	\$	\$	%	\$
Antony Sage (i)	262,500	-	-	-	-	-	262,500
Roberto Catena (ii)	32,000	-	-	344,050	-	-	376,050
Timothy Turner (iii)	32,000	-	-	-	-	-	32,000
Total	326,500	-	-	344,050	-	-	670,550

- (i) An aggregate amount of \$262,500 was paid, or due and payable to Okewood Pty Ltd, a company controlled by Antony Sage, for the provision of his director services to the Company.
- (ii) An aggregate amount of \$32,000 was paid, or due and payable to Mercury Anetac Capital Pty Ltd, a company controlled by Mr Roberto Catena for the provision of his director services to the Company.
- (iii) An aggregate amount of \$32,000 was paid, or due and payable to Corporate Resource and Mining Services, for the provision of Mr Timothy Turner's director services to the Company.

DIRECTORS' REPORT CONTINUED

Options Issued as Part of Remuneration

No options were issued as part of remuneration for the year ended 30 June 2009. During the financial year ended 30 June 2008 3,500,000 options with an exercise price of 20 cents and an expiry date of 31 July 2010 were issued to Mr Roberta Catena. These options vested on issue.

No options were exercised during the year (2008: nil)

Service Agreements

Mr Antony Sage – Executive Chairman

The Company has entered into an executive chairman consultancy agreement with Okewood Pty Ltd and Mr Tony Sage to provide the services of the Executive Chairman of the Company. The agreement stipulates the following terms and conditions:

- (a) The term of the agreement is a minimum of three (3) years commencing 1 October 2007;
- (b) The Company will pay Mr Sage a consultancy fee of \$350,000 per annum to be reviewed bi-annually by the Board. In addition Mr Sage will be reimbursed for all reasonable expenses incurred in the performance of his duties; The consultancy fee shall be increased having regard to upward movements in the Consumers Price Index or changes in market value of the company and the circumstances of the company at the time of the review. In the event the market capitalization of the company reaches and maintains for a period of three (3) months \$100 million it is agreed the fee be increased to \$500,000 p.a.
- (c) This agreement may be terminated by the Company in a number of circumstances including:
 - (i) failure to comply with lawful directions given by the Company through the Board;
 - (ii) failure to produce the services to a satisfactory standard which continues unremedied for ten business days after written notice of failure has been given;
 - (iii) a serious or persistent breach of any of the provisions of the Executive Chairman consultancy agreement which is either not capable to being remedied or is capable of being remedied and is not remedied within 14 days;
 - (iv) Mr Sage being unable to perform services for 40 consecutive business days or an aggregate of 60 business days in any 12 months;
- (d) Upon termination without meeting the circumstances outlined in (c) above the Company must pay the fee for the remaining term of the agreement.

Non-executive Directors

The company has entered into consultancy agreements with entities controlled by the non-executive directors for the provision of services of the non-executive directors.

The agreements stipulates the following terms and conditions:

- (a) The term of the agreements is a minimum of three (3) years commencing 1 November 2007.
- (b) The company will pay Messrs Catena and Turner consulting fees of \$48,000 pa each. The consultancy fee shall be reviewed every six months and if the Board thinks it appropriate, the consultancy fee shall be increased having regard to upward movement in CPI or changes in market value of the Company and the circumstances of the Company at the time of the review;
- (c) The agreements may be terminated by the Company in a number of circumstances including: (i) failure to comply with lawful directions given by the Company through the Board; (ii) failure to produce the services to a satisfactory standard which continues unremedied for ten business days after written notice of failure has been given; (iii) a serious or persistent breach of any of the provisions of the consultancy agreement which is either not capable to being remedied or is capable of being remedied and is not remedied within 14 days; (iv) The directors being unable to perform services for 40 consecutive business days or an aggregate of 60 business days in any 12 months;
- (d) Upon termination without meeting the circumstances outlined in (c) above the Company must pay the fee for the remaining term of the agreement.

DIRECTORS' REPORT CONTINUED



13. MEETINGS OF DIRECTORS

The number of directors' meetings (including committees) held during the period each director held office during the financial year and the number of meetings attended by each director are:

Directors' Meetings		
Director	Number Eligible to Attend	Meetings Attended
Antony Sage	4	4
Roberto Catena	4	4
Timothy Turner	4	4

Given the limited size of the Company there are no separate subcommittees or audit committee.

14. INDEMNIFYING OFFICERS OR AUDITOR

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001 every director, principal executive officer or secretary of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as director, principal executive officer or secretary of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

16. PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

15. OPTIONS

Unissued Shares under Option

At the date of this report unissued ordinary shares of the company under option are:

Expiry Date	Exercise Price	Number Under Option
31 July 2010	\$0.20	12,500,000

During the year ended 30 June 2009, no ordinary shares of the Company were issued on the exercise of options (2008: nil). No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

17. AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2009 has been received and can be found on page 8 of the annual report.

DIRECTORS' REPORT CONTINUED

18. NON AUDIT SERVICES

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- All non-audit services are reviewed and approved by the Board of Directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

During the year ended 30 June 2009 no amounts were paid or payable to the auditor or its related practices for any non audit services. During the year ended 30 June 2008, \$5,000 was paid to Grant Thornton (WA) Financial Services Pty Ltd for their services in providing an Investigating Accountant's Report.

This report is made in accordance with a resolution of the Board of Directors.



Timothy Turner
Director
Perth, 29 September 2009