



30th September 2005

The Manager
Company Announcements
Stock Exchange of Newcastle Limited
384 Hunter Street
NEWCASTLE NSW 2300

Via Fax: (02) 4929 6377

Dear Sir,

Annual Report

I am pleased to report on the development and performance of Florin Mining Investment Company Limited. Florin Mining Investment Company Limited listed on 3rd February 2005 after a successful initial public offer raised \$1,025,500 in capital, before costs. Since listing, the investment manager has made a number of initial equity investments and has also managed the cash balances of the Company.

Please find following the annual report.

Yours faithfully

FLORIN MINING INVESTMENT COMPANY LIMITED

A handwritten signature in black ink, appearing to read 'D. Di Stefano'.

DANIEL DI STEFANO
COMPANY SECRETARY

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FLORIN MINING INVESTMENT COMPANY LIMITED

ABN 60 111 170 882

2005 ANNUAL REPORT

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FLORIN MINING INVESTMENT COMPANY LIMITED

HIGHLIGHTS

Achievements

- Issued Prospectus on 4th November 2004.
- Initial Public Offer raised \$1,025,500 at 20 cents per share, with two free attached options.
- Listed on Stock Exchange on 3rd February 2005.

Key Financial Statistics

	2005
Net profit (loss) after tax	\$(33,316)
Earnings per Share (cents per share)	-0.65
Total Assets	\$957,894
Total Liabilities	\$23,118
Shareholders Funds	\$934,776
Return on Shareholders Funds	-3.35%
Net Asset backing per share	\$0.18
Shares on issue	5,127,502
Number of Shareholders	211
Series A Options on issue	5,127,500
Number of Series A Option holders	208
Series B Options on issue	5,127,500
Number of Series B Option holders	207

Benefits of Investing in Florin Shares

Florin Mining Investment Company Limited was incorporated in 2004, and listed on the Stock Exchange of Newcastle Limited in 2005. Some of the benefits of investing in Florin Mining Investment Company Limited shares and options include:

- **Diversification of risk**

In order to diversify the risk in its investment portfolio, Florin intends to manage its investment portfolio with a view to building the number of issuers in the Portfolio to a minimum of 20 and a maximum of 100.

- **Professional Management**

The investment portfolio of Florin is managed by Cameron Stockbrokers Limited, which is a participant of the Stock Exchange of Newcastle Limited, Australian Stock Exchange Group and licensed by the Australian Securities & Investments Commission.

- **Fixed Capital Base Not Affected by Unexpected Cash Inflows or Outflows**

Florin is able to invest for the medium to long term, as it has a fixed capital base and does not need to manage constant inflows and outflows of additional capital.

- **Regular Reporting to the Stock Exchange of Newcastle Limited**

Florin reports its performance to the NSX and shareholders on a bi annual basis and it announces its net asset backing to the NSX monthly. In addition, as a listed company, Illuminator complies with the continuous disclose requirements of the NSX. Copies of all announcements to the NSX are also posted on the Florin internet site www.florin.com.au.

FLORIN MINING INVESTMENT COMPANY LIMITED

INVESTMENT MANAGER'S REPORT

With the Company completing its initial public offering on the 3rd February 2005, the Investment Manager proceeded to make the investments for your Company.

The Company's portfolio is invested in the natural resource sector with an exposure to gold, nickel, copper, oil, uranium, coal and base metals, in both exploration and producing companies.

In spite of the setback in the months of March and April, when the Company's portfolio was effected by a general market downturn, a number of the investments held by the Company have experienced a significant appreciation in value including Curnamona Energy Limited, Compass Resources NL and Kingsgate Consolidated Limited, whilst most other stocks have held their ground.

Florin Mining Investment Company Limited has been well received amongst the mining industry and has been offered participation in various placements and IPO offerings not necessarily available to the ordinary investor.

The following table shows the progress of Florin Mining Investment Company Limited

Year	Dividends Cents Per Share	Net Profit /(loss) \$	Contributed Capital \$	Issued Ordinary Shares	Net Assets \$
2005	-	(33,316)	956,319	5,127,502	934,776

Investment Objectives

The investment objectives of Florin Mining Investment Company Limited, are to:

- Preserve of the capital of the Company;
- Achieve a high real rate of return, comprising both income and capital growth; and
- Generally, to limit the investments of the Company to natural resource companies being those companies;
 - ✓ who derive a significant proportion of their revenues from the mining of base and precious metals, industrial minerals, and bulk commodities, the production of oil and gas or geothermal energy; or
 - ✓ have a significant proportion of their assets invested, or they propose to invest a significant proportion of their assets, in activities involved in the exploration for base and precious metals, industrial minerals, and bulk commodities, the production of oil and gas or geothermal energy.

Investment Philosophy

The Manager seeks to maximise the capital growth of the Company's portfolio by investing in natural resource companies. Investments are primarily in mining or exploration companies – that are either producing or exploring for base and precious metals, industrial minerals and bulk commodities. From time to time the portfolio may have exposure to oil, gas and geothermal energy companies.

Whilst in making its investment decisions the Manager will generally take a medium to long term view, it may however, from time to time acquire investments with a view to profit through short term trading opportunities.

The Manager:

- focuses on the investment merits of individual stocks rather than market and economic trends; and
- seeks to invest in shares which it assesses to be undervalued relative to their longer term growth prospects.

FLORIN MINING INVESTMENT COMPANY LIMITED

INVESTMENT MANAGER'S REPORT (CONTINUED)

Details of Investments Held as at 30 June 2005

Name of Investment	Holding	Market Value \$	Portfolio %
Investment Portfolio			
Australian Equities			
Avoca Resources Limited	100,000	32,000	3.53
CBH Resources Limited 9.5% Convertible Note	50,000	13,000	1.43
Compass Resources NL	25,000	24,750	2.73
Felix Resources Limited	19,724	56,411	6.23
Golden Cross Resources Ltd	90,909	2,909	0.32
Independence Group NL	25,000	33,500	3.70
Kingsgate Consolidated Limited	33,000	93,720	10.35
Lycopodium Limited	20,000	36,000	3.97
Midwest Corporation Limited	9,392	4,132	0.46
Traka Resources Limited	50,000	8,500	0.94
Total Australian Equities		304,922	33.66
Total Investment Portfolio		304,922	33.66

Trading Portfolio

Australian Equities

Atlantic Gold NL	300,000	25,500	2.81
Avoca Resources Limited	230,000	73,600	8.13
Compass Resources NL	25,000	24,750	2.73
Curnamona Energy Limited	100,000	49,500	5.46
De Grey Mining Ltd	150,000	34,500	3.81
Dominion Mining Limited	150,000	49,500	5.46
Equinox Minerals Limited	25,000	12,000	1.32
Felix Resources Limited	1,874	5,360	0.59
Fox Resources Limited 2006 Options	25,000	2,875	0.32
Golden Cross Resources Ltd	1,000,000	32,000	3.53
Golden Gate Petroleum Ltd	50,000	7,500	0.83
Giralia Resources NL	150,000	30,000	3.31
Gryphon Minerals Limited	80,000	16,000	1.77
Havilah Resources NL	12,000	10,920	1.21
Hampton Hill Mining NL	200,000	30,000	3.31
Heritage Gold NZ Limited	200,000	12,000	1.32
Kentor Gold Limited	80,000	31,200	3.44
Meteoritic Resources NL	100,000	19,500	2.15
Minotaur Exploration Limited	25,000	9,750	1.08
Marathon Resources Limited	50,000	12,500	1.38

FLORIN MINING INVESTMENT COMPANY LIMITED

INVESTMENT MANAGER'S REPORT (CONTINUED)

Red Metal Limited	50,000	12,000	1.32
Total Australian Equities		500,955	55.28
 International Equities			
IGC Resources Inc.	10,000	2,875	0.32
Southern Cross Resources Inc	35,000	35,147	3.88
Total International Equities		38,022	4.20
Total Trading Portfolio		538,977	59.48
 Cash			
ING Bank (Aust) Limited – Business Optimiser Account		1,016	0.11
National Australia Trustees Limited Common Fund Account		61,063	6.75
Total Cash		62,079	6.86
 Total Portfolios		 905,978	 100.00

FLORIN MINING INVESTMENT COMPANY LIMITED

INVESTMENT MANAGER'S REPORT (CONTINUED)

Comments on Selected Investments

Atlantic Gold NL

Atlantic Gold NL (ATV) is an Australian-listed gold exploration company.

The board and management of Atlantic Gold NL (formerly Diamond Ventures NL) are former long term executives and directors of Plutonic Resources Limited, a highly successful Australian gold mining and exploration company, now owned by Barrick Gold Corporation.

Atlantic Gold's objective is to discover highly profitable gold reserves with near-term development potential through the acquisition and exploration of prospective acreage with workable mining tenure.

Following this strategy the company is now focused on the exploration and development of the Torquoy Gold Project in Nova Scotia, Canada.

Avoca Resources Limited

Avoca Resources Limited (AVO) is a mineral exploration and development company with projects in Western Australia and South Australia.

AVO's key project is at Higginsville and has moved into a pre-feasibility study following the Company's recent discovery of the 485,000 ounce high grade Trident Gold Deposit. Combining Trident and existing resources, the total resource inventory at Higginsville now stands at 664,000 ounces. Avoca's team of highly credentialed professionals are focussed on optimising value from existing projects, while maintaining a pipeline of high quality exploration assets.

Compass Resources NL

Compass Resources NL (CMR) is focused on the development of its 90% owned Browns project in the Batchelor region of the Northern Territory. CMR could be cash flow positive by 2H06 if base metal oxide development is given a green light by 4Q05. At 6.7Mt (A\$1.0bn in-ground value), oxide resources represent only 8% of the 84Mt total (-A\$13bn in-ground value). CMR represents an opportunity to participate in the realising of considerable value in its advanced and exploration projects.

CMR has identified 8 high potential uranium prospects, with the highest priority for detailed exploration assigned to the Mt Fitch, Kylie and Rum Jungle East Prospects.

Curnamona Energy Limited

Curnamona Energy Limited (CUY) is a uranium explorer focused in the Curnamona Craton in South Australia.

CUY's exploration areas lie in the Lake Frome region of northeastern South Australia, which is a broad topographic depression bounded to the west, south and east by the Flinders, Olary and Barrier Ranges respectively. During the middle Tertiary period roughly 20-40 million years ago, the climate in this part of Australia was quite humid, and several major rivers flowed northwards from the Olary Ranges in broad incised valleys often several kilometres wide. As the climate changed the river valleys became choked with sand of the Eyre Formation and eventually they were buried beneath tens of metres of clay of the Namba Formation deposited in a vast ancient lake occupying all of the northeast corner of SA and beyond; that was a pre-cursor to Lake Frome and Lake Eyre. Three of these ancient buried river valleys, named the Yarramba, Lake Namba and Billeroo Palaeovalleys by geologists, have been recognised from drillholes in the southern Lake Frome region.

Golden Cross Resources Ltd

Golden Cross Resources Ltd (GCR) holds significant mineral tenement positions within the minerals rich Lachlan Fold Belt of Central - South East NSW and the Curnamona Province of Western NSW, which hosts the world class Broken Hill orebody.

GCR is intent on providing its shareholders with the substantial rewards associated with the discovery and

FLORIN MINING INVESTMENT COMPANY LIMITED

INVESTMENT MANAGER'S REPORT (CONTINUED)

development of large and valuable mineral deposits

Golden Gate Petroleum Ltd

Golden Gate Petroleum Ltd (GGP) is a focussed petroleum exploration and production company with an exploration portfolio in the Gulf of Mexico containing world-class prospects and proven yet undeveloped gas fields in north east Texas.

The Gulf of Mexico is a proven hydrocarbon area that produces 24% of the total gas consumed in the United States, the worlds largest gas market.

Golden Gate has already begun producing from these assets with its partners BNP Petroleum (a local operator), and Moex Texas (a US subsidiary of the giant Mitsui Corporation).

Kingsgate Consolidated Limited

Kingsgate Consolidated Limited (KCN) is a minerals exploration, development and mining company focused primarily on the Chatree Gold Project, located in Thailand. With over 1.5moz of reserves, mine life is at least 10 years at current throughput rates with potential to convert/delineate more ounces a key attraction. Even a small increase in the life of the mine and/or head grade or capacity through exploration success could have a marked impact on valuation. Uncertainty regarding the entry of a new Thai partner to satisfy foreign ownership restrictions has weighed on the stock. At June 30, KCN had \$32m in cash and no debt.

Lycopodium Limited

Lycopodium Limited (LYL) provides consulting engineering services to both the mining and manufacturing industries. It specialises in engineering, procurement and construction management type contracts, providing a complete service to its clients from feasibility study through process development and construction management to implementation.

Lycopodium listed on the ASX in December 2004 after issuing a prospectus to raise \$6m. The company reported a net profit after tax for the 2005 financial year of \$5.451m, \$1.171m above the forecast indicated in it's prospectus. The company has since announced three new projects, one being the engineering, procurement and construction management contract for Newmont Mining Corporations Akyem Gold project located in the eastern region of Ghana, West Africa.

Southern Cross Resources Inc

Southern Cross Resources Inc. (SXR) is a Canadian company engaged in the acquisition, exploration and development of properties for uranium production. The Company's assets include the fully-permitted Honeymoon Project and the Goulds Dam Exploration Project in South Australia, which were acquired in 1997. In 2004, the Company entered into a joint venture with Pitchstone Exploration Ltd to earn a 50% interest in exploration properties located in the prolific uranium province of the Athabasca Basin of Saskatchewan, Canada.

Southern Cross Resources Inc is listed on the Toronto Stock Exchange.

FLORIN MINING INVESTMENT COMPANY LIMITED

CORPORATE GOVERNANCE STATEMENT

The Board has the responsibility of ensuring the Company is properly managed so as to protect and enhance shareholders interests in a manner that is consistent with the Company's responsibility to meet its obligations to all parties with which it interacts. To this end, the Board has adopted what it believes to be appropriate corporate governance policies and practices having regard to its size and nature of activities.

The main corporate governance policies are summarised below.

Appointment and Retirement of Non-Executive Directors

It is the Board's policy to determine the terms and conditions relating to the appointment and retirement of non-executive directors on a case by case basis and on conformity with the requirements of the Listing Rules and the Corporations Act.

Director's Access to Independent Professional Advice

It is the Board's policy that any committees established by the Board should:

- Be entitled to obtain independent professional or other advice at the cost of the Company, unless the Board determines otherwise.
- Be entitled to obtain such resources and information from the Company including direct access to employees of and advisers to the Company as they might require.
- Operate in accordance with the terms of reference established by the Board.

Audit Committee

The Audit Committee intends to meet with the external auditors at least twice a year. This committee addresses the financial and compliance oversight responsibilities of the Board. The specific activities include assessing and monitoring:

- The adequacy of the Company's internal controls and procedures to ensure compliance with all applicable legal obligations.
- The adequacy of the financial risk management processes.
- The appointment of the external auditor, any reports prepared by the external auditor and liaising with the external auditor.

Board Participation in Management

Under the Management Agreements, the Manager has discretion to acquire and dispose of investments on behalf of the Company. Investments consistent with the Investment Guidelines may be undertaken without consultation with the Board.

Any proposed investment that does not fall within this Investment Strategy or any change in the Investment Strategy proposed by the Manager requires the prior approval of the Board which may be withheld in its absolute discretion.

FLORIN MINING INVESTMENT COMPANY LIMITED

DIRECTORS' REPORT

Your directors present the First Annual Report on the Company for the financial period ended 30 June 2005.

Directors

The names of directors in office at any time during or since the end of the year are:

Victor Gowan Burley

Robert Franklin Cameron

Steven Pritchard

Daniel Di Stefano

All directors have been in office since the incorporation, of the Company, 29th September 2004, to the date of this report.

Company Secretary

Daniel Di Stefano held the position of company secretary at the end of the financial year. Further details in respect of the qualifications of the Company Secretary are contained in the Information on Directors.

Principal Activities

The principal activity of the Company during the financial period was investing in securities.

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

Review of Operations & Operating Results

The net loss of the Company for the period attributable to members was \$21,543 after providing for income tax benefit of \$41,248.

Dividends Paid or Declared

No dividends were paid or declared during the period. No dividend will be recommended by the directors for declaration at the forthcoming Annual General Meeting.

Significant Changes in State of Affairs

Florin Mining Investment Company Limited was incorporated on 29th September 2004 and issued a prospectus on 4th November 2004 which raised \$1,025,500 through the issue of 5,127,500 fully paid ordinary shares at 20 cents each with two free attached options.

The Company applied to have its shares and options admitted to the Official List of the Stock Exchange of Newcastle Limited. Quotation of the Company's securities commenced on the Stock Exchange of Newcastle Limited on 3rd February 2005.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in future financial years.

Future Developments, Prospects and Business Strategies

The Company will continue to pursue its investment objectives for the long-term benefit of members. This will require the continued review of the investment strategy that is in place and may require some changes to that strategy.

Further information on likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

FLORIN MINING INVESTMENT COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)

Environmental Issues

The Company's operations are not regulated by any significant environmental regulation under the law of the Commonwealth and State.

Information on Directors

Particulars of directors and their interests in shares in Florin Mining Investment Company Limited for the whole of the financial period and up to the date of this report.

Victor Gowan Burley	—	Chairman (Executive)
Qualifications	—	Bachelor of Engineering (Honours 1), Master of Building Science, Graduate of Institute of Engineers of Australia.
Experience	—	Appointed Chairman 2004. Board member since 2004.
Interest in Shares and Options	—	270,000 Ordinary Shares in Florin Mining Investment Company Limited and options to acquire a further 500,000 ordinary shares
Special Responsibilities	—	Victor Gowan Burley is a Member of the Audit Committee
Robert Franklin Cameron		Director (Executive)
Qualifications		Member of Australian Stock Exchange Limited, Affiliate of Securities Institute of Australia.
Experience		Board member since 2004.
Interest in Shares and Options		450,000 Ordinary Shares in Florin Mining Investment Company Limited and options to acquire a further 920,000 ordinary shares
Special Responsibilities		Robert Franklin Cameron is a Member of the Audit Committee
Directorships held in other listed entities		Current director of Winpar Holdings Limited (since 12 June 1986)
Steven Shane Pritchard	—	Director (Executive)
Qualifications	—	Bachelor of Commerce, Certified Practising Accountant, Registered Tax Agent, Fellow Taxation Institute of Australia, Graduate Diploma Applied Finance and Investment, and Associate Securities Institute of Australia
Experience	—	Board member since 2004.
Interest in Shares and Options	—	342,501 Ordinary Shares in Florin Mining Investment Company Limited and options to acquire a further 645,000 ordinary shares
Special Responsibilities	—	Steven Pritchard is a Member of the Audit Committee
Directorships held in other listed entities	—	Current director of Illuminator Investment Company Limited (since 22 December 2004), and Winpar Holdings Limited (since 4 July 2004)
Daniel DiStefano	—	Director (Executive) and Company Secretary
Qualifications	—	Bachelor of Commerce; Certified Practising Accountant
Experience	—	Board member and company secretary since 2004.
Interest in Shares and Options	—	225,001 Ordinary Shares of Florin Mining Investment Company Limited and options to acquire a further 450,000 ordinary shares.
Special Responsibilities	—	Daniel Di Stefano is a Member of the Audit Committee
Directorships held in other listed entities		Current director of Illuminator Investment Company Limited (since 22 December 2004).

FLORIN MINING INVESTMENT COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)

Remuneration Report

a. Principals used to determine nature and amount of Directors' Remuneration

All issues in relation to remuneration of both Executive Directors and Non-Executive Directors are dealt with by the board of the Company.

The constitution of Florin Mining Investment Company Limited requires approval by the shareholders in general meetings of a maximum amount of remuneration per year to be allocated between Non-Executive Directors as they determine. In proposing the maximum amount for consideration in general meeting, and in determining the allocation, the Board takes account of the time demands made on Directors, together with such factors as the general level of fees paid to Directors. The amount of remuneration currently approved by shareholders for Non-Executive Directors is a maximum of \$80,000 per annum.

Non-Executive Directors hold office until such time as they retire, resign or are removed from office under the terms set out in the constitution of the Company.

Non-Executive Directors do not receive any performance based remuneration.

b. Directors' Remuneration

2005	Salary, & Fees	Superannuation Contributions	Other	Total
	\$	\$	\$	\$
Victor Gowan Burley	--	--	--	--
Robert Franklin Cameron	--	--	--	--
Steven Shane Pritchard	--	--	--	--
Daniel Di Stefano	--	--	--	--
	--	--	--	--

c. Executives' Remuneration

Executives are officers who are involved in, or concerned with, or who take part in the management of the affairs of the Company.

The Company has only three executives, RF Cameron, SS Pritchard and D DiStefano. As all of the Executives are Directors of the Company, remuneration in respect of those Executive Directors is included in Directors' Remuneration.

d. Shareholdings

Number of Shares Held by Directors

	Balance 29.9.2004	Received as Remuneration	Options Exercised	Net Change Other*	Balance 30.6.2005
Victor Gowan Burley	--	--	--	270,000	270,000
Robert Franklin Cameron	--	--	--	450,000	450,000
Steven Shane Pritchard	--	--	--	342,501	342,501
Daniel Di Stefano	--	--	--	225,001	225,001
Total	--	--	--	1,277,502	1,277,502

* Share acquired by the directors and director related entities includes shares acquired under the initial public offer on the same basis as similar transactions with other shareholders.

FLORIN MINING INVESTMENT COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)

e. Optionsholdings

Number of Options Held by Directors

Series A Options	Balance 29.9.2004	Granted as Remuneration	Options Exercised	Net Change Other*	Balance 30.6.2005	Total Exercisable 30.6.2005
Victor Gowan Burley	--	--	--	250,000	250,000	250,000
Robert Franklin Cameron	--	--	--	460,000	460,000	460,000
Steven Shane Pritchard	--	--	--	322,500	322,500	322,500
Daniel Di Stefano	--	--	--	225,000	225,000	225,000
Total	--	--	--	1,257,500	1,257,500	1,257,500

Series B Options	Balance 29.9.2004	Granted as Remuneration	Options Exercised	Net Change Other*	Balance 30.6.2005	Total Exercisable 30.6.2005
Victor Gowan Burley	--	--	--	250,000	250,000	250,000
Robert Franklin Cameron	--	--	--	460,000	460,000	460,000
Steven Shane Pritchard	--	--	--	322,500	322,500	322,500
Daniel Di Stefano	--	--	--	225,000	225,000	225,000
Total	--	--	--	1,257,500	1,257,500	1,257,500

* Options acquired by the directors and director related entities includes shares acquired under the initial public offer on the same basis as similar transactions with other shareholders.

Meetings of Directors

During the financial year, 4 meetings of directors (including committees) were held. Attendances were:

	DIRECTORS MEETINGS		AUDIT COMMITTEE MEETINGS	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
Victor Gowan Burley	4	4	1	1
Robert Franklin Cameron	4	4	1	1
Steven Shane Pritchard	4	4	1	1
Daniel Di Stefano	4	4	1	1

Indemnifying Officers or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Company.

FLORIN MINING INVESTMENT COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)

Options

At the date of this report, the unissued ordinary shares of Florin Mining Investment Company Limited under option are as follows:

Series	Grant Date	Date of Expiry	Exercise Price	Number under Option
A	3 February 2005	15 December 2006	\$0.25	5,127,500
B	3 February 2005	15 December 2008	\$0.40	5,127,500

During the period ended 30 June 2005 no shares were issued pursuant to the exercise of any options. No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

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.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2005 has been received and can be found on page 13 of the directors' report.

Signed in accordance with a resolution of the Board of Directors.



Steven Shane Pritchard

Director



Daniel Di Stefano

Director

Dated this 28th day of September 2005.

The logo for Forsythes, featuring the name in a large, bold, serif font. To the right of the name is a circular emblem containing a stylized figure, possibly a person or a symbol, surrounded by a decorative border.

Financial Planning
Recruitment
Forensic Accounting
Accounting
IT & Training

Independence Declaration to the Directors of Florin Mining Investment Company Limited

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2005 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

FORSYTHES

A handwritten signature in black ink, appearing to read 'V J Lewis', written over a light blue circular stamp.

V J Lewis
Partner
Chartered Accountants

Newcastle, 28 September 2005

FLORIN MINING INVESTMENT COMPANY LIMITED

STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 30 JUNE 2005

	Note	2005
		\$
Income from investment portfolio	2a	1,110
Income from trading portfolio	2b	(63,677)
Income from deposits	2c	8,865
Total income from ordinary activities		<u>(53,702)</u>
Administration expenses		(20,145)
Borrowing costs expense		(14)
Management fees		(3,703)
Other expenses from ordinary activities		--
Profit/(Loss) from ordinary activities before income tax expense	3	<u>(77,564)</u>
Income tax benefit/(expense) relating to ordinary activities	4	<u>44,248</u>
Profit/(Loss) from ordinary activities after related income tax expense	17	<u>(33,316)</u>
Direct adjustments against equity		
Unrealised gains/(losses) on investment portfolio (net of tax)	16a	11,773
Total valuation adjustments attributable to members and recognised directly in equity		11,773
Total changes in equity other than those resulting from transactions with owners as owners		<u>(21,543)</u>
Basic earnings per share (cents per share)	7	-0.65
Diluted earnings per share (cents per share)	7	-0.65

The Statement of Financial Performance should be read in conjunction with the accompanying notes

FLORIN MINING INVESTMENT COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2005

	Note	2005 \$
CURRENT ASSETS		
Cash assets	8	63,564
Receivables	9	1,657
Trading portfolio	10	538,976
TOTAL CURRENT ASSETS		<u>604,197</u>
NON-CURRENT ASSETS		
Investment portfolio	11	304,922
Deferred tax assets	12	48,775
TOTAL NON-CURRENT ASSETS		<u>353,697</u>
TOTAL ASSETS		<u>957,894</u>
CURRENT LIABILITIES		
Payables	13	13,546
TOTAL CURRENT LIABILITIES		<u>13,546</u>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	14	9,572
TOTAL NON-CURRENT LIABILITIES		<u>9,572</u>
TOTAL LIABILITIES		<u>23,118</u>
NET ASSETS		<u>934,776</u>
EQUITY		
Contributed equity	15	956,319
Reserves	16	11,773
Retained profits	17	(33,316)
TOTAL EQUITY		<u>934,776</u>

The Statement of Financial Position should be read in conjunction with the accompanying notes

FLORIN MINING INVESTMENT COMPANY LIMITED

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2005

	Note	2005 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Sales from trading portfolio		152,540
Purchases for trading portfolio		(755,194)
Dividends and distributions received		1,110
Interest received		8,218
Other receipts		--
Administration expenses		(7,582)
Borrowing expenses		(14)
Management fees		(2,947)
Performance fees		--
Other payments		(782)
Net cash provided by (used in) operating activities	18	<u>(604,651)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales from investment portfolio		--
Purchases for investment portfolio		(288,104)
Net cash provided by (used in) investing activities		<u>(288,104)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares		1,025,500
Initial public offer costs		(69,181)
Net cash provided by (used in) financing activities		<u>956,319</u>
Net increase in cash held		63,564
Cash at the beginning of the financial year		--
Cash at the end of the financial year	8	<u>63,564</u>

The Statement of Cash Flows should be read in conjunction with the accompanying notes

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2005

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, the *Corporations Act 2001* and other requirements of the law.

The financial report covers Florin Mining Investment Company Limited as an individual entity. Florin Mining Investment Company Limited is a listed public company, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated. Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

a. Basis of Accounting

The financial report has been prepared on an accruals basis and using the valuation methods described below in relation to the Company's holdings of securities. All other items have been treated in accordance with the historical cost convention. Cost is based on the fair values of the consideration given in exchange for assets.

b. Holdings of Securities

(i) Statement of financial position classification

The Company has two portfolios of securities, the investment portfolio and the trading portfolio.

The investment portfolio relates to holdings of securities which the directors intend to retain on a long-term basis.

The trading portfolio comprises securities held for short term trading purposes.

The investment portfolio is classified as a 'non-current asset', whereas the trading portfolio is classified as a 'current asset'.

(ii) Valuation of investment portfolio

Securities, including listed and unlisted shares and notes and options, are initially brought to account at cost and are revalued to market values continuously. Increments and decrements are taken to the Investment Revaluation Reserve while it has a credit balance in total, otherwise they are included in Profit from ordinary activities before income tax expense. Where disposal of an investment occurs any revaluation increment or decrement relating to it is transferred from the Investment Revaluation Reserve while this reserve has a credit balance in total, otherwise they are included in Profit from ordinary activities before income tax expense.

(iii) Valuation of trading portfolio

Securities, including listed and unlisted shares and notes, are initially brought to account at cost. Each holding in the trading portfolio is initially brought to account at cost and is revalued to market values continuously, with all increments and decrements being included in the Profit from ordinary activities before income tax expense of the Company.

(iv) Determination of market value

Market value for the purposes of valuing holdings of securities is determined by reference to market prices prevailing at balance date, predominantly last sale price, where the securities are traded on an organised market. Where a security is not so traded, its fair value is determined by the Directors.

(v) Income from holdings of securities

Distributions relating to listed securities are recognised as income when those securities are quoted ex-distribution basis. Distributions relating to unlisted securities are recognised as

FLORIN MINING INVESTMENT COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2005****NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

income when received unless the distributions are capital returns in which case the amount of the distribution is treated as an adjustment to the cost base of the securities.

c. Reporting Periods

The financial statements have been prepared for the period 29th September 2004, being the date of incorporation of the Company until the 30th June 2005.

d. Income Tax

The Company adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any permanent differences.

Timing differences which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting profit and taxable income are brought to account as either a provision for deferred income tax or as a future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

e. Cash

For the purpose of the statement of cash flows, cash includes:

— cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts

f. Goods and Services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables.

Cashflows are included in the statement of cashflows on a gross basis. The GST component of cashflows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cashflows.

g. Initial Public Offer Costs

The costs incurred in the establishment of the Company and its subsequent initial public offer have been charged directly against contributed equity.

h. Comparative figures

The Company was incorporated on 29th September 2004 and accordingly only current period figures covering the financial period from the date of incorporation to 30 June 2005.

i. Foreign Currency Transactions and Balances

Foreign currency transactions during the year are converted to Australian currency at the rates of exchange applicable at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are converted at the rates of exchange ruling at that date.

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2005

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The gains and losses from conversion of assets and liabilities, whether realised or unrealised, are included in profit from ordinary activities as they arise.

NOTE 2: REVENUE	Note	2005 \$
a. Income from investment portfolio		
— dividends received		1,110
Total Income from investment portfolio		<u>1,110</u>
b. Income from trading portfolio		
— sales revenue		152,540
— cost of sales		<u>(216,217)</u>
Net gains/(losses) from trading portfolio sales		<u>(63,677)</u>
Total income from trading portfolio		<u>(63,677)</u>
c. Income from deposits		
— deposit income		<u>8,865</u>
Total income from deposits		<u>8,865</u>
Total Revenue		<u>(53,702)</u>

NOTE 3: PROFIT FROM ORDINARY ACTIVITIES	Note	2005 \$
Profit from ordinary activities before income tax has been determined after		
Expenses		
Administration expenses		17,522
Bank expenses		540
Borrowing costs		14
Listing fees		2,083
Management fees		3,703
Performance fees		<u>--</u>
		<u>23,862</u>
Profit/(loss) from ordinary activities before income tax		<u>(77,564)</u>

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2005

	2005
NOTE 4: INCOME TAX EXPENSE	\$
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:	
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2004: 30%)	(23,269)
Add:	
Tax effect of permanent differences:	
— Imputation gross-up on dividends received	96
— Franking credits on dividends received	(321)
— Other – Tax deductible expenses	<u>(20,754)</u>
Income tax expense attributable to profit from ordinary activities	<u>(44,248)</u>
Income tax expense attributable to profit from ordinary activities before income tax was comprised of	
— Future income tax benefit	<u>(44,248)</u>
	<u>(44,248)</u>

	2005
NOTE 5: AUDITORS' REMUNERATION	\$
Remuneration of the auditor of the Company for:	
—auditing or reviewing the financial report	5,000
—other services	--
—other services provided by related practice of auditor	<u>--</u>
	<u>5,000</u>

The auditor of Florin Mining Investment Company Limited is Forsythes.

	2005
NOTE 6: DIVIDENDS	\$
a. Dividends Paid or Declared	
There were no dividends paid or declared in the financial period.	--
b. Franking Account	
Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax and dividends recognised as receivables, franking debits arising from payment of proposed dividends and franking credits that may be prevented from distribution in subsequent financial years.	<u>321</u>

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2005

NOTE 7: EARNINGS PER SHARE	2005
	\$
a. Earnings used in the calculation of basic EPS	(33,316)
Earnings used in the calculation of dilutive EPS	(33,316)
b. Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	5,127,502
Weighted average number of options outstanding	10,255,000
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive EPS	5,127,502

NOTE 8: CASH ASSETS	2005
	\$
Cash at bank	1,485
Deposits at call	62,079
	63,564

Deposits at call yield an average floating interest rate of 4.70%.

The credit risk exposure of the Company in relation to cash and deposits is the carrying amount and any accrued unpaid interest.

Reconciliation of Cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash	63,564
------	--------

NOTE 9: RECEIVABLES	2005
	\$
CURRENT	
Other debtors	1,657
	1,657

Receivables are non-interest bearing and unsecured.

The credit risk exposure of the company in relation to receivables is the carrying amount.

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2005

NOTE 10: TRADING PORTFOLIO	2005
	\$
CURRENT	
Listed investments at market value	
— Shares	536,101
— Options	2,875
	<u>538,976</u>
NOTE 11: INVESTMENT PORTFOLIO	2005
	\$
NON-CURRENT	
Listed investments, at market value	
— Fixed interest securities	13,000
— Shares	291,922
	<u>304,922</u>
NOTE 12: DEFERRED TAX ASSETS	2005
	\$
Future income tax benefit	
The future income tax benefit is made up of the following estimated tax benefits:	
— tax losses	20,630
— timing differences	28,145
	<u>48,775</u>
NOTE 13: PAYABLES	2005
	\$
CURRENT	
Sundry creditors and accrued expenses	13,546
	<u>13,546</u>
NOTE 14: TAX LIABILITIES	2005
	\$
NON-CURRENT	
Provision for deferred income tax attributable to:	
— Deferred capital gains tax	9,572
	<u>9,572</u>

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2005

NOTE 15: CONTRIBUTED EQUITY	Note	2005 \$
5,127,502 fully paid ordinary shares	15a	<u>956,319</u>

a. Ordinary shares

At the beginning of the reporting period	--
Shares issued during the year	
— 2 on 29 September 2004	1
— 5,127,500 on 3 February 2005	1,025,499
Transaction costs relating to share issues	<u>(69,181)</u>
Balance at the end of the reporting period	<u>956,319</u>

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands

b. Options

On 3 February 2005, 5,127,500 Series A options were granted to the holders of ordinary shares at an exercise price of \$0.25 each. The option is exercisable on or before 15 December 2006.

On 3 February 2005, 5,127,500 Series B options were granted to the holders of ordinary shares at an exercise price of \$0.40 each. The option is exercisable on or before 15 December 2008.

At 30 June 2005 there were 10,255,000 unissued ordinary shares for which options were outstanding.

NOTE 16: RESERVES	Note	2005 \$
Investment Revaluation Reserve	16a	<u>11,773</u>

**a. Investment Revaluation Reserve
Movements During the Year**

Opening balance	--
Revaluation of the investment portfolio	<u>11,773</u>
Closing balance	<u>11,773</u>

The investment revaluation reserve records revaluations of the Company's investment portfolio.

NOTE 17: RETAINED PROFITS	2005 \$
Retained profits at the beginning of the financial year	--
Net profit/(loss) attributable to the members of the Company	<u>(33,316)</u>
Retained profits/(loss) at the end of the financial year	<u>(33,316)</u>

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2005

	2005 \$
NOTE 18: CASH FLOW INFORMATION	
Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax	
Profit / (Loss) from ordinary activities after income tax	(33,316)
Cash flows excluded from profit from ordinary activities attributable to operating activities	
(Increase)/decrease in current receivables	(1,657)
(Increase)/decrease in the trading portfolio	(538,976)
Increase/(decrease) in current payables	13,546
Increase/(decrease) in income taxes balances	(44,248)
Cash flow from operations	(604,651)

NOTE 19: INVESTMENT TRANSACTIONS

The total number of contract notes that were issued for transactions in investments during the financial year was 63. Each contract note may involve multiple transactions. The total brokerage paid on these contract notes was \$9,717.

NOTE 20: DIRECTORS AND EXECUTIVES DISCLOSURE

In accordance with the Corporations Amendments Regulation 2005 (No.4) the Company has transferred the disclosure required by AASB 1046 from the notes to the Financial Statements to the Directors' Report under the heading of Remuneration Report.

NOTE 21: ECONOMIC DEPENDENCY

The Company is dependant upon Cameron Stockbrokers Limited for the management of its investment portfolio.

NOTE 22: SEGMENT REPORTING

The Company operates in one business segment, being that of a listed investment company. The Company operates from Australia only and therefore has only one geographical segment. However the company has investment exposures in different countries which are shown below. The Company invests in securities listed on overseas stock exchanges. Details of the geographical exposures are as follows:

2005	Revenue \$	Unrealised Gains	Market Value \$	Portfolio %
Australia	1,110	(60,263)	805,877	88.95
United States of America	--	1,731	38,022	4.20
Sub Total	1,110	(58,532)	843,899	93.15
Cash	8,865	--	62,079	6.85
Total	9,975	(58,532)	905,978	100.00

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2005

NOTE 23: EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen in the interval between the end of the period and the date of this report any transaction or event of a material and unusual nature likely, in the opinion of the directors to effect significantly the operations or the state of affairs of the operations of the Company, the results of these operations or state of affairs of the Company in the future.

NOTE 24: RELATED PARTY TRANSACTIONS

2005
\$

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless stated.

Transactions with related parties:

Expenses paid or payable by the company to:

- | | |
|--|--------|
| – Rees Pritchard Pty. Limited for accounting fees. | 19,000 |
|--|--------|

Steven Pritchard is interested in the above transactions as a director and a beneficial shareholder of Rees Pritchard Pty. Limited.

- | | |
|--|--------|
| – Cameron Stockbrokers Limited for reimbursement of initial public offer costs. | 24,438 |
| – Cameron Stockbrokers Limited for handling fees on subscriptions made under the initial offer of shares in the Company. | 20,510 |
| – Cameron Stockbrokers Limited for brokerage fees. | 9,717 |
| – Cameron Stockbrokers Limited for investment management fees. | 3,702 |

Steven Pritchard and Robert Cameron have an interest in the above transactions as directors of Cameron Stockbrokers Limited and as directors and beneficial shareholders of Cameron Capital Limited.

Daniel Di Stefano is interested in the above transaction as a director and beneficial shareholder of Cameron Capital Limited.

Cameron Stockbrokers Limited is a wholly owned subsidiary of Cameron Capital Limited.

- | | |
|--|-------|
| – Pritchard & Partners Pty Limited for handling fees | 5,806 |
|--|-------|

Steven Pritchard is interested in the above transaction as a director and beneficial shareholder of Pritchard & Partners Pty. Limited.

- | | |
|--|-------|
| – Newcastle Capital Markets Registries Pty. Limited for share registry costs | 4,299 |
|--|-------|

Steven Pritchard is interested in the above transaction as a director and beneficial shareholder of Newcastle Capital Markets Registries Pty. Limited.

FLORIN MINING INVESTMENT COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2005****NOTE 25: COMPANY DETAILS**

The registered office of the company is:

10 Murray Street
HAMILTON NSW 2303

The principal place of business is:

5 Spring Street
SYDNEY NSW 2000

NOTE 26: IMPACT OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company must comply with Australian equivalents to International Financial Reporting Standards (AIFRS), as issued by the Australian Accounting Standards Board, for reporting periods beginning on or after 1 January, 2005. The adoption of AIFRS will be reflected in the Company's financial statements for the half-year ending 31 December, 2005.

Entities complying with AIFRS for the first time will be required to restate their comparative financial statements reported under the Australian Generally Accepted Accounting Principles (AGAAP) to amounts reflecting the application of AIFRS to that comparative period.

The Company has analysed and quantified below the impact the effects of the change AIFRS will have on its financial statements that have been reported at 30 June, 2005.

The adjustments disclosed in this note are held to be materially correct based upon the Company's knowledge of standards and interpretations at this time but here may be changes to these figures as a result of future pronouncements or clarifications from the Australian Accounting Standards Board.

a. Realised gains on Investment portfolio included in Net Profit

The revaluation adjustment relating to realised long-term investments standing in the Investment Revaluation Reserve at the time of realisation, which is currently transferred direct to Capital Profits Reserve, will be included in the net profit of the Company before being transferred to the Capital Profits Reserve.

b. Recognition of deferred tax assets on transaction costs on the issue of equity instruments

Currently, the transaction costs arising on the issue of equity instruments are deducted from contributed equity and a related tax benefit is recognised.

Under AIFRS, the expenses incurred in issuing equity instruments are to be deducted from contributed equity net of any realised tax benefit. The tax benefit can be claimed over a five year period and will give rise to a deferred tax asset. At balance date this would result in a decrease in retained profits and an increase in contributed equity to the value of \$20,754.

c. The expected financial effects of adopting AIFRS are shown as a reconciliation of net profit after income tax under current AGAAP to AIFRS.

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2005

NOTE 26: IMPACT OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONT)

Statement of Financial Performance for the Period Ended 30 June 2005

	As per AGAAP	Adjustment	As per AIFRS
	\$	\$	\$
Income from investment portfolio	1,110	--	1,110
Income from trading portfolio	(63,677)	--	(63,677)
Income from deposits	8,865	--	8,865
Total income from ordinary activities	(53,702)	--	(53,702)
Administration expenses	(19,605)	--	(19,605)
Borrowing costs expense	(554)	--	(554)
Management Fees	(3,703)	--	(3,703)
Other expenses from ordinary activities	--	--	--
Profit from ordinary activities before income tax expense	(77,564)	--	(77,564)
Income tax benefit/(expense) relating to ordinary activities	44,248	(20,754)	23,494
Profit from ordinary operating activities after related income tax expense	(33,316)	(20,754)	(54,070)
Realised gains on investment portfolio (net of tax)	--	--	--
Profit from ordinary activities after related income tax expense	(33,316)	(20,754)	(54,070)
Direct adjustments against equity			
Realised gains/(losses) on investment portfolio (net of tax)	--	--	--
Unrealised gains/(losses) on investment portfolio (net of tax)	11,773	--	11,773
Total valuation adjustments recognised directly in equity	11,773	--	11,773
Total changes in equity other than those resulting from transactions with owners as owners	(21,543)		(42,297)

Statement of Financial Position as at 30 June 2005

	As per AGAAP	Adjustment	As per AIFRS
Total Assets	957,894	--	957,894
Total Liabilities	23,118	--	23,118
Net Assets	934,776	--	934,776
Equity			
Contributed Equity	956,319	20,754	977,073
Reserves	11,773	--	11,773
Retained profits	(33,316)	(20,754)	(54,070)
Total Equity	934,776	--	934,776

FLORIN MINING INVESTMENT COMPANY LIMITED**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 14 to 27 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards and the Corporations Regulations 2001; and
 - b. Give a true and fair view of the financial position as at 30 June 2005 and of the performance for the period ended on that date of the company;
2. the Chief Executive Officer and Chief Finance Officer have each declared that:
 - a. the financial records of the company for the financial period have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - b. the financial statements and notes for the financial period comply with the Accounting Standards; and
 - c. the financial statements and notes for the financial period give a true and fair view.
3. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
4. the directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors pursuant to section 295(5) of the *Corporations Act 2001*.



Steven Shane Pritchard
Director



Daniel Di Stefano
Director

Dated this 28th day of September 2005.



Financial Planning
Recruitment
Forensic Accounting
Accounting
IT & Training

Independent audit report to the members of Florin Mining Investment Company Limited

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Florin Investment Company Limited (the company), for the year ended 30 June 2005.

The directors of the company are responsible for the preparation and true and fair presentation of this financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with the Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- Examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- Assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant account estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

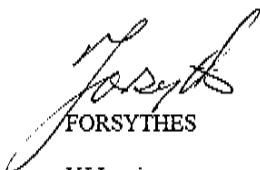
Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

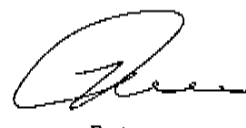
Audit opinion

In our opinion, the financial report of Florin Mining Investment Company Limited is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Florin Investment Company Limited's financial position as at 30 June 2005 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory financial reporting requirements in Australia.



FORSYTHES
VJ Lewis
28 September 2005



Partner
Newcastle, NSW

FLORIN MINING INVESTMENT COMPANY LIMITED

STOCK EXCHANGE INFORMATION

TOP 20 SHAREHOLDERS AS AT 14TH DAY OF SEPTEMBER 2005.

Shareholder	No. of Shares	% of Issued
Guardian Resources Pty Limited	250,000	4.88
Warramboe Holdings Pty Ltd	250,000	4.88
RFC Investment Holdings Pty Ltd <RF Cameron Super Fund A/C>	200,000	3.90
Technica Pty Limited	200,000	3.90
ER Alfonso Pty Ltd	100,000	1.95
GA & LA Bentley Pty Ltd <Super Fund A/C>	100,000	1.95
Henley Underwriting & Investment Company Pty Limited	100,000	1.95
Kyleast Pty Limited	100,000	1.95
Mr Paul Barry Wright & Mrs Gail Alicia Wright	100,000	1.95
Mr Adam Nicholas Ball	85,500	1.67
Illuminator Investment Company Limited	75,000	1.46
Old Fletcher & Partners Pty Ltd <Company A/C>	60,000	1.17
Mr Laurence George Cable	50,000	0.98
Ms Eileen Anne English	50,000	0.98
Mr Ross Buchanan Freeman	50,000	0.98
Great Northern Laundry Pty Ltd	50,000	0.98
Mrs Edith Joan Jones	50,000	0.98
Ladec Pty Limited <Cedalet Unit A/C>	50,000	0.98
Mr Carl Mervyn McLean	50,000	0.98
Mr Christopher Nagel & Mrs Sally Elaine Nagel	50,000	0.98
	2,020,500	39.41

Number of ordinary shares held

1 – 1,000
 1,001 – 5,000
 5,001 – 10,000
 10,001 – 50,000
 50,001 – 100,000
 100,001 and over

Number of Shareholders

2
 1
 100
 94
 8
 4

Substantial Shareholders

As at 14th day of September 2005 the names and holdings of substantial shareholders as disclosed in notices received by the Company are as follows:-

Substantial Shareholder	No. of shares	% of total
Robert Cameron	450,000	8.77
Steven Pritchard	342,501	6.29

FLORIN MINING INVESTMENT COMPANY LIMITED

STOCK EXCHANGE INFORMATION (CONTINUED)

TOP 20 SERIES A OPTIONHOLDERS AS AT 14TH DAY OF SEPTEMBER 2005.

Optionholder	No. of Options	% of Issued
Guardian Resources Pty Limited	250,000	4.88
Warrambo Holdings Pty Ltd	250,000	4.88
RFC Investment Holdings Pty Ltd <RF Cameron Super Fund A/C>	225,000	4.39
Technica Pty Limited	200,000	3.90
Mr Jean-Jacques Loofs	150,000	2.93
ER Alfonso Pty Ltd	100,000	1.95
GA & LA Bentley Pty Ltd <Super Fund A/C>	100,000	1.95
Henley Underwriting & Investment Company Pty Limited	100,000	1.95
Kyleast Pty Limited	100,000	1.95
Mr Paul Barry Wright & Mrs Gail Alicia Wright	100,000	1.95
Illuminator Investment Company Limited	75,000	1.46
Mr Laurence George Cable	50,000	0.98
Ms Eileen Anne English	50,000	0.98
Mr Ross Buchanan Freeman	50,000	0.98
Great Northern Laundry Pty Ltd	50,000	0.98
Mrs Edith Joan Jones	50,000	0.98
Ladec Pty Limited <Cedalet Unit A/C>	50,000	0.98
Mr Carl Mervyn McLean	50,000	0.98
Mr Christopher Nagel & Mrs Sally Elaine Nagel	50,000	0.98
Newcastle Capital Market Registries Pty Limited	50,000	0.98
	2,100,000	40.96

Number of options held

1 – 1,000
 1,001 – 5,000
 5,001 – 10,000
 10,001 – 50,000
 50,001 – 100,000
 100,001 and over

Number of Optionholders

0
 0
 101
 92
 6
 5

FLORIN MINING INVESTMENT COMPANY LIMITED

STOCK EXCHANGE INFORMATION (CONTINUED)

TOP 20 SERIES B OPTIONHOLDERS AS AT 14TH DAY OF SEPTEMBER 2005.

Optionholder	No. of Options	% of Issued
Guardian Resources Pty Limited	250,000	4.88
Warrambo Holdings Pty Ltd	250,000	4.88
RFC Investment Holdings Pty Ltd <RF Cameron Super Fund A/C>	235,000	4.58
Technica Pty Limited	200,000	3.90
Mr Jean-Jacques Loofs	170,000	3.32
ER Alfonso Pty Ltd	100,000	1.95
GA & LA Bentley Pty Ltd <Super Fund A/C>	100,000	1.95
Henley Underwriting & Investment Company Pty Limited	100,000	1.95
Kyleast Pty Limited	100,000	1.95
Mr Paul Barry Wright & Mrs Gail Alicia Wright	100,000	1.95
Illuminator Investment Company Limited	75,000	1.46
Mr Laurence George Cable	50,000	0.98
Ms Eileen Anne English	50,000	0.98
Mr Ross Buchanan Freeman	50,000	0.98
Great Northern Laundry Pty Ltd	50,000	0.98
Mrs Edith Joan Jones	50,000	0.98
Ladec Pty Limited <Cedalet Unit A/C>	50,000	0.98
Mr Carl Mervyn McLean	50,000	0.98
Mr Christopher Nagel & Mrs Sally Elaine Nagel	50,000	0.98
Newcastle Capital Market Registries Pty Limited	50,000	0.98
	2,130,000	41.54

Number of options held

1 – 1,000
 1,001 – 5,000
 5,001 – 10,000
 10,001 – 50,000
 50,001 – 100,000
 100,001 and over

Number of Optionholders

0
 0
 101
 92
 6
 5

FLORIN MINING INVESTMENT COMPANY LIMITED**CORPORATE DIRECTORY**

Directors	Victor Gowan Burley Robert Franklin Cameron Steven Shane Pritchard Daniel Di Stefano
Company Secretary	Daniel Di Stefano
Registered Office	10 Murray Street Hamilton. NSW 2303 Telephone 02 4920 2877 Facsimile 02 4920 2878 Email: mail@florin.com.au Web: www.florin.com.au
Manager	Cameron Stockbrokers Limited Level 5 10 Spring Street Sydney NSW 2000 Telephone 02 8223 5100 Facsimile 02 9232 7272
Share Registry	Newcastle Capital Markets Registry Pty Limited 10 Murray Street Hamilton. NSW 2303 Telephone 02 4920 2877 Facsimile 02 4920 2878
Auditors	Forsythes Level 5, Hunter Mall Chambers 175 Scott Street Newcastle NSW 2300 Telephone 02 4926 2699 Facsimile 02 4929 1435
Solicitors	Baker & McKenzie Level 27, AMP Centre 50 Bridge Street Sydney NSW 1223 Telephone 02 9225 0200 Facsimile 02 9225 1595
Bankers	National Australia Bank Limited Hamilton District Commercial Branch 31 Beaumont Street Hamilton NSW