

FLORIN MINING INVESTMENT COMPANY LIMITED

ABN 60 111 170 882

2007 ANNUAL REPORT

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FLORIN MINING INVESTMENT COMPANY LIMITED

HIGHLIGHTS

Achievements

- Operating profit after tax of \$844,323
- Total Shareholders equity increased by \$2,312,176 or 171%.

Key Financial Statistics

	2007	2006
Net profit (loss) after tax	844,323	297,636
Earnings per Share (cents per share)	9.71	5.80
Total Assets	5,073,501	1,628,033
Total Liabilities	1,408,615	275,323
Shareholders Funds	3,664,886	1,352,710
Net Asset backing per share*	\$0.28	\$0.21
Total Shareholders Return**	41.0%	44.4%
Shares on issue	13,216,306	5,127,502
Number of Shareholders	250	198
Series B Options on issue	7,005,964	5,127,500
Number of Series B Option holders	244	198
Series C Options on issue	7,554,906	-
Number of Series C Option holders	253	-

* The NTA as at 30 June 2006 has been restated to account for the bonus issue on the 24 November 2006.

**Total shareholders return consists of the dividends paid together with the change in net asset backing per share

Benefits of Investing in Florin Shares

Florin Mining Investment Company Limited (Florin) was incorporated in 2004, and listed on the National Stock Exchange of Australia 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 National Stock Exchange of Australia 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 National Stock Exchange of Australia 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, Florin 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

The last year produced an excellent result for Florin shareholders with

- profit up 184% to a record profit of \$844,323
- a maiden fully franked dividend of 1 cent per share
- a 1 for 5 bonus share issue
- a special fully franked dividend of 2 cents per share
- raising an additional \$946,250 through the exercise of options
- raising an additional \$1,230,992 via the 2007 prospectus

Over the last two and a half years Florin has grown from its humble beginnings as a company with a \$1,025,500 market capitalisation to \$3,383,652 today.

Our profit for the year to 30th June 2007 was \$844,323 after allowing for income tax and all other operating expenses.

The total return to shareholders measured by the growth in net tangible assets after provision for income tax and dividends paid was 41%. This we believe compares more than favourably with our peers in the sector.

Despite the recent machinations in the market caused by the rapid deterioration of the perceived credit quality of sub prime debt, and the excesses of some investors and hedge funds we continue to maintain a positive outlook for the resource sector and metal prices.

We believe that the economic growth that we are witnessing in China and India will continue for the foreseeable future underwriting the demand for natural resources to fuel these booming economies.

We maintain our policy of meeting with the management and in the last financial year we would have had face to face contact with in excess of 150 companies, some as potential investment opportunities and some as existing investments.

This policy of meeting with company management is a very powerful tool in the selection process we use for choosing stocks. In fact it would be nigh on impossible for an individual investor to have the same exposure and knowledge that we at Florin are able to have. Another benefit of this continuing contact with the players in the mining industry is that Florin is held in high regard by a lot of industry people which gives us access to IPO's and share placements which the ordinary investor would may not ever have access to. As Florin grows in size this will be extremely beneficial and rewarding for our shareholders.

We continue to selectively invest in companies in which we know the management and where we believe that their projects represent exceptional opportunities to participate in this sector.

Our investments cover a range of commodities including gold, copper, nickel, zinc, iron ore, coal, oil and uranium, ranging from greenfields explorers to producers with the early stage companies quite often giving excellent leverage and potential gains when they make the step up from explorer to producer.

We would also like to take this opportunity to thank Florin's Chairman Mr Vic Burley for his untiring work, wise counsel and his help in the stock selection process.

We will now review briefly some of the stocks in our portfolio to give shareholders a glimpse into some of our investments.

FLORIN MINING INVESTMENT COMPANY LIMITED

INVESTMENT MANAGER'S REPORT

Malachite Resources N.L

Malachite Resources N.L. is a junior explorer run by Garry Lowder who in his former life was the Director General of Mines in NSW. We believe that Garry is a competent manager of a mining exploration company. Malachite has a number of projects including gold, silver and copper. The project we are most excited about is the Conrad Silver Mine at Inverell in northern NSW. This resource was mined by Broken Hill South up until the 1950's when low metal prices forced it's abandonment. However recent high silver prices mean that this mine could be viable once again. The company is currently conducting a drilling program at King Conrad whilst drilling already conducted has encountered very high grade mineralization. www.malachite.com.au

Beaconsfield Gold N.L

We have all heard of the Beaconsfield Gold Mine in North East Tasmania. This mine has gone through a tumultuous time in the last few years most notably the serious accident last year which resulted in the death of a miner and the entrapment of two others who miraculously escaped alive. The company was also embroiled in a long standing struggle with its joint venture partner Allstate Exploration as well as its banker Macquarie Bank.

Out of all this has emerged Beaconsfield Gold N.L. as the single owner of the mine as well as being the manager.

The appointment of Bill Colvin as CEO is seen by us as the most positive step forward. Bill is a very experienced underground mining man having spent several years at the Henty Mine also in Tasmania.

The recently released Melliuck report has stated that the accident of last year was caused by a seismic event which was unavoidable. This opens the way for the re-commencement of mining in the Western stopes. With a steady increase in production there is no reason that the mine can not get to a production level of over 100,000 oz per year. At this level Beaconsfield should become a profitable gold mining company. We at Florin continue to be optimistic about the gold price and see Beaconsfield Gold N.L. as a good investment to participate in the gold sector. www.beaconsfieldgold.com.au

Dominion Mining N L

Dominion Mining NL has been one of our core investments from the beginning of Florin Mining and also one of our most successful. We purchased Dominion around 40 cents per share whilst they are now trading above \$3 per share.

Dominion owns the very productive Challenger Mine where the mine life continues to be extended as more and more discoveries are made. The Challenger mine would have to be one of the most successful gold mines in Australia and has helped Dominion deliver a profit of \$51.7 m for the 06/07 financial year. They have also paid a 10 cent dividend for the year. With over 1 million ounces of resources we see no reason why this trend won't continue.

Managing Director Peter Alexander is an experienced and competent manager and we have great faith in his ability to keep delivering the goods. www.dml.com.au

Uranium One Inc

We have all witnessed the recent Uranium boom and whilst we have a number of uranium stocks Uranium One Inc is one of our most praised. Uranium One is a Canadian based company listed in the Toronto and Johannesburg Stock Exchanges. Uranium One has operations in South Africa, Kazakhstan, Canada, the USA as well as the Honeymoon Well project in South Australia.

We see Uranium One as giving us a good exposure to Uranium across a number of continents with not only producing mines but very good exploration ground. Uranium One first caught our attention because their Honeymoon Well project adjoins the Cumamona Energy ground in which Florin is also an investor.

Uranium One has an aggressive management style and have actively acquired new projects as they have grown the company. www.uranium1.com

FLORIN MINING INVESTMENT COMPANY LIMITED

INVESTMENT MANAGER'S REPORT

Mincor Resources N L

Mincor Resources N L is a growing and profitable nickel mining company which has paid regular fully franked dividends since 2003. Mincor has been another successful investment for Florin and also one of our original holdings. Mincor operates 5 nickel mines in the Kanbalda region of WA and continues to expand by developing a sixth. Mincor is also an active explorer. Although its mining focus is nickel they are also exploring for gold and base metals.

Managing Director David Moore is an experienced geologist and manager with an impressive track record of success. www.mincor.com.au

Florin continues to invest in the companies associated with Josh Pitt and we have holdings in Hampton Hill, Compass Resources, Red Hill, Red Metal and Traka Resources. Josh is a valued supporter of Florin and we have had continued success in backing his projects.

We believe that our strong relationships with the mining industry and with the players in that sector is an invaluable tool for us to be able to deliver continuing good results for our shareholders. We remain confident for the future and the ongoing growth and opportunities to be found in the resource sector.

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	-	(54,070)	977,073	5,127,502	934,776
2006	-	297,636	977,073	5,127,502	1,352,710
2007	3.0	844,323	2,416,174	13,216,306	3,664,886

Investment Objectives

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

- Preserve 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 2007

Name of the Investment	Holding	Market Value	Portfolio %
Investment Portfolio			
Australian Equities			
Adelaide Resources Limited	10,000	5,400	0.12
Australian Oil Company Limited Options 31/12/2009	50,000	1,800	0.04
Avoca Resources Limited	53,788	72,076	1.65
Aurox Resources Limited	20,000	19,600	0.45
Beaconsfield Gold NL	100,000	28,000	0.64
Citic Australia Trading Limited	20,000	16,600	0.38
Compass Resources NL	25,000	104,750	2.40
Epsilon Energy Limited	3,985	1,156	0.03
Felix Resources Limited	15,000	76,500	1.75
Gurarat NRE Resources NL Option 31/12/2007	50,000	7,750	0.18
Heron Resources Limited	47,692	51,507	1.18
Independence Group NL	20,000	139,000	3.18
Image Resources NL	10,000	23,900	0.55
Kingsgate Consolidated NL	40,000	222,000	5.08
King Solomon Mines Limited	50,000	11,500	0.26
Magnetic Resources NL	1,111	306	0.01
Mincor Resources NL	25,000	117,500	2.69
Portman Limited	5,000	48,500	1.11
Rubicon Resources Limited	6,628	961	0.02
Red Hill Iron Limited	50,000	137,500	3.15
Traka Resources Limited	177,777	49,778	1.14
Tasmania Mines Limited	27,151	29,866	0.68
Walter Diversified Services Limited	5,000	12,800	0.29
Total Australian Equities		1,178,750	26.98
Total Investment Portfolio			
		1,178,750	26.98
Trading Portfolio			
Australian Equities			
Australasia Gold Limited	73,000	13,505	0.31
Adelaide Resources Limited	35,000	18,900	0.43
Adamus Resources Limited	60,000	33,000	0.76
Allegiance Mining NL	25,000	19,875	0.45

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Beacon Minerals Limited	100,000	38,500	0.88
BHP Billiton Limited	2,628	92,059	2.11
Buka Gold Limited	100,000	9,000	0.21
Boart Longyear Limited	15,000	33,450	0.77
Bondi Mining Limited	20,000	10,900	0.25
Breakaway Resources Limited	100,000	63,000	1.44
Bass Metals Limited	92,000	34,960	0.80
Cougar Metals NL	100,000	21,000	0.48
CBA Mining Limited	70,000	45,500	1.04
Cumnock Coal Limited	50,000	12,000	0.27
Cooper Energy NL	60,000	47,400	1.09
Curnamona Energy Limited	80,000	172,000	3.94
Dominion Mining Limited	95,000	218,500	5.00
East Coast Minerals NL	100,000	9,100	0.21
Eromanga Uranium Limited	300,000	130,500	2.99
Globe Uranium Limited	129,000	100,620	2.30
Globe Uranium Limited Options 31/10/2007	8,200	4,592	0.11
Golden Cross Resources Limited	1,000,000	42,000	0.96
Glengarry Resources Limited	250,000	30,000	0.69
Golden Rim Resources Limited	65,000	8,450	0.19
Geopacific Resources NL	20,000	7,800	0.18
Gujarat NRE Resources NL Options 31/12/2007	300,000	46,500	1.06
Halcyon Group Limited	1,100,000	19,800	0.45
Hillgrove Gold Limited	35,000	19,075	0.44
Hampton Hill Mining NL	364,000	92,820	2.12
Helix Resources Limited	100,000	19,000	0.43
Heron Resources Limited	30,000	32,400	0.74
Heritage Gold NZ Limited	599,687	30,584	0.70
Heritage Gold NZ Limited Options	40,000	1,200	0.03
Intec Limited	200,000	31,000	0.71
King Solomon Mines Limited	150,000	34,500	0.79
Liontown Resources Limited	50,000	12,500	0.29
Malachite Resources NL	368,000	132,480	3.03
Malachite Resources NL Options 31/08/2008	480,840	86,551	1.98
Magnetic Resources NL	201,666	55,458	1.27
Magnetic Resources NL Options 31/03/2009	50,000	-	-
Meteoric Resources Limited	250,000	45,000	1.03
Magma Metals Limited	75,000	31,500	0.72
Murchison Metals Limited	25,000	145,750	3.34
Mithril Resources Limited	50,000	16,000	0.37
Maximus Resources Limited	50,000	21,250	0.49
Platina Resources Limited	100,000	83,000	1.90

FLORIN MINING INVESTMENT COMPANY LIMITED

Pan Pacific Petroleum NL	50,000	14,250	0.33
Perseus Mining Limited	25,000	29,000	0.66
Redbank Mines Limited	133,333	16,667	0.38
Redbank Mines Limited Options 31/05/2008	100,000	2,800	0.06
Red Metal Limited	50,000	20,250	0.46
Regis Resources NL	200,000	21,000	0.48
Sipa Resources International NL	547,619	65,714	1.50
Torrens Energy Limited	43,900	38,632	0.88
Torrens Energy Limited Options 31/03/2010	278,000	152,900	3.50
Tasmania Mines Limited	5,000	5,500	0.13
Trafford Resources Limited	25,000	24,625	0.56
Traka Resources Limited	200,000	56,000	1.28
White Energy Company Limited	120,000	348,000	7.97
White Energy Company Limited Options 31/03/2009	2,632	-	-
Total Australian Equities		2,968,317	67.95
International Equities			
Apogee Minerals Limited	70,000	35,000	0.80
IGC Resources Inc	35,000	14,700	0.34
Mariana Resources Limited	30,000	9,300	0.21
Northern Dynasty Minerals Limited	3,000	41,490	0.95
SXR Uranium One Inc	7,000	106,680	2.44
Unor Inc	10,000	4,200	0.10
Total International Equities		211,370	4.84
Total Trading Portfolio		3,179,687	72.79
Cash			
National Australia Trustees Limited Common Fund Account		9,916	0.22
Total Cash		9,916	0.22
Total Portfolios		4,368,353	100.00

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 their report on the company for the financial year ended 30 June 2007. In order to comply with the provisions of the Corporations Act 2001, the directors' report as follows:

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

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

The following persons held the position of company secretary at the end of the financial year:

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

Brett Hall held the position of joint company secretary as at the end of the financial year. Brett Hall has a Bachelor of Commerce degree and is a Certified Practicing Accountant.

Principal Activities

The principal activity of the Company during the financial year was making medium to long term investments in securities.

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

Operating Results

The profit of the company after providing for income tax amounted to \$844,323 (2006: \$297,636).

Dividends Paid or Recommended

Two dividends were paid during the period. A dividend of \$0.01 was paid in November 2006 and a dividend of \$0.02 was paid in January 2007. No dividend will be recommended by the directors for declaration at the forthcoming Annual General Meeting.

Review of Operations

Shareholders equity increased by \$2,312,176 to \$3,664,886 or 171% for the year.

The manager was able to generate a good result from the trading portfolio, with overall revenue from the trading portfolio increasing by \$972,820 to \$1,549,701. Further information on the operation's of the Company are included in the Investment Manager's report.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the Company during the financial year.

After Balance Date Events

Since the end of the financial year the company has allotted a further 3,701,955 fully paid ordinary shares. This was the final allotment done under the 2007 prospectus. There have been no other activities which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in the future.

FLORIN MINING INVESTMENT COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)

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.

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

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	—	789,776 Ordinary Shares in Florin Mining Investment Company Limited and options to acquire a further 644,888 ordinary shares
Special Responsibilities	—	Victor Gowan Burley is a Member of the Audit Committee
 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 Fellow of Financial Services Institute of Australasia
Experience	—	Board member since 2004
Interest in Shares and Options	—	840,657 Ordinary Shares in Florin Mining Investment Company Limited and options to acquire a further 692,830 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 2003), Pritchard Equity Limited (since 10 May 2002) and Winpar Holdings Limited (since 4 July 2004)
 Daniel Di Stefano	—	 Director (Executive) and Company Secretary
Qualifications	—	Bachelor of Commerce; Certified Practising Accountant, Graduate Diploma of Applied Finance and Investment, Fellow of Financial Services Institute of Australasia
Experience	—	Board member and company secretary since 2004
Interest in Shares and Options	—	656,974 Ordinary Shares of Florin Mining Investment Company Limited and options to acquire a further 553,489 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 2003)

FLORIN MINING INVESTMENT COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)

Peter Cameron	—	Director (Executive)
Interest in Shares and Options	—	258,081 Ordinary Shares of Florin Mining Investment Company Limited and options to acquire a further 239,041 ordinary shares
Special Responsibilities	—	Peter Cameron is a Member of the Audit Committee

REMUNERATION REPORT

This report details the nature and amount of remuneration for each director of Florin Mining Investment Company Limited, and for the executives receiving the highest remuneration.

Remuneration policy

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.

Remuneration Report

Details of remuneration for year ended 30 June 2007

Details of the remuneration for each Director of the Company was as follows:

2007	Salary & Fees	Superannuation Contributions	Other	Total
	\$	\$	\$	\$
Victor Gowan Burley	-	-	-	-
Steven Shane Pritchard	-	-	-	-
Daniel Di Stefano	-	-	-	-
Peter Cameron	-	-	-	-

2006	Salary & Fees	Superannuation Contributions	Other	Total
	\$	\$	\$	\$
Victor Gowan Burley	-	-	-	-
Steven Shane Pritchard	-	-	-	-
Daniel Di Stefano	-	-	-	-
Peter Cameron	-	-	-	-

FLORIN MINING INVESTMENT COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)

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, P Cameron, SS Pritchard and D Di Stefano. As all of the Executives are Directors of the Company, remuneration in respect of those Executive Directors is included in Directors' Remuneration.

Shareholdings

Number of Shares Held by Directors

	Balance 30.06.2006	Received as Remuneration	Options Exercised	Net Change Other	Balance 30.6.2007
Victor Gowan Burley	270,000	-	451,000	68,776	789,776
Steven Shane Pritchard	374,901	-	382,500	83,256	840,657
Daniel Di Stefano	257,401	-	195,000	204,573	656,974
Peter Cameron	110,000	-	110,000	38,081	258,081
Total	1,012,302	-	1,138,500	394,686	2,545,488

Optionsholdings

Number of Options Held by Directors

Series B Options	Balance 30.06.2006	Granted as Remuneration	Options Exercised	Net Change Other	Balance 30.6.2007	Total Exercisable 30.6.2007
Victor Gowan Burley	250,000	-	-	-	250,000	250,000
Steven Shane Pritchard	322,500	-	-	(50,000)	272,500	272,500
Daniel Di Stefano	225,000	-	-	-	225,000	225,000
Peter Cameron	110,000	-	-	-	110,000	110,000
Total	907,500	-	-	(50,000)	857,500	857,500

Series C Options

	Balance 30.06.2006	Granted as Remuneration	Options Exercised	Net Change Other	Balance 30.6.2007	Total Exercisable 30.6.2007
Victor Gowan Burley	-	-	-	394,888	394,888	394,888
Steven Shane Pritchard	-	-	-	420,330	420,330	420,330
Daniel Di Stefano	-	-	-	328,487	328,487	328,487
Peter Cameron	-	-	-	129,041	129,041	129,041
Total	-	-	-	1,272,746	1,272,746	1,272,746

FLORIN MINING INVESTMENT COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)

Meetings of Directors

During the financial year, 6 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	6	6	1	1
Steven Shane Pritchard	6	6	1	1
Daniel Di Stefano	6	6	1	1
Peter Cameron	0	0	0	0

Options

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

Grant Date	Date of Expiry	Exercise Price	Number under Option
3 February 2005	15 December 2008	\$0.32	5,112,500
11 May 2007	15 December 2010	\$0.40	5,661,442
31 May 2007	15 December 2008	\$0.32	747,084
31 May 2007	15 December 2010	\$0.40	747,084
30 June 2007	15 December 2008	\$0.32	1,146,380
30 June 2007	15 December 2010	\$0.40	1,146,380
31 July 2007	15 December 2008	\$0.32	3,701,955
31 July 2007	15 December 2010	\$0.40	3,701,955

During the year ended 30 June 2007 a total of 4,277,000 shares were issued pursuant to the exercise of 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.

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.

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 2007 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

Dated this 28 Day of September 2007

AUDITORS INDEPENDENCE DECLARATION TO THE DIRECTORS OF FLORIN MINING INVESTMENT COMPANY LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Florin Mining Investment Company Limited.

As lead audit partner for the audit of Florin Mining Investment Company Limited financial statements for the year ended 30 June 2007, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- i. the independence requirements of the Corporations Act 2001 in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.



FORSYTHES



MJ Matthews
Partner
Chartered Accountants

Newcastle, 28 September 2007

FLORIN MINING INVESTMENT COMPANY LIMITED

INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
Income from investment portfolio	2	8,994	5,012
Income from trading portfolio	2	1,549,701	576,881
Income from deposits	2	4,785	1,368
Income from sub-underwriting	2	4,000	-
Total income from ordinary activities		1,567,480	583,261
Administration expenses		(79,844)	(51,757)
Borrowing costs expense		(4,321)	(1,477)
Management fees		(28,399)	(13,514)
Performance fees		(404,956)	(113,978)
Operating profit before income tax and realised gains/(losses) on the investment portfolio	3	1,049,960	402,535
Income tax (expense)/credit relating to ordinary activities *	4	(283,648)	(109,658)
Operating profit before realised gains/(losses) on the investment portfolio		766,312	292,877
Realised gains/(losses) on the investment portfolio		111,444	6,798
Income tax (expense)/credit thereon *	4	(33,433)	(2,039)
Net realised gains on investment portfolio		78,011	4,759
Profit attributable to members of the company		844,323	297,636
Overall Operations			
Basic earnings per share (cents per share)	7	9.71	5.80
Diluted earnings per share (cents per share)	7	9.71	5.80
* Total tax expense / (benefit)	4	317,081	111,697

The accompanying notes form part of these financial statements.

FLORIN MINING INVESTMENT COMPANY LIMITED

BALANCE SHEET AS AT 30 JUNE 2007

	Note	2007 \$	2006 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	262,886	26,394
Trade and other receivables	9	132,808	108,247
Trading portfolio	10	3,179,687	1,022,457
Other	11	180,225	14,686
TOTAL CURRENT ASSETS		3,755,606	1,171,784
NON-CURRENT ASSETS			
Investment portfolio	12	1,178,749	458,633
Deferred tax assets	13	139,146	20,192
TOTAL NON-CURRENT ASSETS		1,317,895	478,825
TOTAL ASSETS		5,073,501	1,650,609
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	642,536	126,923
Borrowings	15	147,912	26,734
Current tax liabilities	16	-	83,201
TOTAL CURRENT LIABILITIES		790,448	236,858
NON-CURRENT LIABILITIES			
Deferred tax liabilities	17	618,167	61,041
TOTAL NON-CURRENT LIABILITIES		618,167	61,041
TOTAL LIABILITIES		1,408,615	297,899
NET ASSETS		3,664,886	1,352,710
EQUITY			
Issued capital	18	2,416,174	977,073
Reserves	19	530,998	136,829
Retained earnings		717,714	238,808
TOTAL EQUITY		3,664,886	1,352,710

The accompanying notes form part of these financial statements.

FLORIN MINING INVESTMENT COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

	Note	Issued Capital	Retained Profits	Capital Profits Reserve	Investment Revaluation Reserve	Total
		\$	\$	\$	\$	\$
Balance at 1 July 2005		977,073	(54,070)	-	11,773	934,776
Profit / (Loss) for the year		-	297,636	-	-	297,636
Revaluation of investment portfolio (net of tax)	19b	-	-	-	120,298	120,298
Transfers between reserves	19a	-	(4,758)	4,758	-	-
Balance at 30 June 2006		977,073	238,808	4,758	132,071	1,352,710
Balance at 1 July 2006		977,073	238,808	4,758	132,071	1,352,710
Issued shares	15	1,335,976	-	-	-	1,335,976
Dividends paid and dividend reinvestment plan	6 & 18	103,125	(287,406)	-	-	(184,281)
Profit/(Loss) for the year		-	844,323	-	-	844,323
Revaluation of investment portfolio (net of tax)	19b	-	-	-	316,158	316,158
Transfers between reserves	19a	-	(78,011)	78,011	-	-
Balance at 30 June 2007		2,416,174	717,714	82,769	448,229	3,664,886

The accompanying notes form part of these financial statements.

FLORIN MINING INVESTMENT COMPANY LIMITED

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Sales from trading portfolio		1,712,437	1,529,484
Purchases for trading portfolio		(2,438,333)	(1,532,212)
Dividends received		62,251	39,570
Interest received		4,785	2,015
Sub underwriting fees received		4,400	-
Other Receipts		19,835	-
		<u>(634,625)</u>	<u>38,857</u>
Administration expenses		(79,345)	(52,624)
Bank charges		(827)	(403)
Borrowing costs		(4,214)	(1,025)
Management fees		(27,402)	(12,964)
Performance fees		(113,978)	-
Income tax paid		(83,111)	-
Other payments		(10,471)	(2,073)
Net cash provided/(used in) operating activities	21	<u>(953,973)</u>	<u>(30,232)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Sales from investment portfolio		300,573	243,232
Purchases for investment portfolio		(394,263)	(276,452)
Net cash provided/ (used in) investing activities		<u>(93,690)</u>	<u>(33,220)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		1,369,062	-
Share issue costs		(21,704)	-
Proceeds from borrowings		337,728	135,444
Repayment of borrowings		(194,074)	(131,738)
Dividends paid		(184,281)	-
Net cash provided/(used in) by financing activities		<u>1,306,731</u>	<u>(3,706)</u>
Net increase/(decrease) in cash held		259,068	(59,746)
Cash at beginning of financial year		3,818	63,564
Cash at end of financial year	8	<u>262,886</u>	<u>3,818</u>

The accompanying notes form part of these financial statements.

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards and Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Florin Mining Investment Company Limited is a listed public company, incorporated and domiciled in Australia.

The financial report of Florin Mining Investment Company Limited as an individual entity comply with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

Basis of Preparation

Reporting Basis and Conventions

The financial report has been prepared on the basis of historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The financial statements were authorised for issue by the directors on 28 September 2007.

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.

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007 (CONTINUED)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting Policies

a. Investment and Trading Portfolios

(i) Balance Sheet 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'.

Ordinary securities within the investment portfolio are classified as 'assets available for sale', whilst securities within the trading portfolio are classified as 'assets measured at fair value through the Income Statement'.

(ii) Valuation of investment portfolio

Securities, including listed and unlisted shares and notes and options, are initially brought to account at cost, which is the cost of acquisition including transaction costs, and are revalued to market values continuously. Increments and decrements on Ordinary Securities 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 to the Income Statement. Subsequently, any revaluation or decrement to the extent of a capital profits reserve balance relating to the disposal of an investment is transferred to the Capital Profits Reserve.

(iii) Valuation of trading portfolio

Securities, including listed and unlisted shares and notes, are initially brought to account at cost which is the cost of acquisition including transaction costs and are revalued to market values continuously.

Increments and decrements on the value of securities in the trading portfolio are taken directly through to the Income Statement.

(iv) Determination of market value

Market value for the purposes of valuing holdings of the securities is determined by reference to market prices prevailing at balance date, predominantly the 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 and distributions relating to unlisted securities are recognised as income when received. If the distributions are capital returns on ordinary securities the amount of the distribution is treated as an adjustment to the carry value of the securities.

b. Fair Value of Financial Assets and Liabilities

The fair value of cash and cash equivalents, and non-interest bearing monetary financial assets and liabilities of the Company approximates their carrying value.

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007 (CONTINUED)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. **Income Tax**

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

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.

d. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

e. **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.

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 Tax 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 balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

g. **Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

h. **Foreign Currency Transactions and Balances**

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

i. **Borrowings**

The Company is party to an agreement under which BT Securities Limited have agreed to accept listed securities beneficially held by the Company as security under the loan facility.

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007 (CONTINUED)

NOTE 2: REVENUE

	2007 \$	2006 \$
a. Income from Investment Portfolio		
— dividends received	8,994	5,012
Total Income from Investment Portfolio	8,994	5,012
b. Income from Trading Portfolio		
— sales revenue	1,750,877	1,576,277
— cost of sales	(250,278)	(1,034,270)
— net gains/(losses) from trading portfolio sales	1,500,599	542,007
— dividends received	49,102	34,874
Total Income from Trading Portfolio	1,549,701	576,881
c. Income from Deposits		
— interest income	4,785	1,368
Total income from Deposits	4,785	1,368
d. Income from sub-underwriting		
— Sub-underwriting income	4,000	-
Total Income from Sub-underwriting	4,000	-
Total Revenue	1,567,480	583,261

NOTE 3: PROFIT FOR THE YEAR

Operating profit before income tax has been determined after:

Expenses

Administration expenses	71,449	46,346
Bank expenses	821	412
Borrowing costs	4,321	1,477
Listing fees	7,574	5,000
Management fees	28,399	13,513
Performance fees	404,956	113,978
Profit/(loss) from operating activities before income tax and realised gains on the investment portfolio	1,049,960	402,535

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007 (CONTINUED)

NOTE 4: INCOME TAX EXPENSE

	2007 \$	2006 \$
a. The components of tax expense comprise:		
Current tax provision	-	83,201
Increase/(decrease) in deferred tax assets – Investment portfolio	33,433	-
(Increase) / decrease in deferred tax assets - other	(137,908)	28,496
Increase / (decrease) in deferred tax liabilities	421,556	-
	<u>317,081</u>	<u>111,697</u>
b. The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Operating profit / (loss) before income tax expense and realised gains on investment portfolio	1,049,960	402,535
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2006: 30%)	314,988	120,761
Add:		
Tax effect of:		
— Imputation gross-up on dividends received	6,131	4,758
— Franking credits on dividends received	(20,438)	(15,861)
— Capital raising costs	(6,987)	-
Income tax expense on operating profit before realised gains on investment portfolio	<u>293,694</u>	<u>109,658</u>
Under (Over) provision for tax prior year	10,046	-
Income tax expense	<u>283,648</u>	<u>-</u>
Realised gains (losses) on investment portfolio	111,444	6,797
Prima facie tax payable (credit) calculated at 30% (2006: 30%)	<u>33,433</u>	<u>2,039</u>
Income tax expense (credit) on realised gains (losses) on investment portfolio	<u>33,433</u>	<u>2,039</u>
Total income tax expense (credit)	<u>317,081</u>	<u>111,697</u>
c. Amounts recognised directly in equity		
Increase / (decrease) in deferred tax liabilities relating to capital gains on the increase in unrealised gains on securities in the investment portfolio	135,570	51,496
(Increase) / decrease in deferred tax assets relating to capital losses on the increase in unrealised losses on securities in the investment portfolio	(74)	88
	<u>135,496</u>	<u>51,557</u>

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007 (CONTINUED)

NOTE 5: AUDITORS' REMUNERATION

	2007 \$	2006 \$
Remuneration of the auditor of the company for:		
Forsythes		
— auditing or reviewing the financial report	7,500	6,300

NOTE 6: DIVIDENDS

a. Dividends Paid or Declared

Fully franked ordinary dividend of 1 cent per share paid on 5 November 2006	68,395	-
Fully franked ordinary special dividend of 2 cents per share paid on 7 January 2007.	219,011	-
Total dividends paid or declared in the financial year	287,406	-

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 and it does not reflect the impact of dividends declared after balance date.	-	99,383
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NOTE 7: EARNINGS PER SHARE

	2007 Number	2006 Number
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	8,691,999	5,127,502
Weighted average number of options outstanding	11,458,362	10,255,000
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive earnings per share	8,691,999	5,127,502
a. Basic and diluted earnings per share	\$	\$
Profit / (Loss) attributable to members of the company	844,323	297,636
	Cents	Cents
Basic earnings per share including realised gains(losses) on the investment portfolio	9.71	5.80
Diluted earnings per share including realised gains(losses) on the investment portfolio	9.71	5.80

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007 (CONTINUED)

NOTE 7: EARNINGS PER SHARE (CONTINUED)

b. Basic and diluted operating earnings per share excluding realised gains/(losses) on the investment portfolio	2007	2006
	\$	\$
Operating profit before realised gains/(losses) on the investment portfolio	766,312	292,877
	Cents	Cents
Basic operating earnings per share excluding realised gains/(losses) on the investment portfolio	8.82	5.71
Diluted operating earnings per share excluding realised gains/(losses) on the investment portfolio	8.82	5.71
c. Classification of securities	Number	Number
The following potential ordinary shares are not dilutive and therefore excluded from the weighted average number of ordinary shares for the purposes of dilutive earnings per share:		
- Options outstanding	14,560,870	10,255,000

NOTE 8: CASH AND CASH EQUIVALENTS

Cash at bank and in hand	252,970	-
Deposits at call	9,916	26,394
	<u>262,886</u>	<u>26,394</u>

The effective interest rate on deposits at call was 5.36% (2006: 4.80%).

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 cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	262,886	26,394
Bank overdrafts	-	(22,567)
	<u>262,886</u>	<u>3,818</u>

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007 (CONTINUED)

NOTE 9: TRADE AND OTHER RECEIVABLES

	2007	2006
	\$	\$
CURRENT		
Outstanding settlements – investment portfolio	-	58,120
Outstanding settlements – trading portfolio	85,194	46,752
Other debtors	47,614	3,375
	<u>132,808</u>	<u>108,247</u>

Receivables are non-interest bearing and unsecured.

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

NOTE 10: TRADING PORTFOLIO

CURRENT

Listed investments, at market value

- Shares	2,972,895	979,907
- Options	206,792	42,550
	<u>3,179,687</u>	<u>1,022,457</u>

NOTE 11: OTHER ASSETS

New security issue applications	180,000	14,461
Prepayments	225	225
	<u>180,225</u>	<u>14,686</u>

NOTE 12: INVESTMENT PORTFOLIO

NON-CURRENT

Listed investments, at market value

- Fixed interest securities	-	25,200
- Shares	1,169,199	3,850
- Options	9,550	429,583
	<u>1,178,749</u>	<u>458,633</u>

NOTE 13: DEFERRED TAX ASSETS

Deferred tax asset

The deferred tax asset is made up of the following estimated tax benefits:

- Temporary differences	<u>139,146</u>	<u>20,192</u>
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NOTE 14: TRADE AND OTHER PAYABLES

CURRENT

Sundry creditors and accrued expenses	<u>642,536</u>	<u>126,923</u>
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FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007 (CONTINUED)

NOTE 15: BORROWINGS

	Note	2007 \$	2006 \$
CURRENT			
Overdraft		-	22,576
Short-term borrowings - secured		147,912	4,158
		<u>147,912</u>	<u>26,734</u>

The above short-term borrowings are secured by listed securities held in the company's investment and trading portfolio's, whilst the overdraft is unsecured. Repayment of the facility is done either through the use of cash received from dividends and distributions or the sale of securities. The effective interest rate on deposits at call was 5.36% (2006: 4.80%).

NOTE 16: TAX LIABILITIES

CURRENT

Income tax payable	-	83,201
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NOTE 17: DEFERRED TAX LIABILITIES

NON-CURRENT

Provision for deferred income tax attributable to:

- Deferred capital gains tax	618,100	61,041
- Temporary differences	67	-
	<u>618,167</u>	<u>61,041</u>

NOTE 18: CONTRIBUTED EQUITY

13,216,306 (2006: 5,127,502) fully paid ordinary shares	18a	<u>2,416,174</u>	<u>977,073</u>
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a. Ordinary shares

At the beginning of reporting period	977,073	977,073
Shares issued during the year		
- 1,712,000 on 15 November 2006	430,250	-
- 2,580,000 on 15 December 2006	516,000	-
- 1,531,055 on 24 December 2006	31,205	-
- 372,285 on 31 January 2007	78,170	-
- 747,084 on 31 May 2007	164,358	-
- 1,146,380 on 30 June 2007	252,204	-
Transaction costs relating to share issues	(33,086)	-
At the end of reporting period	<u>2,416,174</u>	<u>977,073</u>

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to 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.

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007 (CONTINUED)

NOTE 18: CONTRIBUTED EQUITY (CONTINUED)

b. Options

On 7 May 2007, 5,661,442 Series C 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 2007 there were 14,560,870 (2006:10,255,000) unissued ordinary shares for which options were outstanding. The options carry no rights to dividends and no voting rights.

NOTE 19: RESERVES

	Note	2007 \$	2006 \$
Capital profits	19a	82,769	4,758
Investment revaluation	19b	448,229	132,071
		<u>530,998</u>	<u>136,829</u>

19a. Capital Profits Reserve

Movements During the Year

Opening balance	4,758	-
Transfer (to) / from retained earnings	78,011	4,758
Closing Balance	<u>82,769</u>	<u>4,758</u>

The capital profits reserve records capital profits made upon the sale of investments in the Company's investment portfolio.

19b. Investment Revaluation Reserve

Movements During the Year

Opening balance	132,071	11,773
Revaluation of the investment portfolio (net of tax)	316,158	120,298
Closing Balance	<u>448,229</u>	<u>132,071</u>

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

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007 (CONTINUED)

NOTE 20: 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:

2007	Revenue \$	Unrealised Gains \$	Market Value \$	Portfolio %
Australia	59,095	1,271,396	4,147,067	94.93
Canada	-	(2,066)	14,700	0.34
United States of America	-	57,947	196,670	4.51
Sub Total	59,095	1,327,277	4,358,437	99.78
Cash	4,785	-	9,916	0.22
Total	63,880	1,327,277	4,368,353	100.00

2006	Revenue \$	Unrealised Gains \$	Market Value \$	Portfolio %
Australia	39,886	374,959	1,276,111	84.65
Canada	-	11,165	23,800	1.58
New Zealand	-	(13,374)	19,710	1.31
United States of America	-	39,167	161,470	10.71
Sub Total	39,886	411,917	1,481,091	98.25
Cash	1,368	-	26,394	1.75
Total	41,254	411,917	1,507,485	100.00

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007 (CONTINUED)

NOTE 21: CASH FLOW INFORMATION

	Note	2007 \$	2006 \$
a. Reconciliation of Cash Flow from Operations with Profit after Income Tax			
Profit / (loss) after income tax		844,323	297,636
Cash flows excluded from profit attributable to operating activities			
Net realised (gains)/losses on the investment portfolio		(78,011)	(4,759)
(Increase)/decrease in current receivables		(82,695)	(50,016)
(Increase)/decrease in the trading portfolio		(2,157,230)	(483,481)
(Increase)/decrease in the new security issue applications		(165,537)	(14,461)
(Increase)/decrease in prepayments		-	(225)
Increase/(decrease) in current payables		368,096	113,376
Increase/(decrease) in income taxes balances		317,081	111,697
Cash flow from operations		<u>(953,973)</u>	<u>(30,232)</u>

NOTE 22: RELATED PARTY TRANSACTIONS

Transactions with related parties:

— Rees Pritchard Pty. Limited for accounting fees.	32,735	24,358
— Rees Pritchard Pty. Limited for consulting fees in regards to the 2007 Prospectus	8,673	-

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

— Cameron Stockbrokers Limited for handling fees on subscriptions made under the 2007 Prospectus.	8,331	-
— Cameron Stockbrokers Limited for brokerage fees.	37,617	33,709
— Cameron Stockbrokers Limited for Investment management and performance fees.	433,355	127,491

Steven Pritchard has an interest in the above transactions as a director of Cameron Stockbrokers Limited and as director and beneficial shareholder 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.

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007 (CONTINUED)

NOTE 22: RELATED PARTY TRANSACTIONS (CONTINUED)

	Note	2007 \$	2006 \$
Newcastle Capital Markets Registries Pty. Limited			
— for share registry costs		12,580	6,070

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

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

NOTE 23: 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 24: INVESTMENT TRANSACTIONS

The total number of contract notes that were issued for transactions in investments during the year was 287 (2006: 341). Each contract note may involve multiple transactions. The total brokerage paid on these contract notes was \$37,617 (2006: \$33,709).

NOTE 25: COMPANY DETAILS

The registered office of the Company is:

10 Murray Street
HAMILTON NEW SOUTH WALES 2303

The principle place of business is:

10 Spring Street
SYDNEY NEW SOUTH WALES 2000

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007 (CONTINUED)

NOTE 26: FINANCIAL RISK MANAGEMENT

Accounting Standards identify three types of risk associated with financial instruments (i.e. the Company's investments, receivables, payables and borrowings):

a. Credit Risk

The standard defines this as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk is managed as noted in the Notes to the financial statements with respect to cash and trade and other receivables. None of these assets are over-due or considered to be impaired.

b. Liquidity Risk

The standard defines this as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company monitors its cash-flow requirements and ensures that it has either cash or access to short term borrowing facilities sufficient to meet any payments.

The assets of the Company are largely in the form of readily tradeable securities which can be sold on-market if necessary.

c. Market Risk

The standard defines this as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market price.

By its nature, as the Company invests a substantial proportion of its assets in tradeable securities the Company is always subject to market risk as it invests its capital in securities which are not risk free i.e. the market price of these securities can fluctuate.

d. Interest Rate Risk

The standard defines this as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company monitors its interest rate exposure and the interest bearing liabilities are kept to a minimum.

Note 27: SUBSEQUENT EVENTS AFTER 30 JUNE 2007

On 31 July 2007 an additional 3,701,955 Fully Paid Ordinary Shares were issued under the 2007 Prospectus.

If these shares were issued on or before 30 June 2007 the impact on the Earnings Per Share (EPS) calculation would be negligible. The EPS calculation is based on weighted average calculations.

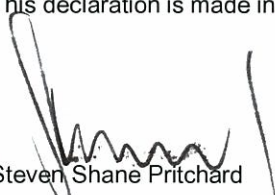
FLORIN MINING INVESTMENT COMPANY LIMITED

DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 15 to 32, 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 2006 and of the performance for the year 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 year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - b. the financial statements and notes for the financial year comply with the Accounting Standards; and
 - c. the financial statements and notes for the financial year give a true and fair view;
3. in the director's 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.

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



Steven Shane Pritchard
Director

Dated this 28 day of September 2007

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLORIN MINING INVESTMENT COMPANY LIMITED

We have audited the accompanying financial report of Florin Mining Investment Company Limited, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the company.

We have also audited the remuneration disclosures contained in the directors' report. As permitted by the Corporations Regulations 2001, the company has disclosed information about the remuneration of directors and executives ("remuneration disclosures"), required by Accounting Standard AASB 124 Related Party Disclosures, under the heading "remuneration report" on pages 11 and 12 of the directors' report and not in the financial report.

Directors' responsibility for the financial report and the AASB 124 remuneration disclosure contained in the directors' report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The directors of the company are also responsible for the remuneration disclosures contained in the directors' report.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report and the remuneration disclosures contained in the directors' report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall

presentation of the financial report and the remuneration disclosures contained in the directors' report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion on the financial report

In our opinion, the financial report of Florin Mining Investment Company Limited is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2007 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

Auditor's Opinion on the AASB 124 remuneration disclosures contained in the directors' report

In our opinion, the remuneration disclosures that are contained on pages 11 and 12 of the directors' report comply with Accounting Standard AASB 124.



FORSYTHES



MJ Matthews
Partner
Chartered Accountants

Newcastle, 28 September 2007

FLORIN MINING INVESTMENT COMPANY LIMITED

STOCK EXCHANGE INFORMATION

TOP 20 SHAREHOLDERS AS AT 5 SEPTEMBER 2007

Shareholder	No. of Shares	% of Issued
Intercontinental Assets Pty Ltd	1,000,000	5.91
Technica Pty Limited	580,000	3.43
Wythenshawe Pty Ltd	550,000	3.25
Warrambo Holdings Pty Ltd	550,000	3.25
HSBC Custody Nominees (Australia) Limited	500,000	2.96
RFC Investment Holdings Pty Ltd	473,000	2.80
PEQ Nominees Pty Limited	350,040	2.07
Winpar Holdings Limited	344,426	2.04
Mr Adam Nicholas Ball	251,655	1.49
Mr George Drysdale	250,277	1.48
Mr Edward Stuart	230,000	1.36
GA & LA Bentley Pty Ltd	230,000	1.36
Illuminator Investment Company Limited	205,906	1.22
Mr Laurence George Cable	205,451	1.21
Kyleast Pty Limited	200,535	1.19
Donwood Pty Ltd	200,000	1.18
Troika Investments Pty Ltd	161,000	0.95
Ole Nydahl	153,481	0.91
Mr Peter Cameron	148,081	0.88
Richard Oak Pty Ltd	140,000	0.83
	4,258,180	39.77

Number of ordinary shares held

Number of Shareholders

1 – 1,000	2
1,001 – 5,000	6
5,001 – 10,000	73
10,001 – 50,000	178
50,001 – 100,000	47
100,001 and over	35

Substantial Shareholders

As at 5 September 2007 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
Intercontinental Assets Pty Ltd	1,000,000	5.91

FLORIN MINING INVESTMENT COMPANY LIMITED

STOCK EXCHANGE INFORMATION (CONTINUED)

TOP 20 SERIES B OPTIONHOLDERS AS AT 5 SEPTEMBER 2007

Optionholder	No. of Options	% of Issued
Intercontinental Assets Pty Limited	1,000,000	9.34
HSBC Custody Nominees (Australia) Limited	500,000	4.67
Warrambo Holdings Pty Ltd	250,000	2.33
Wythenshawe Pty Ltd	250,000	2.33
RFC Investment Holdings Pty Ltd	235,000	2.19
Mr Edward Stuart	230,000	2.15
Technica Pty Limited	200,000	1.87
Donwood Pty Ltd	200,000	1.87
Mr Jean-Jacques Loofs	170,000	1.59
Dover Trading Co Pty Ltd	165,000	1.54
Winpar Holdings Limited	130,000	1.21
Mr Laurence George Cable	118,180	1.10
Mr Larry John Voltz	110,000	1.03
PEQ Nominees Pty Limited	100,000	0.93
GA & LA Bentley Pty Ltd	100,000	0.93
Kyleast Pty Limited	100,000	0.93
Richard Oak Pty Limited	100,000	0.93
Mr Alan Douglas Hopwood	100,000	0.93
Mr Paul Barry Wright & Mrs Gail Alicia Wright	100,000	0.93
AJW Earthmoving Services Pty Ltd	100,000	0.93
	4,258,180	39.77

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
6
164
132
22
13

FLORIN MINING INVESTMENT COMPANY LIMITED

STOCK EXCHANGE INFORMATION (CONTINUED)

TOP 20 SERIES C OPTIONHOLDERS AS AT 5 SEPTEMBER 2007

Optionholder	No. of Options	% of Issued
Intercontinental Assets Pty Limited	1,000,000	8.88
HSBC Custody Nominees (Australia) Limited	500,000	4.44
Technica Pty Limited	290,000	2.58
Warramboo Holdings Pty Ltd	275,000	2.44
Wythenshawe Pty Ltd	275,000	2.44
RFC Investment Holdings Pty Ltd	236,500	2.10
Mr Edward Stuart	230,000	2.04
Donwood Pty Ltd	200,000	1.78
PEQ Nominees Pty Limited	175,020	1.55
Cramm Nominees Pty Limited	143,000	1.27
Mr Laurence George Cable	136,816	1.22
Mr George Drysdale	125,114	1.11
Winpar Holdings Limited	120,509	1.07
Richard Oak Pty Limited	120,000	1.07
GA & LA Bentley Pty Ltd	115,000	1.02
Mr Alan Douglas Hopwood	115,000	1.02
Mr Larry John Voltz	110,000	0.98
Illuminator Investment Company Limited	102,953	0.91
Kyleast Pty Limited	100,268	0.89
AJW Earthmoving Services Pty Ltd	100,000	0.89
	4,470,180	39.71

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

2
9
124
162
30
19

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 Brett Hall
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

