

FORM: Half yearly/preliminary final report

Name of issuer

Florin Mining Investment Company Limited

ACN or ARBN	Half yearly (tick)	Preliminary final (tick)	Half year/financial year ended (‘Current period’)
111 170 882		<input checked="" type="checkbox"/>	30th June 2008

For announcement to the market

Extracts from this statement for announcement to the market (see note 1).

				\$A
Operating Revenue (item 1.1)	Down	125.39%	To	(397,958)
Operating Profit (loss) before abnormal items and tax	Down	156.36%	To	(591,744)
Operating Profit (loss) for the period after tax but before minority equity interests (item 1.9)	Down	127.42%	To	(231,528)
Profit (loss) for the period attributable to security holders (item 1.11)	Down	127.42%	To	(231,528)
Income Distributions		Current period		Previous corresponding period
Dividends Paid		\$0.01 Per Share Fully Franked Dividend Paid on 17 December 2008.		\$0.01 Per Share Fully Franked Dividend Paid on 20 November 2006 \$0.02 Per Share Special Dividend Paid on 17 January 2007
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				

Annual meeting
(Preliminary final statement only)

The annual meeting will be held as follows:

Place

TBA

Date

Time

Approximate date the annual report will be available

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.

3. This statement does give a true and fair view of the matters disclosed (see note 2).

4. This statement is based on financial statements to which one of the following applies:

- | | |
|------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> The financial statements have been audited. | <input type="checkbox"/> The financial statements have been subject to review by a registered auditor (or overseas equivalent). |
| <input checked="" type="checkbox"/> The financial statements are in the process of being audited or subject to review. | <input type="checkbox"/> The financial statements have <i>not</i> yet been audited or reviewed. |

5. If the accounts have been or are being audited or subject to review and the audit report is not attached.

6. The *issuer* has a formally constituted audit committee.

Sign here:
.....
(Company secretary)

Date:
12/9/2008

Print name: Brett Hall

FLORIN MINING INVESTMENT COMPANY LIMITED

INVESTMENT MANAGER'S REPORT (CONTINUED)

Details Of Investments Held as at 30 June 2008

Name of the Investment	Holding	Market Value	Portfolio %
<i>Investment Portfolio</i>			
Australian Equities			
AGL Energy Limited	2,000	28,600	0.66
Arrow Energy Limited	20,000	73,600	1.70
Australian Oil Company Limited Option expiring 31/12/09	50,000	1,000	0.02
Beaconsfield Gold NL	400,000	56,000	1.29
Citic Australia Trading Limited	20,000	16,200	0.37
Coal & Allied Industries Limited	200	21,600	0.50
Compass Resources NL	60,000	130,471	3.01
Emu Nickel NL	10,000	1,100	0.03
Giralia Resources NL	10,000	22,800	0.53
Independence Group NL	10,000	51,000	1.18
King Solomon Mines Limited	50,000	7,000	0.16
Kingsgate Consolidated NL	50,000	261,500	6.04
Magnetic Resources NL Contributing Shares	1,666	0	0.00
Mincor Resources NL	25,000	83,000	1.92
Moly Mines Limited	20,000	61,600	1.42
Red Hill Iron Limited	60,000	399,000	9.21
Tasmania Mines Ltd	37,058	66,704	1.54
Traka Resources Limited	177,777	16,889	0.39
Total Australian Equities		1,298,064	29.96
Total Investment Portfolio		1,298,064	29.96
<i>Trading Portfolio</i>			
Australian Equities			
Adamus Resources Limited	100,000	43,000	0.99
Amerod Resources Limited Unlisted Options 30/08/2009	2,632	0	0.00
Bass Metals Limited	120,000	20,400	0.47
Beacon Minerals Limited	275,000	30,250	0.70
Breakaway Resources Limited	100,000	30,500	0.70
Buka Gold Limited	151,000	15,100	0.35
CGA Mining Limited	80,000	141,600	3.27
Cockatoo Coal Limited	25,000	21,125	0.49

FLORIN MINING INVESTMENT COMPANY LIMITED

Cooper Energy NL	65,933	30,659	0.71
Curnamona Energy Limited	80,000	46,400	1.07
Dominion Mining Limited	90,000	301,500	6.96
Dragon Mountain Gold Limited	100,000	41,000	0.95
East Coast Minerals NL	100,000	9,000	0.21
Eden Energy Limited	100,000	27,500	0.63
Emu Nickel NL	426,000	46,860	1.08
Eromanga Uranium Limited	300,000	27,000	0.62
Glengarry Resources Limited	350,000	21,350	0.49
Golden Rim Resources Limited	200,000	12,400	0.29
Hampton Hill Mining NL	450,000	202,500	4.67
Helix Resources Limited	100,000	25,000	0.58
Heritage Gold NZ Limited	599,687	16,192	0.37
Heritage Gold NZ Limited Options	40,000	240	0.01
Iron Clad Mining Limited	50,000	41,500	0.96
Kentor Limited	400,000	54,000	1.25
King Solomon Mines Limited	208,800	29,232	0.67
Krucible Mines Limited	510,000	341,700	7.89
L & M Petroleum Limited	135,208	20,281	0.47
Legend Mining Limited Options 31/07/2008	400,000	9,200	0.21
Magma Metals Limited	75,000	43,500	1.00
Magnetic Resources NL Contributing Shares	2,500	0	0.00
Malachite Resources NL	388,000	98,940	2.28
Malachite Resources NL Options 31/08/2008	539,840	17,275	0.40
Marmota Energy Limited	960,000	84,480	1.95
Marmota Energy Limited – Options 30/06/2008	200,000	200	0.00
Mithril Resources Limited	192,150	34,587	0.80
Monax Mining Limited	200,000	47,000	1.08
Panaegis Gold Mines Limited	400,000	12,000	0.28
Perseus Mining Limited	50,000	59,500	1.37
Platina Resources Limited	120,000	63,000	1.45
QMASTOR Limited	200,000	50,000	1.15
Queensland Ores Limited	317,450	36,507	0.84
Ramelius Resources Limited	50,000	38,250	0.88
Ramelius Resources Limited Options 30/06/2010	3,000	570	0.01
Retail Star Limited	1,000,000	10,000	0.23
Sipa Resources International NL	547,619	33,952	0.78
Southern Uranium Limited	32,165	4,181	0.10
Syndicated Metals Limited	200,000	56,000	1.29
Tasmania Mines Limited	5,000	9,000	0.21
Torrens Energy Limited Options 31/03/2010	278,000	30,580	0.71
Trafford Resources Limited	100,000	79,000	1.82

FLORIN MINING INVESTMENT COMPANY LIMITED

Traka Resources Limited	250,000	23,750	0.55
Uranium Equities Limited	100,000	22,500	0.52
Western Desert Resources Limited	11,097	2,441	0.06
Western Desert Resources Limited Non – Ren. Rights	2,220	0	0.00
White Energy Company Limited	120,000	446,400	10.30
XRF Scientific Limited	200,000	19,200	0.44
Total Australian Equities		2,928,302	67.59
International Equities			
Apogee Minerals Limited	78,000	27,632	0.64
IGC Resources Inc	35,000	10,782	0.25
Mariana Resources Limited	30,000	5,234	0.12
Northern Dynasty Minerals Limited	3,000	25,194	0.58
SXR Uranium One Inc	7,000	34,554	0.80
Unor Inc	10,000	1,485	0.03
Total International Equities		104,879	2.42
Total Trading Portfolio		3,033,181	70.01
Cash			
National Australia Trustees Limited Common Fund Account		1,320	0.03
Total Cash		1,320	0.03
Total Portfolios		4,332,295	100.00

FLORIN MINING INVESTMENT COMPANY LIMITED

INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

	Note	2008 \$	2007 \$
Income from investment portfolio	2	9,076	8,994
Income from trading portfolio	2	(422,695)	1,549,701
Income from deposits	2	10,291	4,785
Income from sub-underwriting	2	5,370	4,000
Total income from ordinary activities		(397,958)	1,567,480
Administration expenses		(135,888)	(79,844)
Borrowing costs expense		(9,897)	(4,321)
Management fees		(48,001)	(28,399)
Performance fees		-	(404,956)
Operating profit/(loss) before income tax and realised gains/(losses) on the investment portfolio	3	(591,744)	1,049,960
Income tax (expense)/credit relating to ordinary activities *	4	163,650	(283,648)
Operating profit before realised gains/(losses) on the investment portfolio		(428,094)	766,312
Realised gains/(losses) on the investment portfolio		280,810	111,444
Income tax (expense)/credit thereon *	4	(84,243)	(33,433)
Net realised gains on investment portfolio		196,567	78,011
Profit attributable to members of the company		(231,527)	844,323
 Overall Operations			
Basic earnings per share (cents per share)	7	(1.39)	9.71
Diluted earnings per share (cents per share)	7	(1.39)	9.71
 * Total tax expense / (benefit)	 4	 (79,407)	 317,081

The accompanying notes form part of these financial statements.

FLORIN MINING INVESTMENT COMPANY LIMITED

BALANCE SHEET AS AT 30 JUNE 2008

	Note	2008 \$	2007 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	11,321	262,886
Trade and other receivables	9	2,092	132,808
Trading portfolio	10	3,033,181	3,179,687
Other	11	2,225	180,225
TOTAL CURRENT ASSETS		3,048,819	3,755,606
NON-CURRENT ASSETS			
Investment portfolio	12	1,298,064	1,178,749
Deferred tax assets	13	288,810	139,146
TOTAL NON-CURRENT ASSETS		1,586,874	1,317,895
TOTAL ASSETS		4,635,693	5,073,501
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	31,921	642,536
Borrowings	15	77,423	147,912
Current tax liabilities	16	(57,587)	-
TOTAL CURRENT LIABILITIES		51,756	790,448
NON-CURRENT LIABILITIES			
Deferred tax liabilities	17	583,667	618,167
TOTAL NON-CURRENT LIABILITIES		583,667	618,167
TOTAL LIABILITIES		635,423	1,408,615
NET ASSETS		4,000,270	3,664,886
EQUITY			
Issued capital	18	3,193,806	2,416,174
Reserves	19	686,027	530,998
Retained earnings		120,437	717,714
TOTAL EQUITY		4,000,270	3,664,886

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 2008

	Note	Issued Capital	Retained Profits	Capital Profits Reserve	Investment Revaluation Reserve	Total
		\$	\$	\$	\$	\$
Balance at 1 July 2006		977,073	238,808	4,758	132,071	1,352,710
Issued shares	18a	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
Balance at 1 July 2007		2,416,174	717,714	82,769	448,229	3,664,886
Issued shares	18a	798,376	-	-	-	798,376
Buy back of shares	18a	(84,612)	-	-	-	(84,612)
Dividends paid and dividend reinvestment plan	6 & 18	63,868	(169,183)	-	-	(105,315)
Profit/(Loss) for the year		-	(231,527)	-	-	(231,527)
Revaluation of investment portfolio (net of tax)	19b	-	-	-	(41,537)	(41,537)
Transfers between reserves	19a	-	(196,567)	196,567	-	-
Balance at 30 June 2008		3,193,806	120,437	279,336	406,692	4,000,270

The accompanying notes form part of these financial statements.

FLORIN MINING INVESTMENT COMPANY LIMITED

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

	Note	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Sales from trading portfolio		2,411,894	1,712,437
Purchases for trading portfolio		(2,578,220)	(2,438,333)
Dividends received		20,849	62,251
Interest received		10,195	4,785
Sub underwriting fees received		5,370	4,400
Other Receipts		-	19,835
		<u>(129,912)</u>	<u>(634,625)</u>
Administration expenses		(77,884)	(79,345)
Bank charges		(1,291)	(827)
Borrowing costs		(7,310)	(4,214)
Management fees		(54,617)	(27,402)
Performance fees		(445,451)	(113,978)
Income tax paid		(137,359)	(83,111)
Other payments		(11,470)	(10,471)
Net cash provided/(used in) operating activities	21	<u>(865,294)</u>	<u>(953,973)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Sales from investment portfolio		593,514	300,573
Purchases for investment portfolio		(496,791)	(394,263)
Net cash provided/ (used in) investing activities		<u>96,723</u>	<u>(93,690)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		729,819	1,369,062
Share issue costs		(36,850)	(21,704)
Proceeds from borrowings		595,378	337,728
Repayment of borrowings		(666,026)	(194,074)
Dividends paid		(105,315)	(184,281)
Net cash provided/(used in) by financing activities		<u>517,006</u>	<u>1,306,731</u>
Net increase/(decrease) in cash held		(251,565)	259,068
Cash at beginning of financial year		262,886	3,818
Cash at end of financial year	8	<u>11,321</u>	<u>262,886</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 2008

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 2008 (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 2008 (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 2008 (CONTINUED)

NOTE 2: REVENUE

	2008	2007
	\$	\$
a. Income from Investment Portfolio		
— dividends received	9,076	8,991
Total Income from Investment Portfolio	9,076	8,994
 b. Income from Trading Portfolio		
— sales revenue	2,326,700	1,750,877
— cost of sales	(2,761,168)	(250,278)
— net gains/(losses) from trading portfolio sales	(434,468)	1,500,599
— dividends received	11,773	49,102
Total Income from Trading Portfolio	(422,695)	1,549,701
 c. Income from Deposits		
— interest income	10,291	4,785
Total income from Deposits	10,291	4,785
 d. Income from sub-underwriting		
— Sub-underwriting income	5,370	4,000
Total Income from Sub-underwriting	5,370	4,000
Total Revenue	(397,958)	1,567,480

NOTE 3: PROFIT FOR THE YEAR

Operating profit before income tax has been determined after:

Expenses

Administration expenses	128,028	71,449
Bank expenses	1,290	821
Borrowing costs	9,897	4,321
Listing fees	6,570	7,574
Management fees	48,001	28,399
Performance fees	-	404,956
Profit/(loss) from operating activities before income tax and realised gains on the investment portfolio	(591,744)	1,049,960

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (CONTINUED)

NOTE 4: INCOME TAX EXPENSE

	2008	2007
	\$	\$
a. The components of tax expense comprise:		
Current tax provision		-
Increase/(decrease) in deferred tax assets – Investment portfolio	84,243	33,433
(Increase) / decrease in deferred tax assets - other	(552,621)	(137,908)
Increase / (decrease) in deferred tax liabilities	388,971	421,556
	(79,407)	317,081
 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	(591,744)	1,049,960
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2007: 30%)	(177,523)	314,988
Add:		
Tax effect of:		
— Imputation gross-up on dividends received	(1,331)	6,131
— Franking credits on dividends received	4,435	(20,438)
— Capital raising costs	(8,363)	(6,987)
Income tax expense on operating profit before realised gains on investment portfolio	(182,781)	293,694
Under (Over) provision for tax prior year	19,131	10,046
Income tax expense	(163,650)	283,648
Realised gains (losses) on investment portfolio	280,809	111,444
Prima facie tax payable (credit) calculated at 30% (2007: 30%)	84,243	33,433
Income tax expense (credit) on realised gains (losses) on investment portfolio	84,243	33,433
Total income tax expense (credit)	(79,407)	317,081
 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	(1,915)	135,570
(Increase) / decrease in deferred tax assets relating to capital losses on the increase in unrealised losses on securities in the investment portfolio	15,887	(74)
Increase/(decrease) in deferred tax assets relating to capital raising costs	(5,110)	-
	8,862	135,496

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (CONTINUED)

NOTE 5: AUDITORS' REMUNERATION

	2008 \$	2007 \$
Remuneration of the auditor of the company for: Forsythes		
— auditing or reviewing the financial report	24,350	7,500

NOTE 6: DIVIDENDS

a. Dividends Paid or Declared

Fully franked ordinary dividend of 1 cent per share(2007: 0.01)paid on 17 December 2007	169,183	68,395
Fully franked ordinary special dividend of Nil cents per share (2007: 0.02).	-	219,011
Total dividends paid or declared in the financial year	169,183	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.

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NOTE 7: EARNINGS PER SHARE

	2008 Number	2007 Number
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	16,712,711	8,691,999
Weighted average number of options outstanding	21,356,239	11,458,362
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive earnings per share	16,712,711	8,691,999
a. Basic and diluted earnings per share	\$	\$
Profit / (Loss) attributable to members of the company	(231,528)	844,323
	Cents	Cents
Basic earnings per share including realised gains(losses) on the investment portfolio	(1.39)	9.71
Diluted earnings per share including realised gains(losses) on the investment portfolio	(1.39)	9.71

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (CONTINUED)

NOTE 7: EARNINGS PER SHARE (CONTINUED)

b. Basic and diluted operating earnings per share excluding realised gains/(losses) on the investment portfolio	2008	2007
	\$	\$
Operating profit before realised gains/(losses) on the investment portfolio	(428,094)	766,312
	Cents	Cents
Basic operating earnings per share excluding realised gains/(losses) on the investment portfolio	(2.56)	8.82
Diluted operating earnings per share excluding realised gains/(losses) on the investment portfolio	(2.56)	8.82
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	21,964,780	14,560,870

NOTE 8: CASH AND CASH EQUIVALENTS

Cash at bank and in hand	10,001	252,970
Deposits at call	1,320	9,916
	11,321	262,886

The effective interest rate on deposits at call was 6.73% (2007: 5.36%).

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	11,321	262,886
Bank overdrafts	-	-
	11,321	262,886

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (CONTINUED)

NOTE 9: TRADE AND OTHER RECEIVABLES

	2008	2007
	\$	\$
CURRENT		
Outstanding settlements – investment portfolio	-	-
Outstanding settlements – trading portfolio	-	85,194
Other debtors	2,092	47,614
	2,092	132,808

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	2,975,116	2,972,895
- Options	58,065	206,792
	3,033,181	3,179,687

NOTE 11: OTHER ASSETS

New security issue applications	2,000	180,000
Prepayments	225	225
	2,225	180,225

NOTE 12: INVESTMENT PORTFOLIO

NON-CURRENT

Listed investments, at market value

- Shares	1,297,064	1,169,199
- Options	1,000	9,550
	1,298,064	458,633

NOTE 13: DEFERRED TAX ASSETS

Deferred tax asset

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

- Tax Losses	161,205	-
- Temporary differences	127,605	139,146
	288,810	139,146

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (CONTINUED)

NOTE 14: TRADE AND OTHER PAYABLES

CURRENT

Sundry creditors and accrued expenses	31,921	642,536
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NOTE 15: BORROWINGS

	Note	2008 \$	2007 \$
CURRENT			
Overdraft		-	-
Short-term borrowings - secured		77,423	147,912
		77,423	147,912

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 short term borrowings – secured was 9.95% (2007: 9.05%).

NOTE 16: TAX LIABILITIES

CURRENT

Income tax payable	(57,587)	-
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NOTE 17: DEFERRED TAX LIABILITIES

NON-CURRENT

Provision for deferred income tax attributable to:

- Deferred capital gains tax	194,696	618,100
- Temporary differences	388,971	67
	583,667	618,167

NOTE 18: CONTRIBUTED EQUITY

16,767,182 (2007: 13,216,306) fully paid ordinary shares	18a	3,193,806	2,416,174
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a. Ordinary shares

At the beginning of reporting period		2,416,174		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
- 3,701,955 on 31 July 2007		814,430		-
- 290,364 on 17 December 2007		63,868		-
Shares bought back during the year				

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (CONTINUED)

- 45,000 on 13 March 2008	(9,099)	-
- 112,742 on 18 April 2008	(22,227)	-
- 50,452 on 07 May 2008	(9,181)	-
- 69,249 on 19 May 2008	(12,602)	-
- 34,000 on 13 June 2008	(6,531)	-
- 130,000 on 18 June 2008	(24,972)	-
Transaction costs relating to share issues	(16,054)	(33,086)
At the end of reporting period	3,193,806	2,416,174

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.

NOTE 18: CONTRIBUTED EQUITY (CONTINUED)

b. Options

On 31 July 2007, 10,707,919 Series B Options at an exercise price of \$0.32 and 11,256,861 Series C options at an exercise price of \$0.40 were granted to the holders of ordinary shares. The Series B options are exercisable on or before 15 December 2008 and the Series C options are exercisable on or before 15 December 2010.

At 30 June 2008 there were 36,525,650 (2007:14,560,870) unissued ordinary shares for which options were outstanding. The options carry no rights to dividends and no voting rights.

NOTE 19: RESERVES

	Note	2008 \$	2007 \$
Capital profits	19a	279,335	82,769
Investment revaluation	19b	406,692	448,229
		686,027	530,998

19a. Capital Profits Reserve

Movements During the Year

Opening balance		82,768	4,758
Transfer (to) / from retained earnings		195,567	78,011
Closing Balance		279,335	82,769

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		448,229	132,071
Revaluation of the investment portfolio (net of tax)		(41,537)	316,158
Closing Balance		406,692	448,229

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 2008 (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:

2008	Revenue \$	Unrealised Gains \$	Market Value \$	Portfolio %
Australia	20,849	1,200,600	4,226,096	97.55
Canada	-	(55,805)	38,413	0.89
United Kingdom	-	(9,228)	5,234	0.12
United States of America	-	4,736	61,232	1.41
Sub Total	20,849	1,140,303	4,330,975	99.97
Cash	10,291	0	1,320	0.03
Total	31,140	1,140,303	4,332,295	100.00

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

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (CONTINUED)

NOTE 21: CASH FLOW INFORMATION

	Note	2008 \$	2007 \$
a. Reconciliation of Cash Flow from Operations with Profit after Income Tax			
Profit / (loss) after income tax		(231,527)	844,323
Cash flows excluded from profit attributable to operating activities			
Net realised (gains)/losses on the investment portfolio		(196,567)	(78,011)
(Increase)/decrease in current receivables		85,098	(82,695)
(Increase)/decrease in the trading portfolio		146,506	(2,157,230)
(Increase)/decrease in the new security issue applications		-	(165,537)
Increase/(decrease) in current payables		(367,795)	368,096
Increase/(decrease) in income taxes balances		(301,009)	317,081
Cash flow from operations		(865,294)	(953,973)

NOTE 22: RELATED PARTY TRANSACTIONS

Transactions with related parties:

– Rees Pritchard Pty. Limited for accounting fees.	50,128	32,735
– Rees Pritchard Pty. Limited for consulting fees in regards to the 2007 Prospectus	1,658	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.	49,062	37,617
– Cameron Stockbrokers Limited for Investment management fees.	48,001	28,399
– Cameron stockbrokers Limited for performance fees	-	404,956

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 2008 (CONTINUED)

NOTE 22: RELATED PARTY TRANSACTIONS (CONTINUED)

	Note	2008 \$	2007 \$
– Newcastle Capital Markets Registries Pty. Limited for share registry costs		16,121	12,580

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 313 (2007: 287). Each contract note may involve multiple transactions. The total brokerage paid on these contract notes was \$49,062 (2007: \$37,617).

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 2008 (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 where are not risk free i.e. the market price of these securities can fluctuate.

A general fall in market prices of 5% and 10%, if spread equally over all assets in the investment portfolio would lead to a reduction in the Company's equity of \$152,330 and \$304,660 respectively, assuming a flat tax rate of 30%.

The Company seeks to minimise market risk by ensuring that it is not in the opinion of the Board, overly exposed to one company or one particular sector of the market. The relative weightings of the individual securities and relevant market sectors are reviewed regularly and risk can be managed by reducing exposure where appropriate. The Company does not have set parameters as to a minimum or maximum amount of the portfolio that can be invested in a single company or sector.

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (CONTINUED)

The Company's investment across industry sectors as at 30 June is as below	2008	2007
	%	%
Capital Goods	0.37	1.15
Cash & Equivalents	0.03	0.10
Commercial services and supplies	0.44	0.29
Energy	7.77	10.83
Materials	86.22	77.28
Metals & Mining	2.42	5.51
Retailing	0.23	-
Software & services	1.15	0.45
Utilities'	1.37	4.39
	100.00	100.00

Securities representing over 5 per cent of the investment portfolio at 30 June were:	2008
	%
White Energy Company Limited	10.30
Red Hill Iron Limited	9.21
Krucible Metals Limited	7.89
Dominion Mining Limited	6.96
Kingsgate Consolidated NL	6.04
	40.40

No other security represents over 5 per cent of the Company's investment and trading portfolios.

The company is exposed to currency risk as some of its investments are quoted in other than Australian dollars.

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 2008

Other than the matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of material and unusual nature likely, in the opinion of the directors of the Company to significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity, in future financial years