

FLORIN MINING INVESTMENT COMPANY LIMITED

ABN 60 111 170 882

2008 ANNUAL REPORT

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FLORIN MINING INVESTMENT COMPANY LIMITED

HIGHLIGHTS

Achievements

- Total Shareholders equity increased by \$335,384 or 9.16%

Key Financial Statistics

	2008	2007
Net profit (loss) after tax	(231,528)	844,323
Earnings per Share (cents per share)	(1.39)	9.71
Total Assets	4,635,693	5,073,501
Total Liabilities	635,423	1,408,615
Shareholders Funds	4,000,269	3,664,886
Net Asset backing per share	\$0.24	\$0.28
Total Shareholders Return*	-11%	41%
Shares on issue	16,767,182	13,216,306
Number of Shareholders	326	250
Series B Options on issue	10,707,919	7,005,964
Number of Series B Option holders	331	244
Series C Options on issue	11,256,861	7,554,906
Number of Series C Option holders	342	253

*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 disclosure 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

Florin, incurred a loss of \$231,528 for the 2008 year. Whilst it is always disappointing to make a loss, it is our belief that given the increased volatility and subsequent falls being experienced in global financial markets the result was none the less a solid one.

Despite the economic meltdown beginning in Wall Street we remain confident in the resource sector. We see the China and India growth story as a long term one, and consequently the demand for raw materials should continue to rise into the foreseeable future.

We maintain our policy of meeting with company directors. Over the last year we met with some one hundred plus companies. This policy of company contact helps us in the stock selection process as well as reinforcing the presence of Florin as a credible investor in the resource sector.

During the year we were continued to be offered placements. Unfortunately towards the end of the year the success from these lessened as the market declined. Our exposure to the sector covers most commodities including gold, copper, uranium, nickel, platinum, silver, coal, coal bed methane, oil, iron ore and phosphate.

We had very little exposure to margin lending and our debt levels were minimal. This policy held us in good stead and notwithstanding the market slumps our un-audited net tangible asset backing at the end of August was 20.4 cents per share.

When the market upturn occurs we will be well positioned to take advantage of the improved market conditions.

During the year the company bought back 441,443 shares under the share buy back scheme.

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

Arrow Energy Limited

Arrow Energy Limited is involved in the exploration for and the production of coal bed methane gas. At Moranbah in Queensland they have a 50/50 joint venture with AGL Energy Limited which is currently the sole supplier of natural gas into Townsville. Once operating these plants produce good revenue and only need a small work force to operate them. New Hope Corporation a subsidiary of Washington H Soul Pattison Limited holds approximately 17.2% of the issued capital.

Emu Nickel Ltd

Emu Nickel Ltd was floated earlier this year by George Sakilidis from Image Resources. Despite some excellent drill out joint ventures with Jubilee (Xtrata) and Mincor Limited the float was poorly received by the market and so far has been our worst investment. The stock is now selling for almost half its cash backing and we are still hopeful that some good discoveries will lift the share price.

Hampton Hill Mining N.L.

Hampton Hill Mining N.L. is an exploration company managed by Josh Pitt and Neil Tomkinson. Their prize asset is a 40% free carried interest in the Weld Range Direct Shipping Iron Ore Project with Midwest Corporation (Sino Steel). As announced by Midwest there is an indicative target expectation of 35 to 45 million tonnes of direct shipping ore. Midwest is expected to step up the rate of drilling next calendar year.

Kingsgate Consolidate Limited

Kingsgate Consolidate Limited is a gold producer at Chartree in Thailand. Despite lower gold production in the June quarter, next year is expected to significantly increase with the granting of Chartree North leases by the Thai government. There is also excellent potential for further discoveries. The company holds about \$40 million in cash and is extremely well managed by the Managing Director Gavin Thomas and Chairman Ross Smyth-Kirk.

Krucible Metals Limited

Krucible Metals Limited listed in 2007 and Florin was able to obtain stock in the float. A pure exploration company Krucible holds leases in the Mount Isa district adjacent to the Phosphate Hill operation of Incitec Pivot. Initial drilling has found encouraging phosphate results. If the phosphate price holds its current levels of around \$400 per tonne this ground could be extremely valuable. Managing Director Tony Alston is a seasoned and competent explorer.

FLORIN MINING INVESTMENT COMPANY LIMITED

INVESTMENT MANAGER'S REPORT

Qmastor Limited

Qmastor Limited produces management information systems to the mining and bulk commodity industries. Their products are used for tracking and controlling quality and volume during stockpiling operations and put to port operations. Qmastor is a well managed company with major clients such as BHP Billiton, Rio and Peabody. As they gain more contracts their earnings are expected to increase beyond the \$1.2 million after tax profit made last year.

We are very appreciative of the help, guidance and good counsel afforded to the company by our Chairman Mr Vic Burley and look forward to a better result next year.

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
2008		(231,528)	3,193,806	16,767,182	4,000,269

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 2008

Name of the Investment	Holding	Market Value	Portfolio %
Investment Portfolio			
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
Trading Portfolio			
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

Name of the Investment	Holding	Market Value	Portfolio %
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

FLORIN MINING INVESTMENT COMPANY LIMITED

Name of the Investment	Holding	Market Value	Portfolio %
Torrens Energy Limited Options 31/03/2010	278,000	30,580	0.71
Trafford Resources Limited	100,000	79,000	1.82
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

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 2008. 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:

Robert Franklin Cameron (Resigned 31/08/2007)

Victor Gowan Burley

Steven Pritchard

Daniel Di Stefano

Peter Cameron (Appointed 31/08/2007)

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 Practising 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 loss of the company after providing for income tax amounted to \$231,527 (2007 Profit: \$844,323).

Dividends Paid or Recommended

A dividend of \$0.01(2006: 0.03) was paid in December 2007. No dividend will be recommended by the directors for declaration at the forthcoming Annual General Meeting.

Review of Operations

Shareholders equity increased by \$335,384 to \$4,000,270 or 9.16% for the year.

The trading portfolio resulted in a loss of \$422,695 in the current year compared to a profit of \$1,549,702 in the previous year. 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

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. However, the Directors note that there has been a substantial correction in the markets in which the company invests between the balance date and the date of this report. Changes in the company's investments are reflected in the Company's Net Asset Backing per share which is reported to the NSX monthly.

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	—	790,948 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	—	878,871 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 (Non-Executive) and Joint 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	—	683,020 Ordinary Shares of Florin Mining Investment Company Limited and options to acquire a further 553,487 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	—	274,812 Ordinary Shares of Florin Mining Investment Company Limited and options to acquire a further 214,041 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 2008

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

2008	Salary & Fees	Superannuation Contributions	Other	Total
	\$	\$	\$	\$
Victor Gowan Burley	-	-	-	-
Steven Shane Pritchard	-	-	-	-
Daniel Di Stefano	-	-	-	-
Peter Cameron	-	-	-	-

2007	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 30.06.2007	Received as Remuneration	Options Exercised	Net Change Other	Balance 30.6.2008
Victor Gowan Burley	789,776	-	-	1,172	790,948
Steven Shane Pritchard	840,657	-	-	38,214	878,871
Daniel Di Stefano	656,974	-	-	26,046	683,020
Peter Cameron	258,081	-	-	16,731	274,812
Total	2,545,488	-	-	82,163	2,627,651

Options holdings

Number of Options Held by Directors

Series B Options	Balance 30.06.2007	Granted as Remuneration	Options Exercised	Net Change Other	Balance 30.6.2008	Total Exercisable 30.6.2008
Victor Gowan Burley	250,000	-	-	-	250,000	250,000
Steven Shane Pritchard	272,500	-	-	-	272,500	272,500
Daniel Di Stefano	225,000	-	-	-	225,000	225,000
Peter Cameron	85,000	-	-	-	85,000	85,000
Total	832,500	-	-	-	832,500	832,500

Series C Options

	Balance 30.06.2007	Granted as Remuneration	Options Exercised	Net Change Other	Balance 30.6.2008	Total Exercisable 30.6.2008
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	6	6	1	1

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 2008 no 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

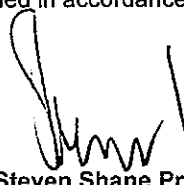
No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

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 2008 has been received and can be found on page 14 of the directors' report.

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



Steven Shane Pritchard

Director

Dated this 29th Day of September 2008



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 2008, 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, 29 September 2008

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)
Finance costs		(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/(loss) before realised gains/(losses) on the investment portfolio		(428,094)	766,312
Realised gain/(loss) on the investment portfolio		280,810	111,444
Income tax (expense) thereon *	4	(84,243)	(33,433)
Net realised gains on investment portfolio		196,567	78,011
(Loss)/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
Current tax assets	16	57,587	-
TOTAL CURRENT ASSETS		<u>3,106,407</u>	<u>3,755,606</u>
NON-CURRENT ASSETS			
Investment portfolio	12	1,298,064	1,178,749
Deferred tax assets	13	288,810	139,146
TOTAL NON-CURRENT ASSETS		<u>1,586,874</u>	<u>1,317,895</u>
TOTAL ASSETS		<u>4,693,281</u>	<u>5,073,501</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	31,921	642,536
Borrowings	15	77,423	147,912
TOTAL CURRENT LIABILITIES		<u>109,344</u>	<u>790,448</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities	17	583,667	618,167
TOTAL NON-CURRENT LIABILITIES		<u>583,667</u>	<u>618,167</u>
TOTAL LIABILITIES		<u>693,011</u>	<u>1,408,615</u>
NET ASSETS		<u>4,000,270</u>	<u>3,664,886</u>
EQUITY			
Issued capital	18	3,193,806	2,416,174
Reserves	19	686,027	530,998
Retained earnings		120,437	717,714
TOTAL EQUITY		<u>4,000,270</u>	<u>3,664,886</u>

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 Earnings	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	814,430	-	-	-	814,430
Buy back of shares	18a	(84,612)	-	-	-	(84,612)
Share issue costs	18a	(16,054)	-	-	-	(16,054)
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			
Net proceeds from issue of shares/buyback 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 complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The financial report of Florin Mining Investment Company Limited as an individual entity complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety. Florin Mining Investment Company Limited has not applied any Australian Accounting Standards or AASB interpretations that have been issued at balance date but are not yet operative for the year ended 30 June 2008 ("the inoperative standards"). The impact of the inoperative standards has been assessed and the impact has been identified as not being material. The Company only intends to adopt the inoperative standards at the date at which their adoption becomes mandatory.

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 29 September 2008.

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.

Adoption of new and revised Accounting Standards

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. Details of the impact of the adoption of these new accounting standards are set out in the individual accounting policy notes set out below. The Company has also adopted the following Standards as listed below which only impacted on the Company's financial statements with respect to disclosure.

- AASB 101 'Presentation of financial Statements (revised October 2006)'
- AASB 7 'Financial Instruments: Disclosures'

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.

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 public offerings 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	8,994
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: (LOSS)/ PROFIT FOR THE YEAR

Operating (loss)/profit before income tax has been determined after:

Expenses

Administration expenses	128,028	71,449
Bank expenses	1,290	821
Finance 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

NOTE 4: INCOME TAX EXPENSE

	2008	2007
	\$	\$
a. The components of tax expense comprise:		
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/(loss) 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 (loss)/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)
	(182,781)	293,694
Income tax (benefit)/expense on operating (loss)/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
	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

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

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	\$ (231,527)	\$ 844,323
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	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

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 (loss)/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
	<u>11,321</u>	<u>262,886</u>

The effective interest rate on cash at bank and 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	<u>11,321</u>	<u>262,886</u>
	<u>11,321</u>	<u>262,886</u>

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTE 9: TRADE AND OTHER RECEIVABLES

	2008	2007
	\$	\$
CURRENT		
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	1,178,749

NOTE 13: DEFERRED TAX ASSETS

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

- Tax Losses	245,447	-
- Temporary differences	43,363	139,146
	288,810	139,146

NOTE 14: TRADE AND OTHER PAYABLES

CURRENT

Sundry creditors and accrued expenses	31,921	642,536
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FLORIN MINING INVESTMENT COMPANY LIMITED

Note 15: BORROWINGS

	Note	2008 \$	2007 \$
CURRENT			
Short-term borrowings - secured		<u>77,423</u>	<u>147,912</u>
		<u>77,423</u>	<u>147,912</u>

The above short-term borrowings are secured by listed securities held in the company's investment and trading portfolio's. 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 ASSETS

CURRENT

Income tax receivable		<u>57,587</u>	<u>-</u>
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NOTE 17: DEFERRED TAX LIABILITIES

NON-CURRENT

Provision for deferred income tax attributable to:

- Deferred capital gains tax		194,696	196,611
- Temporary differences		<u>388,971</u>	<u>421,566</u>
		<u>583,667</u>	<u>618,167</u>

NOTE 18: CONTRIBUTED EQUITY

16,767,182 (2007: 13,216,306) fully paid ordinary shares	18a	<u>3,193,806</u>	<u>2,416,174</u>
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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			
- 45,000 on 13 March 2008		(9,099)	-
- 112,742 on 18 April 2008		(22,227)	-

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTE 18: CONTRIBUTED EQUITY (CONTINUED)

	Note	2008 \$	2007 \$
- 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)	-
		<u>3,209,860</u>	<u>2,449,260</u>
Transaction costs relating to share issues		(16,054)	(33,086)
At the end of reporting period		<u>3,193,806</u>	<u>2,416,174</u>

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

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

b. Options

On 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

Capital profits	19a	279,335	82,769
Investment revaluation	19b	406,692	448,229
		<u>686,027</u>	<u>530,998</u>

19a. Capital Profits Reserve

Movements During the Year

Opening balance		82,769	4,758
Transfer (to) / from retained earnings		196,567	78,011
Closing Balance		<u>279,336</u>	<u>82,769</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		448,229	132,071
Revaluation of the investment portfolio (net of tax)		(41,537)	316,158
Closing Balance		<u>406,692</u>	<u>448,229</u>

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

FLORIN MINING INVESTMENT COMPANY LIMITED

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

NOTE 21: CASH FLOW INFORMATION

	2008	2007
	\$	\$
a. Reconciliation of Cash Flow from Operations with (Loss)Profit after Income Tax		
Profit / (loss) after income tax	(231,527)	844,323
Cash flows excluded from (loss)/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.

FLORIN MINING INVESTMENT COMPANY LIMITED

Note 22: Related Party Transactions (continued)

	2008	2007
	\$	\$
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.		
– 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

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.

A general fall in market prices of 5% and 10%, if spread equally over all assets in the total portfolio would lead to a reduction in the Company's equity of \$152,584 and \$303,168 respectively, assuming a 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

Note 26: Financial risk management (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
Kingsgate Consolidated NL	6.04
	25.55

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 currency other than Australian dollars. As noted in Note 20, the extent of those securities listed on overseas stock exchanges are minimal which significantly mitigates the Company's currency risk.

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.

A rise in interest rates of 1% will result in the company incurring additional finance costs of \$995, whilst a fall of 1% will result in interest savings of \$995.

e. Capital Management

It is the Board's policy to maintain a strong capital base as to maintain investors and market confidence.

To achieve this the Board monitors the Company's net tangible assets, its levels of borrowings and its investment performance.

The company raises additional capital by use of the dividend reinvestment plan. The company also announced to the market in October 2007 the introduction of its on market share buy-back. The company can buy up to 512,750 shares back over a 12 month period.

FLORIN MINING INVESTMENT COMPANY LIMITED

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. However, Directors note that there has been a substantial correction in the markets in which the Company invests between the balance sheet date and date of this report. Changes in the value of the Company's investments are reflected in the Company's Net Asset Backing per share which is reported to the NSX monthly.

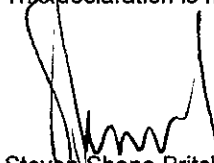
FLORIN MINING INVESTMENT COMPANY LIMITED

DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 15 to 33, 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 2008 and of the performance for the year ended on that date of the company;
2. the Directors 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 29th day of September 2008

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 2008, 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:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2008 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) the remuneration disclosures that are contained on pages 11 and 12 of the Director's Report comply with AASB 124.



FORSYTHES



MJ Matthews
Partner
Chartered Accountants

Newcastle, 29 September 2008

FLORIN MINING INVESTMENT COMPANY LIMITED

STOCK EXCHANGE INFORMATION

TOP 20 SHAREHOLDERS AS AT 20 SEPTEMBER 2008

Shareholder	No. of Shares	% of Issued
Intercontinental Assets Pty Ltd	1,000,000	5.96
Technica Pty Limited	580,000	3.46
Wythenshawe Pty Ltd	550,000	3.28
Warramboe Holdings Pty Ltd	550,000	3.28
Equity Trustees Limited	503,000	3.00
HSBC Custody Nominees (Australia) Limited	500,000	2.98
Winpar Holdings Limited	415,567	2.48
PEQ Nominees Pty Limited	365,951	2.18
Mr Adam Nicholas Ball	263,094	1.57
Mr George Drysdale	261,601	1.56
Troika Investments Pty Limited	242,286	1.45
GA & LA Bentley Pty Ltd	230,000	1.37
Illuminator Investment Company Limited	215,266	1.28
Mr Laurence George Cable	214,790	1.28
Donwood Pty Ltd	209,091	1.25
Kyleast Pty Limited	200,535	1.20
Technica Pty Limited	184,000	1.10
Ole Nydahl	160,458	0.96
Mr Peter Cameron	154,812	0.92
Ms Eileen Anne English	143,511	0.86

Number of ordinary shares held

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

Number of Shareholders

2
 6
 40
 197
 43
 39

Substantial Shareholders

As at 30th June 2008 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	5.96

FLORIN MINING INVESTMENT COMPANY LIMITED

STOCK EXCHANGE INFORMATION (CONTINUED)

TOP 20 SERIES B OPTIONHOLDERS AS AT 20 SEPTEMBER 2008

Option holder	No. of Options	% of Issued
Intercontinental Assets Pty	1,000,000	9.34
Mr Jean-Jacques Loofs	510,000	4.76
HSBC Custody Nominees	500,000	4.67
Equity Trustees Limited	260,000	2.43
Wythenshawe Pty Ltd	250,000	2.33
Warramboe Holdings Pty Ltd	250,000	2.33
Technica Pty Ltd	200,000	1.87
Donwood Pty Ltd	200,000	1.87
Dover Trading Co Pty Ltd	165,000	1.54
Winpar Holdings Limited	140,000	1.31
Mr Laurence George Cable	118,180	1.10
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
AJW Earthmoving Services Pty	100,000	0.93
Mr Giles Cameron Craig	100,000	0.93
Mr George Drysdale	100,000	0.93
Marmic Nominees Pty Ltd	100,000	0.93

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
 162
 130
 22
 11

FLORIN MINING INVESTMENT COMPANY LIMITED

STOCK EXCHANGE INFORMATION (CONTINUED)

TOP 20 SERIES C OPTIONHOLDERS AS AT 20 SEPTEMBER 2008

Optionholder	No. of Options	% of Issued
Intercontinental Assets Pty	1,000,000	8.88
HSBC Custody Nominees	500,000	4.44
Technica Pty Ltd	290,000	2.58
Wythenshawe Pty Ltd	275,000	2.44
Warramboe Holdings Pty Ltd	275,000	2.44
Equity Trustees Limited	251,500	2.23
Mr Edward Stuart	230,000	2.04
Donwood Pty Ltd	200,000	1.78
PEQ Nominees Pty Limited	175,020	1.55
Mr Laurence George Cable	136,816	1.22
Mr Adam Nicholas Ball	136,355	1.21
George Drysdale	125,114	1.11
Winpar Holdings Limited	120,509	1.07
Richard Oak Pty Limited	120,000	1.07
Mr Alan Douglas Hopwood	115,000	1.02
GA & LA Bentley Pty Ltd	115,000	1.02
Mr Larry John Voltz	110,000	0.98
Illuminator Investment Company	102,953	0.91
Kyleast Pty Limited	100,268	0.89
Mr Richard James Spooner	100,000	0.89

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
 157
 31
 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

FLORIN MINING INVESTMENT COMPANY LIMITED