

FLORIN MINING INVESTMENT COMPANY LIMITED

ABN 60 111 170 882

2009 ANNUAL REPORT

CONTENTS

	Page No.
Highlights	1
Investment Managers Report	2
Corporate Governance Statement	7
Directors' Report	8
Auditor's Independence Declaration	13
Income Statement	14
Balance Sheet	15
Statement of Changes in Equity	16
Cash Flow Statement	17
Notes to the Financial Statements	18
Directors Declaration	36
Independent Audit Report	37
Stock Exchange Information	39
Corporate Directory	41

FLORIN MINING INVESTMENT COMPANY LIMITED

HIGHLIGHTS

Key Financial Statistics

	2009	2008
Loss after tax	(762,275)	(231,526)
Earnings per Share (cents per share)	(4.56)	(1.39)
Total Assets	3,339,501	4,693,280
Total Liabilities	322,300	693,011
Shareholders Funds	3,017,201	4,000,270
Net Asset backing per share	\$0.18	\$0.24
Total Shareholders Return*	(22)%	(11)%
Shares on issue	16,750,883	16,767,182
Number of Shareholders	324	326
Series B Options on issue	-	10,707,919
Number of Series B Option holders	-	331
Series C Options on issue	11,256,861	11,256,861
Number of Series C Option holders	342	342

*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 (NSX), 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 \$762,275 for the year to 30 June 2009.

Clearly this year has been an extremely challenging one for investors globally with liquidity and volatility being major issues to contend with.

For us at Florin it has not been easy either. We saw our Net Tangible Asset backing (NTA) drop to almost \$0.10 per share. Investors across the board sought to reduce their exposure to the resource sector. This had a negative impact on Florin's portfolio.

We adopted a policy of being virtually fully invested throughout the period, recognising the long term strength of the assets in the portfolio and our view of ongoing demand for commodities.

As markets tumbled the gold price rallied and remains strong even as equity markets recover. This was clearly positive for the gold stocks in our portfolio and acted as a buffer as equity markets deteriorated.

As markets rallied later in the financial year we saw our NTA recover to over \$0.18 per share. At the time of writing this report it is just over \$0.20 per share – 25% above the initial issue price of \$0.16 per share (\$0.20 adjusted for the 1 for 5 bonus issue).

The crisis did however present us with opportunities rarely seen in the market. For a period, certain high quality companies were trading below their cash backing and we were able to take advantage of this. .

In the last year we received presentations from well over 100 companies and we also carried out site visits whenever possible.

We favour companies with high quality management, attractive resources and low gearing levels. We believe this approach has stood us in good stead. We have backed companies that we believe in as they have raised capital, particularly over the last six months and this has positioned both them and our portfolio for recovery.

We are under no illusions that markets remain fragile and we will no doubt see ongoing volatility. We believe that the resource sector should continue to play an important part of any equity portfolio. Our approach of focusing long term but taking advantage of short term opportunities has been tested this year, and we believe has been proven correct. We look forward with optimism but also with caution.

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) \$	Issued 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
2009	-	(762,275)	3,190,675	16,750,883	3,017,201

FLORIN MINING INVESTMENT COMPANY LIMITED

INVESTMENT MANAGER'S REPORT (CONTINUED)

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; orhave 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 2009

Name of the Investment	Holding	Market Value	Portfolio %
Investment Portfolio			
Australian Equities			
Arrow Energy Limited	20,000	71,000	2.54
Australian Oil Company Limited Option expiring 31/12/09	50,000	250	0.01
Beaconsfield Gold NL	400,000	56,000	2.01
Coal & Allied Industries Limited	200	16,800	0.60
Compass Resources NL	90,000	13,500	0.48
Emu Nickel NL	10,000	850	0.03
Giralia Resources NL	10,000	6,350	0.23
Independence Group NL	10,000	46,300	1.65
King Solomon Mines Limited	50,000	2,500	0.08
Kingsgate Consolidated NL	15,000	100,500	3.61
Magnetic Resources NL Contributing Shares	1,666	0	0.00
Mincor Resources NL	25,000	38,750	1.38
Minemakers Limited	1,000	520	0.02
Moly Mines Limited	20,000	11,000	0.38
Red Hill Iron Limited	60,000	171,000	6.14
Tasmania Mines Limited	41,058	41,469	1.49
Traka Resources Limited	177,777	12444	0.45
Total Australian Equities		589,233	21.10
Total Investment Portfolio			
		589,233	21.10
Trading Portfolio			
Australian Equities			
Adamus Resources Limited	100,000	38,500	1.37
Adelaide Energy Limited	199,284	23,914	0.85
Amerod Resources Limited Unlisted Options 30/08/2009	2,632	0	0.00
Archer Exploration Limited	135,800	10,185	0.36
Azumah Resources Limited	200,000	27,000	0.98
Bass Metals Limited	528,003	126,721	4.54
Beacon Minerals Limited – Option s31-Aug-10 Deferred	300,000	1,200	0.04
Buka Gold Limited	201,334	14,093	0.50
CGA Mining Limited	50,000	72,500	2.60

FLORIN MINING INVESTMENT COMPANY LIMITED

Name of the Investment	Holding	Market Value	Portfolio %
Conquest Mining Limited	150,000	70,500	2.52
Curnamona Energy Limited	100,000	52,000	1.86
Dominion Mining Limited	50,000	230,500	8.25
East Coast Minerals NL – Partly Paid Shares	100,000	0	0.00
Eleckra Mines Limited	1,400,000	54,600	1.94
Eleckra Mines Limited – Options expiring 30/06/2011	700,000	10,500	0.37
Emmerson Resources Limited	100,000	15,000	0.54
Emu Nickel NL	176,000	14,960	0.54
Energy Metals Limited	20,000	10,300	0.37
Equatorial Coal Limited	600,000	27,000	0.97
Equatorial Capital Limited – Options Expiring 31.03.2014	300,000	0	0.00
Eromango Uranium Limited	300,000	10,200	0.37
Glengarry Resources Limited	350,000	20,300	0.73
Golden Rim Resources Limited	300,000	15,000	0.54
Hampton Hill Mining NL	540,000	97,200	3.48
Hazelwood Resources Limited	400,000	40,000	1.43
Helix Resources Limited	100,000	6,800	0.24
Helix Resources Limited-options	50,000	0	0.00
Heritage Gold NZ Limited	599,687	11,994	0.43
Iron Clad Mining Limited	50,000	15,000	0.54
Kentor Limited	450,000	18,000	0.64
King Solomon Mines Limited	208,800	10,440	0.37
Krucible Mines Limited	500,000	170,000	6.09
Magellan Petroleum Corporation	20,000	24,000	0.86
Magma Metals Limited	60,000	27,600	0.99
Magnetic Resources Limited-Unlisted option expiring 31/03/09	50,000	0	0.00
Magnetic Resources NL Contributing Shares	2,500	0	0.00
Malachite Resources NL	533,334	29,867	1.07
Manas Resources Limited	10,000	1,000	0.04
Manas Resources Limited-Rights	3,334	0	0.00
Marathon Resources Limited	10,000	7,200	0.26
Marmota Energy Limited	1,010,000	57,570	2.06
Metals Finance Limited	200,000	17,400	0.62
Minemakers Limited	1,000	520	0.02
Mithril Resources Limited	100,000	15,000	0.54
Monax Mining Limited	200,000	10,400	0.37
Nagambie Mining Limited	400,000	12,000	0.43
Perseus Mining Limited	55,000	40,150	1.44
Phoenix Copper Limited	209,924	14,695	0.53
Platina Resources Limited	100,000	28,500	1.02

FLORIN MINING INVESTMENT COMPANY LIMITED

Name of the Investment	Holding	Market Value	Portfolio %
Qmastor Limited	105,000	35,175	1.26
Ramelius Resources Limited Options 30/06/2010	3,000	180	0.01
Resource Star Limited	58,824	13,000	0.47
Rex Minerals Limited	100,000	55,500	1.99
Sipa Resources International NL	400,000	26,400	0.95
Southern Gold Limited	527,846	58,063	2.08
Southern Uranium Limited	200,000	15,000	0.54
Sun Resources Limited	168,750	13,331	0.48
Syndicated Metals Limited	200,000	26,000	0.93
Torrens Energy Limited Options 31/03/2010	278,000	8,062	0.29
Trafford Resources Limited	250,000	61,250	2.19
Traka Resources Limited	250,000	17,500	0.63
Uran Limited - Rights	100,000	0	0.00
Uranium Equities Limited	100,000	11,000	0.39
Western Desert Resources Limited – options	13,610	436	0.02
White Energy Company Limited	76,356	132,096	4.73
XRF Scientific Limited	196,881	23,626	0.85
Total Australian Equities		1,996,928	71.50
International Equities			
Apogee Minerals Limited	78,000	4,992	0.18
IGC Resources Inc	35,000	2,427	0.09
Mariana Resources Limited	30,000	2,750	0.10
Northern Dynasty Minerals Limited	3,000	25,976	0.93
SXR Uranium One Inc	7,000	19,945	0.71
Unor Inc	10,000	688	0.02
Total International Equities		56,778	2.03
Total Trading Portfolio		2,053,706	73.53
Cash & equivalents			
National Australia Trustees Limited Common Fund Account		149,385	5.35
Unsettled transactions		638	0.02
Total Cash		150,023	5.37
Total Portfolios		2,792,962	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 Guidelines or any change in the Investment Guidelines 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 2009. In order to comply with the provisions of the Corporations Act 2001, the directors' report as follows:

Directors

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

Victor Gowan Burley
Steven Pritchard
Daniel Di Stefano
Peter Cameron

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 \$762,275 (2008: \$231,526).

Dividends Paid or Recommended

No dividends were paid during the year (2008: 0.01). No dividend will be recommended by the directors for declaration at the forthcoming Annual General Meeting.

Review of Operations

Shareholders equity decreased by \$983,069 to \$3,017,201 or 24.58% for the year.

The trading portfolio resulted in a loss of \$776,770 in the current year compared to a loss of \$422,695 in the previous year. Further information on the operations of the Company is 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 2009

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

2009	Salary & Fees	Superannuation Contributions	Other	Total
	\$	\$	\$	\$
Victor Gowan Burley	-	-	-	-
Steven Shane Pritchard	-	-	-	-
Daniel Di Stefano	-	-	-	-
Peter Cameron	-	-	-	-

2008	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 30.06.2008	Received as Remuneration	Options Exercised	Net Change Other	Balance 30.6.2009
Victor Gowan Burley	790,948	-	-	-	790,948
Steven Shane Pritchard	878,871	-	-	-	878,871
Daniel Di Stefano	683,020	-	-	-	683,020
Peter Cameron	274,812	-	-	-	274,812
Total	2,627,651	-	-	-	2,627,651

Options holdings

Number of Options Held by Directors

Series B Options	Balance 30.06.2008	Granted as Remuneration	Options Exercised	Net Change Other	Balance 30.6.2009	Total Exercisable 30.6.2009
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 30.06.2008	Granted as Remuneration	Options Exercised	Net Change Other	Balance 30.6.2009	Total Exercisable 30.6.2009
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, 3 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	3	3	1	1
Steven Shane Pritchard	3	3	1	1
Daniel Di Stefano	3	3	1	0
Peter Cameron	3	3	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
11 May 2007	15 December 2010	\$0.40	5,661,442
31 May 2007	15 December 2010	\$0.40	747,084
30 June 2007	15 December 2010	\$0.40	1,146,380
31 July 2007	15 December 2010	\$0.40	3,701,955

During the year ended 30 June 2009 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 2009 has been received and can be found on page 13 of the directors' report.

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

Steven Shane Pritchard

Director

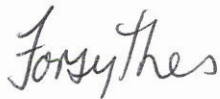
Dated this 28th Day of September 2009

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF
FLORIN MINING INVESTMENT COMPANY LIMITED**

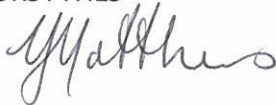
In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Florin Mining Investment Company Limited.

As lead audit partner for the audit of the Florin Mining Investment Company Limited financial report for the year ended 30 June 2009, 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



M J Matthews
Partner
Chartered Accountants
Newcastle, 28 September 2009

FLORIN MINING INVESTMENT COMPANY LIMITED

INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
Income from investment portfolio	3	5,180	9,076
Income from trading portfolio	3	(776,770)	(422,695)
Income from deposits	3	1,505	10,291
Income from sub-underwriting	3	-	5,370
Total income from ordinary activities		(770,085)	(397,958)
Administration expenses		(90,163)	(135,888)
Finance costs		(5,301)	(9,897)
Management fees		(25,834)	(48,001)
Operating loss before income tax and realised gains/(losses) on the investment portfolio	4	(891,383)	(591,744)
Income tax benefit relating to ordinary activities *	5b	269,975	163,650
Operating loss before realised gains/(losses) on the investment portfolio		(621,408)	(428,094)
Net gains/(losses) on investments			
Realised gain/(loss) on the investment portfolio		4,118	280,810
Income tax expense thereon *	5	(1,235)	(84,243)
AASB 139 'impairment' revaluation charge on investment portfolio	2	(205,357)	-
Tax credit on AASB 139 'impairment' revaluation charge *	2	61,607	-
		(140,867)	196,567
Loss attributable to members of the company		(762,275)	(231,526)
Overall Operations			
Basic earnings per share (cents per share)	8	(4.56)	(1.39)
Diluted earnings per share (cents per share)	8	(4.56)	(1.39)
* Total tax benefit	5a	(330,347)	(79,407)

The accompanying notes form part of these financial statements.

FLORIN MINING INVESTMENT COMPANY LIMITED

BALANCE SHEET AS AT 30 JUNE 2009

	Note	2009 \$	2008 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	155,342	11,321
Trade and other receivables	10	26,915	2,092
Trading portfolio	11	2,053,704	3,033,181
Other	12	36,008	2,225
Current tax assets	17	57,234	57,587
TOTAL CURRENT ASSETS		2,329,203	3,106,406
NON-CURRENT ASSETS			
Investment portfolio	13	589,503	1,298,064
Deferred tax assets	14	420,795	288,810
TOTAL NON-CURRENT ASSETS		1,010,298	1,586,874
TOTAL ASSETS		3,339,501	4,693,280
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	30,633	31,921
Borrowings	16	-	77,423
TOTAL CURRENT LIABILITIES		30,633	109,344
NON-CURRENT LIABILITIES			
Deferred tax liabilities	18	291,667	583,667
TOTAL NON-CURRENT LIABILITIES		291,667	583,667
TOTAL LIABILITIES		322,300	693,011
NET ASSETS		3,017,201	4,000,270
EQUITY			
Issued capital	19	3,190,675	3,193,806
Reserves	20	471,247	686,027
(Accumulated losses) /Retained earnings		(644,721)	120,437
TOTAL EQUITY		3,017,201	4,000,270

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 2009

	Note	Issued Capital	Retained Earnings/ (Accumulated Losses)	Capital Profits Reserve	Investment Revaluation Reserve	Total
		\$	\$	\$	\$	\$
Balance at 1 July 2007		2,416,174	717,714	82,768	448,229	3,664,885
Issued shares	19a	814,430	-	-	-	814,430
Buy back of shares	19a	(84,612)	-	-	-	(84,612)
Share issue costs	19a	(16,054)	-	-	-	(16,054)
Dividends paid and dividend reinvestment plan	7 & 19	63,868	(169,183)	-	-	(105,315)
Loss for the year		-	(231,527)	-	-	(231,527)
Revaluation of investment portfolio (net of tax)	20b	-	-	-	(41,537)	(41,537)
Transfers between reserves	20a	-	(196,567)	196,567	-	-
Balance at 30 June 2008		3,193,806	120,437	279,335	406,692	4,000,270
Balance at 1 July 2008		3,193,806	120,437	279,335	406,692	4,000,270
Issued shares	19a	-	-	-	-	-
Buy back of shares	19a	(3,131)	-	-	-	(3,131)
Loss for the year		-	(762,275)	-	-	(762,275)
Revaluation of investment portfolio (net of tax)	20b	-	-	-	(361,413)	(361,413)
Transfer to income statement for AASB 139 'impairment' revaluation charge (net of tax)	2	-	-	-	143,750	143,750
Transfers between reserves	20a	-	(2,883)	2,883	-	-
Balance at 30 June 2009		3,190,675	(644,721)	282,218	189,029	3,017,201

The accompanying notes form part of these financial statements.

FLORIN MINING INVESTMENT COMPANY LIMITED

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Sales from trading portfolio		1,265,689	2,411,894
Purchases for trading portfolio		(1,112,913)	(2,578,220)
Dividends received		22,354	20,849
Interest received		1,505	10,195
Sub underwriting fees received		-	5,370
Other receipts		3,516	-
		<u>180,151</u>	<u>(129,912)</u>
Administration expenses		(97,228)	(77,884)
Bank charges		(430)	(1,291)
Borrowing costs		(5,722)	(7,310)
Management fees		(33,381)	(54,617)
Performance fees		-	(445,451)
Income tax paid		-	(137,359)
Other payments		-	(11,470)
Net cash provided/(used in) operating activities	22	<u>43,390</u>	<u>(865,294)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Sales from investment portfolio		286,782	593,514
Purchases for investment portfolio		(91,049)	(496,791)
Net cash provided investing activities		<u>195,733</u>	<u>96,723</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from issue of shares/buyback of shares		(3,131)	729,819
Share issue costs		-	(36,850)
Proceeds from borrowings		227,048	595,378
Repayment of borrowings		(318,019)	(666,026)
Dividends paid		-	(105,315)
Net cash used in/ (provided) by financing activities		<u>(95,102)</u>	<u>517,006</u>
Net increase/(decrease) in cash held		144,021	(251,565)
Cash at beginning of financial year		11,321	262,886
Cash at end of financial year	9	<u>155,342</u>	<u>11,321</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 2009

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. 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 2009 ("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. All amounts are presented in Australian dollars, unless otherwise noted.

The financial statements were authorised for issue by the directors on 28 September 2009.

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 2009

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 2009

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 and other short-term highly liquid investments. Bank overdrafts are shown within borrowings in current liabilities and 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 issued capital.

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. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

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 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. Impairment of assets in the Investment Portfolio

When the market value of a stock that is held in the investment portfolio is below the cost, it is reviewed as impairment. *AASB 139 – Financial Instruments: Recognition and Measurement* states that impairment has occurred if there has been a loss event or events that have an impact on the future cash flows of the financial asset that can be reliably estimated.

When 'impairment' is held to have occurred, the amount of the loss that has been taken through the Investment Revaluation Reserve is reversed and instead is taken through the Income Statement. Any subsequent increase in the market value of a stock thus impaired does not go through the Income Statement, however, but will be accounted for through the Investment Revaluation Reserve whilst any further decrease will continue to be accounted for through the Income Statement.

The Investment Manager regularly reviews the stocks in the Investment Portfolio, and where it believes that such an event has occurred or is likely to occur, will seek to exit the position. Should that position not be exited by the balance sheet date, an impairment charge may be taken to the Income Statement as described above.

The Company is a long-term investor, and does not regard short-term or cyclical movements in the share-price of its investments as evidence of impairment. However, the relevant Accounting Standard also states that a "significant or prolonged decline in the fair value of an investment in an equity instrument below its cost is also objective evidence of impairment." The Company's approach to this and the resultant charge are set out in Note 2.

K. Critical Accounting Estimates and Judgements

The preparation of financial reports in conformity with AIFRS requires the use of certain critical accounting estimates. This requires the Board and management to exercise their judgement in the process of applying the Company's accounting policies.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. In accordance with *AASB112 Income Taxes*, deferred tax liabilities have been recognised for Capital Gains Tax (CGT) on the unrealised gain in the Investment Portfolio at current tax rates.

As the directors do not intend to dispose of the portfolio, this tax liability may not be crystallised at the amount disclosed in Note 18. In addition, the tax liability that arises on disposal of these securities may be impacted by changes in tax legislation relating to treatment of capital gains and the rate of taxation applicable to such gains at the time of disposal.

The issue of whether any of the Company's investments are impaired is also a matter requiring the judgement. Refer to Note 2 for the Company's approach in relation to this and the resulting charge.

Apart from these, there are no key assumptions or sources of estimation uncertainty that have a risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period.

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. New accounting standards and interpretations

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Company for the annual reporting period ending 30 June 2009. These are outlined in the table below.

Reference	Title	Summary	Application date of standard*	Impact on Company financial report	Application date for Company*
AASB 2007-3 and AASB 8	Operating Segments and consequential amendments to other Australian Accounting Standards	Amending standard issued as a consequence of AASB 8 Operating Segments	1 January 2009	AASB 8 is a disclosure standard so will have no direct impact on the amounts included in the Company financial statements	1 July 2009
AASB 101 (revised) and AASB 2007-8	Presentation of financial statements and consequential amendments to other Australian Accounting Standards	The amendments of AASB 101 changes the disclosure requirements of the financial statements and notes to accounts	1 January 2009	The amendments are expected to change the current disclosures and presentation of the financial statements and notes to accounts	1 July 2009
AASB 2008-5 and 2008-6	Amendments to Australian Accounting Standards arising from the Annual Improvements Project	Amendments to Australian Accounting Standards arising from the IASB's first Annual Improvements Project. The Improvements project is an annual project that provides a mechanism for making non-urgent, but necessary amendments to AASB	1 January 2009 except amendments to AASB 5 (1 July 2009)	The Company has not yet determined the extent of the impact of the amendments, if any.	1 July 2009

* Designates the beginning of the applicable annual reporting period

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

NOTE 2: IMPAIRMENT CHARGE ON ACCOUNTS

The accounts include an impairment charge of \$143,750 for the year.

This charge is based on an interpretation of *AASB 139 – Financial Instruments : Recognition and Measurement* that, subject to other evidence to the contrary and judgement, an investment is impaired if it has been below its accounting cost for a minimum of 15 months or if the fair value of the investment is more than 35% below its accounting cost.

The Company takes a long term view of investments, and does not believe that share prices in a cyclical downturn necessarily reflect the long term fair value of the underlying businesses and assets that it invests in.

If, in the Directors' opinion, an investment has become impaired due to significant changes to that particular holding that investment is divested from the Portfolio. Any 'impairment' charge would therefore be reflected in the net gains or losses on investments sold from the investment portfolio.

The Directors believe that the interpretation of the standard used in the financial statements, and its application, does not reflect the long term nature of the Company's portfolio.

In addition, there is no current intention to sell any of the assets in the investment portfolio and the Directors do not consider that there is sufficient or reliable evidence to indicate that at some point in the medium to long term, any investments currently held will not recover their cost. Therefore, in the Directors' view, to take a 'realised' loss on an investment that the Directors have no current intention of selling does not accurately reflect the performance of the Company during the financial year.

It should be noted that any impairment charge that is taken on equity investments held by the Company cannot, under Accounting Standards, be reversed back through the Income Statement when the market price recovers, but must be revalued through the Balance Sheet. The impairment charge is thus permanent until such time as the asset is sold.

Shareholders should note that all investments are continuously marked to market. Any impairment charge taken on investments that are not disposed of by the Company therefore has no impact on the Net Tangible Assets or shareholders' equity.

NOTE 3: REVENUE

	2009 \$	2008 \$
a. Income from Investment Portfolio		
— dividends received	5,180	9,076
Total Income from Investment Portfolio	5,180	9,076
b. Income from Trading Portfolio		
— sales revenue	1,290,361	2,326,700
— cost of sales	(2,084,305)	(2,761,168)
— net (losses) from trading portfolio sales	(793,944)	(434,468)
— dividends received	17,174	11,773
Total Income from Trading Portfolio	(776,770)	(422,695)

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

NOTE 3: REVENUE (continued)

	2009 \$	2008 \$
c. Income from Deposits		
— interest income	1,505	10,291
Total Income from Deposits	1,505	10,291
d. Income from sub-underwriting		
— Sub-underwriting income	-	5,370
Total Income from Sub-underwriting	-	5,370
Total Revenue	(770,085)	(397,958)

NOTE 4: LOSS FOR THE YEAR

Operating loss before income tax has been determined after:

Expenses

Administration expenses	82,935	128,028
Bank expenses	409	1,290
Finance costs	5,301	9,897
Listing fees	6,819	6,570
Management fees	25,834	48,001
Loss from operating activities before income tax and realised gains on the investment portfolio	(891,383)	(591,744)

NOTE 5: INCOME TAX EXPENSE

a. The components of tax expense comprise:

Increase/(decrease) in deferred tax assets – Investment portfolio	1,235	84,243
(Increase) / decrease in deferred tax assets - other	(89,986)	(552,621)
Increase / (decrease) in deferred tax liabilities	(179,989)	388,971
Tax credit on AASB 139 'impairment' revaluation charge	(61,607)	-
	(330,347)	(79,407)

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

NOTE 5: INCOME TAX EXPENSE (continued)

	2009 \$	2008 \$
b. The prima facie tax on pre-tax accounting loss from ordinary activities before income tax is reconciled to the income tax as follows:		
Operating loss before income tax expense and realised gains on investment portfolio	(891,383)	(591,744)
Prima facie tax payable on loss from ordinary activities before income tax at 30% (2008: 30%)	(267,414)	(177,523)
Add:		
Tax effect of:		
— Imputation gross-up on dividends received	1,248	(1,331)
— Franking credits on dividends received	(4,159)	4,435
— Capital raising costs	-	(8,363)
Income tax benefit on operating loss before realised gains on investment portfolio	(270,326)	(182,781)
Under (Over) provision for tax prior year	350	19,131
Income tax benefit	(269,975)	(163,650)
Realised gains /(losses) on investment portfolio	4,118	280,809
Prima facie tax payable calculated at 30% (2008: 30%)	1,235	84,243
Income tax expense on realised gains (losses) on investment portfolio	1,235	84,243
Tax credit on AASB 139 'impairment' revaluation charge	(61,607)	-
Total income tax expense (credit)	(330,347)	(79,407)
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	(112,012)	(1,915)
(Increase) / decrease in deferred tax assets relating to capital losses on the increase in unrealised losses on securities in the investment portfolio	(42,880)	(15,887)
Increase/(decrease) in deferred tax assets relating to capital raising costs	(4,816)	(5,110)
	(159,708)	8,862

NOTE 6: AUDITORS' REMUNERATION

Remuneration of the auditor of the company for:

Forsythes

— auditing or reviewing the financial report	19,221	24,350
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FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	2009 \$	2008 \$
NOTE 7: DIVIDENDS		
a. Dividends Paid or Declared		
Nil dividends paid (2008: 0.01)	-	169,183
Total dividends paid or declared in the financial year	-	169,183
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.	-	-
NOTE 8: EARNINGS PER SHARE		
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	16,707,889	16,712,711
Weighted average number of options outstanding	16,169,560	21,356,239
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive earnings per share	16,707,889	16,712,711
a. Basic and diluted earnings per share	\$	\$
Loss attributable to members of the company	(762,275)	(231,526)
	Cents	Cents
Basic earnings per share including realised gains(losses) on the investment portfolio	(4.56)	(1.39)
Diluted earnings per share including realised gains(losses) on the investment portfolio	(4.56)	(1.39)
b. Basic and diluted operating earnings per share excluding realised gains/(losses) on the investment portfolio	2009 \$	2008 \$
Operating loss before realised losses on the investment portfolio	(621,408)	(428,094)
	Cents	Cents
Basic operating earnings per share excluding realised gains/(losses) on the investment portfolio	(3.72)	(2.56)
Diluted operating earnings per share excluding realised gains/(losses) on the investment portfolio	(3.72)	(2.56)

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

NOTE:8 EARNINGS PER SHARE (continued)

c. Classification of securities	2009 Number	2008 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	11,256,861	21,964,780

NOTE 9: CASH AND CASH EQUIVALENTS

	2009 \$	2008 \$
Cash at bank and in hand	5,957	10,001
Deposits at call	149,385	1,320
	155,342	11,321

The effective interest rate on cash at bank and deposits at call was 4.37% (2008: 6.73%).

The credit risk exposure of the Company in relation to cash and cash equivalents 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	155,342	11,321
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NOTE 10: TRADE AND OTHER RECEIVABLES

CURRENT

Outstanding settlements – trading portfolio	24,672	-
Outstanding settlements – investment portfolio	639	-
Other debtors	1,604	2,092
	26,915	2,092

Receivables are non-interest bearing and unsecured.

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

NOTE 11: TRADING PORTFOLIO

CURRENT

Listed investments, at market value

- Shares	2,040,727	2,975,116
- Options	12,977	58,065
	2,053,704	3,033,181

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	2009 \$	2008 \$
NOTE 12: OTHER ASSETS		
New security issue applications	21,563	2,000
Prepayments	247	225
Short term loans	14,198	
	<u>36,008</u>	<u>2,225</u>

NOTE 13: INVESTMENT PORTFOLIO

NON-CURRENT

Listed investments, at market value

- Shares	589,253	1,297,064
- Options	250	1,000
	<u>589,503</u>	<u>1,298,064</u>

NOTE 14: DEFERRED TAX ASSETS

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

- Tax losses	342,646	245,447
- Temporary differences	78,149	43,363
	<u>420,795</u>	<u>288,810</u>

NOTE 15: TRADE AND OTHER PAYABLES

CURRENT

Sundry creditors and accrued expenses	<u>30,633</u>	<u>31,921</u>
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NOTE 16: BORROWINGS

CURRENT

Short-term borrowings - secured	<u>-</u>	<u>77,423</u>
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The above short-term borrowings are secured by listed securities held in the company's investment and trading portfolios. 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 9.09% (2008: 9.95%).

NOTE 17: TAX ASSETS

CURRENT

Income tax receivable	<u>57,234</u>	<u>57,587</u>
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FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	2009 \$	2008 \$
NOTE 18: DEFERRED TAX LIABILITIES		
NON-CURRENT		
Provision for deferred income tax attributable to:		
- Deferred capital gains tax	82,684	194,696
- Temporary differences	208,983	388,971
	291,667	583,667

NOTE 19: CONTRIBUTED EQUITY

16,750,883 (2008: 16,767,182) fully paid ordinary shares	19a	3,190,675	3,193,806
a. Ordinary shares			
At the beginning of reporting period		3,193,806	2,416,174
Shares issued during the year			
- 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)
- 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)
- 10,000 on 21 August 2008		(1,921)	
- 6,299 on 26 September 2008		(1,210)	
		3,190,675	3,209,860
Transaction costs relating to share issues		-	(16,054)
At the end of reporting period		3,190,675	3,193,806

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

10,707,919 Series B Options expired on the 15 December 2008. None of the options were exercised.

At 30 June 2009 there were 11,256,861 (2008: 21,964,780) unissued ordinary shares for which options were outstanding. The options carry no rights to dividends and no voting rights.

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

		2009 \$	2008 \$
NOTE 20: RESERVES			
Capital profits	20a	282,218	279,335
Investment revaluation	20b	189,029	406,692
		<u>471,247</u>	<u>686,027</u>

20a. Capital Profits Reserve

Movements During the Year

Opening balance	279,335	82,768
Transfer (to) / from retained earnings	2,883	196,567
Closing Balance	<u>282,218</u>	<u>279,335</u>

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

20b. Investment Revaluation Reserve

Movements During the Year

Opening balance	406,692	448,229
Revaluation of the investment portfolio (net of tax)	(361,413)	(41,537)
	<u>45,279</u>	<u>406,692</u>
Transfer of AASB 139 'impairment' revaluation to income statement (net of tax)	143,750	-
Closing Balance	<u>189,029</u>	<u>406,692</u>

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

NOTE 21: 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:

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

NOTE 21: SEGMENT REPORTING (continued)

2009	Revenue \$	Unrealised Gains/(losses) \$	Market Value \$	Portfolio %
Australia	22,355	104,287	2,586,160	92.60
Canada	-	(86,799)	7,418	0.27
United Kingdom	-	(11,711)	2,750	0.10
United States of America	-	(9,887)	46,609	1.67
Sub Total	22,355	(4,110)	2,642,937	94.64
Cash	1,505	-	150,023	5.37
Total	23,860	(4,110)	27,92,960	100.00

2008	Revenue \$	Unrealised Gains/(losses) \$	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

NOTE 22: CASH FLOW INFORMATION

	2009 \$	2008 \$
a. Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Loss after income tax	(762,275)	(231,526)
Cash flows excluded from (loss)/profit attributable to operating activities		
Net realised (gains) on the investment portfolio	(2,883)	(196,567)
(Increase)/decrease in current receivables and other current assets	(44,651)	85,098
(Increase)/decrease in the trading portfolio	979,477	146,507
Increase/(decrease) in current payables	(1,288)	(367,795)
Net AASB 139 'impairment' revaluation charge	143,750	-
Increase/(decrease) in income tax balances	(268,740)	(301,009)
Cash flow from operations	<u>43,390</u>	<u>(865,294)</u>

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	2009 \$	2008 \$
NOTE 23: RELATED PARTY TRANSACTIONS		
Transactions with related parties:		
<input type="checkbox"/> Rees Pritchard Pty. Limited for accounting fees.	40,915	50,128
<input type="checkbox"/> Rees Pritchard Pty. Limited for consulting fees in regards to the 2007 Prospectus.	-	1,658
Steven Pritchard is interested in the above transactions as a director and a beneficial shareholder of Rees Pritchard Pty. Limited.		
<input type="checkbox"/> Cameron Stockbrokers Limited for brokerage fees.	25,817	49,062
<input type="checkbox"/> Cameron Stockbrokers Limited for Investment management fees.	25,834	48,001
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.		
<input type="checkbox"/> Newcastle Capital Markets Registries Pty. Limited for share registry costs	11,503	16,121
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 24: 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 25: INVESTMENT TRANSACTIONS

The total number of contract notes that were issued for transactions in investments during the year was 261 (2008: 313). Each contract note may involve multiple transactions. The total brokerage paid on these contract notes was \$25,817 (2008: \$49,062).

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

NOTE 26: COMPANY DETAILS

The registered office of the Company is:

10 Murray Street
HAMILTON NEW SOUTH WALES 2303

The principal place of business is:

10 Spring Street
SYDNEY NEW SOUTH WALES 2000

NOTE 27: 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 \$92,503 and \$185,006 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

NOTE 27: FINANCIAL RISK MANAGEMENT (continued)

The Company's investment across industry sectors as at 30 June is as below:	2009	2008
	%	%
Capital Goods	0.00	0.37
Cash & Equivalents	5.37	0.03
Commercial services and supplies	0.84	0.44
Energy	9.94	7.77
Materials	77.39	86.22
Metals & Mining	3.47	2.42
Pharmaceuticals, biotech and life sciences	0.97	0.00
Retailing	0.47	0.23
Software & services	1.26	1.15
Utilities	0.29	1.37
	100.00	100.00

Securities representing over 5 per cent of the investment portfolio at 30 June were:	2009
	%
Dominion Mining Limited	8.25
Krucible Mines Limited	6.09
Red Hill Iron Limited	6.14
	20.48

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 21, the extent of those securities listed on the overseas stock exchanges is minimal, which significantly mitigates the Company's currency risk.

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 Nil (2008: \$995), whilst a fall of 1% will result in interest savings of Nil (2008: \$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 capital structure of the Company consists of Issued capital, reserves and retained earnings as disclosed in notes 19 and 20.

The Company is not subject to any externally imposed capital requirements.

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

NOTE 28: SUBSEQUENT EVENTS AFTER 30 JUNE 2009

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.


FLORIN MINING INVESTMENT COMPANY LIMITED

DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 14 to 35, 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 2009 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 Directors made pursuant to s.295 (5) of the *Corporations Act 2001*.



Steven Shane Pritchard
Director

Dated this 28th day of September 2009

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS 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 2009, 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.

Directors' responsibility for the financial 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 the material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with the Accounting Standard AASB 101 "Presentation of Financial Statements", that compliance with Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes complies with International Financial Reporting Standards.

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 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.

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

In our opinion:

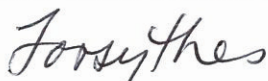
- (a) the financial report of Florin Mining Investment Company Limited is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion the remuneration report of Florin Mining Investment Company Limited for the year ended 30 June 2009, complies with section 300A of the Corporations Act 2001.



FORSYTHES



M J Matthews
Partner
Chartered Accountants
Newcastle, 28 September 2009

FLORIN MINING INVESTMENT COMPANY LIMITED

STOCK EXCHANGE INFORMATION

TOP 20 SHAREHOLDERS AS AT 30 JUNE 2009

Shareholder	No. of Shares	% of Issued
Intercontinental Assets Pty Ltd	1,000,000	5.97
Technica Pty Limited	580,000	3.46
Warramboos Holdings Pty Ltd	550,000	3.28
Wythenshawe Pty Ltd	550,000	3.28
Equity Trustees Limited <RF Cameron Super Fund>	503,000	3.00
HSBC Custody Nominees (Australia) Limited	500,000	2.98
Winpar Holdings Limited	415,567	2.48
PEQ Nominees Pty Limited<Account 7710>	365,951	2.18
Troika Investments Pty Limited	321,000	1.92
Mr Adam Nicholas Ball	263,094	1.57
Mr George Drysdale	261,601	1.56
RBC Dexia Investor Services Australia Nominees Pty Limited <MLCI A/c>	247,500	1.48
GA & LA Bentley Pty Ltd<Super Fund A/c>	230,000	1.37
Illuminator Investment Company Limited	215,266	1.29
Mr Laurence George Cable	214,790	1.28
Donwood Pty Ltd<Joh Cox Super Fund A/c>	209,091	1.25
Kyleast Pty Limited	200,535	1.20
Technica Pty Limited<Technica Super Fund A/c>	184,000	1.10
Ole Nydahl	160,458	0.96
Mr Peter Cameron	154,812	0.92

Number of ordinary shares held

Number of Shareholders

1 – 1,000	2
1,001 – 5,000	9
5,001 – 10,000	39
10,001 – 50,000	194
50,001 – 100,000	42
100,001 and over	37

Substantial Shareholders

As at 30th June 2009 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

TOP 20 SHAREHOLDERS AS AT 30 JUNE 2009

STOCK EXCHANGE INFORMATION (CONTINUED)

TOP 20 SERIES C OPTIONHOLDERS AS AT 30 JUNE 2009

Option holder	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
Warrambo Holdings Pty Ltd	275,000	2.44
Wythenshawe Pty Ltd	275,000	2.44
Equity Trustees Limited<RF Cameron Super Fund>	251,500	2.23
Mr Edward Stuart	230,000	2.04
Donwood Pty Ltd<John Cox Super Fund A/c>	200,000	1.78
PEQ Nominees Pty Limited<Account 7710>	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<Oak Super Fund A/c>	120,000	1.07
Mr Alan Douglas Hopwood	115,000	1.02
GA & LA Bentley Pty Ltd<Super Fund A/c>	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
AJW Earthmoving Services Pty Ltd	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 Option holders

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