

FLORIN MINING INVESTMENT COMPANY LIMITED

ABN 60 111 170 882

2010 ANNUAL REPORT

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FLORIN MINING INVESTMENT COMPANY LIMITED

HIGHLIGHTS

Key Financial Statistics

	2010	2009
Profit /(loss) after tax	607,225	(618,525)
Earnings per Share (cents per share)	3.62	(3.70)
Total Assets	3,986,791	3,339,501
Total Liabilities	420,552	322,300
Shareholders Funds	3,566,239	3,017,201
Net Asset backing per share	\$0.21	\$0.18
Total Shareholders Return*	0%	(22)%
Shares on issue	17,109,907	16,750,883
Number of Shareholders	317	324
Series C Options on issue	11,256,861	11,256,861
Number of Series C Option holders	340	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 Company 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

For the year ended 30 June 2010 Florin's achieved a profit of \$607,225. The net tangible asset backing increased by 17.2% (or 22.7% including the \$0.01 dividend paid in June).

The year proved to be a very challenging. Internationally the economic climate remained unstable with allot of uncertainty around the large sovereign debt and a potential fall in commodities demand. Locally we had a direct impact on the resources sector with much uncertainty around the proposed super mining tax.

Your company's portfolio has undergone a significant transformation in the last six months. A concerted effort has been made to reduce the number of stocks held and to concentrate on stocks that strictly meet our investment parameters. The portfolio restructure enabled us to reduce our holdings in White Energy Company Limited, Trafford Resources Limited and Bass Metals Limited following strong share price appreciations.

There continues to be extremely high sovereign debt levels throughout the developed world, particularly in the USA. We continue to seek opportunities for investment in gold stocks. Whilst the gold price has moved up 34%(in US\$ terms) in the past year, there are still many gold stocks that have not seen this reflected in their share price. Within this sector, during the last quarter we have invested in Coventry Resources Limited, Sumatra Copper & Gold PLC and Crusader Resources Limited.

Crusader Resources Limited was a stock that came onto our radar screens after the company acquired an option to purchase the Borborema Gold Project in Brazil. The market capitalization of Crusader at this time was only about \$13million and the gold project not only looked very prospective but there was an associated iron ore project that could go into early production, thus offsetting the capital costs of the gold project. We took a placement in the company at \$0.25, which currently appears to have been opportune.

We continue to seek great investment opportunities but remain cautious. The world economy looks fragile. We remain positive about the long term demand for natural resources, however, there is no doubt that there will remain high levels of volatility both for commodity prices and for share prices in the near term. We invest in risk assets, the prices of which are subject to changes in investor sentiment. While this presents challenges it also provides us with great opportunities as high quality companies become available at attractive prices.

We will continue to build Florin's exposure to gold, but also look out for specific opportunities involving other commodities. We believe if we can continue to identify and invest in well run companies with good projects then this will provide significant returns for our shareholders.

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	-	(618,525)	3,190,675	16,750,883	3,017,201
2010	1.0	607,225	3,251,699	17,109,907	3,566,239

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; 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 2010

Name of the Investment	Holding	Market Value	Portfolio %
<i>Investment Portfolio</i>			
Australian Equities			
BCD Resources Limited	300,000	36,000	0.95
Coal & Allied Industries Limited	200	18,600	0.49
Compass Resources NL	90,000	13,500	0.36
Independence Group NL	10,000	47,200	1.24
King Solomon Mines Limited	50,000	2,000	0.05
Kingsgate Consolidated NL	10,000	94,970	2.50
Magnetic Resources NL Contributing Shares	1,666	217	0.01
Mincor Resources NL	25,000	45,375	1.20
Red Hill Iron Limited	52,000	145,600	3.84
Tasmania Mines Limited	50,498	47,973	1.27
Traka Resources Limited	177,777	21,333	0.56
Total Australian Equities		472,768	12.47
<i>Total Investment Portfolio</i>			
		472,768	12.47
<i>Trading Portfolio</i>			
Australian Equities			
Adamus Resources Limited	120,000	61,200	1.61
Adelaide Energy Limited	253,947	34,283	0.90
Archer Exploration Limited	195,539	19,554	0.52
Augur Resources Limited	100,000	18,000	0.47
Azumah Resources Limited	100,000	41,000	1.08
Bass Metals Limited	300,000	49,500	1.31
Beadwell Resources Limited	400,000	68,000	1.79
Burey Gold Limited	2,400,000	108,000	2.85
Burey Gold Limited Options Expiring 30-Jun-2011	1,400,000	0	0.00
Buru Energy Limited	200,000	74,000	1.95
CGA Mining Limited	60,000	133,800	3.53
Cobar consolidate Resources Limited	200,000	27,000	0.71
Corvette Resources Limited	300,000	21,900	0.58
Cougar Metals NL	500,000	10,500	0.28
Coventry Resources Limited	400,000	70,000	1.85
Crusader Resources Limited	260,000	141,700	3.74

FLORIN MINING INVESTMENT COMPANY LIMITED

Name of the Investment	Holding	Market Value	Portfolio %
Curnamona Energy Limited	100,000	15,500	0.41
Discovery Metals Limited	50,000	34,000	0.90
Dominion Mining Limited	50,000	136,500	3.60
Dragon Mining Limited	400,000	36,800	0.97
Drake Resources Limited	68,097	9,534	0.25
East Coast Minerals NL – Partly Paid Shares	100,000	0	0.00
Eleckra Mines Limited	600,000	63,000	1.66
Ero Mining Limited	550,000	8,800	0.23
GeoPacific Resources NL	41,665	24,999	0.66
Global Geoscience Limited	300,000	18,900	0.50
Golden Rim Resources Limited	300,000	29,400	0.78
Hampton Hill Mining NL	540,000	145,800	3.84
Helix Resources Limited	200,000	12,200	0.32
Helix Resources Limited-options	500,000	8,000	0.21
Heritage Gold NZ Limited	885,401	16,823	0.44
Indago Resources Limited	87,748	35,429	0.93
Integra Mining Limited	300,000	90,000	2.37
Ironbark Gold Limited	250,000	37,500	0.99
Kentor Limited	400,000	32,000	0.84
King Solomon Mines Limited	248,800	9,952	0.26
Krucible Mines Limited	395,000	122,450	3.23
Laconia Resources Limited	100,000	7,600	0.20
Laguna Resources NL	3,229,853	35,528	0.94
Leyson Resources Limited	300,000	60,000	1.58
Logimacs Limited	24,000	20,160	0.53
Magellan Petroleum Corporation	14,227	29,877	0.79
Malachite Resources Limited	379,334	18,967	0.50
Manas Resources Limited	413,334	33,893	0.89
Marmota Energy Limited	1,160,000	68,440	1.80
Metals Finance Limited	450,000	32,850	0.87
Monotaur Exploration Limited	150,000	27,750	0.73
Monax Mining Limited	358,487	21,509	0.57
Navigator Resources Limited	180,000	33,300	0.88
Navigator Resources Limited –Options Expiring 30-Nov-2011	70,000	3,570	0.09
Paniai Gold Limited	600,000	0	0.00
Paniai Gold Limited-Options Expiring 31-Mar-2014	300,000	0	0.00
Perseus Mining Limited	62,732	144,284	3.81
Phoenix Copper Limited	98,383	15,741	0.42
Platina Resources Limited	150,000	42,000	1.11
Platina Resources Limited –Options Expiring 28-Feb-2011	25,000	1,600	0.04

FLORIN MINING INVESTMENT COMPANY LIMITED

Name of the Investment	Holding	Market Value	Portfolio %
Ramelius Resources Limited Options 30/06/2010	3,000	21	0.00
Red Sky Energy Limited	500,000	6,500	0.17
Reedy Lagoon Corporation Limited	350,000	13,300	0.35
Robust Lagoon Corporation Limited	15,139	21,043	0.56
Royal Resources Limited	161,575	25,044	0.66
Shield Mining Limited	84,856	16,971	0.45
Silver Swan Group Limited	120,000	36,000	0.95
Sipa Resources International NL	466,667	38,266	1.01
Southern Gold Limited	527,846	41,172	1.09
Southern Uranium Limited	328,571	25,300	0.67
Strike Resources Limited	30,000	14,700	0.39
Sumatra Copper & Gold PLC	250,000	52,500	1.38
Syndicated Metals Limited	150,000	14,400	0.38
Tasman Goldfields Limited	650,000	52,000	1.37
Trafford Resources Limited	160,000	82,400	2.17
Trafford Resources Limited Ren Rights	16,000	80	0.00
Traka Resources Limited	250,000	30,000	0.79
Troy Resources NL	20,000	49,000	1.29
Western Plains Resources Limited	30,000	18,300	0.48
White Cliff Nickel Limited	200,000	10,400	0.27
Zinc Co Australia Limited	100,000	17,000	0.45
Total Australian Equities		2,927,490	77.19
International Equities			
Apogee Minerals Limited	78,000	6,100	0.16
Entrée Gold Inc	15,270	37,782	1.00
Hornby Bay Mineral Exploration	6,667	861	0.02
Mariana Resources Limited	30,000	14,667	0.39
Northern Dynasty Minerals Limited	3,000	22,781	0.60
Uranium One Inc	7,000	20,130	0.53
Total International Equities		102,321	2.70
Total Trading Portfolio		3,029,811	79.89
Cash & equivalents			
National Australia Trustees Limited Common Fund Account		289,869	7.64
Total Cash		289,869	7.64
Total Portfolios		3,792,448	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 2010. 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 profit of the company after providing for income tax amounted to \$607,225 (2009: (\$618,525)).

Dividends Paid or Recommended

A dividend of \$0.01 (2009: 0.00) was paid on 28th June 2010. No dividend will be recommended by the directors for declaration at the forthcoming Annual General Meeting.

Review of Operations

Shareholders equity increased by \$549,038 to \$3,566,239 or 18.20% for the year.

The trading portfolio resulted in a profit of \$1,002,247 in the current year compared to a loss of \$776,770 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.

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	—	791,963 Ordinary Shares in Florin Mining Investment Company Limited and options to acquire a further 394,888 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	—	947,766 Ordinary Shares in Florin Mining Investment Company Limited and options to acquire a further 420,330 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), Winpar Holdings Limited (since 4 July 2004) and Hamilton Securities Limited (since 08 July 2009)
 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	—	696,731 Ordinary Shares of Florin Mining Investment Company Limited and options to acquire a further 328,487 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	—	283,919 Ordinary Shares of Florin Mining Investment Company Limited and options to acquire a further 129,041 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 2010

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

2010	Salary & Fees	Superannuation Contributions	Other	Total
Victor Gowan Burley	\$ -	\$ -	\$ -	\$ -
Steven Shane Pritchard	-	-	-	-
Daniel Di Stefano	-	-	-	-
Peter Cameron	-	-	-	-

2009	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 30.06.2009	Received as Remuneration	Options Exercised	Net Change Other	Balance 30.6.2010
Victor Gowan Burley	790,948	-	-	1,015	791,963
Steven Shane Pritchard	878,871	-	-	68,895	947,766
Daniel Di Stefano	683,020	-	-	13,711	696,731
Peter Cameron	274,812	-	-	9,107	283,919
Total	2,627,651	-	-	92,728	2,720,379

Options holdings

Number of Options Held by Directors

Series C Options	Balance 30.06.2009	Granted as Remuneration	Options Exercised	Net Change Other	Balance 30.6.2010	Total Exercisable 30.6.2010
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, 8 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	8	8	1	1
Steven Shane Pritchard	8	8	1	1
Daniel Di Stefano	8	8	1	0
Peter Cameron	8	8	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 2010 359,024 shares were issued pursuant to the Dividend Reinvestment Plan. 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 2010 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

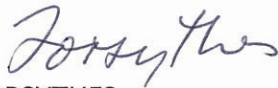
Dated this 13th Day of September 2010

**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 Florin Mining Investment Company Limited financial statements for the year ended 30 June 2010, 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, 13 September 2010

FLORIN MINING INVESTMENT COMPANY LIMITED

INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
Income from investment portfolio	2	10,351	5,180
Income from trading portfolio	2	1,002,247	(776,770)
Income from deposits	2	7,307	1,505
Income from sub-underwriting	2	6,273	-
Total income from ordinary activities		1,026,178	(770,085)
Administration expenses		(94,485)	(90,163)
Extraordinary general meeting expenses		(59,309)	-
Finance costs		(3,216)	(5,301)
Management fees		(41,371)	(25,834)
Performance fees		(30,703)	-
Operating profit/(loss) before income tax and realised gains/(losses) on the investment portfolio	3	797,094	(891,383)
Income tax (expense)/benefit relating to ordinary activities *	4b	(236,626)	269,975
Operating profit /(loss) before realised gains/(losses) on the investment portfolio		560,468	(621,408)
Net gains/(losses) on investments			
Realised gain/(loss) on the investment portfolio realised before 31 December 2009		66,795	4,118
Income tax expense thereon *	4	(20,038)	(1,235)
		46,757	2,883
Profit/(loss) attributable to members of the company		607,225	(618,525)
Overall Operations			
Basic earnings per share (cents per share)	7	3.62	(3.70)
Diluted earnings per share (cents per share)	7	3.62	(3.70)
* Total tax expense /(benefit)	4	256,664	(268,740)

The accompanying notes form part of these financial statements.

Note that the comparative figures have been restated as a result of the early adoption of AASB 9 – see Note 28

FLORIN MINING INVESTMENT COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010

	Year to 30 June 2010			Year to 30 June 2009		
	Revenue	Capital	Total	Revenue	Capital	Total
	\$	\$	\$	\$	\$	\$
Operating profit/(loss) for the year	560,468	-	560,468	(621,408)	-	(621,408)
Other Comprehensive income						
Unrealised gains/(losses) for the period on securities in the portfolio at 30 June	-	72,323	72,323	-	(516,307)	(516,307)
Deferred tax expense/(benefit) on above	-	(21,697)	(21,697)	-	154,892	154,892
Cumulative (losses)/gains for the period on securities realised after 31 December 2009	-	(3,325)	(3,325)	-	-	-
Tax credit/(expense) on above	-	998	998	-	-	-
Transfer to Income statement of cumulative gains/(losses) on investments realised prior to 31 December 2009	-	66,795	66,795	-	4,118	4,118
Tax credit/(expense) on above	-	(20,038)	(20,038)	-	(1,235)	(1,235)
Total other comprehensive income*#	-	95,056	95,056	-	(358,532)	(358,532)
Total comprehensive income^	560,468	95,056	655,524	(621,408)	(358,532)	(979,940)

*Net Capital gains/(losses) not recorded through the Income Statement.

^This is the Company's Net Return for the year, which includes the Net Operating Profit plus the net realised and unrealised gains or losses on the Company's investment portfolio.

Total tax movement in other comprehensive income: 2010 - \$(40,738); 2009 - \$153,657.

The accompanying notes form part of these financial statements.

FLORIN MINING INVESTMENT COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	Note	2010 \$	2009 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	297,980	155,342
Trade and other receivables	9	-	26,915
Trading portfolio	10	3,029,811	2,053,704
Other	11	331	36,008
Current tax assets	16	698	57,234
TOTAL CURRENT ASSETS		3,328,820	2,329,203
NON-CURRENT ASSETS			
Investment portfolio	12	472,768	589,503
Deferred tax assets	13	185,203	420,795
TOTAL NON-CURRENT ASSETS		657,971	1,010,298
TOTAL ASSETS		3,986,791	3,339,501
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	66,191	30,633
Borrowings	15	20,922	-
TOTAL CURRENT LIABILITIES		87,113	30,633
NON-CURRENT LIABILITIES			
Deferred tax liabilities	17	333,439	291,667
TOTAL NON-CURRENT LIABILITIES		333,439	291,667
TOTAL LIABILITIES		420,552	322,300
NET ASSETS		3,566,239	3,017,201
EQUITY			
Issued capital	18	3,251,699	3,190,675
Reserves	19	422,550	327,495
(Accumulated losses)		(108,010)	(500,969)
TOTAL EQUITY		3,566,239	3,017,201

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 2010

	Note	Issued Capital	Retained Earnings/ (Accumulated Losses)	Capital Profits Reserve	Investment Revaluation Reserve	Total
		\$	\$	\$	\$	\$
Balance at 1 July 2008		3,193,806	120,439	279,335	406,690	4,000,270
Issued shares	18a	-	-	-	-	-
Share buy back	18a	(3,131)	-	-	-	(3,131)
Total Transactions with the shareholders		(3,131)	-	-	-	(3,131)
Loss for the year		-	(621,408)	-	-	(621,408)
<i>Other comprehensive income for the year (net of tax)</i>						
Net capital profits for the year		-	2,883	-	-	2,883
Revaluation of investment portfolio (net of tax)	19b	-	-	-	(361,413)	(361,413)
Transfers between reserves	19a	-	(2,883)	2,883	-	-
Other comprehensive income for the year		-	-	2,883	(361,413)	(358,530)
Total comprehensive income		-	(621,408)	2,883	(361,413)	(979,938)
Balance at 30 June 2009		3,190,675	(500,969)	282,218	45,277	3,017,201
Balance at 1 July 2009 as reported		3,190,675	(644,719)	282,218	189,029	3,017,201
Adoption of AASB 9		-	143,750	-	(143,750)	-
Restated balance at the beginning of the year		3,190,675	(500,969)	282,218	45,277	3,017,201
Dividends paid and dividend reinvestment plan	18a	61,024	(167,509)	-	-	(106,485)
Total Transactions with the shareholders		61,024	(167,509)	-	-	(106,485)
Profit for the year		-	560,468	-	-	560,468
<i>Other comprehensive income for the year (net of tax)</i>						
Net capital profits for the year		-	44,429	-	-	44,429
Revaluation of investment portfolio (net of tax)	19b	-	-	-	50,626	50,626
Transfers between reserves	19a	-	(44,429)	44,429	-	-
Other comprehensive income for the year		-	-	44,429	50,626	95,055
Total comprehensive income		-	560,468	44,429	50,626	655,523
Balance at 30 June 2010		3,251,699	(108,010)	326,647	95,903	3,566,239

The accompanying notes form part of these financial statements.

FLORIN MINING INVESTMENT COMPANY LIMITED

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Sales from trading portfolio		2,461,645	1,265,689
Purchases for trading portfolio		(2,405,973)	(1,112,913)
Dividends received		15,879	22,354
Interest received		7,307	1,505
Sub underwriting fees received		6,900	-
Income tax refund		57,234	-
Other receipts		2,396	3,516
		<u>145,388</u>	<u>180,151</u>
Administration expenses		(152,885)	(97,228)
Bank charges		(701)	(430)
Finance costs		(2,366)	(5,722)
Management fees		(35,867)	(33,381)
Net cash (used in)/provided by operating activities	21	<u>(46,431)</u>	<u>43,390</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Sales from investment portfolio		435,603	286,782
Purchases for investment portfolio		(182,436)	(91,049)
Net cash provided by investing activities		<u>253,167</u>	<u>195,733</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from issue of shares/buyback of shares		61,024	(3,131)
Proceeds from borrowings		247,358	227,048
Repayment of borrowings		(212,388)	(319,019)
Dividends paid		(160,092)	-
Net cash (used in) financing activities		<u>(64,098)</u>	<u>(95,102)</u>
Net increase in cash held		142,638	144,021
Cash at beginning of financial year		155,342	11,321
Cash and cash equivalents at end of financial year	8	<u>297,980</u>	<u>155,342</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 2010

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 statements comprise the consolidated financial statements of the Company

Accounting standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with A-IFRS ensures that the financial statements and notes of the Company comply with International Financial Reporting Standards('IFRS').

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 2010 ("the inoperative standards") with the exception of AASB 9, as noted below. 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 (with the exception of AASB 9) 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 13 September 2010.

Changes in Accounting Standards

AASB 101 (revised): Presentation of Financial Statements

With effect from 1 July 2009, the Company has adopted the revised AASB 101 - Presentation of Financial Statements. This standard requires the presentation of a new Statement of Comprehensive Income separate from changes in equity arising from transactions with shareholders.

The adoption of this new standard has no impact on the Company's net assets, net profit or total recognised gains and losses, but changes the statement where certain gains and losses are presented. Previously, unrealised gains / (losses) on the investment portfolio and the associated deferred tax (charge) / credit were recorded in reserves in the Statement of Changes in Equity. These items are now presented as components of "Other Comprehensive Income" in the new Statement of Comprehensive Income.

AASB 9: Financial Instruments

The Company has early adopted AASB 9 - Financial Instruments, with effect from 31 December 2009. The Company has voluntarily adopted this standard, as this is considered to result in a presentation that better reflects the performance and operations of the Company.

This standard changes the way in which the Company's investments, and their performance, are presented. Adoption of this standard has no impact on the way in which the Company's investments are measured and hence no impact on net assets or total comprehensive income.

(i) Old accounting treatment

Previously, the Company's investments were accounted for under AASB 139 – Financial Instruments: Recognition and Measurement. All investments were carried at fair value and classified as set out below:-

Portfolio

Investment portfolio

Trading portfolio

AASB 139 Classification

"Available for sale"

"Held for trading"

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

On sale of investments in the investment portfolio, the cumulative gain or loss from purchase to sale of the investment was transferred from the investment revaluation reserve to the income statement, and reported as part of profit.

Where there was objective evidence of impairment of an investment in the investment portfolio, an impairment charge was required to be booked through the income statement (as a transfer from the investment revaluation reserve), even where no loss had been realised.

All gains and losses on the trading portfolio were recognised in the Company's profit through the income statement.

(ii) New accounting treatment

AASB 9 introduces new categories of classification for financial instruments. All the Company's investments continue to be carried at fair value and are now classified as follows:-

Portfolio	AASB 9 Classification
Investment portfolio	"Designated at fair value through other comprehensive income"
Trading portfolio	"Held for trading"

Equity Instruments in the Investment Portfolio

All gains and losses (realised and unrealised) on equity instruments held in the investment portfolio are reported as "Other Comprehensive Income" in the new Statement of Comprehensive Income and are accumulated in the investment revaluation reserve. Realised gains and losses, are no longer reclassified from other comprehensive income to the income statement, and do not form part of the Company's profits.

Cumulative gains and losses are transferred from the investment revaluation reserve to retained profits or the realised capital gains reserve when the investments are sold. The realised capital gains reserve is used primarily to record gains upon which Capital Gains Tax has been or will be paid, and which consequently are available for distributions to shareholders as Listed Investment Company Capital gains, which enable many shareholders to claim some of this as a tax deduction.

There are no impairment provisions in AASB 9 for investments designated at fair value through other comprehensive income.

The adoption of AASB 9 has no impact on the trading portfolio.

(iii) Transitional provisions

Comparatives have been restated, but AASB 9 can only be applied retrospectively to investments held at the date of adoption, being 31 December 2009.

Equity Instruments in the Investment Portfolio

Investments sold prior to adoption date are accounted for under AASB 139 as described above. Therefore in the current and prior periods, the cumulative gains and losses on investments sold prior to 31 December 2009 are transferred out of the investment revaluation reserve to the income statement and continue to form part of profit.

Investments sold after this date are accounted for under AASB 9 and the cumulative gains and losses remain in other comprehensive income.

Impairment charges recognised in previous periods in profit or loss are reversed in the restatement of comparatives, except where the charge is in respect of investments sold prior to 31 December 2009.

Further details on the impact of restating comparatives have been set out in note 28.

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

AASB 8 Operating Segments

The Company has adopted AASB 8 Operating Segments from 1 July 2009. AASB 8 replaces AASB 114 Segment Reporting. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The segment information is therefore reported in a manner that is more consistent with the internal reporting provided to the Board. The adoption of the new standard has not affected the measurement of the Company's assets and liabilities or the way the assets, liabilities, income and expense items are presented in the financial statements.

Accounting Policies

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.

a. Investment and Trading Portfolios

(i) Statement of Financial Position classification

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

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

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

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

Ordinary securities within the investment portfolio are classified as 'financial assets measured at fair value through other comprehensive income', whilst securities within the trading portfolio are classified as 'assets measured at fair value through the Income Statement' in accordance with AASB 9.

(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 recognised as comprehensive income and 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 retained earnings. 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.

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- (v) Income from holding 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.
- 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 statement of financial position 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 statement of financial position.
- 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 statement of financial position 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 statement of cash flows 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.

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

j. Split between Revenue and Capital in Other Comprehensive Income

'Capital' relates to realised or unrealised gains (and the tax thereon) on securities within the Investment portfolio and excludes income in the form of distributions and dividends which are recorded as 'Revenue'. All other items, including expenses, are recorded as Net Operating profit, which is equivalent to 'Revenue'.

k. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Board has been identified as the chief operating decision-maker, as it is responsible for allocating resources and assessing performance of the operating segments.

l. 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 AASB 112 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 17. 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.

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 2: REVENUE

	2010 \$	2009 \$
a. Income from Investment Portfolio		
— dividends received	10,351	5,180
Total Income from Investment Portfolio	10,351	5,180
b. Income from Trading Portfolio		
— sales revenue	2,436,973	1,290,361
— cost of sales	(1,440,951)	(2,084,305)
— net income/(losses) from trading portfolio sales	996,022	(793,944)
— dividends received	6,225	17,174
Total Income from Trading Portfolio	1,002,247	(776,770)
c. Income from Deposits		
— interest income	7,307	1,505
Total Income from Deposits	7,307	1,505
d. Income from sub-underwriting		
— Sub-underwriting income	6,273	-
Total Income from Sub-underwriting	6,273	-
Total Revenue	1,026,178	(770,085)

NOTE 3: PROFIT/(LOSS) FOR THE YEAR

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

Expenses

Administration expenses	86,796	82,935
Bank expenses	718	409
Extraordinary general meeting expenses	59,309	-
Finance costs	2,498	5,301
Listing fees	7,689	6,819
Management fees	41,371	25,834
Performance fees	30,703	-
Profit / (loss) from operating activities before income tax and realised gains on the investment portfolio	797,094	(891,383)

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	2010 \$	2009 \$
NOTE 4: INCOME TAX EXPENSE		
a. The components of tax expense comprise:		
Increase in deferred tax assets -investment portfolio	20,038	1,235
Decrease/(Increase) in deferred tax assets - other	190,862	(89,986)
Increase/(decrease) in deferred tax liabilities	45,764	(179,989)
	256,664	(268,740)
b. The prima facie tax on pre-tax accounting 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	797,094	(891,383)
Prima facie tax payable on profit/(loss) from ordinary activities before income tax at 30% (2009: 30%)	239,128	(267,414)
Add:		
Tax effect of:		
— Imputation gross-up on dividends received	1,073	1,248
— Franking credits on dividends received	(3,575)	(4,159)
Income tax expense /(benefit) on operating profit/(loss) before realised gains on investment portfolio	236,626	(270,326)
Under/(over) provision for tax prior year	-	350
Income tax benefit/(expense)	236,626	(269,975)
Realised gains on investment portfolio	66,975	4,118
Prima facie tax payable calculated at 30% (2008: 30%)	20,038	1,235
Income tax expense on realised gains (losses) on investment portfolio	20,038	1,235
Total income tax expense/(credit)	256,664	(268,740)
c. Amounts recognised directly in equity		
Decrease in deferred tax liabilities relating to capital gains on the increase in unrealised gains on securities in the investment portfolio	(3,992)	(112,012)
Decrease/(increase) in deferred tax assets relating to capital losses on the increase in unrealised losses on securities in the investment portfolio	25,689	(42,880)
Increase/(decrease) in deferred tax assets relating to capital raising costs	-	(4,816)
	21,697	(159,708)
d. Amounts recognised directly through Other comprehensive income		
Increase/(decrease) in deferred tax liabilities relating to capital gains tax on the movement in unrealised gains in the investment portfolio	21,697	(154,892)

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	2010 \$	2009 \$
NOTE 5: AUDITORS' REMUNERATION		
Remuneration of the auditor of the company for:		
Forsythes		
— professional services in relation to the EGM	4,638	-
— auditing or reviewing the financial report	18,595	19,221
	23,233	19,221
NOTE 6: DIVIDENDS		
a. Dividends Paid or Declared		
Partly franked ordinary dividend of 1 cent per share (2009: 0.01) paid on 28 June 2010		
	167,509	-
Total dividends paid or declared in the financial year	167,509	-
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.		
	550	-
NOTE 7: EARNINGS PER SHARE		
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share		
	16,753,834	16,707,889
Weighted average number of options outstanding		
	11,256,861	16,169,560
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive earnings per share		
	16,753,834	16,707,889
a. Basic and diluted earnings per share		
	\$	\$
Profit /(loss) attributable to members of the company	607,225	(618,525)
	Cents	Cents
Basic earnings per share including realised gains/(losses) on the investment portfolio	3.62	(3.70)
Diluted earnings per share including realised gains/(losses) on the investment portfolio	3.62	(3.70)
b. Basic and diluted operating earnings per share excluding realised gains/(losses) on the investment portfolio		
	2010	2009
	\$	\$
Operating profit /(loss) before realised losses on the investment portfolio	560,468	(621,408)

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE:7 EARNINGS PER SHARE (continued)

	Cents	Cents
Basic operating earnings per share excluding realised gains/(losses) on the investment portfolio	3.35	(3.72)
Diluted operating earnings per share excluding realised gains/(losses) on the investment portfolio	3.35	(3.72)

c. Classification of securities

	2010 Number	2009 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	11,256,861

NOTE 8: CASH AND CASH EQUIVALENTS

	2010 \$	2009 \$
Cash at bank and in hand	8,111	5,957
Deposits at call	289,869	149,385
	<u>297,980</u>	<u>155,342</u>

The effective interest rate on cash at bank and deposits at call was 4.00% (2009: 4.37%).

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 statement of financial position as follows:

Cash and cash equivalents	<u>297,980</u>	<u>155,342</u>
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NOTE 9: TRADE AND OTHER RECEIVABLES

Outstanding settlements – trading portfolio	-	24,672
Outstanding settlements – investment portfolio	-	639
Other debtors	-	1,604
	<u>-</u>	<u>26,915</u>

Receivables are non-interest bearing and unsecured.

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

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
Note 10: TRADING PORTFOLIO		
Listed investments, at market value		
- Shares	3,016,620	2,040,727
- Options	13,191	12,977
	3,029,811	2,053,704

NOTE 11: OTHER ASSETS

New security issue applications	-	21,563
Prepayments	331	247
Short term loans	-	14,198
	331	36,008

NOTE 12: INVESTMENT PORTFOLIO

Listed investments, at market value		
- Shares	472,768	589,253
- Options	-	250
	472,768	589,503

The below list are those securities held in the investment portfolio that are valued at fair value through Other Comprehensive Income.

Arrow Energy Limited	-	71,000
Australian Oil Company Limited (Option expiring 31/12/09)	-	250
Beaconsfield Gold NL	-	56,000
BCD Resources Limited	36,000	-
Coal & Allied Industries Limited	18,600	16,800
Compass Resources NL	13,500	13,500
Emu Nickel NL	-	850
Giralia Resources NL	-	6,350
Independence Group NL	47,200	46,300
King Solomon Mines Limited	2,000	2,500
Kingsgate Consolidated NL	94,970	100,500
Magnetic Resources NL Contributing Shares	217	-
Mincor Resources NL	45,375	38,750
Minemakers Limited	-	520
Moly Mines Limited	-	11,000
Red Hill Iron Limited	145,600	171,000
Tasmania Mines Limited	47,973	41,469
Traka Resources Limited	21,333	12,444
Total Investment Portfolio	472,768	589,233

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	2010 \$	2009 \$
NOTE 13: DEFERRED TAX ASSETS		
The deferred tax asset is made up of the following estimated tax benefits:		
- Tax losses	136,968	342,646
- Temporary differences	48,235	78,149
	<u>185,203</u>	<u>420,795</u>
NOTE 14: TRADE AND OTHER PAYABLES		
Sundry creditors and accrued expenses	<u>66,191</u>	<u>30,633</u>
Payables are non-interest bearing and unsecured.		
NOTE 15: BORROWINGS		
Short-term borrowings - secured	<u>20,922</u>	-
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 8.68% (2009: 9.09%).		
NOTE 16: TAX ASSETS		
TFN Withholding	698	-
Income tax receivable	-	57,234
	<u>698</u>	<u>57,234</u>
NOTE 17: DEFERRED TAX LIABILITIES		
Provision for deferred income tax attributable to:		
- Deferred capital gains tax	78,692	82,684
- Temporary differences	254,747	208,983
	<u>333,439</u>	<u>291,667</u>
NOTE 18: ISSUED CAPITAL		
17,109,907 (2009: 16,750,883) fully paid ordinary shares	18a	3,251,699
a. Ordinary shares		
At the beginning of reporting period		3,190,675
Shares issued during the year		61,024
- 359,024 on 28 June 2010		-
Shares bought back during the year		
- 10,000 on 21 August 2008		(1,921)
- 6,299 on 26 September 2008		(1,210)
		<u>3,251,699</u>
Transaction costs relating to share issues		-
At the end of reporting period		<u>3,190,675</u>

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 18: ISSUED CAPITAL(continued)

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

At 30 June 2010 there were 11,256,861 (2009: 11,256,861) unissued ordinary shares for which options were outstanding. The options carry no rights to dividends and no voting rights.

		2010 \$	2009 \$
NOTE 19: RESERVES			
Capital profits	19a	326,647	282,218
Investment revaluation	19b	95,903	45,277
		422,550	327,495

19a. Capital Profits Reserve

Movements During the Year

Opening balance	282,218	279,335
Transfer (to) / from retained earnings	44,429	2,883
Closing Balance	326,647	282,218

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	45,277	406,690
Revaluation of the investment portfolio (net of tax)	50,626	(361,413)
Closing Balance	95,903	45,277

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

NOTE 20: SEGMENT REPORTING

(a) Description of segments

The Board makes the strategic resource allocations for the Company. The Company has therefore determined the operating segments based on the reports reviewed by the Board, which are used to make strategic decisions. The Board is responsible for the Company's entire portfolio of investments and considers the business to have a single operating segment. The Board's asset allocation decisions are based on a single, integrated investment strategy, and the Company's performance is evaluated on an overall basis. The Company invests in equity securities and other instruments to provide shareholders a high real rate of return, comprising both income and capital growth.

(b) Segment information provided to the Board

The internal reporting provided to the Board for the Company's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of Australian Accounting Standards, except that net assets are reviewed both before and after the effects of capital gains tax on investments (as reported in the Company's Net Tangible Asset announcements to the NSX). The Board considers the Company's net operating profit after tax to be a key measure of the Company's performance. This amount excludes the impact of unrealised gains/losses on options and any gains or losses on the Company's investment portfolio and reconciles to the Company's profit before tax as follows:

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 20: SEGMENT REPORTING (continued)

	2010	2009
	\$	\$
Net operating Profit/(loss) after income tax expense	560,468	(621,408)
Add back income tax expense	236,626	(269,975)
Net gains/(losses) on securities sold from the investment portfolio before 31 December 2009	46,757	2,883
Profit before tax	843,851	(888,500)

In addition, the Board regularly reviews the net asset value per share both before and after provision for deferred tax on the unrealised gains in the Company's long-term investment portfolio. Deferred tax is calculated as set out in notes 1(c) and 1(l). The relevant amounts as at 30 June 2010 and 30 June 2009 were as follows:

Net tangible asset backing per share

Before tax	0.22	0.16
After tax	0.21	0.18

(c) Other segment information

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:

2010	Revenue \$	Unrealised Gains/(losses) \$	Market Value \$	Portfolio %
Australia	15,879	386,854	3,400,257	89.66
Canada	-	(74,920)	43,882	1.16
United Kingdom	-	206	14,667	0.39
United States of America	-	(10,384)	43,773	1.15
Sub Total	15,879	301,756	3,502,579	92.36
Cash	7,307	-	289,869	7.64
Total	23,186	301,756	3,792,448	100.00
2009				
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)	2,792,960	100.00

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 21: CASH FLOW INFORMATION

	2010 \$	2009 \$
a. Reconciliation of Cash Flow from Operations with Profit/(loss) after Income Tax		
Profit /(loss) after income tax	607,225	(618,525)
Cash flows excluded from (loss)/profit attributable to operating activities		
Net realised (gains) on the investment portfolio	(46,757)	(2,883)
(Increase)/decrease in current receivables and other current assets	102,898	(44,651)
(Increase)/decrease in the trading portfolio	(976,107)	979,477
Increase/(decrease) in current payables	29,894	(1,288)
Increase/(decrease) in income tax balances	236,416	(268,740)
Cash flow from operations	(46,431)	43,390

NOTE 22: RELATED PARTY TRANSACTIONS

Transactions with related parties:

<input type="checkbox"/> Rees Pritchard Pty. Limited for accounting fees.	47,879	40,915
<input type="checkbox"/> Rees Pritchard Pty. Limited for consulting fees in regards to the Extra Ordinary Meeting.	20,688	-

Steven Pritchard has an interest 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.	45,917	25,817
<input type="checkbox"/> Cameron Stockbrokers Limited for Investment management fees.	41,372	25,834
Cameron Stockbrokers Limited for Investment performance fees.	30,703	-

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 has an interest 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.	9,327	11,503
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Steven Pritchard has an interest 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.

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

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 377 (2009: 261). Each contract note may involve multiple transactions. The total brokerage paid on these contract notes was \$45,917 (2009: \$25,817).

NOTE 25: 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 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 \$122,581 and \$245,162 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 2010

NOTE 26: FINANCIAL RISK MANAGEMENT (continued)

The Company's investment across industry sectors as at 30 June is as below:	2010 %	2009 %
Capital Goods	0.53	0.00
Cash & Equivalents	7.64	5.37
Commercial services and supplies	0.00	0.84
Energy	6.96	9.94
Materials	79.93	77.39
Metals & Mining	2.70	3.47
Pharmaceuticals, biotech and life sciences	0.00	0.97
Retailing	0.00	0.47
Software & services	0.39	1.26
Telecommunications	1.85	0.00
Utilities	0.00	0.29
	100.00	100.00

Securities representing over 5 per cent of the investment portfolio at 30 June 2010:

No 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 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 \$209 (2009: Nil), whilst a fall of 1% will result in interest savings of \$209 (2009: Nil)

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 18 and 19.

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

f. Fair value measurements

As of 1 July 2009, the group has adopted the amendment to AASB 7 Financial Instruments: Disclosures which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

1. quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
2. inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
3. inputs for the asset or liabilities that are not based on observable market data (unobservable inputs) (level 3).

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 26: FINANCIAL RISK MANAGEMENT (continued)

30 June 2010	Level 1
	\$
Financial assets at fair value through other comprehensive income	
Investment Portfolio (Equities)	472,768
Financial assets/(liabilities) at fair value through profit or loss	
Trading Portfolio	3,029,811
Total	3,502,579

The fair value of financial instruments traded in active markets (including publicly traded derivatives) is based on quoted market prices at the end of the reporting period. These instruments are included in level 1.

There were no transfers between Level 1, 2 and 3 in the period.

g. Numerical disclosures - Investment Portfolio

The following disclosures result from the group's early adoption of AASB 9, and apply only to investments held by the group on 31 December 2009 and subsequent to this date.

The fair value of each investment held at fair value through other comprehensive income (investment portfolio) is disclosed in note 12.

Dividend income for the period on those investments held at period end was \$10,351 (2009 \$5,180), and dividend income for those investments sold from 31 December 2009 to the period end was \$331.

Certain securities within the investment portfolio were disposed of between 31 December and the period end, whether during the normal course of the Company's activities as a Listed Investment Company or as the result of take-overs or acquisitions. The fair value of the investments sold during this period was \$434,964. The cumulative loss on these disposals was \$2,327 for the period after tax, which has been transferred from the revaluation reserve to the realisation reserve (refer to statement of changes in equity).

The Company has only one class of investments in the investment portfolio - assets that are able to be defined under AASB 9 as 'equity instruments', the fair value of which is valued through other comprehensive income and at 30 June 2010 was \$472,768 (30 June 2009 : \$589,503).

NOTE 27: SUBSEQUENT EVENTS AFTER 30 JUNE 2010

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.

NOTE 28: EFFECT OF CHANGES IN ACCOUNTING STANDARDS

The impact on comparative profit, other comprehensive income, the allocation of the Company's reserves and the classification of the Company's investments resulting from the adoption of AASB 9 is summarised below:-

(i) Loss	2009
	\$
Net loss for the year (as reported last year)	(762,275)
Add: Impairment Charge*	205,357
Less: Tax credit on above	(61,607)
Restated net loss	(618,525)

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 28: EFFECT OF CHANGES IN ACCOUNTING STANDARDS (continued)

	Cents
Earnings per share (as reported last year)	(4.56)
Restated earnings per share	(3.70)
* Relates to the unsold securities (at the date of early adopting AASB 9) that were previously reported in the Income Statement as impaired under AASB 139.	
(ii) Other Comprehensive Income	2009
	\$
Net unrealised losses on investment portfolio (as reported last year)	(217,663)
Less: Impairment Charge	(205,357)
Add: Tax credit on above	61,607
Net capital gains	2,883
Restated other comprehensive income(expense)	(358,530)

(iii) Shareholder's equity

During the year ended 30 June 2009, under AASB 139, the Company was required to book an impairment charge. There are no provisions for impairment in the new standard, which is retrospectively applied to investments held at the date of adoption, 31 December 2009. The Company has not sold any of the investments against which an impairment charge was taken at 30 June 2009, and therefore retrospectively applying AASB 9 at 30 June 2009 results in the reversal of this impairment charge (as this will be taken as an unrealised loss through other comprehensive income instead of an impairment loss through profit). This new accounting treatment does not apply to securities sold before 31 December 2009, which is accounted for under AASB 139.

This results in the following restatement of reserves on the 30 June 2009 statement of financial position:

	As previously reported	Reverse impairment charge	Restated
	\$	\$	\$
Share capital	3,190,675	-	3,190,675
Investment revaluation reserve	189,029	(143,750)	45,279
Capital profits reserve	282,218	-	282,218
Retained profits	(644,721)	143,750	(500,971)
Total Equity	3,017,201	-	3,017,201

(iv) Classification of Investments

As described in note 1, the adoption of AASB 9 has resulted in change in the classification of the Company's investments, although this has not impacted on the value of these investments.

FLORIN MINING INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

NOTE 28: EFFECT OF CHANGES IN ACCOUNTING STANDARDS (continued)

	As previously reported	Restated
	\$	\$
AIFRS Classification		
Investment Portfolio		
Available for sale assets*	589,503	-
Assets at fair value through other comprehensive income	-	589,503
Trading Portfolio		
Assets held for trading-fair value through profit or loss	2,053,704	2,053,704

* Investments held in the investment portfolio at 30 June 2009, which were sold prior to the adoption of AASB 9 on 31 December 2009, have not been reclassified as assets at fair value through other comprehensive income, as the transitional provisions of AASB 9 only allow retrospective application of the new standard to investments held on the date of adoption of this standard.

NOTE 29: PERFORMANCE FEES

The performance fee calculated as per the management agreement is \$221,802. But the investment manager, Cameron Stockbrokers Limited has agreed to forego \$191,098 as part of the fees due to the volatile share market conditions.

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 37, 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 2010 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 13th day of September 2010

**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 income statement, the statement of comprehensive income, statement of financial position as at 30 June 2010, and statement of changes in equity and statement of cash flows 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 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 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 judgment, 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 company's financial position as at 30 June 2010 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 2010. 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 2010, complies with section 300A of the Corporations Act 2001.



FORSYTHES



MJ Matthews
Partner
Chartered Accountants
Newcastle, 13 September 2010

FLORIN MINING INVESTMENT COMPANY LIMITED

STOCK EXCHANGE INFORMATION

TOP 20 SHAREHOLDERS AS AT 30 JUNE 2010

Shareholder	No. of Shares	% of Issued
Intercontinental Assets Pty Ltd	1,000,000	5.84
Technica Pty Limited	580,000	3.39
Warramboos Holdings Pty Ltd	550,000	3.21
Wythenshawe Pty Ltd	550,000	3.21
HSBC Custody Nominees (Australia) Limited	529,412	3.09
Winpar Holdings Limited	526,175	3.08
Equity Trustees Limited <RF Cameron Super Fund>	503,000	2.94
PEQ Nominees Pty Limited<Account 7710>	379,672	2.22
Troika Investments Pty Limited	355,000	2.07
Mr George Drysdale	276,990	1.62
Mr Adam Nicholas Ball	263,094	1.54
RBC Dexia Investor Services Australia Nominees Pty Limited <MLCI A/c>	247,500	1.45
Illuminator Investment Company Limited	246,774	1.44
GA & LA Bentley Pty Ltd<Super Fund A/c>	230,000	1.34
Mrs Robyn Johnstone	228,878	1.34
Mr Laurence George Cable	227,425	1.33
Donwood Pty Ltd<Joh Cox Super Fund A/c>	221,391	1.29
Kyleast Pty Limited	200,535	1.17
Technica Pty Limited<Technica Super Fund A/c>	184,000	1.08
Ole Nydhal	166,480	0.97

Number of ordinary shares held

Number of Shareholders

1 – 1,000	5
1,001 – 5,000	7
5,001 – 10,000	32
10,001 – 50,000	193
50,001 – 100,000	45
100,001 and over	35

Substantial Shareholders

As at 30th June 2010 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	5.84

FLORIN MINING INVESTMENT COMPANY LIMITED

STOCK EXCHANGE INFORMATION (CONTINUED)

TOP 20 SERIES C OPTIONHOLDERS AS AT 30 JUNE 2010

Option holder	No. of Options	% of Issued
Intercontinental Assets Pty Ltd	1,000,000	8.88
HSBC Custody Nominees (Australia) Limited	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
GA & LA Bentley Pty Ltd<Super Fund A/c>	115,000	1.02
Mr Alan Douglas Hopwood	115,000	1.02
Illuminator Investment Company Limited	111,465	0.99
Mr Larry John Voltz	110,000	0.98
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
8
123
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 4, 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

