

FORM: Half yearly/preliminary final report

Name of *issuer*

Florin Mining Investment Company Limited

ACN or ARBN

111 170 882

Half yearly
(tick)

√

Preliminary
final (tick)

Half year/financial year ended
(‘Current period’)

31st December 2010

For announcement to the market

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

				\$A
Operating Revenue (item 1.1)	Up	119.90%	To	3,302,484
Operating Profit (loss) before abnormal items and tax	Up	79.64%	To	2,556,742
Operating Profit (loss) for the period after tax but before minority equity interests (item 1.9)	Up	79.49%	To	1,791,408
Profit (loss) for the period attributable to security holders (item 1.11)	Up	71.46%	To	1,791,408
Income Distributions				
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				

Annual meeting*(Preliminary final statement only)*

The annual meeting will be held as follows:

Place

Date

Time

Approximate date the annual report will be available

Compliance statement

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

Identify other standards used

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


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

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

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

5. If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications are attached/will follow immediately they are available* (*delete one*). (*Half yearly statement only - the audit report must be attached to this statement if the statement is to satisfy the requirements of the Corporations Act.*)

6. The ~~issuer~~ *has* ~~does not have~~* (*delete one*) a formally constituted audit committee.

Sign here:  Date: 28/2/2011
(Company secretary)

Print name: BRETT HALL



FLORIN MINING INVESTMENT COMPANY LIMITED

ABN 60 111 170 882

INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31ST DECEMBER, 2010

Florin Mining Investment Company Limited

ABN 60 111 170 882

Interim Financial Report

DIRECTORS' REPORT

Your directors submit the financial report of the Company for the half-year ended 31 December 2010.

Directors

The names of directors who held office during or since the end of the half-year:

Victor Gowan Burley

Steven Pritchard

Daniel Di Stefano

Peter Cameron

The above named directors held office during and since the end of the half-year.

Review of Operations

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.

The Company 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 Company 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 Company:

- 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.

The Directors have established a number of key performance indicators that they will use in their assessment of the Company's performance, including, earnings per share, dividends paid to shareholders and asset backing per share.

The net profit after tax for the half year ended 31st December 2010, was \$1,791,408.

The asset backing per share increased from \$0.21 as at 30 June 2010 to \$0.32 as at 31 December 2010. As at the 31 December 2010 the company had short term debt of \$41,097.

Florin Mining Investment Company Limited

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Interim Financial Report

DIRECTORS' REPORT

Auditor's Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 4 for the half-year ended 31 December 2010.

This report is signed in accordance with a resolution of the Board of Directors.



Director

Steven Pritchard

Dated this 25th day of February 2011

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

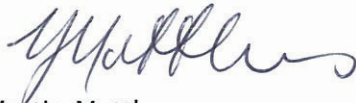
In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Florin Mining Investment Company Limited.

As lead audit partner for the review of the financial statements of Florin Mining Investment Company Limited for the half-year ended 31 December 2010, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Forsythes Assurance & Risk

FORSYTHES ASSURANCE & RISK



Martin Matthews
Partner
Chartered Accountants
Newcastle, 25 February 2011

Florin Mining Investment Company Limited

ABN 60 111 170 882

Interim Financial Report

CONDENSED INCOME STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Note	31.12.2010	31.12.2009
		\$	\$
Income from investment portfolio		5,400	7,201
Income from trading portfolio		3,293,901	1,486,529
Income from deposits		3,183	1,785
Other income		-	6,273
Total income from ordinary activities	2	3,302,484	1,501,788
Administration expenses		(82,626)	(56,402)
Finance costs		(1,545)	(2,040)
Management fees		(27,309)	(20,122)
Performance fees		(634,262)	-
		(745,742)	(78,564)
Operating profit before income tax and realised gains on the investment portfolio		2,556,742	1,423,224
Income tax expense relating to ordinary activities*		(765,334)	(425,157)
Operating profit before realised gains on the investment portfolio		1,791,408	998,067
Realised gains on the investment portfolio		-	66,795
Income tax expense thereon*		-	(20,038)
Profit attributable to members of the company		1,791,408	1,044,824
Overall Operations			
Basic earnings per share (cents per share)		10.52	6.24
Diluted earnings per share (cents per share)		10.52	6.24
* Total Tax Expense		765,334	445,195

The accompanying notes form part of these condensed financial statements.

Florin Mining Investment Company Limited

ABN 60 111 170 882

Interim Financial Report

CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Half-Year to 31 December 2010			Half-Year to 31 December 2009		
	Revenue	Capital	Total	Revenue	Capital	Total
	\$	\$	\$	\$	\$	\$
Operating profit for the year	1,791,408	-	1,791,408	998,067	-	998,067
Other Comprehensive income						
Unrealised gains/(losses) for the period on securities in the investment portfolio at 31 December	-	(18,729)	(18,729)	-	119,426	119,423
Deferred tax (expense)/benefit on above	-	5,619	5,619	-	(35,827)	(35,827)
Gains for the period on securities realised in investment portfolio	-	82,642	82,642	-	-	-
Tax credit/(expense) on above	-	(24,793)	(24,793)	-	-	-
Transfer to Income statement of cumulative gains on investments realised prior to 31 December 2009	-	-	-	-	66,795	66,795
Tax credit/(expense) on above	-	-	-	-	(20,039)	(20,039)
Total other comprehensive income*#	-	44,739	44,739	-	130,352	130,352
Total comprehensive income^	1,791,408	44,739	1,836,147	998,067	130,352	1,128,419

*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 - \$(19,174); 2009 - \$(55,866).

The accompanying notes form part of these financial statements.

Florin Mining Investment Company Limited

ABN 60 111 170 882

Interim Financial Report

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

	Note	31.12.2010	30.06.2010
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		292,830	297,980
Trade & other receivables		22,365	-
Trading portfolio		6,366,744	3,029,811
Other		5,907	331
Current tax assets		-	698
TOTAL CURRENT ASSETS		6,687,846	3,328,820
NON-CURRENT ASSETS			
Investment portfolio		394,771	472,768
Deferred tax assets		234,029	185,203
TOTAL NON-CURRENT ASSETS		628,800	657,971
TOTAL ASSETS		7,316,646	3,986,791
CURRENT LIABILITIES			
Trade & other payables		721,838	66,191
Borrowings		41,097	20,922
Current tax liability		90,060	-
TOTAL CURRENT LIABILITIES		852,995	87,113
NON-CURRENT LIABILITIES			
Deferred tax liabilities		1,076,015	333,439
TOTAL NON-CURRENT LIABILITIES		1,076,015	333,439
TOTAL LIABILITIES		1,929,010	420,552
NET ASSETS		5,387,636	3,566,239
EQUITY			
Issued capital	3	3,236,949	3,251,699
Reserves		467,289	422,550
Retained earnings/(accumulated losses)		1,683,398	(108,010)
TOTAL EQUITY		5,387,636	3,566,239

The accompanying notes form part of these condensed financial statements.

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CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2010

	Issued Capital	Retained Earnings/ (Accumulated Losses)	Capital Profits Reserve	Investment Revaluation Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2009	3,190,676	(500,969)	282,218	45,277	3,017,202
Profit for the year	-	998,067	-	-	988,067
<i>Other comprehensive income for the year (net of tax)</i>					
Net capital profits for the year	-	46,756	-	-	46,756
Revaluation of investment portfolio (net of tax)	-	-	-	83,596	83,596
Transfers between reserves	-	(46,756)	46,756	-	-
Other comprehensive income for the year	-	-	46,756	83,596	130,352
Total comprehensive income	-	998,067	46,756	83,596	1,128,419
Balance at 31 December 2009	3,190,675	497,098	328,974	128,873	4,145,621
Balance at 1 July 2010	3,251,699	(108,010)	326,647	95,903	3,566,239
Share buy back	(14,750)	-	-	-	(14,750)
Total Transactions with the shareholders	(14,750)	-	-	-	(14,750)
Profit for the year	-	1,791,408	-	-	1,791,408
<i>Other comprehensive income for the year (net of tax)</i>					
Net capital profits for the year	-	57,849	-	-	57,849
Revaluation of investment portfolio (net of tax)	-	-	-	(13,110)	(13,110)
Transfers between reserves	-	(57,849)	57,849	-	-
Other comprehensive income for the year	-	-	-	(13,110)	44,739
Total comprehensive income	-	1,791,408	57,849	(13,110)	1,836,147
Balance at 31 December 2010	3,236,949	1,683,398	384,496	82,793	5,387,636

The accompanying notes form part of these financial statements.

Florin Mining Investment Company Limited

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Interim Financial Report

CONDENSED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	31.12.2010	31.12.2009
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Sales from trading portfolio	1,118,539	1,219,906
Purchases for trading portfolio	(1,149,873)	(1,409,247)
Dividends received	11,240	11,766
Interest received	3,183	1,785
Sub underwriting fees	-	6,900
Other receipts	-	58,718
	(16,911)	(110,172)
Administration expenses	(74,940)	(59,064)
Bank charges	(254)	(464)
Finance costs	(1,369)	(1,435)
Management fees	(23,053)	(12,345)
Performance fees	(32,950)	-
Other payments	(2,562)	-
Net cash (used in)by operating activities	(152,039)	(183,480)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales from investment portfolio	163,754	213,187
Purchases for investment portfolio	(22,115)	(182,436)
Net cash provided by investing activities	141,639	30,752
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment for share buy-back	(14,750)	-
Proceeds from borrowings	20,000	247,358
Repayment of borrowings	-	(212,388)
Net cash provided by financing activities	5,250	34,970
Net (decrease) in cash held	(5,150)	(117,758)
Cash at beginning of period	297,980	155,342
Cash at end of period	292,830	37,584

The accompanying notes form part of these condensed financial statements.

Florin Mining Investment Company Limited

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Interim Financial Report

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of the Condensed Financial Statements

The half-year condensed financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard *AASB 134: Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34: Interim Financial Reporting.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2010 and any public announcements made by Florin Mining Investment Company Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

The condensed financial statements have been prepared on the basis of historical cost, except for the revaluation of the trading and investment portfolios.

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

New and revised Standards and amendments thereof and Interpretations effective for the current reporting period that are relevant to the Company include:

- Amendments to AASB 5, 8, 101, 107, 117, 118, 136 and 139 as a consequence of AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project*

AASB 2009-5 Introduces amendments into Accounting Standards that are equivalent to those made by the IASB under its program of annual improvements to its standards. A number of the amendments are largely technical, clarifying particular terms, or eliminating unintended consequences. Other changes are more substantial, such as the current/non-current classification of convertible instruments, the classification of expenditures on unrecognised assets in the statement of cash flows and the classification of leases of land and buildings.

The adoption of these amendments has not resulted in any changes to the Company's accounting policies and have no effect on the amounts reported for the current or prior periods.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2010 annual financial report for the year ended 30 June 2010.

(a) Holdings of Securities

(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, and has been classified as a non-current asset.

The trading portfolio comprises securities held for short term trading purposes and is classified as a current asset.

(ii) Valuation of investments

Securities, including listed and unlisted shares, notes and options, are initially brought to account at cost (including any associated transaction costs) and are continuously carried at fair value.

Fair value for the purposes of valuing holdings of securities is determined by reference to market prices prevailing at balance date, predominantly 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

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Interim Financial Report

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

(iii) Gains and losses on investments

Investment portfolio

All gains and losses (realised and unrealised) on equity instruments held in the investment portfolio are reported as "Other Comprehensive Income".

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.

Trading Portfolio

Realised and unrealised gains and losses arising from changes in the fair value of the trading investments are included in the Income Statement in the period in which they arise.

(iv) Income from holdings of securities

Distributions relating to listed securities are recognised as income when those securities are quoted ex-distribution basis. Distributions relating to unlisted securities are recognised as income when received unless the distributions are capital returns in which case the amount of the distribution is treated as an adjustment to the cost base of the securities.

(b) Income Tax

The Company adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any non-assessable or disallowed items.

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.

(c) 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

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Interim Financial Report

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	31.12.2010	31.12.2009
	\$	\$
NOTE 2: REVENUE		
Income from investment portfolio		
Dividends received	5,400	7,201
Total Income from investment portfolio	5,400	7,201
Income from trading portfolio		
Sales revenue	1,140,947	1,209,644
Cost of sales	2,147,114	272,320
Net gains/(losses) from trading portfolio sales	3,288,061	1,481,964
Dividends received	5,840	4,565
Total income from trading portfolio	3,293,901	1,486,529
Income from deposits		
Deposit income	3,183	1,785
Total income from deposits	3,183	1,785
Other income		
Sub-underwriting fees	-	6,273
Total other income	-	6,273
Total Revenue	3,302,484	1,501,788

NOTE 3: ISSUED CAPITAL

Movements in Issued Capital of the Company during the half-year were as follows:

Date	Details	Number of Shares	Issued Capital \$
01/07/2010	Opening balance	17,109,907	3,251,699
21/07/2010	Shares buy back	(57,988)	(9,380)
23/08/2010	Shares buy back	(33,196)	(5,370)
31/12/2010	Balance	17,018,723	3,236,949

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.

a. Dividend Reinvestment Plan

The Company has a Dividend Reinvestment Plan (DRP) under which shareholders elected to have all or part of their dividend payment reinvested in new ordinary fully paid shares. Pricing of the new DRP shares was based on the average selling price of shares traded on the National Stock Exchange in the three days preceding the books close date.

Florin Mining Investment Company Limited

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Interim Financial Report

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

NOTE 4: SEGMENT REPORTING

The Company operates in one business segment, being that of a listed investment company. The Company operates in 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:

	For the half-year ended 31.12.2010		As at 31.12.2010	
	Revenue \$	Unrealised Gains/ (Losses) \$	Market Value \$	Portfolio %
Australia	11,240	3,123,024	6,536,580	92.76
Canada	-	(57,565)	61,237	0.87
Great Britain	-	7,859	22,320	0.32
United States of America	-	58,309	141,378	2.01
Sub Total	11,240	3,131,627	6,761,515	95.96
Cash	3,183	-	284,654	4.04
Total	14,423	3,131,627	7,046,169	100.00

	For the half-year ended 31.12.2009		As at 30.06.2010	
	Revenue \$	Unrealised Gains/ (Losses) \$	Market Value \$	Portfolio %
Australia	11,766	1,356,707	3,400,257	89.66
Canada	-	(83,566)	43,882	1.16
Great Britain	-	(4,897)	14,667	0.39
United States of America	-	(6,163)	43,773	1.15
Sub Total	11,766	1,262,081	3,502,579	92.36
Cash	1,785	-	289,869	7.64
Total	13,551	1,262,081	3,792,448	100.00

NOTE 5: CONTINGENT LIABILITIES

At balance date, the Directors are not aware of any material contingent liabilities other than those already disclosed elsewhere in the financial report

NOTE 6: EVENTS SUBSEQUENT TO REPORTING DATE

Since 31 December 2010 to the date of this report there has been no event specific to the Company of which the Directors are aware which has had a material effect on the Company or its financial position. Changes in the value of the Company's investments are reflected in the Company's Net Asset Backing per share which is reported to the NSX monthly.

NOTE 7: KEY MANAGEMENT PERSONNEL

Remuneration arrangements of the key management personnel are disclosed in the annual financial report.

Florin Mining Investment Company Limited

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	31.12.2010 \$	31.12.2009 \$
NOTE 8: RELATED PARTY TRANSACTIONS		
Transactions with related parties:		
Rees Pritchard Pty. Limited for accounting fees.	46,422	27,580
Steven Pritchard has an interest in the above transactions as a director and a beneficial shareholder of Rees Pritchard Pty. Limited.		
Cameron Stockbrokers Limited for brokerage fees.	10,682	5,732
Cameron Stockbrokers Limited for Investment management fees.	27,309	20,122
Cameron Stockbrokers Limited for Investment performance fees.	634,262	-
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.		
Victor Burley is entitled to 20% of the performance fee received by Cameron Stockbrokers Limited	126,852	-
Newcastle Capital Markets Registries Pty. Limited for share registry costs.	9,091	4,689
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 favorable than those available to other parties unless otherwise stated.

Florin Mining Investment Company Limited

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Interim Financial Report

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 14:
 - a. comply with Accounting Standards and the Corporations Regulations; and
 - b. give a true and fair view of the entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors pursuant to s.303(s) of the Corporations Act.



Steven Shane Pritchard

Dated this 25th day of February 2011

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

Report on the half year financial report

We have reviewed the accompanying half-year financial report of Florin Mining Investment Company Limited, which comprises the condensed statement of financial position as at 31 December 2010, and the condensed income statement, condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, a statement of accounting policies, other explanatory notes and the directors' declaration of the company.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year 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.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Florin Mining Investment Company Limited's financial position at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. As the auditor of Florin Mining Investment Company Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Florin Mining Investment Company Limited is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the Florin Mining Investment Company Limited's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Forsythes Assurance & Risk

FORSYTHES ASSURANCE & RISK

MJ Matthews

MJ Matthews
Partner
Chartered Accountants
Newcastle, 25 February 2011