



# FLORIN

mining investment company limited

## Quarterly update for quarter ending 31 December 2010

### Investment objective

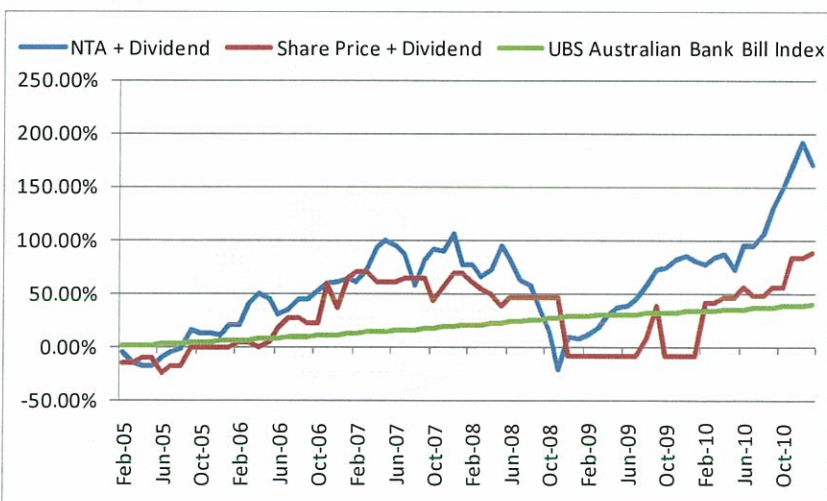
The Florin Mining Investment Company Limited ("Florin") investment objective is to achieve a high real rate of return, being comprised of both income and capital growth by investing in a portfolio of securities of natural resource companies.

Florin will generally limit its investments to those companies which;

- 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, bulk commodities, oil, gas and geothermal energy.

### Cumulative performance

|                                | 3 Months | 6 Months | 1 year | 3 Years | 5 Years | Since Inception |
|--------------------------------|----------|----------|--------|---------|---------|-----------------|
| Share price + dividend         | 17.65%   | 17.65%   | 99.60% | 8.87%   | 84.07%  | 84.07%          |
| NTA + dividend                 | 26.80%   | 50.24%   | 57.53% | 41.65%  | 165.22% | 191.75%         |
| UBS Australian Bank Bill Index | 1.24%    | 2.46%    | 4.66%  | 16.53%  | 31.89%  | 38.81%          |



Both the share price and NTA have been adjusted for the 1-for-5 bonus issue.

### Key information

#### Calendar

|                         |                   |
|-------------------------|-------------------|
| Year end                | 30 June           |
| Annual report published | 30 September      |
| Dividends paid          | April, November   |
| Annual General Meeting  | November          |
| Established             | 29 September 2004 |
| Listed date             | 3 February 2005   |

#### Capital structure

|                          |            |
|--------------------------|------------|
| Ordinary shares issued   | 17,018,723 |
| Share price cents        | 22.00      |
| Net asset value cents    | 32.00      |
| Dividend cents per share | 1.00       |
| Yield %                  | 4.55       |
| Franking %               | 22.00      |

#### Management

|                    |   |
|--------------------|---|
| Board of Directors | Victor Burley<br>Steven Pritchard<br>Daniel Di Stefano<br>Peter Cameron |
|--------------------|---|

#### Company secretaries

Brett Hall  
Daniel Di Stefano

#### Investment manager

Cameron Stockbrokers Limited

#### Trading details

|              |  |
|--------------|--|
| Listed       | National Stock Exchange                                      |
| NSX code     | FMI  |
| Stockbrokers | Cameron Stockbrokers Limited<br>Pritchard & Partners Limited |

The investment objectives should be treated as a target only and should not be considered as an assurance or guarantee

Calculated as an annual dividend yield, where the total dividends for the prior 12 months are divided by the current market price as at 31 December 2010

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## Investment manager's report

During the quarter the net asset backing per share increased by 6.7 cents per share, from 25.0 cents per share to 31.7 cents per share or a gain of 26.8%.

In the first half year to 31 December 2010, Florin reported an operating profit after income tax of \$1,791,408 compared to \$998,067 in the previous corresponding period.

As a result the directors have declared an interim dividend of 1 cent per share fully franked, payable on 1 April 2011.

This will bring the total dividends paid in the last 12 months to 2 cents per share, of which 50% franked, meaning the company is currently trading on an historical yield of around 9% ignoring the benefit of any franking credits.

Additionally, the company released a capital management policy, detailing its future dividend and share buy back policies. The company is confident that these policies over time will result in the narrowing of the gap between the market price of its shares and their net asset backing.

Base metal prices continued their bull run with continued demand in China leading the current commodities boom.

Historically, in times of uncertainty, like we are currently experiencing investors tend to buy gold and other precious metals as a safe haven.

During the current quarter commodity markets, and in particular metal prices have remained strong.

Gold posted gains of around 8.5%, however copper was by far the standout for the quarter with gains in the region of 21.8%.

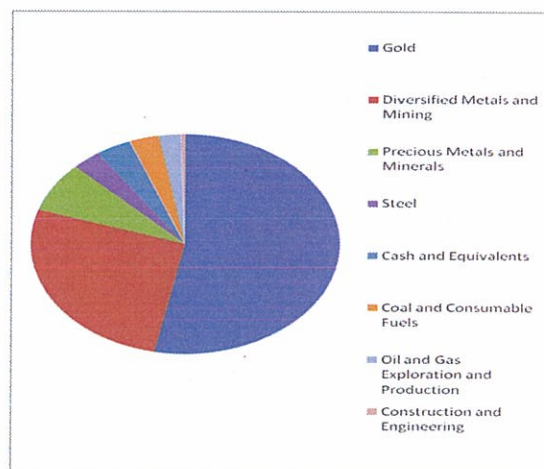
Florin's continues to maintain an overweight position to gold stocks.

## Twenty largest equity holdings

| As at 31/12/2010                     | %            |
|--------------------------------------|--------------|
| Crusader Resources Limited           | 6.57         |
| Burey Gold Limited                   | 4.71         |
| Beadell Resources Limited            | 4.30         |
| Dominion Mining Limited              | 3.56         |
| Coventry Resources Limited           | 3.31         |
| Integra Mining Limited               | 3.06         |
| Perseus Mining Limited               | 3.03         |
| Gold Road Resources Limited          | 2.71         |
| CGA Mining Limited                   | 2.65         |
| Bright Star Resources Limited        | 2.13         |
| Kentor Gold Limited                  | 1.86         |
| Cobar Consolidated Resources Limited | 1.64         |
| Kingsgate Resources Limited          | 1.55         |
| Marmota Energy Limited               | 1.54         |
| Ramelius Resources Limited           | 1.53         |
| Adamus Resources Limited             | 1.48         |
| Sumatra Copper and Gold Plc          | 1.46         |
| Saracen Mineral Holdings Limited     | 1.44         |
| Manas Resources Limited              | 1.39         |
| Leyshon Resources Limited            | 1.28         |
| <b>Total</b>                         | <b>51.20</b> |

## GICS Sector Allocation

|  | %             |
|--|---------------|
| Gold                                   | 53.12         |
| Diversified Metals and Mining          | 26.90         |
| Precious Metals and Minerals           | 7.34          |
| Steel                                  | 3.07          |
| Cash and Equivalents                   | 3.70          |
| Coal and Consumable Fuels              | 3.09          |
| Oil and Gas Exploration and Production | 2.34          |
| Construction and Engineering           | 0.44          |
| <b>Total</b>                           | <b>100.00</b> |



**Important information:** Florin Mining Investment Company Limited has made every effort to ensure the information contained within this document is accurate and up to date. However, no warranty is made in relation to the accuracy and reliability of the information. Past performance is no guarantee of future performance. This document does not take into account the reader's investment objectives, particular needs or financial situation. It is general information only and should not be considered as investment advice and should not be relied on as an investment recommendation.