

**FLORIN MINING INVESTMENT COMPANY LIMITED**

**ABN 60 111 170 882**

**2011 ANNUAL REPORT**

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# FLORIN MINING INVESTMENT COMPANY LIMITED

## HIGHLIGHTS

### Key Financial Statistics

	2011	2010
Profit /(loss) after tax	805,862	607,225
Earnings per Share (cents per share)	4.74	3.62
Total Assets	4,604,923	3,986,791
Total Liabilities	487,335	420,552
Shareholders Funds	4,117,588	3,566,239
Net Asset backing per share	\$0.25	\$0.21
Total Shareholders Return*	18%	0%
Shares on issue	16,760,455	17,109,907
Number of Shareholders	280	317
Series C Options on issue	-	11,256,861
Number of Series C Option holders	-	340

\*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](http://www.florin.com.au).

# FLORIN MINING INVESTMENT COMPANY LIMITED

## INVESTMENT MANAGER'S REPORT

The 2011 Financial Year was another challenging year for investors with sovereign debt issues plaguing equity markets for most of the year.

Florin achieved a profit after tax of \$805,862 for the year, with the net asset backing increasing by 19% per share.

All the uncertainty and volatility was good for the price of precious metals. In uncertain times many investors seek assets such as gold for stability.

Florin continued to focus the portfolio on gold stocks. We still believe that the issues facing the global economies will not be fixed easily, or in the short term. With the gold price reaching some all time highs in US dollars, it appears this has not necessarily been reflected in the price of the underlying gold stocks and we see this more of an opportunity to add to some of our shareholding while always on the lookout for new investments.

At the 30<sup>th</sup> of June 2011 Florin had approximately 45% of its portfolio invested in gold stocks using the GICs Sector allocation. Florin also had around 37% invested in Diversified Metals and Mining.

We remain positive about China's long term need for commodities, however in the short term we remain cautious and vigilant in our investment selection with expectations of short term volatility.

During the year we added to Florin's holding in Adamus Resources Limited (ADU). Adamus are now producing gold out of their Nzema gold project in Ghana at an annualised rate of 100,000 ounces of gold. At the time of writing this report ADU has announced a merger with the Canadian listed gold producer Endeavour Mining Corporation which hopefully should see production more than double over the coming years. We are very excited about the longer term prospects of the merged company.

Crusader Resources Limited (CAS) continues to add to Florin's performance and has achieved a number of major milestones during the year. CAS has more than doubled their gold resource at their Borborema gold project in Brazil to 1.86m ounces of gold and is currently undertaking a feasibility study to consider a 3Mtpa mine and a carbon in leach plant to produce 100,000 ounces of gold per annum.

Crusader along with Perseus Mining Limited (PRU), Beadell Resources Limited (BDR), Coventry Resources Limited (CVY) and CGA Mining Limited (CGX) are all gold stocks which Florin own. Combined these five stocks represented 25.5% of the portfolio at 30 June 2011.

The following table shows the progress of Florin Mining Investment Company Limited:

<b>Year</b>	<b>Dividends Cents Per Share</b>	<b>Net Profit /(loss) \$</b>	<b>Issued Capital \$</b>	<b>Issued Ordinary Shares</b>	<b>Net Assets \$</b>
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
2011	1.0	805,862	3,183,837	16,760,455	4,117,588

# 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 2011

Name of the Investment	Holding	Market Value	Portfolio %
<b>Investment Portfolio</b>			
<b>Australian Equities</b>			
Compass Resources NL	90,000	-	-
Independence Group NL	14,367	80,887	1.78
King Solomon Mines Limited	264,286	17,178	0.38
Kingsgate Consolidated NL	10,000	80,000	1.75
Mincor Resources NL	41,000	37,105	0.81
Silver Lake Resources Limited	10,000	20,000	0.44
Tasmania Mines Limited	50,498	75,747	1.66
Traka Resources Limited	177,777	32,000	0.70
Western Areas NL	3,500	20,650	0.45
<b>Total Australian Equities</b>		<b>363,567</b>	<b>7.97</b>
<b>Total Investment Portfolio</b>			
		<b>363,567</b>	<b>7.97</b>
<b>Trading Portfolio</b>			
<b>Australian Equities</b>			
Adamus Resources Limited	228,000	128,820	2.82
Adelaide Energy Limited	253,947	24,633	0.54
Ausquest Limited	150,000	15,000	0.33
Azumah Resources Limited	100,000	54,000	1.18
Beadell Resources Limited	350,000	297,500	6.52
Bright Star Resources Limited	155,556	6,222	0.14
Bright Star Resources Limited Options Expiring 17-Oct-2012	961,111	134,556	2.95
Burey Gold Limited	1,400,000	82,600	1.81
Buru Energy Limited	60,000	39,300	0.86
Canyon Resources Limited	103,948	33,263	0.73
Castle Minerals Limited	100,000	35,000	0.77
CGA Mining Limited	60,000	170,400	3.74
Chesser Resources Limited	100,000	54,000	1.18
Clancy Exploration Limited	169,161	10,319	0.23
Coal Works Limited	30,692	16,881	0.37
Cobar Consolidated Resources Limited	150,000	119,250	2.61
Cougar Metals NL	500,000	24,000	0.53
Coventry Resources Limited	825,000	140,250	3.07

# FLORIN MINING INVESTMENT COMPANY LIMITED

## INVESTMENT MANAGER'S REPORT (CONTINUED)

Name of the Investment	Holding	Market Value	Portfolio %
Crusader Resources Limited	330,000	389,400	8.54
Curnamona Energy Limited	100,000	7,400	0.16
Discovery Metals Limited	40,000	48,200	1.06
Dragon Mining Limited	40,000	48,400	1.06
Drake Resources Limited	150,000	57,750	1.27
East Coast Minerals NL – Partly Paid Shares	100,000	-	-
Emerson Resources Limited	200,000	24,000	0.53
Golden Rim Resources Limited	337,500	52,312	1.15
Gryphon Minerals Limited	28,285	51,196	1.12
Hampton Hill Mining NL	150,000	31,500	0.69
Helix Resources Limited	700,000	52,500	1.15
Heritage Gold NZ Limited	885,401	12,396	0.27
Heron Resources Limited	200,000	34,000	0.75
Integra Mining Limited	300,000	132,000	2.89
International Goldfields Limited	300,000	14,100	0.31
Intrepid Mines Limited	38,427	54,566	1.20
Ironbark Gold Limited	250,000	65,000	1.42
Kentor Limited	722,858	61,443	1.35
Kimberley Rare Earths Limited	9,000	1,350	0.03
King Solomon Mines Limited	248,800	16,172	0.35
Kingsgate Consolidated NL	13,250	106,000	2.32
Krucible Mines Limited	395,000	80,975	1.78
Laconia Resources Limited	100,000	4,600	0.10
Leyson Resources Limited	300,000	75,000	1.64
Manas Resources Limited	413,334	74,400	1.63
Marmota Energy Limited	1,077,931	59,286	1.30
Monotaur Exploration Limited	150,000	32,250	0.71
Monax Mining Limited	358,487	19,717	0.43
Mungana Goldmines Limited	27,224	17,287	0.38
Navigator Resources Limited	180,000	5,040	0.11
Navigator Resources Limited –Options Expiring 30-Nov-2011	70,000	70	-
Overland Ordinary	100,000	12,500	0.27
Paniai Gold Limited	600,000	-	-
Paniai Gold Limited-Options Expiring 31-Mar-2014	300,000	-	-
Peel Mining Limited	1,150,000	110,138	2.40
Perseus Mining Limited	62,732	164,358	3.60

# FLORIN MINING INVESTMENT COMPANY LIMITED

## INVESTMENT MANAGER'S REPORT (CONTINUED)

Name of the Investment	Holding	Market Value	Portfolio %
Platina Resources Limited	150,000	45,000	0.98
Ramelius Resources Limited Options 30/06/2010	100,000	128,000	2.81
Reedy Lagoon Corporation Limited	350,000	26,250	0.58
Robust Lagoon Corporation Limited	15,139	22,936	0.50
Saracen Mineral Holdings Limited	120,000	64,200	1.41
Silver Swan Group Limited	120,000	13,800	0.30
Sipa Resources International NL	466,667	26,600	0.58
Southern Gold Limited	527,846	32,199	0.71
Sumatra Copper & Gold PLC	400,000	88,000	1.93
Tap Oil Limited	30,000	24,900	0.55
Traka Resources Limited	250,000	45,000	0.99
Troy Resources NL	20,000	69,600	1.53
White Cliff Nickel Limited	200,000	20,000	0.44
<b>Total Australian Equities</b>		<b>3,907,785</b>	<b>85.66</b>
<b>International Equities</b>			
Apogee Minerals Limited	78,000	16,208	0.36
Entrée Gold Inc	15,270	30,406	0.67
Mariana Resources Limited	30,000	9,861	0.22
Mawson Resources Limited	30,000	49,083	1.07
Northern Dynasty Minerals Limited	3,000	28,270	0.62
Uranium One Inc	7,000	17,896	0.39
<b>Total International Equities</b>		<b>151,724</b>	<b>3.33</b>
<b>Total Trading Portfolio</b>		<b>4,059,509</b>	<b>88.99</b>
<b>Cash &amp; equivalents</b>		<b>138,844</b>	<b>3.04</b>
<b>Total Portfolios</b>		<b>4,561,920</b>	<b>100.00</b>



# 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 once 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 2011. 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 \$805,862 (2010: \$607,225).

### Dividends Paid or Recommended

A dividend of \$0.01 (2010: 0.01) was paid on 28<sup>th</sup> February 2011.

### Review of Operations

Shareholders equity increased by \$551,349 to \$4,117,588 or 15.46% for the year.

The trading portfolio resulted in a profit of \$1,959,703 in the current year compared to \$1,002,247 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

<b>Victor Gowan Burley</b>	—	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	—	793,235 Ordinary Shares in Florin Mining Investment Company Limited
Special Responsibilities	—	Victor Gowan Burley is a Member of the Audit Committee
 <b>Steven Shane Pritchard</b>	—	 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	—	1,129,354 Ordinary Shares in Florin Mining Investment Company Limited
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)
 <b>Daniel Di Stefano</b>	—	 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	—	1,133,922 Ordinary Shares of Florin Mining Investment Company Limited
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)
	—	Director (Executive)
 <b>Peter Cameron</b>		
Interest in Shares	—	291,370 Ordinary Shares of Florin Mining Investment Company Limited
Special Responsibilities	—	Peter Cameron is a Member of the Audit Committee

# FLORIN MINING INVESTMENT COMPANY LIMITED

## DIRECTORS' REPORT (CONTINUED)

### 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 2011

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

2011	Salary & Fees	Superannuation Contributions	Other	Total
Victor Gowan Burley	\$ -	\$ -	\$ 126,852*	\$ 126,852
Steven Shane Pritchard	-	-	-	-
Daniel Di Stefano	-	-	-	-
Peter Cameron	-	-	-	-

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

\*Fees paid are as per an agreement between Victor Burley and Cameron Stockbrokers Limited. The amount paid is from Cameron Stockbrokers Limited and not Florin Mining Investment Company Limited.

Victor Burley assists Cameron Stockbrokers Limited in the management of Florin Mining Investment Company Limited.

#### 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.

# FLORIN MINING INVESTMENT COMPANY LIMITED

## DIRECTORS' REPORT (CONTINUED)

### Shareholdings

#### Number of Shares Held by Directors

	Balance 30.06.2010	Received as Remuneration	Options Exercised	Net Change Other	Balance 30.6.2011
Victor Gowan Burley	791,963	-	-	1,272	793,235
Steven Shane Pritchard	947,766	-	-	181,588	1,129,354
Daniel Di Stefano	696,731	-	-	437,191	1,133,922
Peter Cameron	283,919	-	-	7,451	291,370
<b>Total</b>	<b>2,720,379</b>	-	-	<b>627,502</b>	<b>3,347,881</b>

### Options holdings

#### Number of Options Held by Directors

Series C Options	Balance 30.06.2010	Granted as Remuneration	Options Exercised	Net Change Other	Balance 30.6.2011	Total Exercisable 30.6.2011
Victor Gowan Burley	394,888	-	-	(394,888)	-	-
Steven Shane Pritchard	420,330	-	-	(420,330)	-	-
Daniel Di Stefano	328,487	-	-	(328,487)	-	-
Peter Cameron	129,041	-	-	(129,041)	-	-
<b>Total</b>	<b>1,272,746</b>	-	-	<b>(1,272,746)</b>	-	-

### Meetings of Directors

During the financial year, 4 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	4	4	1	1
Steven Shane Pritchard	4	4	1	1
Daniel Di Stefano	4	4	1	0
Peter Cameron	4	4	1	1

# FLORIN MINING INVESTMENT COMPANY LIMITED

## DIRECTORS' REPORT (CONTINUED)

### **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 is included page 13 of the annual report.

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



**Steven Shane Pritchard**

Director

Dated this 13th Day of September 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 audit of Florin Mining Investment Company Limited financial statements for the year ended 30 June 2011, 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 Assurance & Risk*

FORSYTHES ASSURANCE & RISK

*MJ Matthews*

MJ Matthews  
Partner  
Chartered Accountants  
Newcastle, 13 September 2011

# FLORIN MINING INVESTMENT COMPANY LIMITED

## INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
Income from investment portfolio	2	10,356	10,351
Income from trading portfolio	2	1,959,703	1,002,247
Income from deposits	2	8,198	7,307
Income from sub-underwriting	2	-	6,273
<b>Total income from ordinary activities</b>		<b>1,978,257</b>	<b>1,026,178</b>
Administration expenses		(137,151)	(94,485)
Extraordinary general meeting expenses		-	(59,309)
Finance costs		(3,472)	(3,216)
Management fees	3	(56,853)	(41,371)
Performance fees	3	(634,262)	(30,703)
<b>Operating profit before income tax and realised gains/(losses) on the investment portfolio</b>	3	<b>1,146,519</b>	<b>797,094</b>
Income tax expense relating to ordinary activities *	4b	(340,657)	(236,626)
<b>Operating profit before realised gains/(losses) on the investment portfolio</b>		<b>805,862</b>	<b>560,468</b>
<b>Net gains on investments</b>			
Realised gain/ on the investment portfolio realised before 31 December 2009		-	66,795
Income tax expense thereon *	4	-	(20,038)
		-	46,757
<b>Profit attributable to members of the company</b>		<b>805,862</b>	<b>607,225</b>
<b>Overall Operations</b>			
Basic earnings per share (cents per share)	7	4.74	3.62
Diluted earnings per share (cents per share)	7	4.74	3.62
 * Total tax expense	4	340,657	256,664

The accompanying notes form part of these financial statements.



# FLORIN MINING INVESTMENT COMPANY LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011

	Year to 30 June 2011			Year to 30 June 2010		
	Revenue	Capital	Total	Revenue	Capital	Total
	\$	\$	\$	\$	\$	\$
Operating profit/(loss) for the year	805,862	-	805,862	560,468	-	560,468
<b>Other Comprehensive income</b>						
Unrealised gains/(losses) for the period on securities in the portfolio at 30 June	-	(122,766)	(122,766)	-	72,323	72,323
Deferred tax expense/(benefit) on above	-	36,860	36,830	-	(21,697)	(21,697)
Cumulative gains/(losses) for the period on securities realised after 31 December 2009	-	99,247	99,247	-	(3,325)	(3,325)
Tax (expense)/credit on above	-	(29,774)	(29,774)	-	998	998
Transfer to Income statement of cumulative gains/(losses) on investments realised prior to 31 December 2009	-	-	-	-	66,795	66,795
Tax credit/(expense) on above	-	-	-	-	(20,038)	(20,038)
<b>Total other comprehensive (loss)/income*#</b>	-	(16,463)	(16,463)	-	95,056	95,056
<b>Total comprehensive income^</b>	<b>805,862</b>	<b>(16,463)</b>	<b>789,399</b>	<b>560,468</b>	<b>95,056</b>	<b>655,524</b>

\*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: 2011 - \$7,056; 2010 - \$(40,738).

The accompanying notes form part of these financial statements.

# FLORIN MINING INVESTMENT COMPANY LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

	Note	2011 \$	2010 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	8	138,844	297,980
Trading portfolio	9	4,059,509	3,029,811
Other	10	430	331
Current tax assets	11	-	698
<b>TOTAL CURRENT ASSETS</b>		<b>4,198,783</b>	<b>3,328,820</b>
<b>NON-CURRENT ASSETS</b>			
Investment portfolio	12	363,567	472,768
Deferred tax assets	13	42,573	185,203
<b>TOTAL NON-CURRENT ASSETS</b>		<b>406,140</b>	<b>657,971</b>
<b>TOTAL ASSETS</b>		<b>4,604,923</b>	<b>3,986,791</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	56,064	66,191
Borrowings	15	27,618	20,922
Tax Provision		26,644	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>110,326</b>	<b>87,113</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities	16	377,009	333,439
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>377,009</b>	<b>333,439</b>
<b>TOTAL LIABILITIES</b>		<b>487,335</b>	<b>420,552</b>
<b>NET ASSETS</b>		<b>4,117,588</b>	<b>3,566,239</b>
<b>EQUITY</b>			
Issued capital	17	3,183,837	3,251,699
Reserves	18	406,087	422,550
Retained earnings /(Accumulated losses)		527,664	(108,010)
<b>TOTAL EQUITY</b>		<b>4,117,588</b>	<b>3,566,239</b>

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 2011

	Note	Issued Capital	Retained Earnings/ (Accumulated Losses)	Capital Profits Reserve	Investment Revaluation Reserve	Total
		\$	\$	\$	\$	\$
<b>Balance at 1 July 2009 as reported</b>		<b>3,190,675</b>	<b>(644,719)</b>	<b>282,218</b>	<b>189,029</b>	<b>3,017,201</b>
Adoption of AASB 9		-	143,750	-	(143,750)	-
<b>Restated balance at the beginning of the year</b>		<b>3,190,675</b>	<b>(500,969)</b>	<b>282,218</b>	<b>45,277</b>	<b>3,017,201</b>
Dividends paid and dividend reinvestment plan	17a	61,024	(167,509)	-	-	(106,485)
<b>Total Transactions with the shareholders</b>		<b>61,024</b>	<b>(167,509)</b>	<b>-</b>	<b>-</b>	<b>(106,485)</b>
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)	18b	-	-	-	50,626	50,626
Transfers between reserves	18a	-	(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
<b>Balance at 30 June 2010</b>		<b>3,251,699</b>	<b>(108,010)</b>	<b>326,647</b>	<b>95,903</b>	<b>3,566,239</b>
<b>Balance at 1 July 2010 as reported</b>		<b>3,251,699</b>	<b>(108,010)</b>	<b>326,647</b>	<b>95,903</b>	<b>3,566,239</b>
Buy back of shares		(137,240)	-	-	-	(137,240)
Dividends paid and dividend reinvestment plan	17a	69,378	(170,188)	-	-	(100,810)
<b>Total Transactions with the shareholders</b>		<b>(67,862)</b>	<b>(170,188)</b>	<b>-</b>	<b>-</b>	<b>(238,050)</b>
Profit for the year		-	805,862	-	-	805,862
<i>Other comprehensive income for the year (net of tax)</i>						
Net capital profits for the year		-	69,473	-	-	69,473
Revaluation of investment portfolio (net of tax)	18b	-	-	-	(85,936)	(85,936)
Transfers between reserves	18a	-	(69,473)	69,473	-	-
Other comprehensive income for the year		-	-	69,473	(85,936)	(16,463)
Total comprehensive income		-	805,862	69,473	(85,936)	789,399
<b>Balance at 30 June 2011</b>		<b>3,183,837</b>	<b>527,664</b>	<b>396,120</b>	<b>9,967</b>	<b>4,117,588</b>

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 2011

	Note	2011 \$	2010 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Sales from trading portfolio		2,566,642	2,461,645
Purchases for trading portfolio		(1,629,497)	(2,405,973)
Dividends received		24,414	15,879
Interest received		7,766	7,307
Sub underwriting fees received		-	6,900
Income tax refund		-	57,234
Other receipts		46,921	2,396
		<u>1,016,246</u>	<u>145,388</u>
Administration expenses		(134,199)	(152,885)
Bank charges		(437)	(701)
Finance costs		(2,974)	(2,366)
Management fees		(58,093)	(35,867)
Performance fees		(713,622)	-
Income tax payments		(120,060)	-
<b>Net cash used in by operating activities</b>	20	<u><b>(13,139)</b></u>	<u><b>(46,431)</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Sales from investment portfolio		218,664	435,603
Purchases for investment portfolio		(133,250)	(182,436)
<b>Net cash provided by investing activities</b>		<u><b>85,414</b></u>	<u><b>253,167</b></u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net proceeds from issue of shares/buyback of shares		(67,862)	61,024
Proceeds from borrowings		30,000	247,358
Repayment of borrowings		(23,362)	(212,388)
Dividends paid		(170,187)	(160,092)
<b>Net cash used in financing activities</b>		<u><b>(231,411)</b></u>	<u><b>(64,098)</b></u>
Net (decrease)/increase in cash held		(159,136)	142,638
Cash at beginning of financial year		297,980	155,342
<b>Cash and cash equivalents at end of financial year</b>	8	<u><b>138,844</b></u>	<u><b>297,980</b></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 2011

### 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 2011 ("the inoperative standards") with the exception of AASB 9, as noted below. The inoperative standards are outlined below.

- AASB 124 *Related Party Disclosure (2009)*, AASB 2009-12 *Amendments to Australian Accounting standards (effective date 1 January 2011)*.
- AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* (effective date 1 July 2013).
- AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* (effective date 1 January 2011).
- AASB 2010-5 *Amendments to Australian Accounting Standards* (effective date 1 January 2011).
- AASB 2010-6 *Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets* (effective date 1 July 2011).
- AASB 2010-8 *Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets* (effective date 1 January 2012).

The adoption of the various Australian Accounting Standards and Interpretations in issue but not yet effective will not impact the Company's accounting policies. However, the pronouncements will result in changes to information currently disclosed in the financial statements. The Company does not intend to adopt any of these pronouncements (with the exception of AASB 9) before their effective dates.

### 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 2011.

### Changes in Accounting Standards

#### **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.

# FLORIN MINING INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (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:-

<b>Portfolio</b>	<b>AASB 139 Classification</b>
Investment portfolio	"Available for sale"
Trading portfolio	"Held for trading"

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:-

<b>Portfolio</b>	<b>AASB 9 Classification</b>
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.

### **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.

# FLORIN MINING INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

(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 balance 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.

# FLORIN MINING INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

**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'.



# FLORIN MINING INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 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 16. 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 2011

	2011 \$	2010 \$
<b>NOTE 2: REVENUE</b>		
<b>a. Income from Investment Portfolio</b>		
— dividends received	10,356	10,351
<b>Total Income from Investment Portfolio</b>	<b>10,356</b>	<b>10,351</b>
<b>b. Income from Trading Portfolio</b>		
— sales revenue	2,566,642	2,436,973
— cost of sales	(620,997)	(1,440,951)
— net income/(losses) from trading portfolio sales	1,945,645	996,022
— dividends received	14,058	6,225
<b>Total Income from Trading Portfolio</b>	<b>1,959,703</b>	<b>1,002,247</b>
<b>c. Income from Deposits</b>		
— interest income	8,198	7,307
<b>Total Income from Deposits</b>	<b>8,198</b>	<b>7,307</b>
<b>d. Income from sub-underwriting</b>		
— Sub-underwriting income	-	6,273
<b>Total Income from Sub-underwriting</b>	<b>-</b>	<b>6,273</b>
<b>Total Revenue</b>	<b>1,978,257</b>	<b>1,026,178</b>

## NOTE 3: PROFIT FOR THE YEAR

Operating profit before income tax has been determined after:

### Expenses

Administration expenses	128,655	86,796
Bank expenses	438	718
Extraordinary general meeting expenses	-	59,309
Finance costs	3,034	2,498
Listing fees	8,496	7,689
Management fees	56,853	41,371
Performance fees	634,262	30,703
Profit / (loss) from operating activities before income tax and realised gains on the investment portfolio	<b>1,146,519</b>	<b>797,094</b>

# FLORIN MINING INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$
<b>NOTE 4: INCOME TAX EXPENSE</b>		
<b>a. The components of tax expense comprise:</b>		
Increase in deferred tax assets - investment portfolio	-	20,038
Decrease in deferred tax assets - other	29,838	190,862
Increase in deferred tax liabilities	310,819	45,764
	<b>340,657</b>	<b>256,664</b>
<b>b. The prima facie tax on pre-tax accounting profit from ordinary activities before income tax is reconciled to the income tax as follows:</b>		
<b>Operating profit before income tax expense and realised gains on investment portfolio</b>	1,146,519	797,094
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2010: 30%)	343,956	239,128
Add:		
Tax effect of:		
— Imputation gross-up on dividends received	1,414	1,073
— Franking credits on dividends received	(4,713)	(3,575)
<b>Income tax expense</b>	<b>340,657</b>	<b>236,626</b>
<b>Realised gains on investment portfolio</b>	-	66,975
Prima facie tax payable calculated at 30% (2010: 30%)	-	20,038
Income tax expense on realised gains on investment portfolio	-	<b>20,038</b>
<b>Total income tax expense</b>	<b>340,657</b>	<b>256,664</b>
<b>c. Amounts recognised directly in equity</b>		
Decrease in deferred tax liabilities relating to capital gains on the increase in unrealised gains on securities in the investment portfolio	(39,523)	(3,992)
Decrease in deferred tax assets relating to capital losses on the increase in unrealised losses on securities in the investment portfolio	2,693	25,689
	<b>(36,830)</b>	<b>21,697</b>
<b>d. Amounts recognised directly through Other comprehensive income</b>		
(Decrease)/ increase in deferred tax liabilities relating to capital gains tax on the movement in unrealised gains in the investment portfolio	<b>(36,830)</b>	<b>21,697</b>

# FLORIN MINING INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

	2011 \$	2010 \$
<b>NOTE 5: AUDITOR'S REMUNERATION</b>		
Remuneration of the auditor of the company for:		
Forsythes		
— professional services in relation to the EGM	-	4,638
— auditing or reviewing the financial report	18,290	18,595
	<b>18,290</b>	<b>23,233</b>
<b>NOTE 6: DIVIDENDS</b>		
<b>a. Dividends Paid or Declared</b>		
Fully franked ordinary dividend of 1 cent per share (2010: 0.01) paid on 28 February 2011		
	170,187	167,509
Total dividends paid or declared in the financial year	<b>170,187</b>	<b>167,509</b>
<b>b. Franking Account</b>		
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.		
	<b>22,385</b>	<b>550</b>
<b>NOTE 7: EARNINGS PER SHARE</b>		
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share		
	17,014,381	16,753,834
Weighted average number of options outstanding		
	-	11,256,861
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive earnings per share		
	17,014,381	16,753,834
<b>a. Basic and diluted earnings per share</b>		
	<b>\$</b>	<b>\$</b>
Profit attributable to members of the company	805,862	607,225
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share including realised gains/(losses) on the investment portfolio	4.74	3.62
Diluted earnings per share including realised gains/(losses) on the investment portfolio	4.74	3.62
<b>b. Basic and diluted operating earnings per share excluding realised gains/(losses) on the investment portfolio</b>		
	<b>\$</b>	<b>\$</b>
Operating profit before realised losses on the investment portfolio	805,862	560,468

# FLORIN MINING INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

### NOTE 7: EARNINGS PER SHARE (continued)

	Cents	Cents
Basic operating earnings per share excluding realised gains/(losses) on the investment portfolio	4.74	3.35
Diluted operating earnings per share excluding realised gains/(losses) on the investment portfolio	4.74	3.35

### c. Classification of securities

	2011 Number	2010 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

### NOTE 8: CASH AND CASH EQUIVALENTS

	2011 \$	2010 \$
Cash at bank and in hand	6,800	8,111
Deposits at call	132,044	289,869
	<b>138,844</b>	<b>297,980</b>

The effective interest rate on cash at bank and deposits at call was 4.25% (2010: 4.00%).

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	<b>138,844</b>	<b>297,980</b>
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### NOTE 9: TRADING PORTFOLIO

Listed investments, at market value

- Shares	4,053,217	3,016,620
- Options	6,292	13,191
	<b>4,059,509</b>	<b>3,029,811</b>

### NOTE 10: OTHER ASSETS

Prepayments	-	331
Accrued income	430	-
	<b>430</b>	<b>331</b>

# FLORIN MINING INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

	2011 \$	2010 \$
<b>NOTE 11: TAX ASSETS</b>		
TFN Withholding	-	698
	<u>-</u>	<u>698</u>

## NOTE 12: INVESTMENT PORTFOLIO

Listed investments, at market value

- Shares	363,567	472,768
	<u>363,567</u>	<u>472,768</u>

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

BCD Resources Limited	-	36,000
Coal & Allied Industries Limited	-	18,600
Compass Resources NL	-	13,500
Independence Group NL	80,886	47,200
King Solomon Mines Limited	17,179	2,000
Kingsgate Consolidated NL	80,000	94,970
Magnetic Resources NL Contributing Shares	-	217
Mincor Resources NL	37,105	45,375
Red Hill Iron Limited	-	145,600
Silver Lake Resources Limited	20,000	-
Tasmania Mines Limited	75,747	47,973
Traka Resources Limited	32,000	21,333
Western Areas NL	20,650	-
<b>Total Investment Portfolio</b>	<u>363,567</u>	<u>472,768</u>

## NOTE 13: DEFERRED TAX ASSETS

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

- Tax losses	34,898	136,968
- Temporary differences	7,675	48,235
	<u>42,573</u>	<u>185,203</u>

## NOTE 14: TRADE AND OTHER PAYABLES

Sundry creditors and accrued expenses

	<u>56,064</u>	<u>66,191</u>
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Payables are non-interest bearing and unsecured.

# FLORIN MINING INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$

### NOTE 15: BORROWINGS

Short-term borrowings - secured	<u>27,618</u>	<u>20,922</u>
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The above short-term borrowings are secured by listed securities held in the company's investment and trading portfolios. Repayment of the facility is done either through the use of cash received from dividends and distributions or the sale of securities. The effective interest rate on short term borrowings – secured was 9.66% (2010: 8.68%). The amount of the facility unused at year end is \$24,383 (2010: \$ 45,198).

### NOTE 16: DEFERRED TAX LIABILITIES

Provision for deferred income tax attributable to:

- Deferred capital gains tax	39,169	78,692
- Temporary differences	337,840	254,747
	<u>377,009</u>	<u>333,439</u>

### NOTE 17: ISSUED CAPITAL

16,760,455 (2010: 17,109,907) fully paid ordinary shares	18a	<u>3,183,837</u>	<u>3,251,699</u>
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#### a. Ordinary shares

At the beginning of reporting period	3,251,699	3,190,675
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Shares issued during the year

- 359,024 on 28 June 2010	-	61,024
- 315,430 on 28 February 2011	69,378	-

Shares bought back during the year

- 57,988 on 21 July 2010	(9,380)	-
- 33,196 on 23 August 2010	(5,370)	-
- 7,333 on 15 March 2011	(1,631)	-
- 72,000 on 18 March 2011	(16,014)	-
- 44,000 on 01 April 2011	(9,786)	-
- 120,000 on 05 April 2011	(26,690)	-
- 10,000 on 03 May 2011	(2,224)	-
- 46,187 on 04 May 2011	(10,273)	-
- 50,000 on 24 May 2011	(10,616)	-
- 69,654 on 30 May 2011	(14,084)	-
- 15,575 on 02 June 2011	(3,149)	-
- 14,771 on 08 June 2011	(2,987)	-
- 49,229 on 09 June 2011	(9,954)	-
- 771 on 14 June 2011	(156)	-
- 50,957 on 15 June 2011	(10,304)	-
- 15,888 on 16 June 2011	(3,212)	-
- 7,333 on 21 June 2011	(1,410)	-

At the end of reporting period	<u>3,183,837</u>	<u>3,251,699</u>
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# FLORIN MINING INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

### NOTE 17: 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 2011 there were Nil (2010: 11,256,861) unissued ordinary shares for which options were outstanding. The options carry no rights to dividends and no voting rights.

		2011 \$	2010 \$
<b>NOTE 18: RESERVES</b>			
Capital profits	18a	396,120	326,647
Investment revaluation	18b	9,967	95,903
		<b>406,087</b>	<b>422,550</b>

#### 18a. Capital Profits Reserve

##### Movements During the Year

Opening balance	326,647	282,218
Transfer (to) / from retained earnings	69,473	44,429
Closing Balance	<b>396,120</b>	<b>326,647</b>

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

#### 18b. Investment Revaluation Reserve

##### Movements During the Year

Opening balance	95,903	45,277
Revaluation of the investment portfolio (net of tax)	(85,936)	50,626
Closing Balance	<b>9,967</b>	<b>95,903</b>

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

### NOTE 19: 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 2011

### NOTE 19: SEGMENT REPORTING (continued)

	2011	2010
	\$	\$
<b>Net operating profit after income tax expense</b>	805,862	560,468
Add back income tax expense	340,657	236,626
Net gains on securities sold from the investment portfolio before 31 December 2010	-	46,757
<b>Profit before tax</b>	<b>1,146,519</b>	<b>843,851</b>

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 2011 and 30 June 2010 were as follows:

#### Net tangible asset backing per share

Before tax	0.27	0.22
After tax	0.25	0.21

#### (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:

2011	Revenue \$	Unrealised Gains/(losses) \$	Market Value \$	Portfolio %
Australia	24,415	1,010,953	4,271,352	93.63
Canada	-	(72,188)	46,614	1.02
United Kingdom	-	(4,600)	9,861	0.22
United States of America	-	12,181	95,250	2.09
<b>Sub Total</b>	<b>24,415</b>	<b>946,346</b>	<b>4,423,076</b>	<b>96.96</b>
Cash	8,198	-	138,844	3.04
<b>Total</b>	<b>32,613</b>	<b>946,346</b>	<b>4,561,920</b>	<b>100.00</b>

#### 2010

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
<b>Sub Total</b>	<b>15,879</b>	<b>301,756</b>	<b>3,502,579</b>	<b>92.36</b>
Cash	7,307	-	289,869	7.64
<b>Total</b>	<b>23,186</b>	<b>301,756</b>	<b>3,792,448</b>	<b>100.00</b>

# FLORIN MINING INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

### NOTE 20: CASH FLOW INFORMATION

	2011 \$	2010 \$
<b>a. Reconciliation of Cash Flow from Operations with profit after Income Tax</b>		
Profit after income tax	805,862	607,225
Cash flows excluded from (loss)/profit attributable to operating activities		
Net realised gains on the investment portfolio	-	(46,757)
(Increase)/decrease in current receivables and other current assets	(2,660)	102,898
(Increase)/decrease in the trading portfolio	(1,029,698)	(976,107)
Increase/(decrease) in current payables	(7,240)	29,894
Increase/(decrease) in income tax balances	220,597	236,416
Cash flow from operations	<b>(13,139)</b>	<b>43,390</b>

### NOTE 21: RELATED PARTY TRANSACTIONS

Transactions with related parties:

<input type="checkbox"/> Rees Pritchard Pty. Limited for accounting fees.	63,685	61,869
<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.	42,430	45,917
<input type="checkbox"/> Cameron Stockbrokers Limited for Investment management fees.	56,853	41,372
Cameron Stockbrokers Limited for Investment performance fees.	634,262	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 Hamilton Capital Proprietary Limited.

Daniel Di Stefano has an interest in the above transaction as a director and beneficial shareholder of Hamilton Capital Proprietary Limited.

Cameron Stockbrokers Limited is a wholly owned subsidiary of Hamilton Capital Proprietary Limited.

Victor Burley is entitled to 20% of the performance fee received by Cameron Stockbrokers Limited

126,852	-
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# FLORIN MINING INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

### NOTE 21: RELATED PARTY TRANSACTIONS (Continued)

□ Newcastle Capital Markets Registries Pty. Limited for share registry costs.	19,366	9,327
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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.

### NOTE 22: 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 23: INVESTMENT TRANSACTIONS

The total number of contract notes that were issued for transactions in investments during the year was 196 (2010: 377). Each contract note may involve multiple transactions. The total brokerage paid on these contract notes was \$42,430 (2010: \$45,917).

### NOTE 24: 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 25: 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.

# FLORIN MINING INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

### NOTE 25: FINANCIAL RISK MANAGEMENT (continued)

#### 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 \$154,808 and \$309,615 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.

<b>The Company's investment across industry sectors as at 30 June is as below:</b>	<b>2011</b>	<b>2010</b>
	<b>%</b>	<b>%</b>
Capital Goods	-	0.53
Cash & Equivalents	2.90	7.64
Energy	3.24	6.96
Materials	87.85	79.93
Metals & Mining	2.93	2.70
Software & services	-	0.39
Telecommunications	3.08	1.85
	<b>100.00</b>	<b>100.00</b>

<b>Securities representing over 5 per cent of the investment portfolio at 30 June 2011:</b>	<b>2011</b>
	<b>%</b>
Beadwell Resources Limited	6.53
Crusader Resources Limited	8.55
	<b>15.08</b>

The Company is exposed to currency risk as some of its investments are quoted in currency other than Australian dollars. As noted in Note 19, the extent of those securities listed on the overseas stock exchanges is minimal, which significantly mitigates the Company's currency risk.

#### d. Interest Rate Risk

The standard defines this as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company monitors its interest rate exposure and the interest bearing liabilities are kept to a minimum.

A rise in interest rates of 1% will result in the company incurring additional finance costs of \$276 (2010: \$209), whilst a fall of 1% will result in interest savings of \$276 (2010: \$209).

# FLORIN MINING INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

### NOTE 25: FINANCIAL RISK MANAGEMENT (continued)

#### 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 17 and 18.

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).

30 June 2011	Level 1
	\$
Financial assets at fair value through other comprehensive income	
Investment Portfolio (Equities)	363,567
Financial assets/(liabilities) at fair value through profit or loss	
Trading Portfolio	3,059,509
Total	<u>3,423,076</u>

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.

### NOTE 26: SUBSEQUENT EVENTS AFTER 30 JUNE 2011

Other than the matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of material and unusual nature likely, in the opinion of the directors of the Company to significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity, in future financial years.

# FLORIN MINING INVESTMENT COMPANY LIMITED

## DIRECTORS' DECLARATION

The directors declare that:

- a) 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;
- b) in the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 1 to the financial statements;
- c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Company; and
- d) the directors have been given the declarations required by s.295A of the Corporations Act 2001.

Signed 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 13<sup>th</sup> day of September 2011



**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 statement of financial position as at 30 June 2011, and the income statement, the statement of comprehensive income, 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 the financial report 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 2011. 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 2011, complies with section 300A of the Corporations Act 2001.



FORSYTHES ASSURANCE & RISK



MJ Matthews  
Partner

Chartered Accountants  
Newcastle, 13 September 2011



# FLORIN MINING INVESTMENT COMPANY LIMITED

## STOCK EXCHANGE INFORMATION

### TOP 20 SHAREHOLDERS AS AT 14 AUGUST 2011

Shareholder	No. of Shares	% of Issued
Intercontinental Assets Pty Ltd	1,000,000	5.98
Pritchard Asset Management Proprietary Limited	791,924	4.74
Winpar Holdings Limited	651,274	3.89
Technica Pty Limited	580,000	3.47
HSBC Custody Nominees (Australia) Limited	553,478	3.31
Warramboos Holdings Pty Ltd	550,000	3.29
Wythenshawe Pty Ltd	550,000	3.29
Equity Trustees Limited <RF Cameron Super Fund>	503,000	3.01
Troika Investments Pty Limited	355,000	2.12
Mrs Robyn Johnstone	303,878	1.82
Mr George Drysdale	289,581	1.73
Mr Adam Nicholas Ball	263,094	1.57
Illuminator Investment Company Limited	257,991	1.54
Oceanridge Limited	242,103	1.45
Mr Laurence George Cable	237,763	1.42
Donwood Pty Ltd<John Cox Super Fund A/c>	231,455	1.38
GA & LA Bentley Pty Ltd <Super Fund A/c>	230,000	1.38
Kyleast Pty Limited	200,535	1.20
Technica Pty Limited<Technica Super Fund A/c>	184,000	1.10
Mr Ole Nydahl	174,048	1.04

### Number of ordinary shares held

### Number of Shareholders

1 – 1,000	4
1,001 – 5,000	6
5,001 – 10,000	28
10,001 – 100,000	209
100,000 and over	32
Total	279

### Substantial Shareholders

As at 14<sup>th</sup> August 2011 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	5.98

# FLORIN MINING INVESTMENT COMPANY LIMITED

## CORPORATE DIRECTORY

<b>Directors</b>	Victor Gowan Burley Robert Franklin Cameron Steven Shane Pritchard Daniel Di Stefano
<b>Company Secretary</b>	Daniel Di Stefano Brett Hall
<b>Registered Office</b>	10 Murray Street Hamilton NSW 2303 Telephone 02 4920 2877 Facsimile 02 4920 2878 Email: <a href="mailto:mail@florin.com.au">mail@florin.com.au</a> Web: <a href="http://www.florin.com.au">www.florin.com.au</a>
<b>Manager</b>	Cameron Stockbrokers Limited Level 5 10 Spring Street Sydney NSW 2000 Telephone 02 8223 5100 Facsimile 02 9232 7272
<b>Share Registry</b>	Newcastle Capital Markets Registry Pty Limited 10 Murray Street Hamilton NSW 2303 Telephone 02 4920 2877 Facsimile 02 4920 2878
<b>Auditors</b>	Forsythes Assurance & Risk Level 4, Hunter Mall Chambers 175 Scott Street Newcastle NSW 2300 Telephone 02 4926 2699 Facsimile 02 4929 1435
<b>Solicitors</b>	Baker & McKenzie Level 27, AMP Centre 50 Bridge Street Sydney NSW 1223 Telephone 02 9225 0200 Facsimile 02 9225 1595
<b>Bankers</b>	National Australia Bank Limited Hamilton District Commercial Branch 31 Beaumont Street Hamilton NSW 2303