



FLORIN

mining investment company limited

6 August 2012

Dear Fellow Shareholder,

### Quarterly Update

Please find enclosed the latest quarterly update on the progress of our company for the period ended 30 June 2012.

To assist shareholders to monitor the progress of our company, as well as providing shareholders with the annual report and quarterly updates, the company also announces its net assets per share to the National Stock Exchange of Australia Limited [www.nsx.com.au](http://www.nsx.com.au) on a monthly basis.

Should you have any questions in respect of the quarterly update or your shareholding in our company please feel free to contact the company secretary Mr Brett Hall, on +61 2 4920 2877.

Yours faithfully,

**FLORIN MINING INVESTMENT COMPANY LIMITED**

**STEVEN PRITCHARD**  
**DIRECTOR**



# FLORIN

mining investment company limited

## Quarterly update for quarter ending 30 June 2012

### Investment objective

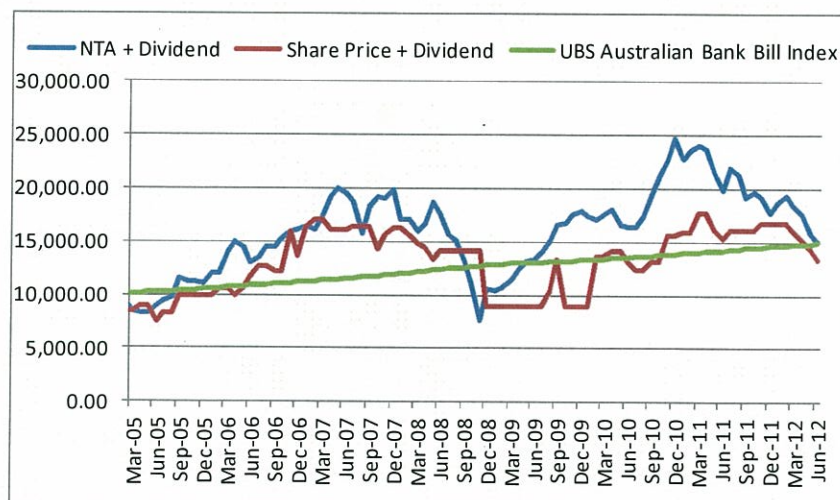
The Florin Mining Investment Company Limited ("Florin") investment objective is to achieve a high real rate of return, being comprised of both income and capital growth by investing in a portfolio of securities of natural resource companies.

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	-15.75%	-20.15%	-12.65%	50.70%	-16.41%	33.75%
NTA + dividend	-19.32%	-15.90%	-24.92%	11.74%	-23.72%	48.75%
UBS Australian Bank Bill Index	1.05%	2.17%	4.70%	14.19%	29.28%	48.92%



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, December
Annual General Meeting	November
Established	29 September 2004
Listed date	3 February 2005

#### Capital structure

Ordinary shares issued	16,985,769
Share price cents	16.50
Net asset value cents	17.80
Dividend cents per share (last 12 months)	1.00
Yield %	6.06
Franking %	100.00

#### Management

Board of Directors	Victor Burley Steven Pritchard Daniel Di Stefano Peter Cameron
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Company secretaries	Brett Hall Daniel Di Stefano
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Investment manager	Cameron Stockbrokers Limited
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#### Trading details

Listed	National Stock Exchange
NSX code	FMI
Stockbrokers	Cameron Stockbrokers Limited 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 30 June 2012

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ABN 60 111 170 882

## Investment manager's report

As at 30 June 2012 the Net Tangible Assets of the Company were 17.8 cents per share which was down from 22.0 cents per share at 31 March 2011.

During the quarter the share price declined by 2.5 cents per share to close at 16.5 cents. At current levels the shares represent a 7.3% discount to asset backing.

The portfolio continues to have an overweight position in the gold sector as we see this as an area that should benefit in the current economic environment. With the devaluing of global currencies we are likely to see continued support for the gold price. At the current gold price we believe there are many undervalued gold stocks whose share prices have declined as part of the resource sector sell off which has not been based on the underlying economics of each company's projects. We have not only been adding to the higher quality gold stocks but also to other resource companies which have good balance sheets and management and are unlikely to be asking for further funding in the short term. Some examples of this include our recent purchase of Cooper Energy which has over \$60m in cash, producing oil assets and a free carried interest in a very large exploration play in Tunisia. We also recently added to our holding in Intrepid Mines, it has a market capitalisation of approximately \$230m with \$135m cash in the bank and an inferred resource of 15 billion pounds of copper and 25 million ounces of contained gold making it a world class deposit.

**Endeavour Mining (EDV.TSX)** - created through the merger with Adamus Resources the company has become a true mid tier gold producer focused on Africa. Production this year is expected to reach close to 200k ounces at cash cost of about US\$650 per ounce which at today's gold price should produce significant cash flow. Construction has recently started on its fully funded Agbaou project which will see the company produce close to 300k ounces once it is in production next year at similar cash costs to the current producing mines. This will make the company one of the larger ASX listed gold producers.

**Beadell Resources (BDR)** - has been a solid performer within the portfolio and has a very well regarded management team. The company is forecasting production of 180,000 oz pa of gold from its Tucano project in Brazil with first ore going through the mill in October this year. The company has a large and expanding resource base which should result in a 7 to 10 year open pit mine life. The company is also getting some interesting intersections of gold from their Australian exploration assets which are located near the world class Tropicana deposit.

**Perseus Mining (PRU)** - another one of our stocks that has been in the portfolio for some time. Perseus has made the transition from explorer to producer focusing in West Africa. As production is ramping up the company is forecasting 140,000 oz of gold from July to December this year at cash cost of about US\$550 per ounce. The company has set a target of producing 400k ounces of gold in 2013 on an annualised basis which makes it a serious producer and solid cash flow generator at current gold prices.

**Bright Star (BUT)** - is a gold exploration play focused in Tanzania. BUT has recently completed a merger with Rift Valley which saw the company strengthen its board and capital position. BUT has been getting some interesting gold results from its Miyabi prospect which included the recently announced results of 18m at 18g/t Au. Drilling will start soon at Kitongo which should rapidly increase the current 370,000 ounces of gold. Management is very capable with some of the team behind the highly successful Andean Resources and this should see this junior explorer add substantially more ounces over the coming year.

**Buru (BRU)** - has been one of the star performers in what has been a tough market. Early signs look very encouraging and the company has the backing of industry heavyweight Mitsubishi. In the past 18 months the company has defined two major independently verified unconventional wet gas accumulations and made the first conventional onshore oil discovery in Western Australia. Following the recent \$50m placement the company is well funded for future growth.

During the period the Company has bought back 17,599 shares, which represents 0.1% of the total shares outstanding as at the end of March. The company intends to continue with its on market buy back of shares as outlined in its capital management policy.

**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.

## Twenty largest equity holdings

As at 30/06/2012		%
BDR	Beadell Resources Limited	4.47
PRU	Perseus Mining Limited	4.31
CGX	CGA Mining Limited	3.74
IGR	Integra Mining Limited	3.46
BRU	Buru Energy Limited	3.21
CVG	Convergent Minerals Limited	3.07
PEX	Peel Mining Limited	2.78
CVY	Coventry Resources Limited	2.62
EVR	Endeavour Mining Corporation	2.61
BUT	Bright Star Resources Limited	2.51
NGF	Norton Gold Fields Limited	2.40
TMM	Tasmania Mines Limited	2.34
+EDV	Endeavour Mining Corporation	2.18
CCU	Cobar Consolidated Resources Limited	2.10
IAU	Intrepid Mines Limited	2.08
CHZ	Chesser Resources Limited	1.83
ATR	Astron Corporation Limited	1.72
IGO	Independence Group NL	1.69
SAR	Saracen Mineral Holdings Limited	1.61
NCM	Newcrest Mining Limited	1.54

52.27

## GICS Sector allocation

	%
Metals & Mining - 151040	39.34
Gold - 15104030	35.49
Diversified Metals & Mining - 15104020	11.25
Oil & Gas Exploration & Production - 10102020	4.73
Cash & Equivalents	3.97
Energy - 1010	2.29
Precious Metals & Minerals - 15104040	1.43
Construction & Engineering - 20103010	0.90
Coal & Consumable Fuels - 10102050	0.60
<b>Total</b>	<b>100.00</b>

