



# FLORIN

mining investment company limited

## Quarterly update for quarter ending 31 December 2012

### Investment objective

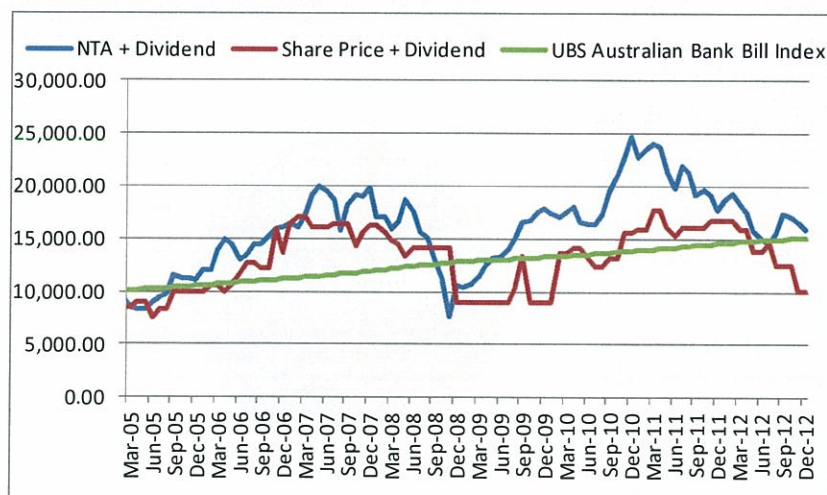
The Florin Mining Investment Company Limited ("Florin") investment objective is to achieve a high real rate of return, being comprised of both income and capital growth by investing in a portfolio of securities of natural resource companies.

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	-19.90%	-27.15%	-39.93%	13.38%	-38.31%	0.63%
NTA + dividend	-7.58%	7.56%	-9.54%	-10.49%	-19.50%	60.00%
UBS Australian Bank Bill Index	0.84%	1.76%	3.97%	14.26%	27.22%	51.53%



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	16,961,769
Share price cents	12.0
Net asset value cents	19.1
Dividend cents per share (last 12 months)	0.00
Yield %	0.00
Franking %	0.00

#### 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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## Investment manager's report

As at 31 December 2012 the Net Tangible Assets of the Company was 19.1 cents per share which was down from 20.7 cents per share at 30 September 2012.

During the quarter the share price declined by 3.0 cents per share to close at 12.0 cents. At 31 December the share price was a 37.2% discount to the net asset backing.

The December quarter was another challenging quarter for the smaller resource companies. Even though the larger resource companies actually showed signs of improvement. The spot gold price was down approximately 5.5% for the quarter. The market took the view that a deal on fiscal measures in the United States of America would be negative for the metal price. We still have the view that a lot of the gold companies are undervalued and hence we continue to hold a reasonable exposure to gold companies.

At the end of the quarter the largest sector allocations in Florin's portfolio were 47.78% in the metals & mining sector, 24.46% in the gold sector and 10.95% in the diversified metals and mining sector. The largest holding by percentage of portfolio was in Peel Mining Limited (PEX).

Some positive news from Florin's portfolio was the takeover of one of our long held positions in CGA mining. While the merger with a Toronto Stock Exchange listed company and the eventual delisting of the company (the company was delisted on the 16<sup>th</sup> January) was slightly disappointing as we thought the value of the company was higher than the implied takeover offer, nonetheless it was still a very successful holding for Florin's shareholders. The stock was bought some years ago at an average price of approximately \$0.86 when the cash in CGA mining was not far less than the market value and they had just bought the gold deposit in the Philippines which we were basically acquiring for free. Since quarter end we have sold our holding in CGA mining at an average of \$2.60 per share.

Florin also established some new positions in what we view to be good opportunities. With the general downturn in the small resource companies, access to capital is going to be the challenge. One of our new holdings is a West African explorer, in which we took a placement at a 30% discount to the market. Since this time the share price has since doubled our initial entry price. Another one of our new positions (and we don't like to give the names out until they become substantial positions in the company) is another West African gold explorer which was a market darling a few years ago with a market capitalisation of over \$800m. We bought the stock on a market capitalisation of approximately \$70m, it has \$35m in cash and over 3m ounces of gold.

During the period the Company bought back 24,000 shares which represent 0.14% of the total shares outstanding at the end of September 2012. The company intends to continue with its on market buy back of shares as outlined in its capital management policy.

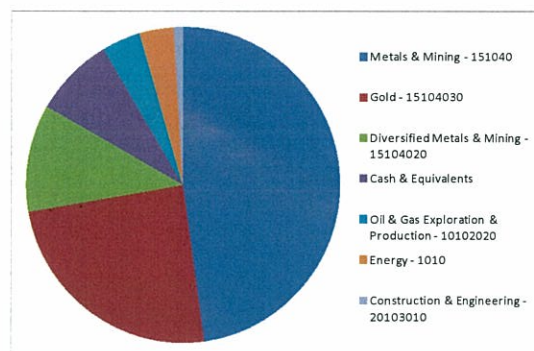
## Twenty largest equity holdings

As at 31/12/2012		%
PEX	Peel Mining Limited	4.44
CVY	Coventry Resources Limited	4.35
CGX	CGA Mining Limited	4.33
EVR	Endeavour Mining Corporation	4.12
BDR	Beadell Resources Limited	3.63
PRU	Perseus Mining Limited	3.30
PDI	Predictive Discovery Limited	2.60
SLRN	Silver Lake Resources Limited	2.35
	Deferred Ex Integra Mining	
BRU	Buru Energy Limited	2.22
SUM	Sumatra Copper & Gold Plc	2.16
IGO	Independence Group NL	2.06
MCR	Mincor Resources NL	1.85
CVG	Convergent Minerals Limited	1.85
MSR	Manas Resources Limited	1.85
COE	Cooper Energy Limited	1.80
CHZ	Chesser Resources Limited	1.68
LRL	Leyshon Resources Limited	1.62
RVY	Rift Valley Resources Limited	1.57
ATR	Astron Corporation Limited	1.53
TMM	Tasmania Mines Limited	1.53

**50.84**

## GICS Sector allocation

	%
Metals & Mining - 151040	47.78
Gold - 15104030	24.46
Diversified Metals & Mining - 15104020	10.95
Cash & Equivalents	8.26
Oil & Gas Exploration & Production - 10102020	4.02
Energy - 1010	3.59
Construction & Engineering - 20103010	0.94
<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.