GRIFFIN MINING LIMITED

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2022 FINAL RESULTS

Griffin Mining Limited ("Griffin" or the "Company") has today published its annual report and accounts for the year ended 31 December 2022 which will be available shortly on the Company's web site wwww.griffinmining.com and will be posted to shareholders on 25 May 2023.

Despite operations being suspended by the Chinese authorities for external events for nearly five months of 2022, the Company and its subsidiaries (together the "Group") recorded;

- Revenues of $94,397,000 (2021: $121,648,000);
- Gross profit of $38,252,000 (2021: $58,424,000);
- Operating profits of $15,625,000 (2021: $36,925,000);
- Profit before tax of $15,272,000 (2021: $36,526,000);
- Profit after tax of $7,704,000 (2021: $25,376,000); and
- Basic earnings per share of 4.41 cents (2021: earnings per share 14.53 cents).

The results for 2022 were severely impacted by various suspensions in operations for nearly five months of the year. First quarter results were impacted by the enforced suspension of all operations at the Caijiaying Mine for the Chinese Lunar New Year holiday celebrations, the Winter Olympics and the subsequent Winter Paralympics. Mining recommenced on the 23 March 2022 and processing on the 25 March 2022. Operations were again suspended by the Chinese authorities restricting the supply and use of explosives for the duration of the Chinese Communist National Party Congress from 22 September 2022 to 17 November 2022.

As a result of the suspensions in operations in 2022, Group profits before tax decreased from $36,526,000 in 2021 to $15,272,000 in 2022 with metal in concentrate production down on that produced in 2021, whilst zinc, gold and lead metal in concentrate prices achieved in 2022 were higher than those achieved in 2021.

With the suspension in operations during 2022 mining, haulage, and processing costs (cost of sales) were down 11.2%. This reduction is less than the reduction in tonnes milled of 15.6% as a result of fixed costs and higher depreciation charges as assets are brought into use.

Operating (administration) costs excluding minority service charges interests rose by 14.9%, reflecting inflationary costs in China, additional fees on the appointment of new directors and the resumption of travel.

TURNOVER

Turnover in 2022 of $94,397,000 was down $27,251,000 (22.4%) on that achieved in 2021 of $121,648,000. This reflects zinc in concentrate sales down $20,495,000 (21.1%) with 30,422 tonnes of zinc metal in concentrate sold in 2022 compared with 41,949 tonnes in 2021, a decrease of 27.5% with lower production, and average zinc metal in concentrate prices received in 2022 of $2,513 per tonne compared with $2,311 received in 2021 an increase of 8.7%. This price increase reflects an increase in market prices with the average LME zinc metal price of $3,488 per tonne in 2022 compared with $3,007 in 2021 (an increase of

16.0%), mitigated by an increase in smelter treatment charges with average smelter treatment charges equating to 27.9% of the average LME zinc price in 2022 compared with 23.1% in 2021.

Sales may be summarised as follows:

	2022	2021
Zinc metal in concentrate revenue before royalties ($000s)	**76,456**	96,951
Lead metal in concentrate revenue before royalties ($000s)	**2,052**	2,216
Silver metal in concentrate revenue before royalties ($000s)	**3,829**	5,326
Gold metal in concentrate revenue before royalties ($000s)	**17,672**	24,373
Royalties	**(5,612)**	(7,218)
Zinc metal in concentrate sold (tonnes)	**30,422**	41,949
Lead metal in concentrate sold (tonnes)	**926**	1,069
Silver in concentrate sold (ozs)	**221,506**	269,505
Gold in concentrate sold (ozs)	**10,649**	14,447
Average price per tonne received (zinc) ($)	**2,513**	2,311
Average price per tonne received (lead) ($)	**2,216**	2,074
Average price per oz received (silver) ($)	**17.9**	20.4
Average price received per oz (gold) ($)	**1,814**	1,748

Lead and precious metal in concentrate sales in 2022 of $23,553,000 were down $8,362,000 (26.2%) on that achieved in 2021 of $31,915,000. This reflects less lead and precious metals sold, with lower production, with higher gold and lead prices received, but lower silver prices received.

COST OF SALES

Total cost of sales in 2022 of $56,145,000 was down $7,079,000 (11.3%) on that incurred in 2021 of $63,224,000. In the main this reflects less tonnes mined, hauled, and processed in 2022 than 2021. Operations in 2022 were impacted by the enforced suspensions in operations for the Winter Olympics and PRC National Party Congress. Whilst costs were down 11.2%, ore tonnes mined were down 12.2% and ore tonnes milled were down 15.6% with fixed costs mitigating further cost reductions.

Mining costs in 2022 were down $2,221,000 (11.7%) on that in 2021 reflecting a 12.2% decrease in tonnes of ore mined, and reduced operational development work. Some further fixed cost savings were made in mine administration and other costs.

Haulage costs in 2022 were down $1,089,000 (9.5%) on that in 2021 reflecting a 14.3% decrease in tonnes of ore hauled and a 10.4% increase in average distances hauled from 2.97 km in 2021 to 3.28 km in 2022.

Processing costs in 2022 were down $2,364,000 (14.1%) on that incurred 2021 with a 153,855 tonne (15.6%) reduction in ore throughput and fixed costs mitigating a further reduction in costs. There was a modest improvement in tailings being backfilled as opposed to discharged to dry tailings of 48% compared with 42% in 2021.

Depreciation charges in 2022 were up $3,276,000 (22.6%) on that incurred in 2021 as assets are brought into use and with an additional charge to ensure all development costs capitalised, including future development costs as estimated in the Life of Mine Plan, are fully written off at the end of the Life of Mine.

PRODUCTION

Tonnes of ore processed in 2022 were down 15.6% on that in 2021. With the zinc head grade down 0.41% in absolute terms on that in 2021, and recoveries down 0.1% on that in 2021, zinc metal in concentrate production was down 23.5% on that in 2021.

With lower throughput, recoveries, and the gold grade down 0.11 g/t (15.7%) gold metal in concentrate production in 2022 was down 29.8% on that produced in 2021. With lower throughput and with the silver head grade down 0.88 g/t but better recoveries silver metal in concentrate production in 2022 was down 16.7% on that produced in 2021.

OPERATING EXPENSES

Operating (administration) costs (excluding service fees to Yuanrun) in 2022 of $20,228,000 were up $2,605,000 (14.9%) on that incurred in 2021 of $17,623,000. Hebei Hua Ao's operating costs in 2022 were up $1,026,000 (8.4%) on that incurred in 2021 albeit this is masked by a 3.4% fall in the value of the Renminbi. Renminbi denominated administration costs have increased by 12.1%, primarily on increased salaries and bonuses and ongoing increased environmental and safety regulatory compliance costs. Griffin and other subsidiary company costs were up with increased directors' fees and bonuses, increased travel costs and increased directors' and officers' liability insurance premiums. Service fees to Yuanrun of $2,399,000 based on 11.2% of the profits of Hebei Hua Ao, as adjusted for force majeure days when operations were suspended, has been charged to profit and loss in 2022 compared with $3,876,000 in 2021.

PROFITS BEFORE TAX

After interest, foreign exchange adjustments and other income, a profit before tax of $15,272,000 was recorded for 2022 compared to $36,526,000 in 2021. The profit before tax in 2022 was after charging / crediting:

- FX losses of $387,000 (2021: losses $51,000);
- Bank interest charges of $nil (2021: $309,000);
- Finance lease interest $48,000 (2021: $11,000);
- Interest in respect of rehabilitation provisions $87,000 (2021: $84,000);
- Interest receipts of $369,000 (2021: $236,000);
- Losses on the disposal of fixed assets of $404,000 (2021: $293,000);
- Provisions against capitalised intangible assets (Hebei Sino Anglo) $nil (2021: $11,000); and
- Other income of $204,000 (2021: $124,000).

TAXATION

Taxation of $7,568,000 has been provided for in 2022 (2021: $11,150,000) being 25% of Hebei Hua Ao's profits under PRC GAAP amounting to $6,931,000; withholding tax primarily of 5% on intercompany dividends received of $803,000; UK corporation tax on Griffin Mining (UK Services) Limited profits of $67,360 and a deferred tax credit of $260,000.

CASH FLOW

Cash generated from operations of $15,734,000 (2021 $42,880,000) have been used in further developing the mine and facilities.

NET ASSETS

Attributable net assets per share at 31st December 2022 was $1.40 (2021: $1.50).

Whilst the directors do not recommend the payment of a dividend at this time, all possible alternatives will be considered in 2023 by the board of directors to either return excess cash to shareholders, or increase shareholder value.

Chairman's Statement:

Taking into consideration that operations were suspended at the Caijiaying Mine for a full 5 months due to, initially, the Chinese Lunar New Year holiday celebrations, the Winter Olympics and the Winter Paralympics and, subsequently, the Chinese Communist National Party Congress, the Griffin Mining Limited ("Griffin" or "the Company") was still able to generate its 18th continuous operating profit for the year and its 17th net profit, whilst currently holding $47 million in cash and no debt.

Of course, the most significant operational and financial milestone of 2022 was the fulfilment of the Company's long held aim of having the Caijiaying Mine run at an annualised production throughput of 1.5 million tonnes per annum. This was achieved and has been maintained since the restart of operations post the Chinese Communist National Party Congress in November 2022. A record of 136,000 tonnes of ore were processed in December 2022 and the 1st quarter of 2023 was a record for the 1st quarter of any year since the commissioning of the Caijiaying Mine in 2005. The implications of this achievement cannot be underestimated and are already being reflected in the financial results of the Company in 2023.

What makes these operational results even more remarkable is that not one tonne of ore was sourced from Zone II. All ore was obtained from the traditional mining area of Zone III. With the approval by the Hebei Provincial Emergency Response Bureau of the Mine Design for Zone II, including the expansion of the production throughput rate, it can only portend what is yet to come when Zone II is fully developed and slotted into the production profile.

The decision by the government of the People's Republic of China ("PRC") to allow the Covid-19 epidemic to be considered at an end and the subsequent re-opening of the PRC's borders with the rest of the world in late 2022, has allowed normal staffing and transport to commence with materials and services becoming normalised. Consequently, exploration has recommenced at the Caijiaying Mine and the likelihood that exploration tenements will begin to be issued in Hebei and the southern provinces of the PRC has become more positive. This will include exploration below the 1000RL at Zone III, the resource drilling in Zone II, further exploration at Zones V & VIII, exploration drilling out to the far eastern boundary of the Caijiaying Mine's mining licence area and the possibility that virgin exploration tenements will be granted over other areas.

With the growing cash balances of the Company and the increasing cash generating capacity of the Caijiaying Mine, and with the relatively recent addition of new directors, discussions have intensified concerning the strategic direction of the Company's future. These discussions have been, and will continue to be, wide ranging and include dividends, share buybacks in various forms, rationalisation and realisation of asset value, acquisitions and joint or primary listings on other stock exchanges. It is expected that these issues will take centre stage at board level this year.

I am fully aware that the value of the Company's assets have not yet been reflected in the share price and that it has taken an inordinate amount of time to do so. Such is the nature of operating at the infancy of mining in a foreign country, the dwindling profile of the London Stock Market and the disappearance of the retail investor as capital is squeezed in less and less hands, mainly institutional, driven by Environment Sustainability and Governance ("ESG") and other non-financial concerns.

Although the following may sound trite, I do not mean it to be. Mining is facing a critical, if not insurmountable, supply problem. The danger is real and frightening. The easily found deposits of all metals have been discovered and generally mined over the past 100 years. The non-carbon future will require large amounts of capital for advanced exploration techniques and drilling. The projected time from exploration discovery to production, even in a perfect world, is now estimated to be over 30 years and that does not take into consideration native title and ESG issues. With just one wind turbine requiring 4 tonnes of zinc, I remain convinced the value of the Caijiaying Mine will be fully revealed in this surge for metals.

As a result, and without knowing the Company's, my or anyone else's future, it would be remiss of me not to thank everyone who has been involved with the success of the Company. It has been a unique, extraordinary and memorable experience. Billions of dollars of metal value have been discovered and added to the Company's resource inventory. The Company has been the sole trailblazer for foreign mining in China. Extraordinary men have done extraordinary things with little to no recognition by people who have no idea of how to create value, how difficult it has traditionally been to operate in China, mining and, sadly, the bonds of friendship.

I hesitate to name anyone individually for their contribution as it immediately leads to forgetting someone and causing offence. But I am going to repeat what I wrote last year, because I can't do better this year that I will always be enormously grateful and humbled by the contribution and camaraderie of the directors, whom I'm proud to call "my friends", gave so freely, warmly, genuinely and passionately. It made this impossible dream possible and bearable and I shall always be so grateful.

With production running at an annualized 1.5 million tonne throughput since November 2022 through to the date of this statement, I predict 2023 will break all operating and financial records for the Company including tonnes mined, hauled, processed and zinc, gold, silver and lead produced. I look forward to being able to deliver that news as the year progresses

About Griffin Mining Limited

Griffin Mining Limited's shares are quoted on the Alternative Investment Market (AIM) of the London Stock Exchange (symbol GFM). Griffin Mining Limited owns and operates in China, through its 88.8% owned Joint Venture stock company, the Caijiaying Zinc Gold Mine, a profitable mine producing zinc, gold, silver, and lead metals in concentrates. For more information, please visit the Company's website www.griffinmining.com.

Further information

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Griffin Mining Limited
Summarised Consolidated Income Statement
For the year ended 31 December 2022
(expressed in thousands US dollars)

	2022 Audited $000	2021 Audited $000
Revenue	**94,397**	121,648
Cost of sales	**(56,145)**	(63,224)
Gross profit	**38,252**	58,424
Administration expenses	**(22,627)**	(21,499)
Operating Profit	**15,625**	36,925
Losses on disposal of plant and equipment	**(404)**	(293)
Provisions against intangible assets	**-**	(11)
Foreign exchange losses	**(387)**	(51)
Finance income	**369**	236
Finance costs	**(135)**	(404)
Other income	**204**	124
Profit before tax	**15,272**	36,526
Income tax expense	**(7,568)**	(11,150)
Profit for the year	**7,704**	25,376
Basic earnings per share (cents)	**4.41**	14.53
Diluted earnings per share (cents)	**4.11**	13.47

Griffin Mining Limited
Summarised Consolidated Statement of Comprehensive Income
For the year ended 31 December 2022
(expressed in thousands US dollars)

	2022 Audited	2021 Audited
	\$000	\$000
Profit for the year	**7,704**	25,376
Other comprehensive income / expenses that will be reclassified to profit or loss		
Exchange differences on translating foreign operations	**(15,498)**	3,336
Total other comprehensive (expense) / income for the year, net of tax	**(15,498)**	3,336
Total comprehensive (expense) / income for the year	**(7,794)**	28,712

Griffin Mining Limited
Summarised Consolidated Statement of Financial Position
As at 31 December 2022
(expressed in thousands US dollars)

	2022 Audited $000	2021 Audited $000
ASSETS		
Non-current assets		
Property, plant and equipment	**258,041**	275,296
Intangible assets – exploration interests	**407**	387
Other non- current assets	**1,494**	-
	259,942	275,683
Current assets		
Inventories	**8,077**	4,516
Receivables and other current assets	**3,433**	2,174
Cash and cash equivalents	**34,138**	38,159
	45,648	44,849
Total assets	**305,590**	320,532
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	**1,749**	1,749
Share premium	**69,334**	69,334
Contributing surplus	**3,690**	3,690
Share based payments	**168**	2,072
Shares held in treasury	**(1,644)**	(1,644)
Chinese statutory re-investment reserve	**2,992**	2,896
Other reserve on acquisition of non-controlling interests	**(29,346)**	(29,346)
Foreign exchange reserve	**(618)**	14,635
Profit and loss reserve	**199,140**	199,190
Total equity attributable to equity holders of the parent	**245,465**	262,576
Non-current liabilities		
Other Payables	**6,317**	10,352
Long-term provisions	**2,649**	2,667
Deferred taxation	**2,717**	3,240
Finance leases	**683**	794
	12,366	17,053
Current liabilities		
Trade and other payables	**47,590**	40,726
Finance leases	**169**	177
Total current liabilities	**47,759**	40,903
Total equities and liabilities	**305,590**	320,532
Attributable net asset value per share to equity holders of parent	**1.40**	1.50

Griffin Mining Limited
Summarised Consolidated Statement of Changes in Equity
For the year ended 31 December 2022
(expressed in thousands US dollars)

	Share Capital	Share Premium	Contributing surplus	Share Based payments	Shares held in treasury	Chinese statutory re-investment reserve	Other reserve on acquisition of non-controlling interests	Foreign exchange reserve	Profit and loss reserve	Total attributable to equity holders of parent
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
At 1 January 2021	**1,728**	**68,470**	**3,690**	**2,072**	**(917)**	**2,830**	**(29,346)**	**11,365**	**173,814**	**233,706**
Regulatory transfer for future investment	-	-	-	-	-	-	-	-	-	-
Purchase of shares held in treasury	-	-	-	-	(727)	-	-	-	-	(727)
Issue of shares on exercise of options	21	864	-	-	-	-	-	-	-	885
Transaction with owners	21	864	-	-	(727)	-	-	-	-	158
Profit for the year	-	-	-	-	-	-	-	-	25,376	25,376
Other comprehensive income:										
Exchange differences on translating foreign operations	-	-	-	-	-	66	-	3,270	-	3,336
Total comprehensive income	-	-	-	-	-	66	-	3,270	25,376	28,712
At 31 December 2021	**1,749**	**69,334**	**3,690**	**2,072**	**(1,644)**	**2,896**	**(29,346)**	**14,635**	**199,190**	**262,576**
Regulatory transfer for future investment	-	-	-	-	-	341	-	-	(341)	-
Transfer on surrender of options	-	-	-	(1,904)	-	-	-	-	(7,413)	(9,317)
Transaction with owners	-	-	-	(1,904)	-	341	-	-	(7,754)	(9,317)
Profit for the year	-	-	-	-	-	-	-	-	7,704	7,704
Other comprehensive income:										
Exchange differences on translating foreign operations	-	-	-	-	-	(245)	-	(15,253)	-	(15,498)
Total comprehensive income	-	-	-	-	-	(245)	-	(15,253)	7,704	(7,794)
At 31 December 2022	**1,749**	**69,334**	**3,690**	**168**	**(1,644)**	**2,992**	**(29,346)**	**(618)**	**199,140**	**245,465**

Griffin Mining Limited
Summarised Consolidated Cash Flow Statement
For the year ended 31 December 2022
(expressed in thousands US dollars)

	2022 Audited $000	2021 Audited $000
Net cash flows from operating activities		
Profit before tax	**15,272**	36,526
Foreign exchange losses	**387**	51
Finance income	**(369)**	(236)
Finance costs	**135**	404
Depreciation	**19,590**	16,530
Provisions against intangible assets	**-**	11
Losses on disposal of equipment	**404**	293
Decrease / (increase) in inventories	**(3,561)**	817
(Increase) / decrease in receivables and other current assets	**(1,807)**	4,936
(Decrease) / increase in trade and other payables	**(6,284)**	(2,871)
Tax paid	**(8,033)**	(13,581)
Net cash inflow from operating activities	**15,734**	42,880
Cash flows from investing activities		
Interest received	**369**	236
(Costs) / proceeds on disposal of equipment	**(178)**	1
Payments to acquire – mineral interests	**(7,348)**	(13,564)
Payments to acquire – plant and equipment	**(13,749)**	(6,365)
Payments to acquire office, office furniture & equipment	**(6)**	-
Payments to acquire intangible fixed assets – exploration interests	**(20)**	(73)
Net cash outflow from investing activities	**(20,932)**	(19,765)
Cash flows from financing activities		
Issue of ordinary shares on exercise of options	**-**	885
Interest paid	**-**	(309)
Purchase of shares for treasury	**-**	(727)
Bank loan advances	**-**	15,500
Repayment of bank loans	**-**	(15,500)
Finance lease repayments including interest	**(167)**	(462)
Net cash outflow from financing activities	**(167)**	(613)
(Decrease) / increase in cash and cash equivalents	**(5,365)**	22,502
Cash and cash equivalents at the beginning of the year	**38,159**	16,435
Effects of exchange rates	**1,344**	(778)
Cash and cash equivalents at the end of the year	**34,138**	38,159
Cash and cash equivalents comprise bank deposits		
Bank deposits	**34,138**	38,159

Included within net cash flows of $5,365,000 (2021 $22,502,000) are foreign exchange losses of $387,000 (2021:losses $51,000) which have been treated as realised.

Notes to the Summarised Financial Statements:

This statement has been prepared using accounting policies and presentation consistent with those applied in the preparation of the statutory financial statements of the Group.

The summary financial statements set out above do not constitute statutory financial statements as defined by Section 84 of the Bermuda Companies Act 1981 or Section 435 of the UK Companies Act 2006. The Summarised Consolidated Statement of Financial Position at 31 December 2022 and the Summarised Consolidated Income Statement, Summarised Consolidated Statement of Comprehensive Income, Summarised Consolidated Statement of Changes in Equity and the Summarised Consolidated Cash Flow Statement for the year then ended have been extracted from the Group's audited 2022 statutory financial statements.

The annual report and accounts for 2022 are being sent by post to all registered shareholders. Additional copies of the annual report and accounts are available from the Company's London office, 8th Floor, 54 Jermyn Street, London, SW1Y 6LX and are available on Griffin Mining Ltd's web site www.griffinmining.com

The Group has one business segment, the Caijiaying zinc gold mine in the People's Republic of China. All revenues and costs of sales in 2022 and 2021 were derived from the Caijiaying zinc gold mine.

	2022	2021
	$000	$000
REVENUES		
China	**94,397**	121,648
Zinc concentrate sales	**76,456**	96,951
Lead and precious metals concentrate sales	**23,553**	31,915
Royalties and resource taxes	**(5,612)**	(7,218)
	94,397	121,648
COST OF SALES: CHINA		
Mining costs	**16,782**	19,003
Haulage costs	**10,377**	11,466
Processing costs	**14,390**	16,754
Depreciation (excluding depreciation in administration costs)	**17,757**	14,481
Stock movements	**(3,161)**	1,520
	56,145	63,224
ADMINISTRATION EXPENSES		
China	**16,136**	16,433
Australia	**75**	136
UK / Bermuda	**6,416**	4,930
	22,627	21,499

All revenues, cost of sales and operating expenses charged to profit relate to continuing operations.

Notes (continued):

TOTAL ASSETS

	2022	2021
	$000	$000
China	**299,810**	312,026
Australia	**1,044**	1,011
UK / Bermuda	**4,736**	7,495
	305,590	320,532

CAPITAL EXPENDITURE

	2022	2021
	$000	$000
China	**21,117**	19,929
UK / Bermuda	**6**	963
	21,123	20,892

FINANCE INCOME

	2022	2021
	$000	$000
Interest on bank deposits	**369**	236

FINANCE COSTS

	2022	2021
	$000	$000
Interest payable on short term bank loans	**-**	309
Interest on rehabilitation provisions	**87**	84
Finance lease interest	**48**	11
	135	404

OTHER INCOME

	2022	2021
	$000	$000
Scrap and sundry other sales	**204**	124

INCOME TAX EXPENSE

	2022	2021
	$000	$000
Profit for the year before tax	**15,272**	36,526
Expected tax expense at a standard rate of PRC income tax of 25% (2021: 25%)	**3,818**	9,132
Adjustment for tax exempt items:		
- Income and expenses outside the PRC not subject to tax	**1,054**	934
Adjustments for short term timing differences:		
- In respect of accounting differences	**1,862**	890
- In respect of other timing differences	**-**	(4)
Adjustments for permanent timing differences other	**291**	372
Withholding tax on intercompany dividends and charges	**803**	21
Current taxation expense	**7,828**	11,345
Deferred taxation (credit)		
Origination and reversal of temporary timing differences	**(260)**	(195)
	(260)	(195)
Total tax expense	**7,568**	11,150

Notes (continued):

INCOME TAX EXPENSE (continued)

The parent company is not resident in the United Kingdom for taxation purposes. Hebei Hua-Ao paid income tax in the PRC at a rate of 25% in 2022 (25% in 2021) based upon the profits calculated under Chinese generally accepted accounting principles (Chinese "GAAP").

EARNINGS PER SHARE

Reconciliation of the earnings and weighted average number of shares used in the calculations are set out below:

	2022			2021		
	Earnings $000	**Weighted Average number of shares**	**Per share amount (cents)**	Earnings $000	Weighted Average number of shares	Per share amount (cents)
Basic earnings per share						
Earnings attributable to ordinary shareholders	**7,704**	**174,892,894**	**4.41**	25,376	174,653,602	14.53
Dilutive effect of securities						
Options	**-**	**12,384,576**	**(0.30)**	-	13,730,107	(1.06)
Diluted earnings per share	**7,704**	**187,277,470**	**4.11**	25,376	188,383,709	13.47

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year. The calculation of diluted earnings per share is based on the basic earnings per share on the assumed conversion of all dilutive options and other dilutive potential ordinary shares.

Notes (continued):

PROPERTY, PLANT AND EQUIPMENT

	Mineral Interests	**Mill and mobile mine equipment**	**Offices furniture & equipment**	**Total**
At 1 January 2021	214,944	51,599	166	266,709
Foreign exchange adjustments	3,405	1,224	(2)	4,627
Transfer	(773)	773	-	-
Additions during the year	13,564	6,365	963	20,892
Change in estimate of mine closure costs	327	-	-	327
Release of rehabilitation provision	(435)	-	-	(435)
Disposals	-	(294)	-	(294)
Depreciation charge for the year	(10,200)	(6,180)	(150)	(16,530)
At 31 December 2021	220,832	53,487	977	275,296
Foreign exchange adjustments	(12,832)	(4,836)	8	(17,660)
Transfer re rehabilitation deposit	(1,012)	-	-	(1,012)
Additions during the year	7,348	13,749	6	21,103
Change in estimate of mine closure costs	130	-	-	130
Disposals	-	(226)	-	(226)
Depreciation charge for the year	(13,328)	(6,104)	(158)	(19,590)
At 31 December 2022	201,138	56,070	833	258,041
At 1 January 2021				
Cost	267,763	90,173	583	358,519
Accumulated depreciation	(52,819)	(38,574)	(417)	(91,810)
Net carrying amount	214,944	51,599	166	266,709
At 31 December 2021				
Cost	285,471	97,910	1,544	384,925
Accumulated depreciation	(64,639)	(44,423)	(567)	(109,629)
Net carrying amount	220,832	53,487	977	275,296
At 31 December 2022				
Cost	275,250	101,763	1,106	378,119
Accumulated depreciation	(74,112)	(45,693)	(273)	(120,078)
Net carrying amount	201,138	56,070	833	258,041

Mineral interests comprise the Group's interest in the Caijiaying ore bodies including costs on acquisition, plus subsequent expenditure on licences, concessions, exploration, appraisal and construction of the Caijiaying mine including expenditure for the initial establishment of access to mineral reserves, commissioning expenditure, and direct overhead expenses prior to commencement of commercial production and together with the end of life restoration costs.

Mill and mobile mine equipment include $14,007,000 (2021: $5,795,000) of assets under construction yet to be depreciated.

Notes (continued):

PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The offices, furniture and equipment disclosed above relates solely to the fixed assets, including leased offices, of Griffin Mining (UK Services) Limited and China Zinc Pty Limited.

During 2013 plant and equipment with a deemed value of $11,381,000, revalued in 2019 to $14,150,000, were acquired under a finance lease, upon which depreciation of $8,601,000 (2021: $8,132,000) has been provided. At 31 December 2022 the net carrying amount of this equipment was $5,573,000 (2021: $7,351,000). In 2019 the London office lease was capitalised, and in November 2021 renewed. At 31 December 2022 the net carrying amount of this office was $826,000 (2021: $963,000).

The Group assesses the carrying value of the mineral interests, mill and mobile mine equipment at least annually, and more frequently in the event of any indications of impairment, by reference to discounted cash flow forecasts of future revenue and expenditure for each business segment. These forecasts are based upon both past and expected future performance, available resources and expectations for future markets. Management determined there were no impairment indicators at 31 December 2022 (2021: nil). However, as best practice and in response to an updated Life of Mine Plan (LOM"), management have updated the impairment model.

In determining any indications of impairment in the carrying value of the Caijiaying Mine the directors have reassessed the net carrying value of capitalised costs at 31 December 2022 by reference to the estimated mineral resources at Caijiaying that may be extracted by 2050 (2021: 2056). While the current business licence of Hebei Hua Ao expires in 2037, Hebei Hua Ao will be converted to an equity joint venture company with an indefinite life in order to comply with new PRC legislation. Accordingly, a new LOM has been prepared by the Company, that indicates the continued extraction of ore until 2050. In estimating the discounted future cash flows from the continuing operations at the Caijiaying mine the following principal assumptions have been made:

- Future market prices for zinc of $3,097 (2021: $3,000) per tonne, gold of $1,800 (2021: $1,800) per troy ounce and silver of $22.7 (2021: $22.5) per troy ounce;
- Zinc treatment charges of 30% (2021: 30%) of market prices;
- Extraction of measured and indicated resources of 40.4 million tonnes (2021: 50.3 million tonnes) to 2050 (2021: 2056) with ore mined and processed rising to a maximum rate of 1.6 million tonnes (2021: 1.6 million) of ore per annum;
- Operating costs, recoveries and payables based upon past performance, that budgeted for 2023, and internal management forecasts for future years;
- Capital costs based upon that initially scheduled with sustaining capital based on future scheduling;
- Discount rate of 10% (2021: 10%);
- Continued maintenance and grant of applicable licences and permits;
- No significant impact as a result of climate change, earthquakes or other natural events; and
- A Renminbi to US dollar exchange rate of 7Rmb to $1 (2021: 6.5Rmb to $1)

Sensitivities have been considered to assess the impact of changes in key assumptions including, forecast metal prices, foreign exchange and discount rates. If ongoing market prices for zinc fall below $3,000 per tonne, with all other assumptions unchanged, this would result in an incremental impairment of $2.5 million. A decrease in ongoing market prices for gold of 14% with all other assumptions unchanged would result in the discounted cash flows equating to the net carrying value. An increase in the discount rate to 11.1% with all other assumptions unchanged would result in the discounted cash flows equating to the net carrying value.

Notes (continued):

ATTRIBUTABLE NET ASSET VALUE PER SHARE TO TOTAL EQUITY PER HOLDERS OF PARENT SHARES

The attributable net asset value / total equity per share has been calculated from the consolidated net assets / total equity of the Group at 31 December 2022 of $245,465,000 ($262,576,000 at 31 December 2021) divided by the number of ordinary shares in issue at 31 December 2022 of 174,892,894 (174,892,894 at 31 December 2021).

POST BALANCE SHEET EVENTS

As a rationalisation of the capital structure of the Company, on 30 January 2023 10,130,526 new ordinary shares in the Company were issued for nil consideration pursuant to the offer to holders of share purchase options for the purchase and cancellation of outstanding options over 17,520,000 shares in the Company which have subsequently been purchased and cancelled.

On 4 April 2023 a further 7,805,000 new ordinary shares in the Company were issued as an incentive and to retain the services of officers and other personnel of the Company, including 6,000,000 for the benefit of Mladen Ninkov, Chairman. These new ordinary shares have been issued subject to agreements between each of the said persons and the Company to confirm that the shares issued will not be sold or otherwise transferred or disposed before 31st December 2024 or earlier in the event of a transaction, subject to malus, and a pro rata repurchase option in favour of the Company if any holder of these shares leaves before 31 December 2024.

At 31 December 2022 there were no adjusting post balance sheet events (2021: none)