GRIFFIN MINING LIMITED

Royal Trust House, 54 Jermyn Street, London SW1Y 6LX, United Kingdom
Telephone: + 44 (0)20 7629 7772 Facsimile: + 44 (0)20 7629 7773
E mail: griffin@griffinmining.com

2023 FINAL RESULTS

15TH MAY 2024

Griffin Mining Limited ("Griffin" or the "Company") has today published its annual report and accounts for the year ended 31 December 2023 which will be available shortly on the Company's web site wwww.griffinmining.com and will be posted to shareholders on 28th May 2024.

In 2023 the Company and its subsidiaries (together the "Group") recorded

- Revenues of $146,023,000 (2022: $94,397,000);
- Gross profit of $51,842,000 (2022: $38,252,000);
- Earnings before depreciation, interest and tax of $51,863,000 (2022: $35,215,000)
- Operating profit of $23,837,000 (2022: $15,625,000);
- Profit before tax of $24,486,000 (2022: $15,272,000);
- Profit after tax of $15,236,000 (2022: $7,704,000); and
- Basic earnings per share of 8.03 cents (2022: 4.41 cents).

Record amounts of ore were mined, hauled and processed in 2023, with throughput reaching mill name plate capacity of 1.5 million tonnes per annum, resulting in record zinc metal in concentrate production.

Ore mined was up 76.6% to 1,505,642 tonnes on that in 2022, all of which was extracted from Zone III at Caijiaying, and ore processed up 82.1% to 1,513,977 tonnes on that in 2022, resulting in:

- Zinc metal concentrate production up 25,146 tonnes (79.1%) on that achieved in 2022;
- Gold in concentrate production up 6,915 ozs (68.2%) on that achieved in 2022;
- Silver in concentrate production up 90,080 ozs (40.1%) on that achieved in 2022; and
- Lead in concentrate production up 606 tonnes (64.5%) on that achieved in 2022.

Whilst market prices for zinc fell in 2023, smelter treatment charges and transport costs fell from 27.9% of LME in 2022 to 27.0% in 2023 with significant falls in the last quarter of 2023 to 21.8% and to 15.3% in March 2024. Gold prices have increased throughout 2023 as have silver and lead prices with Hebei Hua Ao receiving a premium price on lead and gold in concentrate sales.

With increased ore mined, hauled and processed, production (mining, haulage, and processing) costs increased by $38,036,000 (67.7%) from that in 2022 with production costs per tonne of ore processed falling from $65.8 per tonne in 2022 to $62.6 per tonne in 2023.

Operating (administration) expenses, excluding the Chinese partners profit share and share incentive scheme charges, rose by $854,000 (4.2%) from that in 2022. The Chinese partners share of Hebei Hua Ao's profits increased by $1,505,000 (62.7%) from that in 2022, which was subject to force majeure provisions. The results for 2023 include a charge of $3,019,000 (2022 nil) relating to a share incentive plan.

The Group benefited from interest receipts on bank deposits of $1,394,000 in 2023 compared with $369,000 in 2022.

As a result, Group profits before tax increased from $15,272,000 in 2022 to $24,486,000 in 2023.

TURNOVER

Turnover in 2023 of $146,023,000 was up $51,626,000 (54.7%) on that achieved in 2022 of $94,397,000. This reflects zinc in concentrate sales up $35,552,000 (46.5%) with 57,998 tonnes of zinc metal in concentrate sold in 2023 compared with 30,422 tonnes in 2022, an increase of 90.6% reflecting higher production whilst the average zinc metal in concentrate prices received fell from $2,513 in 2022 to $1,931 in 2023, a fall of 23.2%. This reflects a fall in the average LME price from $3,488 in 2022 to $2,647 in 2023, whilst smelter treatment charges and transport costs have fallen from 27.9% of LME in 2022 to 27.0% in 2023 with significant falls in the last quarter of 2023 to 21.8%.

Lead and precious metal in concentrate sales in 2023 of $42,428,000 were up $18,875,000 (80.1%) on that achieved in 2022 of $23,553,000. This reflects increased lead and precious metals sold, with higher production, and higher metal prices received.

Sales may be summarised as follows:

	2023	2022
Zinc metal in concentrate revenue before royalties ($000s)	**112,008**	76,456
Lead metal in concentrate revenue before royalties ($000s)	**3,949**	2,052
Silver metal in concentrate revenue before royalties ($000s)	**6,172**	3,829
Gold metal in concentrate revenue before royalties ($000s)	**32,306**	17,672
Royalties	**(8,413)**	(5,612)
Zinc metal in concentrate sold (tonnes)	**57,998**	30,422
Lead metal in concentrate sold (tonnes)	**1,557**	926
Silver in concentrate sold (ozs)	**317,348**	221,506
Gold in concentrate sold (ozs)	**17,107**	10,649
Average price received per tonne (zinc) ($)	**1,931**	2,513
Average price received per tonne (lead) ($)	**2,535**	2,216
Average price received per ounce (silver) ($)	**20.1**	17.9
Average price received per ounce (gold) ($)	**1,952**	1,814

COST OF SALES

Total cost of sales (mining, haulage, and processing) costs increased by $38,036,000 (67.7%) from $56,145,000 in 2022 to $94,181,000 in 2023 with production costs per tonne of ore processed falling from $65.8 per tonne in 2022 to $62.6 per tonne in 2023. This in the main reflects the impact of the suspension of operations in 2022.

Costs of sales may be summarised as follows:

	2023	**Per tonne ore**	2022	Per tonne ore
	$000	**$**	$000	$
Mining costs	**25,579**	**17.0**	16,782	19.7
Haulage costs	**18,098**	**12.0**	10,377	12.2
Processing costs	**23,197**	**15.4**	14,390	16.9
Depreciation depletion and amortisation	**25,385**		17,757	
Stock and WIP movements	**1,922**		(3,161)	

94,181	**62.6**	56,145	65.8

MINING
1,505,642 tonnes of ore were mined in 2023, up 76.5% on that mined in 2022 of 852,579 tonnes, reflecting near continuous production in 2023. Mining costs in 2023 were up $8,797,000 (52.4%) on that in 2022, resulting in a reduction in unit costs from $19.7 per tonne mined in 2022 to $17.0 per tonne in 2023, reflecting economies of scale with fixed mine service costs.

HAULAGE
1,509,098 tonnes of ore were hauled in 2023, up 79.7% on that hauled in 2022 of 839,685 tonnes, tracking ore mined. Haulage costs in 2023 were up $7,721,000 (74.4%) on that in 2022, resulting in a reduction in unit costs from $12.2 per tonne hauled in 2022 to $12.0 per tonne in 2023.

PROCESSING
1,513,977 tonnes of ore were processed in 2023, up 82.1% on that processed in 2022 of 831,549 tonnes, tracking ore mined and hauled. Processing costs in 2023 were up $8,807,000 (61.2%) on that in 2022, resulting in a reduction in unit costs from $16.9 per tonne processed in 2022 to $15.4 per tonne in 2023.

DEPRECIATION
Depreciation charges in 2023 were up $7,628,000 (42.9%) on that incurred in 2022 reflecting increased ore mined with depreciation calculated on a unit of production basis.

OPERATING EXPENSES

Operating (administration) costs (excluding the minority interest charges and share incentive scheme charges) in 2023 of $21,083,000 were up $854,000 (4.2%) on that incurred in 2022 of $20,229,000.

Hebei Hua Ao's operating costs in 2023 of $14,393,000 were up $1,161,000 (8.7%) on that incurred in 2022 of $13,232,000. Renminbi denominated administration costs increased by 14.5%, primarily on increased personnel costs and ongoing increased environmental and safety regulatory compliance costs.

Griffin and Griffin Mining (UK Services) Limited company corporate costs of $5,880,000 (excluding share incentive scheme charges) were down $536,000 (8.4%) on that incurred in 2022 of $6,416,000 with the termination of investor relations services, lower directors' bonuses, lower travel costs and reduced directors' and officers' liability insurance premiums.

China Zinc's operating costs in Hong Kong of $723,000 were up $244,000 (50.8%) on that in 2022 of $479,000, with the engagement of additional personnel to investigate potential projects.

$3,903,000 has been charged to profit and loss in respect of service fees based upon the profits of Hebei Hua Ao in 2023 compared with $2,399,000 in 2022, which was adjusted for force majeure days when operations were suspended.

A charge of $3,019,000 has been made in respect of the share incentive scheme instigated in March 2023 which allocates the value of the shares granted at date of grant over the period of return in the event of personnel leaving.

PROFIT BEFORE TAX

After interest, foreign exchange adjustments and other income, a profit before tax of $24,486,000 was recorded for 2023 compared to $15,272,000 in 2022. The profit before tax in 2023 was after charging / crediting;

- FX losses of $136,000 (2022: losses, $387,000);
- Bank interest charges of $24,000 (2022: $nil);
- Lease interest $43,000 (2022: $48,000);

- Interest in respect of rehabilitation provisions $110,000 (2022: $87,000;)
- Interest receipts of $1,394,000 (2022: $369,000);
- Losses on the disposal of fixed assets of $784,000 (2022: $404,000); and
- Other income of $352,000 (2022: $204,000).

TAXATION

Taxation of $9,250,000 was provided for in 2023 (2022 $7,568,000) being; 25% of Hebei Hua Ao's profits under Chinese GAAP amounting to $10,881,000; withholding taxes of $897,000, primarily of 5% on inter company dividends received; UK corporation tax of $179,000 on Griffin Mining (UK Services) Limited profits; and a deferred tax credit of $2,694,000.

EARNINGS PER SHARE

Basic earnings per share increased from 4.41 cents per share in 2022 to 8.03 cents per share and diluted earnings per share from 4.11 cents in 2022 to 7.98 cents in 2023.

CASH FLOW

In the year ended 31st December 2023 cash balances increased by $25,869,000.

$48,377,000 (2022: $15,734,000) was generated from operations in 2023. Capital expenditure, net of disposals, of $23,279,000 (2022: $21,301,000), was incurred in 2023. Interest on bank deposits of $1,394,000 (2022: $369,000) was received in 2023 and interest incurred on bank loans and lease payments of $182,000 (2022:167,000) were incurred in 2023. $373,000 (2022: $nil)was incurred on the buy back of the Company's shares.

NET ASSETS

Attributable net assets per share at 31st December 2023 was $1.40 (2022: $1.40).

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:

2023 proves, beyond any reasonable doubt, that the founding directors of the Company have been proven correct. Contrary to all the naysayers throughout the long years, the Company has established a world class, environmentally friendly mining operation, developed and operated in the People's Republic of China ("PRC" or "China"), on a self-generating cash flow basis, without seeking continual capital from shareholders or incurring debt. Put simply, in the words of Helen Keller, "While they were saying it couldn't be done, it was done."

It is hard to know where to start, the news is so overwhelmingly positive and we are just at the start of the Year of the Dragon!

Financially, record revenues were generated in 2023. The Company and its subsidiaries (together the "Group") recorded

- Revenues up 54.7% at $146,023,000;
- Gross profit up 35.5% at $51,842,000;
- EBIT up 47.3% at $51,863,000;
- Operating profit up 52.5% at $23,837,000;

- Profit before tax up 60.3% at $24,486,000;
- Profit after tax up 97.8% at $15,236,000; and
- Basic earnings per share up 82.1% at 8.03 cents.

Operationally, a record amount of ore was mined, hauled and processed, with throughput reaching mill design capacity of 1.5 million tonnes per annum. This led, inter alia, to record zinc metal production:

- Ore mined was up 76.6% to 1,505,642 tonnes (all from Zone III);
- Ore processed was up 82.1% to 1,513,977 tonnes;
- Zinc metal in concentrate produced was up 79.1% to 56,933 tonnes;
- Gold in concentrate produced was up 68.2% to 17,052 ounces;
- Silver in concentrate produced was up 40.1% to 314,677 ounces; and
- Lead in concentrate produced was up 64.5% to 1,546 tonnes.

These results are all the more impressive in light of the fact that no ore is yet being delivered from Zone II, which remains under full speed development. Underground workings, services and the 3rd Portal all remain under construction and near completion. Grade control drilling continues unabated and the South Ventilation Shaft has been sunk almost 250 metres. Ore extraction from Zone II remains on schedule for the 1st Quarter of 2025.

Drilling continues in both Zones II and III with a record 7 diamond drill rigs in continual operation. This number of operating rigs is yet another record for the Caijiaying Mine. With the volume and quality of the drilling information being produced, it is our expectation that a new JORC resource will be announced in 2024.

With continuing operational and financial success, it is easy to become complacent and fail to deal with non-financial issues which impact the future viability of the Company. As such, the Company strives to be a fully responsible corporate citizen to all our relevant stakeholders, including our shareholders, employees, contractors, the people of China and the global environment. As such, the Company has committed itself to the generation and use of 100% renewable energy in the next 12 months, one third of which is already generated via the solar farm at the Caijiaying Mine. A further two 6.3MW wind turbines generating a total of 12.6MW of wind power will be constructed within 2.5km of the Caijiaying Mine. Once completed, the Caijiaying Mine will have 18.6MW of renewable electrical capacity at peak generation which exceeds the current 18.1MW peak usage. The Company is currently examining the installation of large-scale battery storage capacity and the purchase of wind or solar energy directly from state owned renewable energy projects in close proximity to the Caijiaying Mine to achieve 100% renewable power at all times regardless of light or wind conditions. I know of no other active mine or operations that can claim to have fully committed to the switch to 100% renewable energy and already be generating a third of its energy from its solar farm.

Inevitably the question then arises how to deal with the excess cash being generated by operations. It was decided by the directors of the Company not only to continue with the on-market share buy-back scheme operated by the Company's Nominated Advisor, Panmure Gordon, but to also undertake an offer for larger blocks of stock held by institutional shareholders through the Company's joint broker, Berenbergs. As such, well over 10 million shares were acquired and then cancelled by 26th February 2024 at a substantially lower share price than currently quoted. It is expected both methods of buying back the Company's stock will continue in 2024, reducing the Company's shares outstanding and improving the Company's earnings per share. To this end, and although I rarely comment on the Company's share price, it has been pleasing to see the market finally seemingly begin to understand the inherent value of the Company and even perhaps the parlous state of the world mining environment.

In that vein, I believe it appropriate to mention the very recent indicative proposal announcement by BHP in relation to Anglo-American, an attempt by BHP to acquire scarce copper assets. Although this may be a surprise to the market, it is a logical progression of the failure of the capital markets to support the mining industry, and in particular the junior miners, who overwhelmingly discover the orebodies needed to supply the world with the raw products needed for human existence. We have just begun to feel the effects of having rare resources and its expression in rising commodity prices. As Mark Burton at Bloomberg wrote recently, "A

successful takeover would make BHP the biggest copper producer with about 10% of the market, but it won't make any difference toward meeting the world's supply needs. Production from existing mines is set to fall sharply in the coming years, and miners would need to spend more than $150 billion between 2025 and 2032 in order to fulfill the industry's supply needs, according to CRU Group……One key challenge is that new mines take years and often decades to build, 'There is a clear and compelling need for additional mine capacity to be brought online,' said William Tankard, principal analyst for base metals at CRU. 'The gauntlet is being laid down at the feet of the miners, and it's going to be exceptionally challenging to deliver."

I should mention that this year marks the 30th anniversary of Hebei Hua Ao Mining Industry Co Ltd ("Hebei Hua Ao"), the foreign joint venture stock company formed in 1994 to hold the interest in the Caijiaying Mine, the majority interest of which was acquired by Griffin almost 4 years later in 1997/8. Nevertheless, celebrations marking the occasion will be held in China later this year. It is my absolute hope that at these celebrations there will also be an announcement of Hebei Hua Ao converting its legal status to a limited liability company, as mandated in the PRC Foreign Investment Law (Article 42), bringing all the benefits of that legal structure to the parties involved.

All that remains for me to conclude is that the old adage remains as true today as when it was written so long ago by Tacitus and re-imagined by John F Kennedy, "Success has many fathers, but failure is an orphan." An operation of the size, complexity and in the location of the Caijiaying Mine, has depended on, and will continue to depend on, the intelligence, expertise, dedication, discipline and sacrifice of a large number of individuals. I can't and won't name them as to do so would inevitably exclude someone who has deserved to be in that pantheon of champions. Suffice it to say I regularly refer to some current success which rests either on our founding directors' feet, our current operational staff and/or our relatively new directors. All have played or continue to play their vital part and we owe them our sincerest thanks. It needs to be understood by all involved that what they all do is beyond the responsibilities of ordinary corporate employment and it deserves our acknowledgment.

Lastly, and always most importantly, thank you to you, the shareholders and owners of the Company. Everyone can "talk the talk" but few can "walk the walk." It is your capital, patience and continued support which allows the Company to have the stability and confidence to continue to move forward at an ever quicker pace. We will continue to honour the commitment you have all made by moving heaven and earth to give you the returns you so richly deserve.

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

GRIFFIN MINING LIMITED
Mladen Ninkov – Chairman Telephone: +44(0)20 7629 7772
Roger Goodwin – Finance Director

PANMURE GORDON (UK) LIMITED Telephone: +44 (0)20 7886 2500
Dominic Morley
Dougie McLeod

BERENBERG Telephone: +44(0)20 3207 7800
Matthew Armitt
Jennifer Lee

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR").

Griffin Mining Limited's shares are quoted on the Alternative Investment Market (AIM) of the London Stock Exchange (symbol GFM).

The Company's news releases are available on the Company's web site: www.griffinmining.com

GRIFFIN MINING LIMITED
CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2023
(expressed in thousands US dollars)

	2023	2022
	$000	$000
Revenue	**146,023**	94,397
Cost of sales	**(94,181)**	(56,145)
Gross profit	**51,842**	38,252
Administration expenses	**(28,005)**	(22,627)
Operating Profit	**23,837**	15,625
Losses on disposal of plant and equipment	**(784)**	(404)
Foreign exchange (losses)	**(136)**	(387)
Finance income	**1,394**	369
Finance costs	**(177)**	(135)
Other income	**352**	204
Profit before tax	**24,486**	15,272
Income tax expense	**(9,250)**	(7,568)
Profit for the year	**15,236**	7,704
Basic earnings per share (cents)	**8.03**	4.41
Diluted earnings per share (cents)	**7.98**	4.11

GRIFFIN MINING LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2023
(expressed in thousands US dollars)

	2023	2022
	$000	$000
Profit for the year	**15,236**	7,704
Other comprehensive income / (expense) that will be reclassified to profit or loss		
Exchange differences on translating foreign operations	**(2,912)**	(15,498)
Other comprehensive (expense) for the year, net of tax	**(2,912)**	(15,498)
Total comprehensive income / (expense) for the year	**12,324**	(7,794)

GRIFFIN MINING LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2023
(expressed in thousands US dollars)

	2023	2022
	$000	$000
ASSETS		
Non-current assets		
Property, plant and equipment	**250,370**	258,041
Intangible assets – exploration interests	**575**	407
Other non-current assets	**1,554**	1,494
	252,499	259,942
Current assets		
Inventories	**5,828**	8,077
Receivables and other current assets	**2,886**	3,433
Cash and cash equivalents	**60,007**	34,138
	68,721	45,648
Total assets	**321,220**	305,590
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	**1,928**	1,749
Share premium	**78,550**	69,334
Contributing surplus	**3,690**	3,690
Share based payments	**3,109**	168
Shares held in treasury	**(2,017)**	(1,644)
Chinese statutory re-investment reserve	**3,529**	2,992
Other reserve on acquisition of non-controlling interests	**(29,346)**	(29,346)
Foreign exchange reserve	**(3,480)**	(618)
Profit and loss reserve	**213,789**	199,140
Total equity attributable to equity holders of the parent	**269,752**	245,465
Non-current liabilities		
Other payables	**3,106**	6,317
Long-term provisions	**3,929**	2,649
Deferred taxation	**-**	2,717
Lease liabilities	**570**	683
	7,605	12,366
Current liabilities		
Trade and other payables	**38,308**	44,910
Business taxation payable	**5,386**	2,680
Lease liabilities	**169**	169
Total current liabilities	**43,863**	47,759
Total equities and liabilities	**321,220**	305,590
Attributable net asset value per share to equity holders of parent	**1.40**	1.40

GRIFFIN MINING LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2023
(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 2022	**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 (note 19)	-	-	-	(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**
Regulatory transfer for future investment	-	-	-	-	-	587	-	-	(587)	-
Issue of shares on cancellation of share purchase options	101	9216	-	-	-	-	-	-	-	9,317
Share based payments (19)	78	-	-	2,941		-	-	-	-	3,019
Purchase of shares for treasury (note 20)	-	-	-	-	(373)	-	-	-	-	(373)
Transaction with owners	179	9,216	-	2,941	(373)	587	-	-	(587)	11,963
Profit for the year	-	-	-	-	-	-	-	-	15,236	15,236
Other comprehensive income:										
Exchange differences on translating foreign operations	-	-	-	-	-	(50)	-	(2,862)	-	(2,912)
Total comprehensive income	-	-	-	-	-	(50)	-	(2,862)	15,236	12,324
At 31 December 2023	**1,928**	**78,550**	**3,690**	**3,109**	**(2,017)**	**3,529**	**(29,346)**	**(3,480)**	**213,789**	**269,752**

GRIFFIN MINING LIMITED
CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 December 2023
(expressed in thousands US dollars)

	2023	2022
	$000	$000
Net cash flows from operating activities		
Profit before taxation	**24,486**	15,272
Share based payments	**3,019**	-
Foreign exchange losses	**136**	387
Finance income	**(1,394)**	(369)
Finance costs	**177**	135
Depreciation	**28,026**	19,590
Losses on disposal of equipment	**784**	404
Decrease / (increase) in inventories	**2,249**	(3,561)
Decrease / (increase) in receivables and other assets	**547**	(1,807)
(Decrease) in trade and other payables	**(415)**	(6,284)
Taxation paid	**(9,238)**	(8,033)
Net cash inflow from operating activities	**48,377**	15,734
Cash flows from investing activities		
Interest received	**1,394**	369
(Costs) on disposal of equipment	**(263)**	(178)
Payments to acquire – mineral interests and development	**(16,792)**	(7,348)
Payments to acquire – property, plant, and equipment	**(6,056)**	(13,749)
Payments to acquire - office lease, furniture & equipment	**-**	(6)
Payments to acquire - intangible fixed assets – exploration interests	**(168)**	(20)
Net cash outflow from investing activities	**(21,885)**	(20,932)
Cash flows from financing activities		
Issue of ordinary shares on exercise of options	**-**	-
Interest paid	**(27)**	-
Purchase of shares for treasury	**(373)**	-
Bank loan advances	**4,271**	-
Repayment of bank loans	**(4,271)**	-
Lease liability repayments including interest	**(155)**	(167)
Net cash outflow from financing activities	**(555)**	(167)
Increase / (decrease) in cash and cash equivalents	**25,937**	(5,365)
Cash and cash equivalents at the beginning of the year	**34,138**	38,159
Effects of foreign exchange rates	**(68)**	1,344
Cash and cash equivalents at the end of the year	**60,007**	34,138

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 2023 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 2023 statutory financial statements.

The annual report and accounts for 2023 is 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 2023 and 2022 were derived from the Caijiaying zinc gold mine.

	2023	2022
	$000	$000
REVENUES		
China	**146,023**	94,397
Zinc concentrate sales	**112,008**	76,456
Lead and precious metals concentrate sales	**42,428**	23,553
Royalties and resource taxes	**(8,413)**	(5,612)
	146,023	94,397

	2023	2022
	$000	$000
COST OF SALES: CHINA		
Mining costs	**25,579**	16,782
Haulage costs	**18,098**	10,377
Processing costs	**23,197**	14,390
Depreciation (excluding depreciation in administration expenses)	**25,385**	17,757
Stock movements	**1,922**	(3,161)
	94,181	56,145

	2023	2022
	$000	$000
ADMINISTRATION EXPENSES		
China / Hong Kong	**19,023**	16,136
Australia	**77**	75
UK / Bermuda	**5,886**	6,416
	24,986	22,627
Fair value of shares issued under share incentive plan	**3,019**	-
	28,005	22,627

	2023	2022
	$000	$000
TOTAL ASSETS		
China	**299,094**	299,810
Australia	**1,201**	1,044
UK / Bermuda	**20,925**	4,736
	321,220	305,590

	2023	2022
	$000	$000
CAPITAL EXPENDITURE		
China	**23,016**	21,117
UK / Bermuda	**-**	6
	23,016	21,123

FINANCE INCOME

	2023	2022
	$000	$000
Interest on bank deposits	**1,394**	369

FINANCE COSTS

	2023	2022
	$000	$000
Interest payable on short term bank loans	**24**	-
Interest on rehabilitation provisions	**110**	87
Lease interest	**43**	48
	177	135

OTHER INCOME

	2023	2022
	$000	$000
Scrap and sundry other revenues	**352**	204

INCOME TAX EXPENSE

	2023	2022
	$000	$000
Profit for the year before tax	**24,486**	15,272
Expected tax expense at a standard rate of PRC income tax of 25% (2022 25%)	**6,121**	3,818
Adjustment for tax exempt items:		
- Income and expenses outside the PRC not subject to tax	**1,985**	1,054
Adjustments for short term timing differences:		
- In respect of accounting differences	**2,851**	1,862
- In respect of other timing differences	**(25)**	-
Adjustments for permanent timing differences other	**129**	291

Withholding tax on intercompany dividends and charges	**897**	803
Prior period tax credit	**(14)**	-
Current taxation expense	**11,944**	7,828
Deferred taxation expense (credit)		
Origination and reversal of temporary timing differences	**(2,694)**	(260)
	(2,694)	(260)
Total tax expense	**9,250**	7,568

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 2023 (25% in 2022) based upon the profits calculated under Chinese Generally Accepted Accounting Principles (Chinese "GAAP").

EARNINGS PER SHARE

The calculation of the basic earnings per share is based upon 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.

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

	2023			2022		
	Earnings	**Weighted Average number of shares**	**Per share amount (cents)**	Earnings	Weighted Average number of shares	Per share amount (cents)
	$000			$000		
Basic earnings per share						
Basic earnings attributable to ordinary shareholders	**15,236**	**189,771,884**	**8.03**	7,704	174,892,894	4.41
Dilutive effect of securities						
Options	**-**	**1,234,740**	**(0.05)**	-	12,384,576	(0.30)
Diluted earnings per share	**15,236**	**191,006,624**	**7.98**	7,704	187,277,470	4.11

PROPERTY, PLANT AND EQUIPMENT

	Mineral Interests	Mill and mobile mine equipment	Offices furniture & equipment	Total
	$000	$000	$000	$000
At 1 January 2022	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)
Change in mine closure costs	130	-	-	130
Additions during the year	7,348	13,749	6	21,103
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
Foreign exchange adjustments	(2,269)	(929)	-	(3,198)
Change in mine closure costs	1,226	-	-	1,226
Additions during the year	16,792	6,056	-	22,848
Disposals	-	(521)	-	(521)
Depreciation charge for the year	(21,505)	(6,380)	(141)	(28,026)
At 31 December 2023	195,382	54,296	692	250,370
At 1 January 2022				
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	275,926
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
At 31 December 2023				
Cost	290,077	103,479	1,558	395,114
Accumulated depreciation	(94,695)	(49,183)	(866)	(144,744)
Net carrying amount	195,382	54,296	692	250,370

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 $3,416,000 (2022: $14,007,000) of assets under construction yet to be depreciated.

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.

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 Cash Generation Unit. 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 2023 (2022: nil). However, as best practice and in response to an updated Life of Mine Plan ("LOM"), management have updated the impairment model for latest forecast metal prices, smelter treatment charges , and revisions to mine development costs.

In determining any indications of impairment in the carrying value of the Caijiaying Mine the directors have reassessed the net carrying value of property plant and equipment at 31 December 2023 by reference to the estimated mineral resources at Caijiaying that may be extracted by 2050 (2022: 2050). 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 LOM has been prepared by the Company that indicates the continued extraction of ore until at least 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 $2,654 (2022: $3,097) per tonne, gold of $2,000 (2022: $1,800) per troy ounce and silver of $23.4 (2022: $22.7) per troy ounce;
- Zinc treatment charges of 25% (2022: 30%) of market prices;
- Extraction of measured and indicated resources of 41.2 million tonnes (2022: 40.4 million tonnes) to 2050 (2022: 2050) with ore mined and processed of circa 1.5 million tonnes (2022: 1.5 million tonnes) of ore per annum;
- Operating costs, recoveries and payables based upon past performance and that budgeted for 2024 and on internal management forecast, for future years;
- Capital costs based upon that initially scheduled with sustaining capital based on future scheduling;
- Discount rate of 10% (2022: 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 7 Rmb to $1 (2022: 7 Rmb to $1)

Having considered the impact of climate change, the directors consider that there will not be any significant adverse impact on future operations from climate change.

Whilst the directors consider the assumptions reasonable, sensitivities have been considered to assess the impact of changes in key assumptions including, forecast metal prices, foreign exchange and discount rates, and have concluded that there were no reasonable possible changes to the key assumptions that could result in an impairment.

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 2023 of $269,752,000 ($245,465,000 at 31 December 2022) divided by the number of ordinary shares in issue at 31 December 2023 of 192,828,420 (174,892,894 at 31 December 2022).

POST BALANCE SHEET EVENTS

On 31 December 2023, options over 1,500,000 new ordinary shares in the Company exercisable at 30 pence per share and over 500,000 new ordinary shares in the Company exercisable at 40 pence per share were exercised. These shares were issued and admitted to trading on AIM on 8 January 2024.

On 5 January 2024 the Company entered into trades committing to purchase, through its joint broker Joh. Berenberg, Gossler & Co. KG, 8,886,128 of the Company's own ordinary shares ("Ordinary Shares"), representing 4.6% of the Company's issued share capital (excluding shares already held in treasury), at a price of 88 pence per Ordinary Share, for a total consideration of £7,819,792, excluding brokers fees.

On 15 March 2024 10,297,943 ordinary shares in Griffin Mining Limited ("the Company") purchased under share buyback programmes and held in treasury were cancelled. Following the cancellation of these shares, there are 184,530,477 ordinary shares on issue with no outstanding options or warrants.

At 31 December 2023 there were no adjusting post balance sheet events (2022: none).