Contents

Griffin Mining Limited ("Griffin" or "the Company") is a mining and investment company whose principal asset is the Caijiaying Zinc-Gold Mine.

Further information on the Company is available on the Company's website: www.griffinmining.com.

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

Registered in Bermuda, number: 13667.

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Caijiaying Mine Surface Facilities – Summer 2024

Chairman's Statement

It is with an overwhelming sense of "a missed opportunity" that I present to you, the shareholders and owners of Griffin Mining Limited ("Griffin" or the "Company"), the Annual Report and Accounts of the Company for the 2024 calendar and financial year (the "Annual Report").

The "missed opportunity" I refer to was the chance to break all operating and financial records in 2024. The Caijiaying Mine, which had thundered through the first three quarters of 2024 and was on course to mine and process 1.5 million tonnes of ore, came abruptly to a halt on the 11 October 2024 with the unfortunate death underground of an employee of the mining contractor. The ensuing shutdown of all mining, processing and development until the start of 2025 did significant damage to the year's financial results and to underground mine development, which had further repercussions for operations into the first 2 months of 2025.

Nevertheless, such is the strength of the Caijiaying Mine that operations which can be shut down for 3 months can still produce the following financial results:

- Revenues of $135,128,000;
- Gross profit of $51,251,000;
- Earnings before depreciation, interest and tax of $41,901,000;
- Operating profit of $17,288,000;
- Profit before tax of $17,903,000; and
- Profit after tax of $11,351,000;

Similarly, in only 9 months of production, operational results still included ore mined of 1,149,146 tonnes (all of which was extracted from Zone III) and ore processed of 1,169,098 tonnes, resulting in production of:

- 39,444 tonnes of zinc;
- 16,142 ounces of gold;
- 275,697 ounces of silver; and
- 1,295 tonnes of lead.

Amazingly, the Company was still able to generate it's 19th continuous operating profit for the year and it's 18th net profit whilst still holding significant cash balances in China and offshore with no debt on its balance sheet.

Another consequence of the 3rd quarter shut down was the stoppage of all development work in Zone II. That has now recommenced with underground workings, services installation and the South Ventilation Shaft nearing completion. This means that extraction of ore from Zone II will now begin in the last quarter of 2025 when we look forward to a new, large source of ore being available for mining and processing.

I also think it's worth stating that in the current environment of record world gold prices amidst global economic uncertainty, the continued discovery of substantial and significant gold mineralization at the Caijiaying Mine has been tremendously exciting. These are some of the most extraordinary gold intersections many of us have ever seen in our careers. As the Company's announcement on the 15 April 2025 stated:

"Drilling of high-grade gold domains below the existing development at the Caijiaying Mine during 2024-25 continues to deliver exceptional gold intercepts. Drilling is ongoing, testing multiple high-grade gold shoots. Drilling of the Yuan Long high-grade gold domain confirms the down-plunge continuity of this domain below and along strike from existing development, with significant intercepts including:

- UGCJY-6268: 20.4m @ 24.4 g/t Au (true width)
- UGCJY-6318: 25.7m @ 8.90 g/t Au (true width)
- YL1270-472E: 14.0m @ 25.0 g/t Au (true width)
- UGCJY-6194: 26.4m @ 4.30 g/t Au (true width estimated at 20m)
- UGCJY-6200: 31.7m @ 3.80 g/t Au (true width)
- UGCJY-6201: 17.6m @ 5.20 g/t Au (true width)
- UGCJY-6260: 12.6m @ 5.10 g/t Au (true width)"

We excitedly await what further gold drilling will confirm and uncover.

The Company's share buy-back program continued in 2024 with the excess cash generated by operations and $12,515,000 was expended on the buy-back of ordinary shares during the year, reducing the Company's shares outstanding and seeking to improve the Company's earnings per share.

I would also like to highlight the quality, commitment and professionalism of the foreign "ex-pat" staff at the Caijiaying Mine. They work in an isolated environment, with huge language and communication challenges and a long time and distance away from their families and friends. This is in addition to the commercial and political challenges of 4 jurisdictional levels of Government structures (County, City, Provincial and Central) running in parallel with a separate Party structure, both having multiple departments reproduced at each level. This is how a death on a Chinese mine site becomes a minimum 3 month shut down or worse rather than a western 48 hour shutdown with an investigation following. In addition, there is the challenge of managing and training semi-professional and non-professional Chinese staff and contractors at the Caijiaying Mine who are substantially less experienced and educated to western mining standards. In summary, our ex-pat staff warrants and demands our respect. I can't name them all but I will mention Paul Benson (Chief Geologist), Wendy Zhang (Caijiaying Mine Chief Financial Officer), Dominic Varley (Planning) and, most of all, John Steel (Griffin Chief Operating Officer), or as we call him, "Superman."

My personal thanks also go to the directors of the Company for their time, effort and interest, including much of the regulatory and audit work that is so tiresome and thankless. In particular, I'd like to thank Clive Whiley who has taken many burdens away from me, which I have very much appreciated, and Roger Goodwin who, in many ways, embodies the Company, always putting the Company before himself. In my younger footballing days, he would definitely have won the "Best Clubman" trophy. Finally, Dal Brynelsen, who's love for the Company and the Caijiaying Mine knows no boundaries. First on a phone, first on a plane, first on the Caijiaying Mine site.

Finally to you, the shareholders and owners of the Company, please know you are always in the forefront of our minds and guide every step we take with the Company. You are never taken for granted and your wishes and desires are always considered and sought to be implemented. We await to see what 2025 will bring. May it be satisfactory and joyous for all.

Mladen Ninkov, Chairman
4 June 2025

The Chairman, Hebei Hua Ao Directors and Senior Personnel Examining Drill Core at the Caijiaying Mine


Fortescue

Hebei Hua Ao Personnel at the 2025 Beijing Women in Mining Conference

Overview

Griffin Mining Limited ("Griffin" or the "Company") is a mining and investment company, incorporated in Bermuda in 1988. Its shares have been trading on the Alternative Investment Market of the London Stock Exchange ("AIM") since 1997.

The major asset of the Company is an 88.8% interest in Hebei Hua Ao Mining Industry Company Limited ("Hebei Hua Ao") held through its wholly-owned Hong Kong subsidiary, China Zinc Limited ("China Zinc"). Hebei Hua Ao holds all the necessary licences, the operating mine and processing facilities (the "Caijiaying Mine") located near Zhangjiakou City in the People's Republic of China ("PRC" or "China").

The Company has held its interest in Hebei Hua Ao since 1997/1998 having explored, financed, constructed and managed the Caijiaying Mine from the discovery of economic mineralisation to the current extraction and processing of circa 1.5 million tonnes of ore per annum.

The Caijiaying Mine currently produces zinc, gold, silver and lead in concentrate.

The Company also holds a 90% interest in Hebei Sino Anglo Mining Development Company Limited ("Hebei Anglo"), which has interests in exploration licences immediately surrounding the Hebei Hua Ao licence area. These tenements are currently held by Hebei Anglo's Chinese venture partner, Zhangjiakou Yuanrun Enterprise Management Consulting Service Co., Limited ("Yuanrun"), thereby allowing their retention under PRC law within the Hebei Anglo Group. Hebei Anglo has a contractual option to have these exploration licences transferred at any time back to Hebei Anglo.

The Company continues to aggressively explore, expand and develop the Caijiaying Mine whilst also investigating potential acquisitions of mining projects that are capable, through either advanced exploration or mining expertise, of being brought into production to meet the Company's historically pre-set, economic returns to shareholders.

Caijiaying

INTRODUCTION

The Caijiaying Mine is an operating zinc, gold, silver, and lead mine, together with processing plant, camp and supporting facilities, located approximately 250 kilometres by road, north-west of Beijing in the Hebei Province of the PRC. The Caijiaying Mine is easily accessible by freeway from Beijing. The site has significant water supplies, an on site solar farm together with two 35,000 volt power lines connected to the electricity grid, full connectivity to fixed and mobile telecommunications systems and broadband access for internet services. Some 75% of energy used at the Caijiaying Mine comes from renewable energy sources. It is 63 kilometres from Chongli, the closest station on the high speed train link with Beijing.

A number of zones of mineralisation set within the same ore body were identified within the tenements held by Hebei Hua Ao at the Caijiaying Mine including Zone III, which is currently being mined, and Zone II, being developed for production in late 2025. Together with Zones V and VIII, all of these mineralised zones are recognised as being one ore body.

Climatic conditions are relatively mild with warm summers and cold winters, enabling the Caijiaying Mine to operate throughout the year.

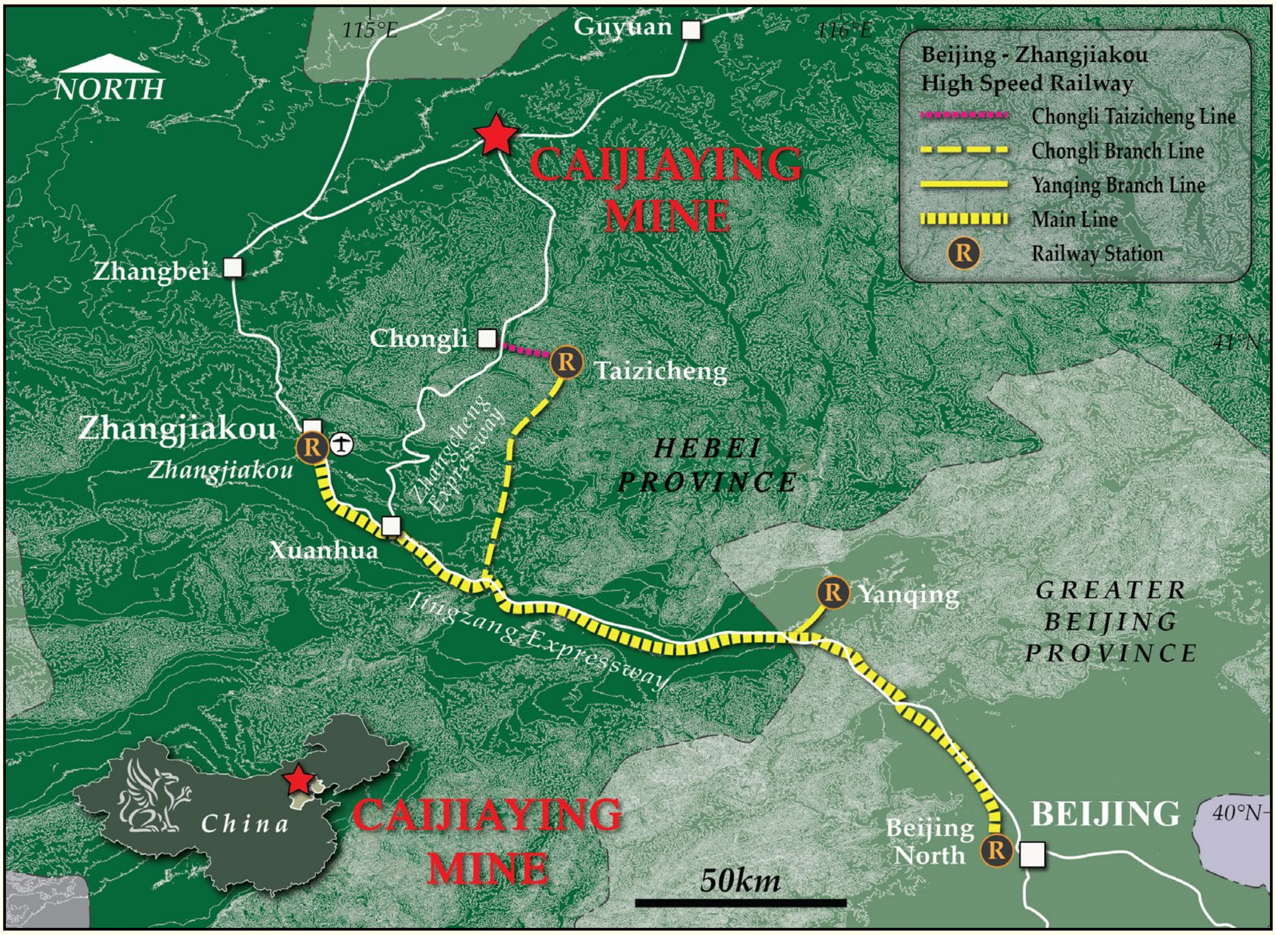
DEVELOPMENT

Hebei Hua Ao is a contractual co-operative joint venture company established in 1994 under PRC law. Griffin now holds an 88.8% equity interest in Hebei Hua Ao (through its wholly owned subsidiary China Zinc), with the remaining 11.2% held by Yuanrun, the shareholders of which are the Zhangjiakou City People's Government and the Third Geological Brigade of Hebei Province (the "Third Brigade").

Yuanrun's interest is recognized via a service contract (for accounting purposes) for services rendered, resulting in Hebei Hua Ao being in the nature of a wholly owned subsidiary of the Company. See note 32 to the financial statements.

In January 2004, a second contractual joint venture company, Hebei Anglo, was formed to hold the mineral rights to the area surrounding the original Hebei Hua Ao licence area and any other areas of interest in Hebei Province. Griffin, through its wholly owned UK subsidiary Panda Resources Limited ("Panda"), has a 90% interest in Hebei Anglo whilst Yuanrun holds 10%.

On 1 January 2020, the new PRC Foreign Investment Law was enabled which sought to repeal the Sino Foreign Joint Venture Law. Pursuant to Article 42 therein, all Joint



Geographic location of the Caijiaying Mine, People's Republic of China

Venture companies established under the previous law were required to be converted into limited liability companies by 1 January 2025 followed by an application for a new business licence to replace the current Business Licence.

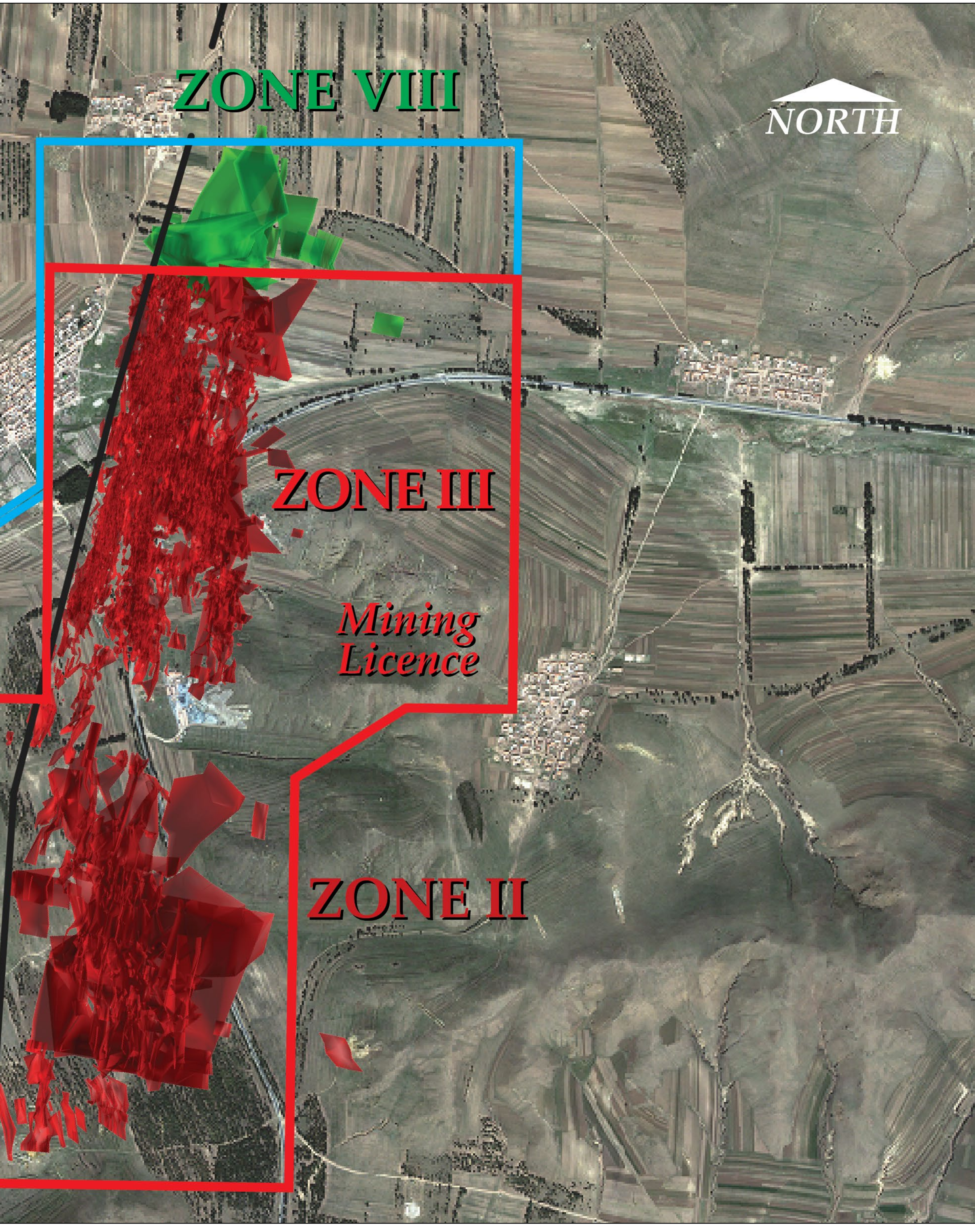
In addition, for the conversion to be registered, new Articles of Association needed to be agreed with the Chinese Partners to replace the provisions of the original Agreements. Regardless that the statutorily mandated conversion date has passed, to the Company's and its PRC legal advisor's knowledge, no foreign Joint Venture has registered its conversion or new Articles of Association to date. As the new PRC Foreign Investment Law contains no enforcement provisions for non-compliance with the new law, the PRC regulatory authorities have granted blanket extensions for the process to be completed. As such, the Company remains in compliance with all PRC legislation and continues to negotiate with its Joint Venture partners in good faith to allow the conversion of both Joint Ventures to take effect in due course.

The Caijiaying Mine was commissioned on time and on budget in 2005. Numerous upgrades to the Caijiaying Mine have taken place since commissioning leading to the current mill throughput capacity of 1.5 million tonnes of ore per annum. Mining rates have now reached the equivalent of 1.5 million tonnes of ore per annum. The development of Zone II at the Caijiaying Mine, now being undertaken, will enable current and possibly higher production rates in the future.

To date Griffin has invested over $400 million in the Caijiaying Mine in the acquisition, development and construction of the workings and processing facilities, the majority of which has been financed from internally generated funds.

With the grant of a new mining licence in December 2020 over the combined Zone II and Zone III areas, and consequent approval of the extension of the mine design into the Zone II area, the development of Zone II is almost complete. Production from Zone II is expected in late 2025. This will allow sustained production of at least 1.5 million tonnes of ore per annum to be extracted from the Caijiaying Mine for the extent of its current resource base.


Caijiaying
Village
ZONE V
Tailings
Facility
HuaAo Retention Licence
Mine Camp
Grasshopper Fault



Plan View of Caijiaying Orebody outlining Zones II, III, V & VIII With Surrounding Licence Areas

Caijiaying *(continued)*

GEOLOGY

The Caijiaying Mine is located at the northern edge of the North China Craton, within the highly mineralized Yanshan Metallogenic Belt in Hebei Province, PRC. This east-west trending belt, spanning hundreds of kilometres, is renowned for hosting a diverse array of large-scale mineral deposits, cementing the Yanshan region as one of northern China's most economically significant areas. The local geology at Caijiaying features early Proterozoic granulite and gneiss interspersed with marble lenses, which are unconformably overlain by the Late Jurassic Baiqi and Zhangjiakou Formations. The geological sequence is further complicated by porphyry sills and dykes that intrude along fault zones. Mineralization is interpreted to be associated with a Jurassic igneous event that extensively altered the ancient 2.3-billion-year-old metamorphic basement rocks.

The mine's base metal and gold mineralization align with a distal skarn replacement system, characterized by amphibolite-grade metavolcanic and metasedimentary rocks intruded by Jurassic porphyries. Sulphide lenses dominated by coarse sphalerite, alongside pyrite and galena, selectively replace calc-silicate and iron-rich amphibolite units within folded basement rocks.

Zone III exhibits Zn-Au-Pb-Ag mineralization within structurally deformed meta-volcanic units. Adjacent to the north-south Grasshopper Fault, the western sector features upright isoclinal folds adjacent the fault that transition eastward into inclined open folds, creating zones of structural complexity. Orebody thickness varies dramatically, reaching up to 20 metres at fold closures but narrowing to less than 2 metres along fold limbs at depth and toward the east. Steep to moderate westward dips and a shallow 20 degree northward plunge define the mineralization's orientation, reflecting the dynamic tectonic history of the area.

Zone II, a continuation south of Zone III, shares a comparable geological sequence but displays heightened structural complexity and divergent metal ratios. Ongoing exploration here leverages advanced underground diamond drilling, core orientation tools, and 48-element geochemical analysis to refine geological models and identify mineralization vectors. Rapid digital implicit modelling techniques enhance targeting efficiency, though the orebody's geometry narrows compared to Zone III, with possibly less pronounced fold hinges. Capital development and drilling efforts focus on unlocking the deposit's full potential with plans to expand access to deeper levels in coming years.

MINERAL RESOURCE ESTIMATES

The mineral resources at the Caijiaying Mine are distributed across four mineralized zones, albeit now considered a single ore body, each hosting Zn-Au-Ag-Pb deposits. From south to north, the primary line of lodes includes resources from Zones II, III and VIII, while Zone V is situated approximately 1 kilometre west of Zone II. Currently, Zones V and VIII remain in the retention license phase as mining license applications are being processed. Throughout 2024, advanced mining operations at Zone III progressed steadily, alongside significant capital development efforts extending into Zone II, where mining licenses have been granted down to the 1000m Relative above sea level ("RL") and 968mRL, respectively. Ongoing diamond drilling campaigns have been instrumental in enhancing resource confidence at Zone II and delineating near-mine resources and extensions below the 1000mRL at Zone III, further solidifying the mine's potential.

The Global Mineral Resource that encompasses the entire area totals 82.3 million tonnes at 3.8% Zn, 0.6% Pb, 27.7g/t Ag and 0.4g/t Au resulting in total contained metal of approximately 3.2 million tonnes of zinc metal, 0.5 million tonnes of lead metal, 73.4 million ounces of silver metal and 1.1 million ounces of gold metal. This applies a zinc cut-off grade of 1% and is amended for mining depletion at Zone III as of 31 December 2024.

A total of 49,340 meters of underground diamond drilling was completed in 2024 across Zones II and III.

Zone III

In total, 31,433 meters were drilled to facilitate grade control, resource definition and exploration objectives throughout 2024. The updated 2024 Mineral Resource Estimate at Zone III, at a zinc cut-off grade of 1% using actual drilling as of July 2024 and amended for mining depletion up to 31 December 2024, totals 32.4 million tonnes at 4.5% Zn, 0.2% Pb, 24.7g/t Ag and 0.6g/t Au. This results in total metal of approximately 1.5 million tonnes of zinc metal, 0.07 million tonnes of lead metal, 25.8 million ounces of silver metal and 0.6 million ounces of gold metal.

The Zone III Mineral Resource Estimate is defined by historic surface diamond drill holes, reverse circulation surface drill holes and ongoing underground diamond drilling with an average spacings of approximately 20 metre x 20 metre, for a combined total of 665,373 metres.

At Zone III, underground mining operations have successfully reached planned development, extending from the 1,420mRL down to the lower mine license boundary at the 1,000mRL. Production activities are strategically integrated across primary, secondary and remnant mining fronts on all levels, with an increasing focus on optimizing secondary and remnant extraction. Diamond drilling efforts are concentrated on defining remnant mineralization adjacent to existing orebodies while also exploring near-mine opportunities both below the current mine development and to the east. This dual approach has maintained Zone III resources and reserves while ensuring operational efficiency.

Zone II

In total, 17,907 meters were drilled for resource definition in 2024. Historic surface diamond drillholes, reverse circulation surface drillholes and recent underground diamond drillholes, define the Zone II deposit at an average spacing of approximately 40 metre x 40 metre for a combined total of 134,224 metres of drilling.

The updated 2024 Zone II Mineral Resource Estimate at a zinc cut-off grade of 1% using actual drilling as of July 2024 totals 37.1 million tonnes at 3.4% Zn, 0.7% Pb, 24.1g/t Ag and 0.2g/t Au. This results in total metal of approximately 1.2 million tonnes of zinc metal, 0.3 million tonnes of lead metal, 28.7 million ounces of silver metal and 0.25 million ounces of gold metal.

Resource definition diamond drilling is ongoing from the upper 1453 RL drill drive with plans to shift to lower access drives once they are established. Simultaneously, construction progressed on five primary levels of capital development, including the establishment of diamond drill cuddies, which are designed to support infill resource drilling across the entire 1.3 kilometre strike length of the Zone II deposit. This development will extend drilling operations down to the lower mine license boundary at 968mRL, ensuring comprehensive resource evaluation and future mine production sustainability.

Zone V and VIII

Zones V and VIII remain integral to the Caijiaying Mine's broader resource portfolio. Currently under retention licenses, these zones represent future exploration targets, poised to complement the established operations at Zones II and III once the mining licence is granted. The tenure covers a total area of 2.23 square kilometres, valid until 16 July 2029.

The Inferred Mineral Resource Estimate at Zone V remains unchanged at 6.0 million tonnes at 3.2% Zn, 1.4% Pb, 56.0g/t Ag and 0.6g/t Au. This estimation yields approximately 0.2 million tonnes of zinc metal, 0.08 million tonnes of lead metal, 10.8 million ounces of silver metal and 0.12 million ounces of gold metal. The deposit at Zone V is defined by a total of 34 surface diamond drillholes, 3 reverse circulation surface drillholes with an average spacing of approximately 25 metre x 100 metres for a combined total of 15,242 metres of historical drilling.

The Inferred Mineral Resource Estimate at Zone VIII remains unchanged at 6.8 million tonnes at 4.0% Zn, 0.7% Pb, 37.0g/t Ag and 0.7g/t Au. This estimation translates to approximately 0.3 million tonnes of zinc metal, 0.05 million tonnes of lead metal, 8.1 million ounces of silver metal and 0.16 million ounces of gold metal. The Zone VIII deposit is defined by a total of 44 diamond drillholes spaced at intervals of 50 to 100 metres amounting to a combined total of 32,193 metres drilled.

Mineral Resource Estimate

The Global Mineral Resource that encompasses Zones III, II, V and VIII at a zinc cut-off grade of 1% and as amended for mining depletion at Zone III as of 31 December 2024 is summarised overleaf.

Caijiaying (continued)
MINERAL RESOURCE ESTIMATES

Caijiaying Remaining Mineral Resources

Category	*Tonnes (Mt)*	*Zn (%)*	*Pb (%)*	*Ag (g/t)*	*Au (g/t)*	*Zn Metal (kt)*	*Pb Metal (kt)*	*Ag Metal (kOz)*	*Au Metal (kOz)*
Measured	25.3	4.6	0.4	25.7	0.6	1,172	94	20,943	492
Indicated	27.0	3.6	0.4	19.7	0.3	967	119	17,149	246
Inferred	29.9	3.4	0.8	36.7	0.4	1,028	246	35,350	405
Total	**82.3**	**3.8**	**0.6**	**27.7**	**0.4**	**3,166**	**459**	**73,433**	**1,143**

The Caijiaying Deposit is a single large body of mineralisation, which has historically been split into areas or Zones

Caijiaying Zone II / III Mineral Resource Estimate

Zinc Oxide: Zn Resources > 1% Zn

Category	*Tonnes (Mt)*	*Zn (%)*	*Pb (%)*	*Ag (g/t)*	*Au (g/t)*	*Zn Metal (kt)*	*Pb Metal (kt)*	*Ag Metal (kOz)*	*Au Metal (kOz)*
Indicated	1.6	2.5	0.5	20.2	0.2	39	8	1,025	12
Inferred	1.2	2.0	0.2	9.4	0.1	24	3	360	4
Total	**2.8**	**2.3**	**0.4**	**15.6**	**0.2**	**63**	**11**	**1,386**	**17**

Zinc Fresh Domain: Zn Resources > 1% Zn

Category	*Tonnes (Mt)*	*Zn (%)*	*Pb (%)*	*Ag (g/t)*	*Au (g/t)*	*Zn Metal (kt)*	*Pb Metal (kt)*	*Ag Metal (kOz)*	*Au Metal (kOz)*
Measured	24.5	4.7	0.4	26.8	0.6	1,152	92	20,429	426
Indicated	25.4	3.7	0.4	20.4	0.3	927	111	16,102	228
Inferred	15.9	3.4	0.7	32.4	0.3	536	113	16,046	124
Total	**65.8**	**4.0**	**0.5**	**25.7**	**0.4**	**2,615**	**315**	**52,567**	**779**

Gold Domain Resources: Au Resources > 0.5 g/t Au

Category	*Tonnes (Mt)*	*Zn (%)*	*Pb (%)*	*Ag (g/t)*	*Au (g/t)*	*Zn Metal (kt)*	*Pb Metal (kt)*	*Ag Metal (kOz)*	*Au Metal (kOz)*
Measured	0.9	2.2	0.3	19.2	2.5	19	2.2	514	66
Indicated	0.1	1.2	0.1	7.6	1.7	1	0.10	21	5
Inferred	0.0	0.0	0.0	4.6	5.2	-	0.00	1	0.8
Total	**1.0**	**2.1**	**0.2**	**18.1**	**2.4**	**20**	**2**	**536**	**72**

Zone II / III Total

Category	*Tonnes (Mt)*	*Zn (%)*	*Pb (%)*	*Ag (g/t)*	*Au (g/t)*	*Zn Metal (kt)*	*Pb Metal (kt)*	*Ag Metal (kOz)*	*Au Metal (kOz)*
Measured	25.3	4.6	0.4	25.7	0.6	1,172	94	20,943	492
Indicated	27.0	3.6	0.4	19.7	0.3	967	119	17,149	246
Inferred	17.1	3.3	0.7	29.8	0.2	561	116	16,407	129
Total	**69.5**	**3.9**	**0.5**	**24.4**	**0.4**	**2,699**	**329**	**54,490**	**867**

Caijiaying Zone V Mineral Resources

Zone V Zn Resources > 1% Zn

Category	*Tonnes (Mt)*	*Zn (%)*	*Pb (%)*	*Ag (g/t)*	*Au (g/t)*	*Zn Metal (kt)*	*Pb Metal (kt)*	*Ag Metal (kOz)*	*Au Metal (kOz)*
Inferred	6.0	3.2	1.4	56.0	0.6	191	84	10,819	116
Total	**6.0**	**3.2**	**1.4**	**56.0**	**0.6**	**191**	**84**	**10,819**	**116**

Caijiaying Zone VIII Mineral Resources

Zone VIII Domain 1: Zn Resources > 1% Zn

Category	*Tonnes (Mt)*	*Zn (%)*	*Pb (%)*	*Ag (g/t)*	*Au (g/t)*	*Zn Metal (kt)*	*Pb Metal (kt)*	*Ag Metal (kOz)*	*Au Metal (kOz)*
Inferred	6.1	4.4	0.7	36.0	0.5	272	41	7,112	106
Sub-Total	**6.1**	**4.4**	**0.7**	**36.0**	**0.5**	**272**	**41**	**7,112**	**106**

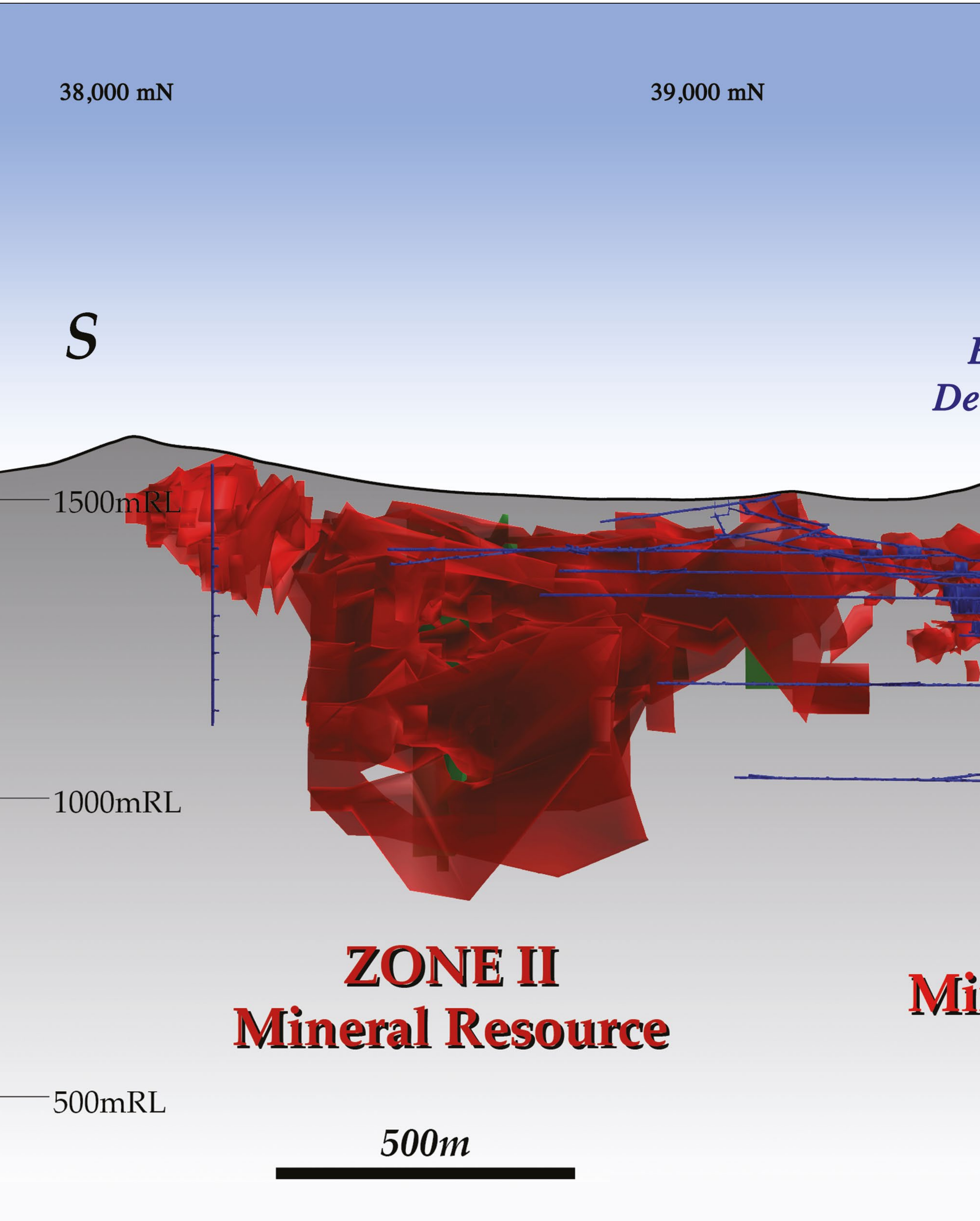
Zone VIII Domain 2: Au Resources > 0.5 g/t Au

Category	*Tonnes (Mt)*	*Zn (%)*	*Pb (%)*	*Ag (g/t)*	*Au (g/t)*	*Zn Metal (kt)*	*Pb Metal (kt)*	*Ag Metal (kOz)*	*Au Metal (kOz)*
Inferred	0.7	0.7	0.7	45.0	2.4	5	5	1,012	54
Sub-Total	**0.7**	**0.7**	**0.7**	**45.0**	**2.4**	**5**	**5**	**1,012**	**54**

Zone VIII Total

Category	*Tonnes (Mt)*	*Zn (%)*	*Pb (%)*	*Ag (g/t)*	*Au (g/t)*	*Zn Metal (kt)*	*Pb Metal (kt)*	*Ag Metal (kOz)*	*Au Metal (kOz)*
Inferred	6.8	4.0	0.7	37.0	0.7	277	46	8,124	160
Total	**6.8**	**4.0**	**0.7**	**37.0**	**0.7**	**277**	**46**	**8,124**	**160**

Notes: The information in this report that relates to Mineral Resources is based on information compiled by Mr. Steve Rose. Mr. Rose is a full-time employee of Rose Mining Geology Pty Ltd and is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr. Rose has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Persons as defined in the 2012 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr. Rose consents to the disclosure of the information in this report in the form and context in which it appears.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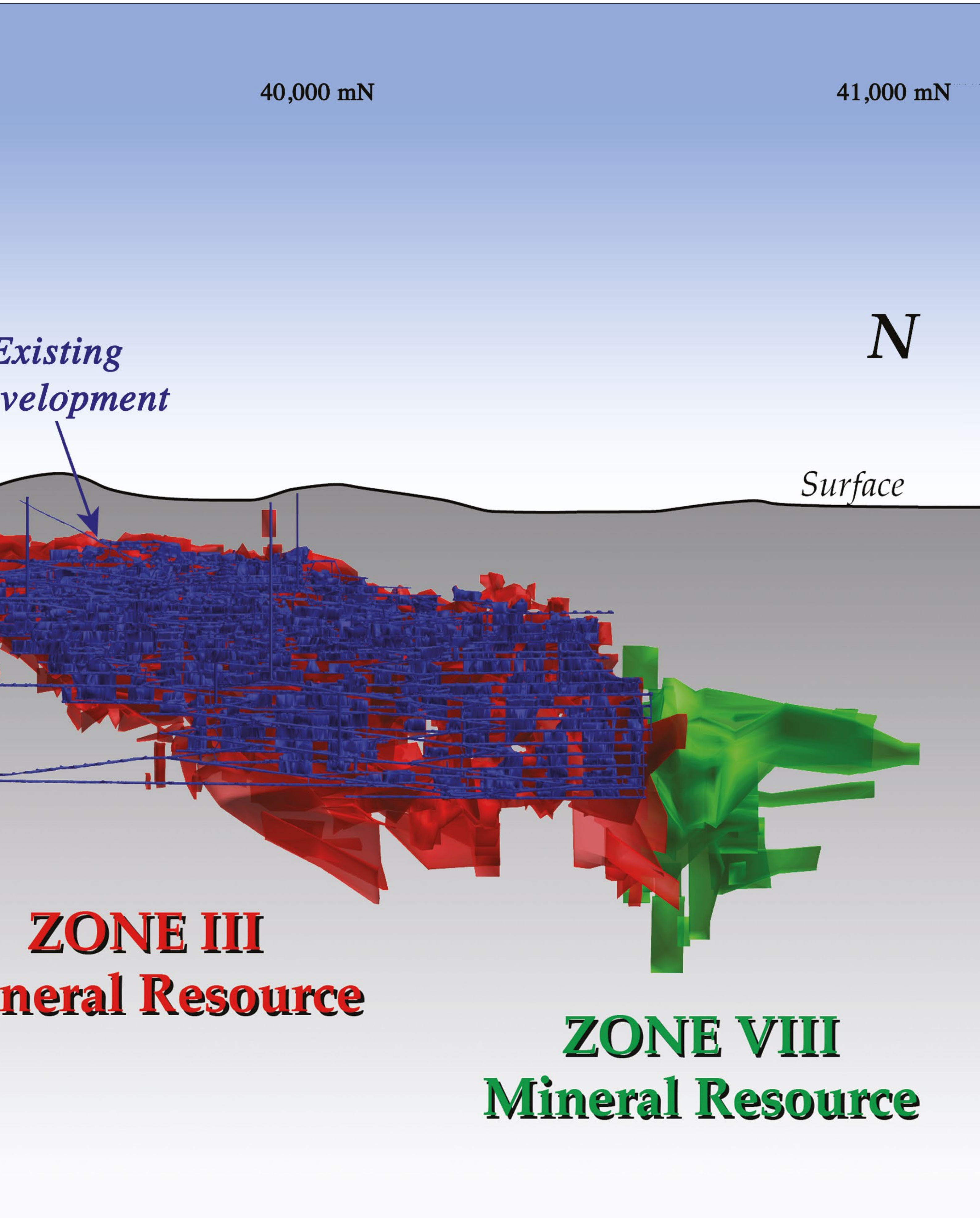


Long Section Orientated West of the Zone III Mineral Resource Wireframes (red) and Underground Development and Stoping (blue).

Caijiaying (continued)

EXPLORATION

Hebei Hua Ao Mining Area

Near-mine exploration at Caijiaying remains a critical component of the overall diamond drilling strategy as Zone III transitions into mature production and new mining fronts in Zone II are developed. Over the years, structural, lithogeochemical and technical studies have significantly advanced the geological understanding of the deposit, guiding exploration programs focused on targeting depth extensions and identifying potential parallel mineralization trends to the east and west of the known resource.

In 2024, deep drilling commenced below the 1000mRL from a dedicated exploration drill drive at the 1020mRL in the northern sector of Zone III. This program aims to delineate resource extensions downward, initially to the 750mRL and eventually to the 500mRL, with the goal of expanding the mining license footprint beneath the current operational area. While still in its early stages, initial observations suggest robust orebody extensions in Zone III's central zone. To the north and encroaching from the west, basement rocks — including granulite and porphyry — host narrow, gold-bearing hydrothermal breccia zones with subordinate zinc mineralization. The geometry and continuity of these structures are still being defined highlighting the evolving complexity of the mineralized system.

Regional Exploration

The continued safe production and mine expansion at the Caijiaying Mine continue to be the core focus for Griffin. While there has been no on ground regional exploration activities the Company continues efforts to unlock the full exploration potential at the adjacent Zone V and VIII project areas which remain at the retention license stage. In addition, research and site visits for potential project acquisition opportunities occurred both within and outside Hebei province.

OPERATIONS

Production at the Caijiaying Mine in 2024 and 2023 may be summarised as follows:

Year to 31 December		**2024**	2023
Ore mined	Tonnes	**1,149,146**	1,505,642
Ore processed	Tonnes	**1,169,098**	1,513,977
Zinc in concentrate Produced	Tonnes	**39,444**	56,933
Gold in concentrate produced	Ozs	**16,142**	17,052
Silver in concentrate produced	Ozs	**275,697**	314,667
Lead in concentrate produced	Tonnes	**1,295**	1,546

The safety and welfare of Griffin's workforce remains a priority with underground and surface operations conducted safely and consistently. Unfortunately, the Company recorded the death of a contractor employee and a subsequent disruption to operations in the fourth quarter of 2024.

Throughout 2024 there was a continued focus on safety with significant investment in equipment and systems at six times the legal requirement in China with unrelenting continual training of the Chinese workforce. Despite the major steps forward in recent years to lift safety standards and exceed Chinese regulatory requirements in numerous areas, it is devastating to have experienced a loss of life in 2024.

The continual push to improve mine safety with mechanisation and modernisation of the underground mine has entailed adding a cable bolting jumbo, additional remote emulsion charge units, a new batch plant for mechanised shotcrete, 3 new workshops, underground personnel tracking, digital communications, automated key equipment monitoring, fire suppression on mobile equipment and the ongoing phase out of manual tasks across the business.

Production up to the end of the third quarter of 2024 was on track to achieve a record year in almost all areas, reinforcing the positive steps made in 2023 to sustainably mine and process 1.5 million tonnes per annum ("mtpa"). Unfortunately the contractor fatality resulted in a complete shutdown in production from 11 October 2024 to 1 January 2025.

Mine scheduling is a key area of focus with the ongoing development of Zone II and production from Zone III occurring simultaneously. Zone III has been mined continuously for 20 years and is entering a phase with a high proportion of remnant stopes and awkward production areas. This requires constant work to ensure grades are balanced and managed in highly variable and complex conditions prior to Zone II entering production.

Zone II, currently in development, will provide access to over 36 million tonnes of ore for immediate production securing the future operation of the Caijiaying Mine past 2050 at minimum rates of 1.5 mtpa. With over 100km of underground development in the Caijiaying Mine, it is one of the most significant capital developments in underground zinc global production.

Mine development continued into Zone II in 2024 with 3,226 meters of horizontal and decline development and 444 meters of ventilation shaft development. Work is on track for mine development at Zone II to be completed in 2025 with trial mining to commence in 2025 and full production approval from Chinese regulators expected in the first quarter 2026 enabling production to ramp up to 1.7mtpa.

Work is ongoing to increase the capacity of the mill to a sustainable 1.7mtpa throughput, the per annum equivalent of which was achieved in the third quarter of 2024. Subject to receipt of appropriate permits, plans are being developed to increase production from Zones II and III to match increased mill capacity.

Numerous optimisation studies are ongoing to assess mineral processing modernisation and automation with the objective of increasing recovery and throughput while decreasing input costs for energy, consumables, wearing components and reagents.

In 2025 the initial focus will be on ramping up production in accordance with Chinese regulators instructions, following the suspension of operations in the last quarter of 2024.

Significant progress was made during 2024 towards the aim of operations at the Caijiaying Mine being carbon neutral following the construction of the solar farm at the Caijiaying Mine in 2023. In April 2024, Hebei Hua Ao entered into an agreement with Zhangjiakou Guoao New Energy Co Ltd for the Caijiaying Mine to be the sole consumer of energy generated from two 6.3MW wind turbines generating a total of 12.6MW of wind power connected via existing 36,000 volt mains electrical power lines. During 2024, 75.9% of energy used at the Caijiaying Mine was from renewable energy resources, being primarily wind and solar generated.

Hebei Hua Ao continues to work towards 100% renewable energy. In addition to renewable energy generation, Hebei Hua Ao is 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.

The Caijiaying Mine is in a period of rapid change with the development of Zone II, which combined with processing plant upgrades and other improvements, will provide a sustainable base for development and growth.

Long Hole Jumbo Rig

Financial Results

SUMMARY

The results for 2024 were severely impacted by the suspension in operations at the Caijiaying Mine during the fourth quarter of 2024 following the fatality of an employee of a contractor underground in the mine on 11 October 2024. As a result, in 2024 the Company and its subsidiaries (together the "Group") recorded;

- Revenues of $135,128,000 (2023: $146,023,000);
- Gross profit of $51,251,000 (2023: $51,842,000);
- Earnings before depreciation, interest and tax of $41,901,000 (2023: $51,863,000)
- Operating profit of $17,288,000 (2023: $23,837,000);
- Profit before tax of $17,903,000 (2023: $24,486,000);
- Profit after tax of $11,351,000 (2023: $15,236,000); and
- Basic earnings per share of 6.08 cents (2023: 8.03 cents).

Griffin was on course over the first 9 months of 2024 to mine and process 1.5 million tonnes at the Caijiaying Mine in 2024. The unfortunate suspension in operations on 11 October 2024 following the fatality of a mine contractor's employee halted all operations at the Caijiaying Mine until 1 January 2025 and severely impacted operational results in the last quarter of 2024. All mine and milling operations have returned to operation in 2025.

Ore mined was down 23.7% from that in 2023 to 1,149,146 tonnes, all of which was extracted from Zone III and ore processed was down 22.8% on that achieved in 2023 to 1,169,098 tonnes, resulting in:

- Zinc metal concentrate production was down 30.7% on that achieved in 2023 to 39,444 tonnes;
- Gold metal in concentrate production was down 5.3% on that achieved in 2022 to 16,142 ozs;
- Silver metal in concentrate production was down 12.4% on that achieved in 2023 to 275,697 ozs; and
- Lead metal in concentrate production was down 16.2% on that achieved in 2022 to 1,295 tonnes.

LME zinc prices for 2024 were 5.3% higher than that in 2023. Smelter treatment charges and transport costs fell in 2024 from 27.0% of LME in 2023 to 13.4% in 2024. Gold prices increased throughout 2024 as did silver and lead prices with Hebei Hua Ao receiving a premium price on lead and gold in concentrate sales.

With less ore mined, hauled and processed as a result of the suspension in operations in the fourth quarter of 2024, cost of sales (mining, haulage, and processing, including depreciation) fell by $10,304,000 (10.9%) from that in 2023.

Operating (administration) expenses, excluding the Chinese partners remuneration and share incentive scheme charges, rose by $3,206,000 (15.2%) from that in 2023. The Chinese partners remuneration for services rendered decreased by $394,000 (10.9%) from that in 2023. A full year charge of $6,165,000 (2023: $3,018,000) was made in respect of the Group's share incentive plan.

The Group benefited from interest receipts on bank deposits of $1,753,000 in 2024 compared with $1,394,000 in 2023.

Full provision has been made in 2024 of $599,000 against costs capitalised in respect of the Siding zinc venture in southern China with an impasse reached in progressing this venture any further.

With the replacement and upgrade of various facilities at the Caijiaying Mine, including the backfill plant and workshops, losses on the disposal of equipment of $1,108,000 (2023:$784,000) were incurred.

Foreign exchange losses, finance and other interest costs of $42,000 (2023: $289,000) were recorded. Other income of $527,000 (2023: 352,000) was received.

As a result, Group profits before tax declined from $24,486,000 in 2023 to $17,903,000 in 2024.

REVENUE

Revenue in 2024 of $135,128,000 was down $10,895,000 (7.5%) on that achieved in 2023 of $146,023,000. This reflects zinc in concentrate sales down $15,882,000 (14.2%) with 39,814 tonnes of zinc metal in concentrate sold in 2024 compared with 57,998 tonnes in 2023, a decrease of 31.4% reflecting lower production with the suspension in production in the fourth quarter and lower head grades. The average zinc metal in concentrate prices received rose from $1,931 in 2023 to $2,414 in 2024, a rise of 25.0%. This reflects a rise in the average LME price from $2,647 in 2023 to $2,786 in 2024, whilst smelter treatment charges and transport costs have fallen from 27.0% of LME in 2023 to 13.4% in 2024.

Lead and precious metal in concentrate sales in 2024 of $46,473,000 were up $4,045,000 (9.5%) on that achieved in 2023 of $42,428,000. This reflects higher metal prices received despite lower production.

Sales may be summarised as follows:

	2024	2023
Zinc metal in concentrate revenue before royalties ($000s)	**96,127**	112,008
Lead metal in concentrate revenue before royalties ($000s)	**3,522**	3,949
Silver metal in concentrate revenue before royalties ($000s)	**6,739**	6,172
Gold metal in concentrate revenue before royalties ($000s)	**36,211**	32,306
Royalties	**(7,471)**	(8,413)
Zinc metal in concentrate sold (tonnes)	**39,814**	57,998
Lead metal in concentrate sold (tonnes)	**1,300**	1,557
Silver metal in concentrate sold (ozs)	**276,939**	317,348
Gold metal in concentrate sold (ozs)	**16,252**	17,107
Average price received per tonne (zinc) ($)	**2,414**	1,931
Average price received per tonne (lead) ($)	**2,709**	2,535
Average price received per ounce (silver) ($)	**24.3**	20.1
Average price received per ounce (gold) ($)	**2,228**	1,952

COST OF SALES

With less ore mined, hauled and processed as a result of the suspension in operations in the fourth quarter of 2024, cost of sales (mining, haulage, and processing, including depreciation) fell by $10,304,000 (10.9%) from that in 2023 with production costs per tonne of ore processed rising from $62.2 per tonne in 2023 to $71.7 per tonne in 2024. This in the main reflects the impact of the suspension of operations in the fourth quarter with ongoing fixed costs.

Costs of sales may be summarised as follows:

	2024	**Per tonne ore**	2023	Per tonne ore
	$000	**$**	$000	$
Mining costs	**25,993**	**22.6**	25,579	17.0
Haulage costs	**13,171**	**11.2**	18,098	12.0
Processing costs	**20,824**	**17.8**	23,197	15.4
Depreciation depletion and amort’	**22,647**		25,385	
Stock and WIP movements	**1,242**		1,922	
	83,877	**71.7**	94,181	62.6

Financial Results (continued)

Cost of Sales (continued)

Mining

1,149,146 tonnes of ore were mined in 2024, down 23.8% on that mined in 2023 of 1,505,642 tonnes, reflecting the suspension in operations in the fourth quarter of 2024. Mining costs in the first three quarters of 2024 remained much in line with that in 2023. As a result of less ore mined at broadly the same cost, unit costs rose from $17.0 per tonne mined in 2023 to $22.6 per tonne in 2024.

Haulage

1,174,811 tonnes of ore were hauled in 2024, down 22.2% on that hauled in 2023 of 1,509,098 tonnes, tracking ore mined. Haulage costs in 2024 were down $4,927,000 (27.2%) on that in 2023, resulting in a reduction in unit costs from $12.0 per tonne hauled in 2023 to $11.2 per tonne in 2024 reflecting a reduction in average distances hauled.

Processing

1,169,098 tonnes of ore were processed in 2024, down 22.8% on that processed in 2023 of 1,513,977 tonnes, tracking ore mined and hauled. Processing costs in 2024 were down $2,374,000 (10.2%) on that in 2023, resulting in an increase in unit costs from $15.3 per tonne processed in 2023 to $17.8 per tonne in 2023, reflecting fixed costs.

Depreciation

Depreciation charges in 2024 were down $2,738,000 (10.8%) on that incurred in 2023 reflecting reduced ore mined upon which mine development costs are depreciated calculated on a unit of production basis, whilst plant and equipment costs are depreciated on a straight line basis.

OPERATING EXPENSES

Operating (administration) costs (excluding the minority interest charges and share incentive scheme charges) in 2024 of $24,289,000 were up $2,841,000 (15.2%) on that incurred in 2023 of $21,083,000.

Hebei Hua Ao's operating costs in 2024 of $14,820,000 were up $427,000 (3.0%) on that incurred in 2023 of $14,393,000. Increased personnel costs have been offset by savings in local partner service and consultancy fees.

Griffin and Griffin Mining (UK Services) Ltd company corporate costs of $8,595,000 (excluding share incentive scheme charges) were up $2,715,000 (26.2%) on that incurred in 2023 of $5,880,000.

China Zinc's operating costs of $794,000 were up $71,000 (9.8%) on that in 2023 of $723,000, with additional personnel costs.

The Chinese partners remuneration for services rendered decreased by $394,000 (10.1%) from that in 2023 reflecting lower Hebei Hua Ao profits.

$6,165,000 (2023: $3,019,000) has been provided relating to a full year's share incentive plan charges.

PROFITS BEFORE TAX

After interest, foreign exchange adjustments, impairment provisions and other income, a profit before tax of $17,903,000 was recorded for 2024 compared to $24,486,000 in 2023. The profit before tax in 2024 was after charging / crediting;

- Impairment of $599,000 against costs capitalised in respect of the Siding venture in southern China with an impasse in progressing this venture and the redundancy of the business development manager overseeing this project.
- The Group benefited from interest receipts on bank deposits of $1,753,000 in 2024 (2023: $1,394,000).
- Losses on disposal of equipment of $1,108,000 (2023: $784,000) were incurred primarily on redundant equipment being upgraded.
- Foreign exchange translation losses were recorded of $186,000 (2023: $136,000) primarily on the weakening of the Renminbi.
- An interest credit of $265,000 (2023: $110,000) arose in respect of rehabilitation provisions.
- Other income of $527,000 (2023: $352,000) was recorded from waste sales, indemnities and government subsidies.
- Finance lease interest charges on the London Office of $37,000 (2023: $42,000) were charged.

TAXATION

Taxation of $6,552,000 has been charged in 2024 (2023: $9,250,000). This comprises: 25% of Hebei Hua Ao's profits under Chinese accounting standards amounting to $10,480,000 (2023: $11,130,000); withholding tax of 5% on intercompany dividends received of $689,000 (2023: $897,000); and UK corporation tax on Griffin Mining (UK Services) Limited profits of $200,000 (2023: $179,000). China Zinc benefited from a tax credit of $13,000. Deferred tax arising on accelerated depreciation of $4,804,000 has been credited (2023: credit of $2,694,000).

EARNINGS PER SHARE

Basic earnings per share fell from 8.03 cents per share in 2023 to 6.08 cents per share in 2024. With all share purchase options having been exercised or lapsed there was no dilution in earnings per share in 2024. 2023 diluted earnings per share was 7.98 cents.

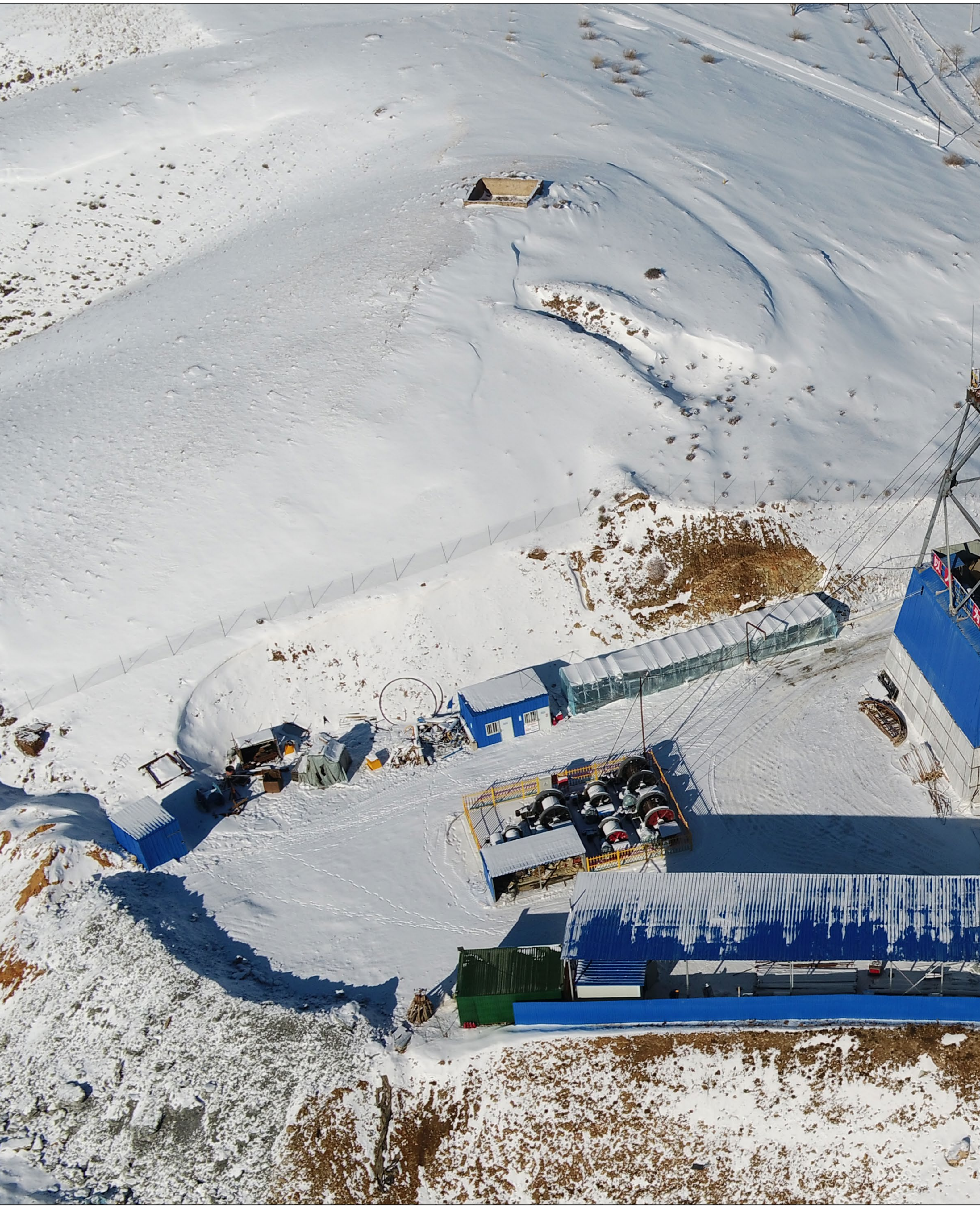
CASH FLOW

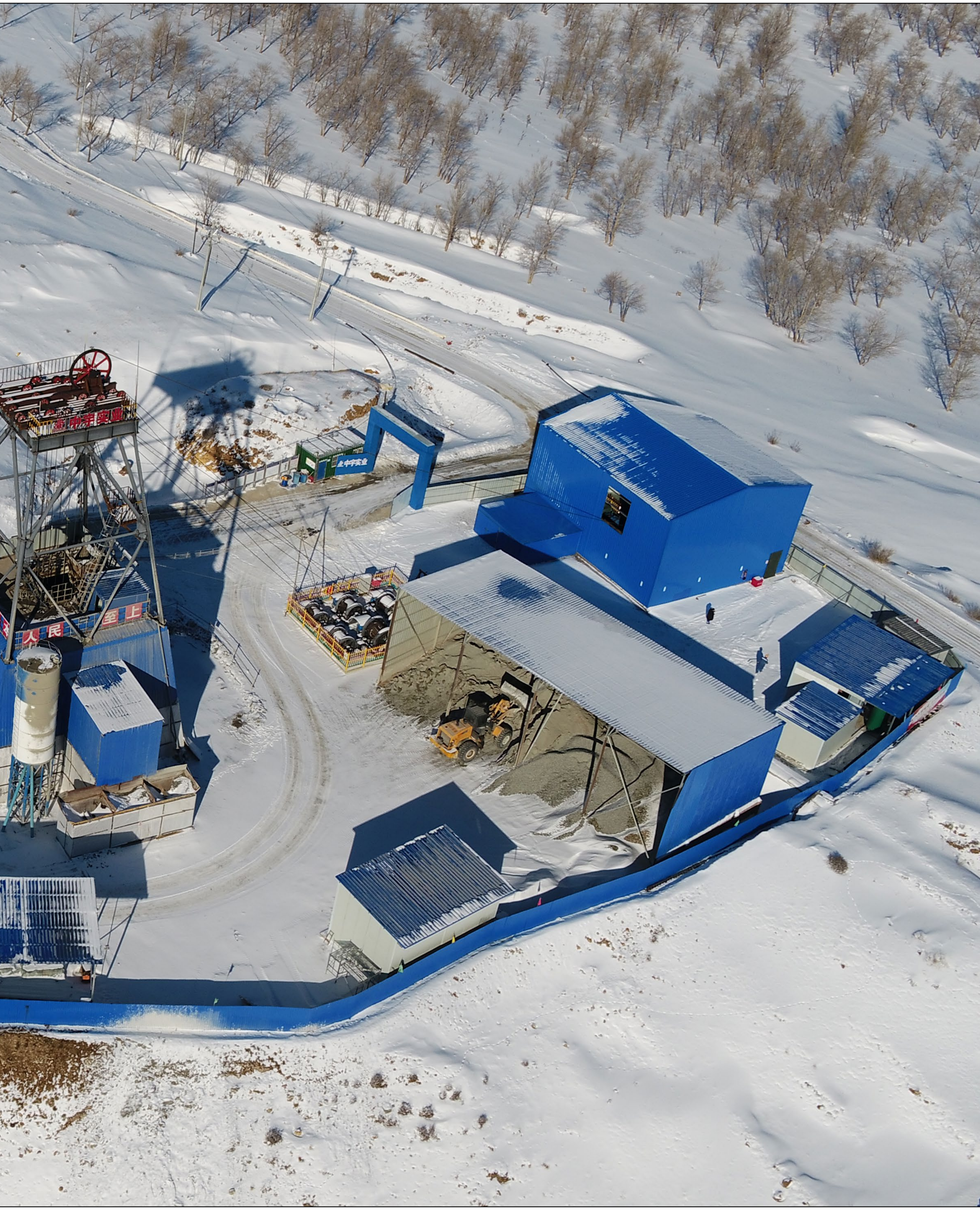
In the year ended 31 December 2024 cash balances decreased by $11,249,000.

$19,582,000 (2023: $48,377,000) was generated from operations in 2024. Capital expenditure, net of disposals, of $20,898,000 (2023: $23,279,000), was incurred in 2024. Interest on bank deposits of $1,753,000 (2023: $1,394,000) was received in 2023. $828,000 was received on the issue of new ordinary shares on the exercise of share purchase options. $12,515,000 (2023: $373,000) was expended on the buyback of ordinary shares in 2024

NET ASSETS

Attributable net assets per share at 31st December 2024 was $1.47 (2023: $1.40).





Southern Ventilation Shaft Under Construction

Sustainability, Environment And Local Community

OVERVIEW

The directors and management are focused on ensuring the long-term sustainability of the Group and its business to benefit its shareholders and other stakeholders. Sustainability is supported by the Group's values; operating in an environmentally responsible manner by continually improving circular and low-carbon operations including engagement in green partnerships, targeting zero waste, prioritising the health and safety and development of employees, conducting business with integrity throughout the Group and supply chain as well as actively engaging and contributing to the local community.

The report is prepared with reference to the *Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI Standards)*, *the Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR 4.0)*, the *Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises – Mining Industry (CASS-CSR 4.0)* of the Chinese Academy of Social Sciences, and the *Guide for Business Action on SDGs* by the UN Global Compact.

Unless otherwise stated, the report covers the period from 1 January 2024 to 31 December 2024. To enhance data comparability, part of the content is outside of the above period.

Since its establishment and commencement of operations in 1994, the Company has pursued a policy of green, ecological, and efficient operations. Whilst maintaining green operations, it continuously refines the management of Caijiaying, explores sustainable development paths, and contributes to green, low-carbon, and circular economic development. The Company places great emphasis on corporate culture and employee care, with safety as a core value. It upholds values such as mutual respect, teamwork, dedication, pursuit of excellence, innovation, and integrity. By prioritising technological innovation and management advancement, the Company actively fulfills its corporate social responsibilities, striving to maximise both economic and social benefits from mining development and to establish itself as a top-tier mining enterprise.

ENHANCING COMPLIANCE GOVERNANCE

Sustainable Development Governance ("SDG")

Sustainable Development Governance Concept

Griffin recognizes that a strong governance framework for sustainable development is essential for a Company's long-term success. The Company upholds principles of environmental sustainability, social responsibility, and efficient governance. Griffin integrates safety and green mining concepts into its corporate strategy while refining compliance governance. Through continuous improvement of its environmental management system, Griffin strives to reduce waste and pollutant emissions, enhance energy and resource efficiency, and undertake land reclamation and ecological restoration to minimise any environmental impact. Additionally, Griffin maintains positive relationships with local communities, contributing to their economic development and infrastructure improvement. Furthermore, Griffin has established a robust ESG governance framework, adheres to the highest ethical standards, and enhanced risk management systems. Griffin believes that compliance is the cornerstone of stable corporate development and a key factor in earning stakeholder trust.

Sustainable Development Governance Structure

The Company integrates sustainable development governance into its strategic and operational activities, continuously optimising the governance framework to ensure effective ESG management. Griffin has established a three-tier governance structure comprising the Board of Directors, Management, and relevant functional departments, each with clear roles and responsibilities:

- **Board of Directors:** As the highest governing body, it is responsible for formulating and refining sustainable development strategies, overseeing their implementation, assessing risks and opportunities related to sustainability, and monitoring performance and targets.

- **Management**: It is responsible for coordinating and guiding sustainability initiatives, reporting regularly to the Board on ESG progress, and overseeing the preparation and disclosure of sustainability reports.
- **Functional Departments:** It is responsible for advancing and implementing sustainability strategies and executing specific ESG initiatives.

Stakeholder Communication

The Company values stakeholder engagement and has established diverse and regular communication channels to understand and address stakeholder concerns and expectations.

MAJOR STAKEHOLDERS	MAIN CONCERNS	COMMUNICATION AND FEEDBACK CHANNELS
Government and regulatory agencies	Legal compliance	Complying with the requirements of laws and regulations
	Safety and environmental protection	Daily communication and reporting
	Creating job opportunities	Government meetings and visits
	Boosting economic development.	Strategic cooperation
Shareholders and investors	Compliance operation	Shareholders meeting
	Risk management	Performance conference
	Sustainable development governance	Disclosure of information such as periodic reports and policies
	Information transparency	Investor communication platform
Employees	Human rights protection	Employee representative meetings
	Compensation and benefits	Employee performance interview
	Employee care	Regular safety inspection and reporting
	Training and development	Employee activities
	Occupational health and safety	Employee activities
Suppliers and business partners	Customer service	Customer satisfaction surveys
	Supply chain management	Responsible procurement
	Product quality	Strict and independent assay and moisture checks of concentrate sold
	Promoting the development of industrial chain	Experience exchange and technical cooperation
Community	Community investment.	Involvement in local community communication
	Social	Supporting community development
	Environmental protection and ecology.	Insisting on low-carbon operations
	Climate change.	Mining area project meeting

Sustainability, Environment and Local Community *(continued)*

Materiality Analysis

In 2024, to better identify and evaluate the importance of ESG key issues, Griffin conducted a materiality analysis, selecting the topics most relevant to stakeholders and forming a materiality matrix to guide the sustainable development work and practice of the Company.

Identification and Selection

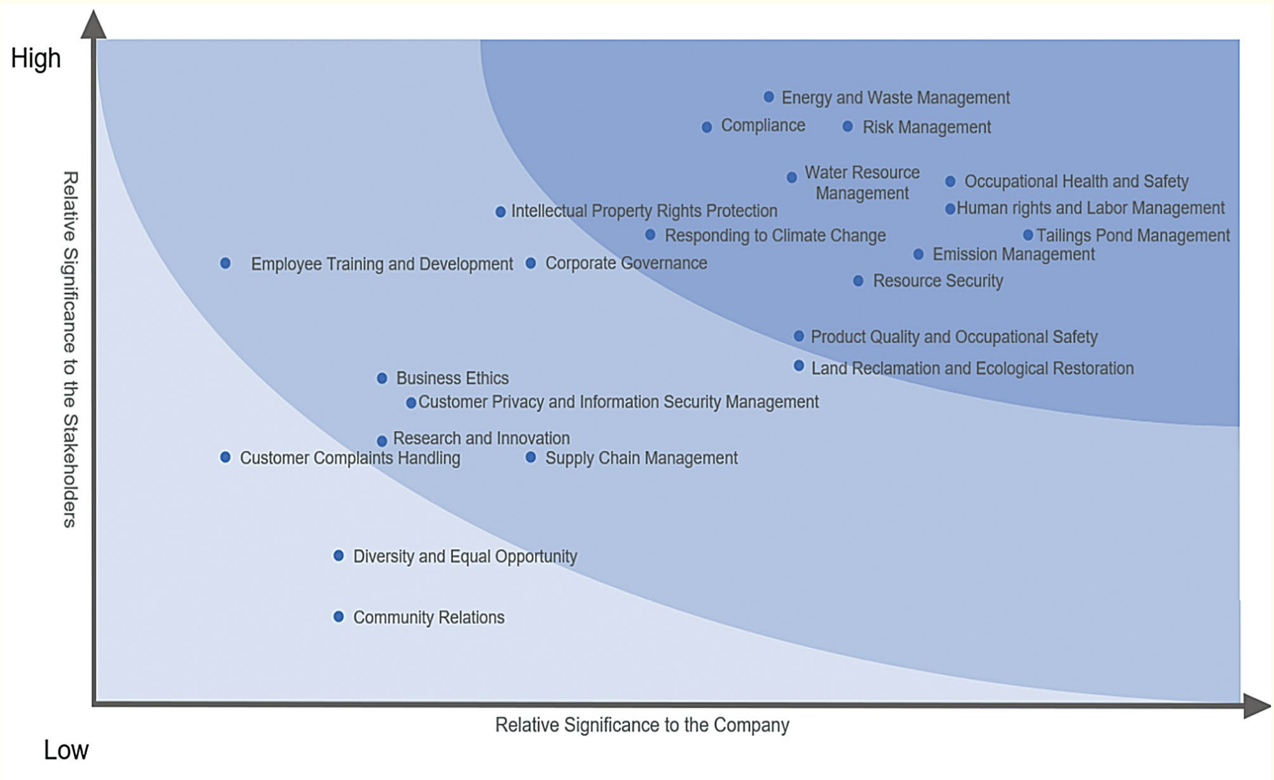
According to domestic and foreign regulatory policies, the Company's own business characteristics and development and industry dynamics and other standards, 22 ESG key issues closely related to the Company's business development are selected to form a list of ESG key issues.

Assessment and Analysis

Conducting a questionnaire survey for internal and external stakeholder groups, including government and regulatory agencies, shareholders and investors, employees, suppliers and partners, and the community, and carrying out an assessment and analysis of the importance of the issue based on the questionnaire results.

Confirmation and Report

Through the questionnaire results, the issues were prioritised in two dimensions of "Relative Significance to the Company" and "Relative Significance to the stakeholders" to form the Company's 2024 analysis matrix of substantive issues, which was disclosed in this report.



Analysis matrix of substantive issues

Business Ethics

Honesty and integrity are core principles and guide Griffins business operations. Griffin continuously strengthens its business ethics management system, proactively identifies and assesses potential risks, and formulates targeted management strategies to enhance its ability to prevent and control ethical risks. Employees at all levels must strictly comply with relevant laws and regulations, adhere to the highest ethical standards, and oversees best business ethics practices. Griffin encourage all employees and business partners to participate in ethical supervision, fostering a business environment rooted in integrity.

Anti-corruption Management

Griffin identifies anti-corruption-related regulations, and strictly abides by the *Anti-Unfair Competition Law of the People's Republic of China*, the *Anti-Money Laundering Law of the People's Republic of China*, the *Anti-Monopoly Law of the People's Republic of China* and other relevant laws and regulations. Through the formulation and implementation of a series of measures, Griffin clarifies the requirements of business ethics, regulates the behaviour of employees, and updates the construction of compliance management systems. In this regard, Griffin:

- Develops a code of conduct for employees and detailed anti-corruption policies, clarifies the behavioural standards and requirements of business ethics for employees at all levels, monitors the Company's business operations and the commercial behaviour of stakeholders, and strictly prohibits any director or employee from engaging in illegal or unethical economic activities.
- Calls upon all departments to adhere to the principles of anti-corruption and clean governance. Clearly states the prohibition of all forms of bribery and corruption during the onboarding of new employees. Requires all employees to promptly report any gift exchanges.
- The Human Resources Department and the relevant management of the Operations Department are responsible for regularly reviewing, assessing, and updating the code of conduct for employees. Griffin identifies and strives to avoid potential risks to its business and operational processes.
- Strengthens daily supervision and regular reviews. Optimises the reporting process for anti-corruption and anti-fraud activities. Standardises the procedures for employee reporting and investigations to ensure compliance requirements are met.
- Promotes a culture of integrity by regularly organising various trainings and publicity activities. Ensures employees understand and embrace the Company's culture of integrity. Integrates anti-corruption concepts into employees' daily work.
- Conveys a zero-tolerance attitude towards bribery and corruption to suppliers and partners. Includes anti-corruption clauses in supplier agreements and contracts for goods and services to create a harmonious and clean business environment.

Whistleblowing Mechanisms

To ensure the effective implementation of the Company's business ethics standards, Griffin places great emphasis on and continuously optimises the construction of reporting mechanisms. The Company advocates that employees at all levels and partners actively participate in the supervision of integrity and honesty. Griffin has established a variety of reporting channels to facilitate employees and stakeholders in reporting any behaviour that violates business ethics, is illegal, or is inappropriate.

Griffin strictly enforces a whistleblower confidentiality policy, providing whistleblowers with the option to report anonymously or under their real name. Griffin strictly keeps the identity of the whistleblower and the information of the report confidential. Griffin explicitly prohibits any form of retaliation and protects the legitimate rights and interests of whistleblowers. For reported matters, Griffin standardizes the investigation and handling procedures to ensure the objectivity and fairness of the investigation. Griffin promptly corrects any non-compliant behaviour that is confirmed to be true. Through the above measures, the Company is committed to creating a corporate culture that is clean, transparent, and fair.

Risk Management and Control

Any non-compliance or unexpected incidents may pose significant risks to the Company, including financial losses and reputational damage. To effectively prevent and respond to potential risks related to production and operations, Griffin has established a systematic risk management framework and response mechanisms. By conducting in-depth identification and comprehensive assessment of various risk sources in our operations, Griffin continuously optimises risk management strategies, improves internal control processes, and promotes a strong risk awareness and sense of responsibility among all employees.

Griffin integrates ESG risk management into its comprehensive risk management system and has developed corresponding control and improvement measures to ensure the efficient implementation of all mechanisms. In identifying major risks, Griffin conducts regular audits to track and supervise the execution of response measures. Issues discovered during audits are continuously revised to effectively prevent the spread and accumulation of major risks.

STRENGTHENING ENVIRONMENTAL PROTECTION

SDGs to which this section responds:

Performance highlights:

- Qualified rate of environmental monitoring results in the PRC reached 100%
- Dust emission up to PRC standards reached 100%
- Hazardous waste safe disposal rate reached 100% of PRC standards
- Recycling rate of production wastewater and domestic sewage reached 100%

Green Operation

The Company adheres to the ecological environmental protection philosophy of "Green Mountains and Clear Waters are Mountains of Gold and Silver" and integrates low-carbon, energy-saving, and emission reduction principles into daily operations. Griffin strictly abides by the *Environmental Protection Law of the People's Republic of China*, the *Environmental Impact Assessment Law of the People's Republic of China*, the *Clean Production Promotion Law of the People's Republic of China* and other relevant laws and regulations. Griffin has developed various management standards, including the Environmental Protection Management Policy, Environmental Responsibility Policy, and Environmental Protection Training Policy, actively fulfilling its ecological protection responsibilities and exploring new models of green development.

Griffin continues to improve its environmental management system, optimises internal management structures and functional allocations. The Environmental Protection Department, as an independent department, takes the lead in daily environmental protection and promotes the development of green mining practices, helping the Company achieve green and sustainable development with higher standards. Griffin has obtained ISO 14001 environmental management systems certification and completed its annual review in 2024, ensuring that the environmental protection management system aligns with international standards.

Exhaust Gas Treatment

Griffin strictly adheres to policies, regulations, and standards related to the prevention and control of atmospheric pollutants in the area of operations at Caijiaying. Griffin has established a *Boiler Desulfurisation, Denitrification, and Dust Removal Management Policy*, ensuring the control of all emissions. By installing exhaust gas treatment devices and online monitoring equipment, Griffin effectively controls the dust generated in the mining process and pollutants such as soot, sulphur dioxide and nitrogen oxides emitted by coal-fired boilers, in accordance with the emission concentration and total amount requirements stipulated in the discharge permits. Griffin constantly seeks to improve such systems. In 2024, Griffin formulated the *Management System for the Prevention and Control of Exhaust Pollutants*, specifying the requirements for exhaust emission standards and control measures, so as to ensure that the emissions continually meet the standards.

The main air pollutant produced by Griffin in the production process is dust. Griffin has installed sealed covers at the main dust producing points and purified them with bag-type dust collectors. The dust collecting efficiency in 2024 was as high as 98.5%. The dust-containing gas is purified by dust collectors and then discharged into the atmosphere, which met the emission concentration limit of $80mg/m^3$ for particulate matter specified in the *Emission Standard of Pollutants from Lead and Zinc Industry* (GB 25466-2010).

For the exhaust gas generated by coal-fired boilers, Griffin continues to carry out ultra-low emission requirements for boilers, upgrades online monitoring equipment of boilers, scientifically managing the flue gas emission of boilers. In 2024, Griffin's exhaust gas emissions meet the standard limit of Hebei Provincial local standard, the *Emission*

Standard of Air Pollutants for Boiler (DB13/5161-2020), with actual emission concentrations at approximately 60% of the emission limit, achieving stable ultra-low emissions.

For other emissions, Griffin uses dry sweepers and fog trucks in areas prone to producing other exhaust gas, and has installed wind-proof and dust-suppression nets around the open ore stock piles. Through the use of dust nets, covering, regular sweeping, and spraying, Griffin effectively controls the spread of dust. Additionally, multiple Total Suspended Particulate ("TSP") online monitoring devices are installed in the mining area to monitor particulate concentrations in real-time, ensuring that unorganised emissions meet the 1 mg/m³ limit set by the *Integrated Emission Standard for Air Pollutants* (GB 16297-1996).

During the reporting period, Griffin achieved full compliance with PRC emission standards for both organised and other exhaust gases.

Wastewater Treatment

Griffin understands the importance of water pollution prevention and control, and therefore strictly implements PRC laws and regulations such as the *Water Pollution Prevention and Control Law of the People's Republic of China*. Water resources management and wastewater treatment is a priority for Griffin and as a result has established and constantly seeks to improve wastewater recovery and reuse system, with treated wastewater that meets standards being re used for cooling, washing and other uses in the production process to minimise the consumption of new water resources.

The main sources of wastewater involved in the production and operation of the Caijiaying Mine are domestic sewage, production wastewater and mine drainage water. Domestic sewage is treated and subsequently added to the production water and used to irrigate the surrounding mine area. The production wastewater is concentrated and filtered in the tailings dry paste workshop, it is then then put into production ensuring full recycling. The mine drainage water is lifted to the water purification station, and the suspended solids are removed by precipitation, which is reused in mineral processing production. The tailings discharged from the processing plant are dried in the dry paste workshop, and the wastewater is recycled into production.

Griffin has set up a circulating water system in the processing plant, including two 500m³ elevated tanks, a 5,000 m³ water storage tank and a 2,000 m³ water storage tank. A water purification station and a sewage treatment station have been installed at the Caijiaying Mine, enabling the reuse of wastewater. As pollutants in the mining area may be dissolved by rainwater causing water pollution, in 2024, Griffin focused on rainwater discharge, regularly cleaning drainage channels, and rainwater collection points. Griffin adheres to rainwater and sewage diversion to ensure smooth rainwater discharge. Additionally, Griffin has strategically positioned observation points around the tailings dams and regularly tests for heavy metal content in the water to prevent seepage affecting the surrounding groundwater. Testing results have shown that all indicators meet the *Standard for Groundwater Quality* (GB/T 14848-2017), ensuring the stability and safety of the surrounding groundwater environment.

In 2024, the Company's mining wastewater treatment rate and utilisation rate continue to maintain 100%, achieving "zero discharge of wastewater" and ensuring the efficient use of water resources.

Noise Management

At the Caijiaying Mine noise sources come mainly from mining machinery, blasting, crushing, screening and milling of ore, as well as boiler room fans and mine ventilators. Griffin strictly complies with the *Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise* and other relevant laws and regulations, implementing various noise management measures.

To effectively control surface noise all high-noise equipment such as crushers, ball mills and air compressors are placed in the plant buildings, and noise reduction facilities such as vibration reduction and noise elimination are also utilised. For high-noise equipment underground, which has less impact on the surface, Griffin has focused on setting up noise barriers through green belts within the plant area. This not only absorbs noise pollution but also increases the plant's greening rate, achieving both noise reduction and environmental protection. At present, the noise in the plant area meets the Class II standard of the *Standard of Noise at the Boundary of Industrial Enterprises (GB12348-90)*.

Sustainability, Environment and Local Community *(continued)*

Griffin has further enhanced employee health protection. In addition to the noise reduction measures for equipment in noisy areas, Griffin provided employees with protective gear such as earplugs, soundproof cotton, and earmuffs to minimise the impact of noise on personnel hearing. Griffin has also added new noise monitoring points, regularly conducting noise monitoring and assessment, enabling ongoing noise reduction plans, and adjusting operations based on monitoring results. This ensures the effectiveness of control measures and safeguards for both employee health and the quality of the surrounding environment.

Waste Disposal

Griffin strictly abides by the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Waste*, the *Regulations on the Safety Management of Hazardous Chemicals* and other laws and regulations, as well as the *Standard for Pollution Control on the Non-hazardous Industrial Solid Waste Storage and Landfill* (GB 18599-2020), the *Standard for Pollution Control on Hazardous Waste Storage* (GB 18579-2001) and other relevant standards. Griffin incorporates waste management into its environmental systems, thereby optimizing resource utilisation and implementing scientific disposal measures to reduce the potential impact of waste on the surrounding ecological environment, while promoting the collaborative development of resource recycling and environmental protection.

Non-hazardous waste comprises waste rock generated from the ore mining, tailings generated from the ore processing, and boiler slag, fly ash and dust collection from the boiler room. Griffin has formulated the *Solid Waste Management System*, aiming at "maximizing comprehensive utilisation" and carries out integrated management of non-hazardous wastes. Griffin utilises the services of third-parties to test waste rocks and tailings to ensure that these are benign. After confirming the composition and suitability non-hazardous waste rock is used for underground filling. The Caijiaying Mine produces about 247,500 tonnes of waste rock every year. Griffin backfills most of the waste rock underground by means of "dry stacking" A paste fill plant is utilised using latest technology to accurately control the back fill of tailings waste through the Programmable Logic Controller ("PLC") automated control system. The paste filling technology not only significantly reduces the amount of wastewater in backfilling, improving mine safety, but also ensures that mineral resources are not wasted. Boiler slag and fly ash are recycled and sold for recycling.

Griffin is exploring further ways of waste recycling including brick production. Any waste rocks that have not been backfilled or directly used are processed into building stones for projects such as road construction, and the construction and lifting of tailings dams. The annual consumption of tailings in the tailings brick-making has reached 200,000m^3, and the finished bricks are exported to many areas outside the province, which greatly relieves the pressure of tailings disposal.

Hazardous wastes generated at the Caijiaying Mine mainly comprise vanadium and titanium catalysts, waste mineral oil, waste empty oil drums, waste engine oil cartridges and waste lead-acid batteries. Griffin has established a series of management systems, including *Hazardous Waste Temporary Storage Room Management Policy*, the *Hazardous Waste Accident Reporting Policy* and other management policies, which provide for the storage and disposal of hazardous waste in details. In 2024, Griffin revised the *Hazardous Waste Management System*, updated the identification signs of hazardous waste in the storage. Griffin further improved hazardous waste storage records to accurately record storage enabling accurate monitoring and maintenance of hazardous waste and that all hazardous waste is handled by qualified third-party institutions for proper disposal.

Tailing Management

As a perceived source of environmental and safety risks, tailings facilities are seen as a key area of risk. Whilst the Caijiaying Mine is in a relatively dry area and stores dry, not wet tailings, in response to potential environmental and safety hazards caused by issues such as pollutant overflow or tailings dam failures, Griffin strictly complies with the requirements of the *Global Industry Standard on Tailings Management* and the *Safety Regulation for Tailings Dams* (GB 39496-2020), for the strengthening and management of tailings dams. In 2024, Griffin revised its tailings dam management system and updated the environmental monitoring program and procedures in accordance with the *Guidelines for Pollution Hazard Investigation and Control of Tailings Dams (Trial)* issued by the Ministry of Ecology and Environment of the People's Republic of China. In doing so Griffin carries out regular monitoring and publicises the monitoring results. Griffin implements strict management and risk prevention and control of the whole life cycle of tailings dams, such as early design, construction, operation and closure.

The tailings dams at the Caijiaying Mine include impermeable geomembrane, which is leakage-free. Griffin has established a comprehensive hazard inspection system for tailings dams, conducting regular annual checks for potential pollution risks and addressing these accordingly. Griffin continuously seeks to improve its ability to handle extreme weather events and strengthen the management of tailings dams. To better respond to potential environmental pollution incidents and organise efficient, orderly, and timely emergency response actions, Griffin has established an Environmental Emergency Leadership Team, led by the Operations Manager (Mine Manager), responsible for all environmental emergency tasks. The Safety and Environmental Protection Department serves as the daily emergency management body, and an on-site emergency command centre is set up during environmental emergency incidents to ensure the safe and stable operation of the tailings dams.

In 2024, the Tailings Storage Facility ("TSF") 3 at the Caijiaying Mine neared the end of its service life. Griffin actively fulfilled its environmental management responsibilities, entrusting a third-party professional design company to carry out the design of dam decommissioning. Griffin is now utilising TSF4. Griffin innovatively adopts a one-time dam construction method of underground waste rock, enhancing the safety of the tailings dam while efficiently utilizing waste rock resources. To strengthen environmental monitoring and risk management, Griffin has set up observation points around the tailings dams and performs quarterly sampling and testing. During the reporting period, no abnormalities were found in any of the monitoring data.

Resource Usage Management

A primary objective in mining operations is to extract ore in the most efficient and economic manner ensuring the maximum utilisation of resources through effective management and technological upgrades. In terms of resource control, Griffin places significant emphasis on exploration and mineral discovery. This has included an additional 15,000 meters of geological drilling with improved exploration effectiveness, equipped with core orientation devices and X-ray fluorescence (XRF) multi-element analysers. These tools have enabled Griffin to obtain ore grade data at various depths and locations, allowing for precise calculation of mineral resource, reserves and accurate planning of mining activities. Moreover, Griffin can extract valuable elements from the ore, ensuring accurate ore grades whilst minimizing dilution and the generation of waste. Griffin has introduced cable bolters to support weak ground conditions, drives and the drive intersections. These are regularly checked to ensure the stability and safety, reducing the risk of collapses.

During the ore processing, Griffin continuously revises processing procedures, to maximise recoveries whilst reducing energy consumption. With cooperation with the University of Science and Technology Beijing, a Mineral Liberation Analyser (MLA) is used to carry out granular research of rare and precious metals, so as to further improve the recovery of those metals.

Energy Management

Griffin strictly abides by the *Energy Conservation Law of the People's Republic of China* and other laws and regulations. Based on the 2024-2025 *Energy Conservation and Carbon Reduction Action Plan* issued by the State Council. Accordingly, Griffin has set clear energy conservation and carbon reduction goals and has established an Energy Conservation and Consumption Reduction Leadership Group, with clear responsibilities, tasked with developing detailed work plans and implementation strategies. Griffin has strengthened its energy management systems, including energy consumption tracking, target responsibility assessments, with reward and punishment procedures. Griffin continuously monitors and manages energy consumption in real-time, using data analysis to identify energy waste taking prompt action to resolve such waste, ensuring the effective energy-saving and carbon-reduction efforts.

Griffin continues to promote the use of energy-efficient lighting and equipment, with daily inspection and maintenance of electrical devices to avoid energy waste including equipment remaining in standby mode for extended periods. Griffin regularly inspects, repairs, and maintains the Caijiaying Mine's plant, promptly servicing, repairing and where necessary replacing aging equipment. Griffin also conducts special inspections and evaluations correcting problems as soon as they are identified.

Taking full advantage of local renewable energy resources, Griffin makes maximum use of local clean energy resources thereby striving to minimize not just Griffin's carbon emissions but that in the wider community. Griffin has constructed a solar facility on the decommissioned and restored tailings facilities 1 and 2 at the Caijiaying mine.

Sustainability, Environment and Local Community *(continued)*

This project is the first large-scale distributed photovoltaic facility built using closed tailings dams in the PRC. The project adopts a "self-generation for self-use", with any surplus available to supply the national grid. Creating a new photovoltaic facility with ecological restoration has provided a successful example for ecological recovery and green transformation development across the country. In 2024, this photovoltaic facility generated a total of 10,402.128 MWh of electricity, reducing carbon dioxide emissions by approximately 7,500 tonnes.

Water Resource Management

Whilst the Caijiaying Mine is located in an area with significant water resources, Griffin recognises that effective water resources management is vital to minimize usage for the benefit of the local environment and reduce operational costs. To address this, Griffin strictly adheres to a *Water Conservation Management System*, which guides water usage practices across the organisation. Griffin maintains and upgraded drainage facilities at the Caijiaying Mine, renovating trenches and uses sump pumps to recover overflow water. This ensures that water used during processing is effectively captured, preventing unnecessary water wastage. With regard to domestic water usage, Griffin undertakes enhanced regular inspections of water equipment and has installed secondary and tertiary water meters, and ultrasonic meters. Griffin has also replaced pipeline valves and upgraded toilets from continuous flushing to on-demand flushing, maximizing water efficiency.

In 2024 Griffin further strengthened the monitoring and recording of water usage at the mining site. Griffin conducts water balance tests to gain a comprehensive understanding of water consumption and pipeline conditions. A dedicated testing team has been formed to analyse the water intake, usage, and discharge within the plant. The tests have allowed Griffin to calculate key indicators, such as the water resource reuse rate, circulation rate, and imbalance rate. According to the water balance test reports, Griffin amends its plans, and tasks special personnel for maintenance and management, so as to minimise waste water such as leaking and dripping.

Green Mine Construction

Having been recognised as a "green mine" in China, Griffin has fully implemented PRC national requirements of "developing green mining and building green mines", strictly following industry standards and norms, and adheres to the policy of "development in protection and protection in development", and carries out ecological environment protection during the whole life cycle of mining development, such as mine exploration, mining, mineral processing and tailings facility closure, so as to support sustainable mining development and the harmonious coexistence of ecosystems.

Griffin has established and continuously improves its *Mining Geological and Environmental Protection Policy* and has set up a Green Mine Construction Leading Group, with the operations manager (Mine Manager) as the leader, with relevant leaders in charge as deputy leader, and each production department as a member of the group. Griffin has also formulated a regular green mine training system and performance mechanism, assessment and evaluation system, as well as a green mine construction implementation plan and construction plan. Griffin continues to promote relevant work based on the Green Mine Construction Implementation Plan, and has invested between 5% and 10% of the "total corporate output value" of the "Mine Environmental Protection and Governance Funds" on a regular basis to support green mine construction projects such as coal yard renovation, tailings dam reclamation, road hardening..

In 2024, Griffin advanced green mine construction by investing in research and human resources. Griffin has applied advanced mining technologies, reclamation and greening techniques, and environmental monitoring technologies. Griffin has also enlisted experts from various fields, including geology, environment, ecology, and mining, to guide the planning, implementation, and management of green mining. This has helped improve mining efficiency, mining systems, and integrate ecological restoration and resource efficiency throughout operations.

Key Environmental Performance Indicators - **Emissions:**

Environmental Performance Indicator	***Data in 2024***	*Data in 2023*
Total GHG emissions (Scopes 1 and Scope 2) (tonnes CO2 equivalent)	**64,865.29**	71,179.75
Direct GHG emissions (Scope 1) (tonnes CO2 equivalent)		
Including: Diesel	**1,306.68**	1,544.13
Coal	**12,775.00**	12,526.29
Indirect GHG emissions (Scope 2) (tonnes CO2 equivalent)		
Including: Purchased electricity	**50,783.61**	57,109.30
NOx (tonnes)	**1.43**	1.77
SO2 (tonnes)	**0.23**	0.32
Dust (tonnes)	**0.30**	0.35
Wastewater discharge (10,000 tonnes)	**0**	0
Wastewater discharge intensity (tonnes/RMB million)	**0**	0
Safely disposed hazardous waste (tonnes)	**69.38**	63.55
General solid waste generation (10,000 tonnes)	**107.21**	141.22

Notes:

- *The greenhouse gas (GHG) inventory includes carbon dioxide, methane, and nitrous oxide. GHG emissions are presented in carbon dioxide equivalents and calculated based on the electricity emission factor in the 2019 Baseline Emission Factors for Regional Power Grids in China issued by the Ministry of Ecology and Environment of the People's Republic of China and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (2019 Revision) issued by the Intergovernmental Panel on Climate Change (IPCC). Scope 1 GHG covers GHG emissions directly generated from the businesses owned or controlled by the Company; Scope 2 GHG covers "indirect energy" GHG emissions from the Company's internal consumption (purchased or obtained).*
- *Nitrogen oxides, sulfur dioxide and dust mainly emanate from heating boilers.*
- *In the fourth quarter of 2024, Caijiaying Mining suspended its operation. As a result, the exhaust emissions and greenhouse gas emissions, the comprehensive energy consumption data decreased as a whole compared with the previous year.*

Key Environmental Performance Indicators - Energy and Resources Consumption:

Environmental Performance Indicator	***Data in 2024***	*Data in 2023*
Total energy consumption (MWh)	**110,209.15**	119,196.89
Direct energy consumption (MWh)		
Including: Diesel	**0.005**	0.006
Coal	**39,749.74**	38,975.89
Indirect energy consumption (MWh)		
Including: Purchased electricity	**70,459.40**	80,221.00
Total water consumption (10,000 tonnes)	**54.39**	46.97

Notes:

- *Total energy consumption is calculated based on direct and indirect energy consumption according to the conversion factors listed in the National Standards of the People's Republic of China General Principles for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020).*

Sustainability, Environment and Local Community *(continued)*

Land Reclamation and Ecological Restoration

Griffin understands that mining leads to land being disturbed with potential loss of vegetation cover, soil degradation and ecosystem damage. Therefore protecting the surrounding ecological environment is key to achieving sustainable resource utilisation. Griffin strictly adheres to the Provisions on the *Protection of the Geologic Environment of Mines* and implements land reclamation according to the requirements of the *Mine Geological Environment Restoration and Land Reclamation Plan*. Griffin has developed an annual *Ecological Environment Protection Work Plan* and implemented re-greening projects based on local conditions to promote vegetation restoration and water purification, aimed at minimising the impact of mining activities on the surface and surrounding ecosystems.

Griffin continues to carry out environmental quality monitoring and water quality testing of potential pollution sources including soil and groundwater around the mine area. Griffin monitors environmental changes in surrounding areas on a regular basis in order to take timely action to prevent and rectify any pollution issues. During the selection of sites for construction projects, Griffin considers various factors that may impact the local environment including the location of rivers, lakes and reservoirs and nature reserves. Griffin adheres to the "production while controlling and treating" principle, in doing so has reclaimed and greened any damaged areas achieving a green coverage rate of 100%.

In 2024, Griffin undertook further work in maintaining and greening the land occupied by the Caijiaying Mine including ecological restoration of the tailings facilities and other areas. In further strengthening of annual reclamation monitoring and maintenance, Griffin carried out a reclamation project covering approximately 0.3494 hectares on the southeast side of the north shaft and east side of the north wind shaft. The project involved soil backfilling, vegetation restoration, and ecological optimisation, including planting 6,178 sea buckthorn trees and sowing 2,710 square meters of mixed grass seeds. As a result of these efforts vegetation restoration coverage significantly increased, and the regional ecological function reached planned goals. Griffin regularly monitors and maintains those areas reclaimed, tracking plant growth, planting density, survival rates, canopies, and yield of the plants, ensuring the long-term success of ecological restoration. As of 31 December 2024, Griffin had completed reclamation of 13.7256 hectares of shrubland, 1.5188 hectares of other grassland, and 0.06 hectares of other forest land at the Caijiaying Mine and immediate area. Griffin is implementing further maintenance measures in these areas to solidify reclamation achievements and provide long-term support for regional ecological restoration.

Addressing Climate Change

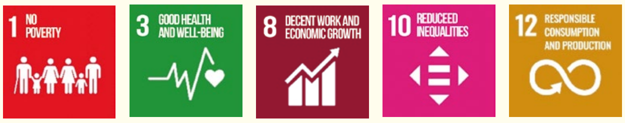
Climate change has become a high profile issue and a global challenge that enterprises throughout the world are being required to play a role in addressing. Whilst Griffin operates in relatively benign climatic conditions it actively identifies and evaluates the climate change risks and opportunities that it may face in the short, medium and long term. The following are the main climate change risks, opportunities and corresponding response measures Griffin has identified:

Risk/Opportunity type		Risk/Opportunity Description	Response Measures
Physical risks	Acute risks	Frequent occurrence of extreme weather, such as rainstorms, floods and typhoons, may lead to environmental and safety accidents, such as mine closure and failure of tailings dams, which may damage the health and safety of Griffin's personnel and property.	Griffin has established an efficient emergency relief mechanism including early warning of extreme weather. In the event of extreme weather Griffin will adjust its production plans, and prepare for production suspension, stopping all operations, minimising vehicle and other transportation activities. ensuring that all emergency measures are in place.
	Chronic risks	Continuous high or low temperature weather may lead to accelerated degradation of rocks and intensified soil erosion, which will affect the stability and mining conditions of mines and lead to the increase of infrastructure construction and maintenance costs.	Griffin undertakes environmental management and ecological protection, optimising infrastructure construction, to minimise the impact of mining activities on the environment by formulating systematic mining plans and implementing environmental protection measures.
Trans-formation risks	Policy and legal risks	National and regulatory agencies place ever higher requirements regarding the management of greenhouse gas emissions and the disclosure of information related to climate change. If enterprises fail to adapt to policy changes in time or fail to meet relevant disclosure requirements, they will face inquiries, warnings, fines or enforced shut downs from regulatory agencies.	Griffin pays close attention to changes of PRC national policies including that concerning climate change, energy conservation and environmental protection, analysing the possible impact of new policies on operations, formulating corresponding management measures, and making preparations in advance by increasing investment in energy conservation, carbon reduction technologies and optimizing energy structures.
	Market risks	Market pressure for green, low-carbon and environmental protection concepts and the improvement of environmental protection requirements may lead to the increase in production costs, loss of product markets and enterprise value.	Griffin pays attentions to the expectations of the market for mining enterprises, increases the utilisation of clean energy, minimizes waste and pollution, and where possible improves product quality.
	Technical risks	Not utilising latest technological, energy efficient processes resulting in uncompetitive operations and potential losses.	Griffin engages technological experts, investments in technology research and development, and works closely with scientific research institutions and universities to ensure it uses the most up to date and environmentally friendly technologies.
	Reputation risks	Poor performance in dealing with climate change may cause stakeholders to lose confidence in the Company damaging its reputation and image.	Griffin regularly reviews its development strategy and makes timely adjustments according to the current circumstances. Communication is maintained with stakeholders, taking account of their views in the development of the business.
Oppor-tunities	Products and services	The development and application of green, low-carbon products are expanding, particularly with the increased demand for metals as the world seeks to go carbon neutral and move towards e commerce.	Griffin seeks to produce high quality metals in concentrate that are increasing in demand.
	Resources and cooperation	Collaboration with industry peers or other professional institutions creates more opportunities, for improvements in operations and efficiencies with attendant cost savings.	Griffin seeks connections with industry organizations, to collaborate on improvements to operational efficiencies and product quality.

Sustainability, Environment and Local Community *(continued)*

BUILDING A HARMONIOUS SOCIETY

SDGs to which this Section responds:



Happy Employees

Talent is the key driving force behind the development of Griffin and its business. Griffin adheres to the principle of "people-oriented," caring for the physical and mental health of employees, and improving their talents. Griffin strives to develop effective communication channels, and create an equal, safe, and inclusive workplace environment. Griffin endeavours to enhance employees' sense of happiness and accomplishment.

Employment

The Company abides by the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China*, the *Trade Union Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Women's Rights and Interests* and other laws and regulations, and has formulated relevant systems related to employment, salary and benefits, as well as humanistic care, employee communication, working hours and vacation management, diversity, anti-discrimination, and human rights protection. These measures are regularly reviewed and revised as appropriate to take account of recruitment conditions and relevant laws and regulations. Griffin provides equal opportunities for employees in recruitment, benefits, training, development, and promotion, adhering to the principle of equal pay for equal work and avoiding discrimination based on factors such as race, age, gender, marital status, or religious beliefs. Griffin operates a transparent and fair recruitment process, adopting a dual-channel recruitment approach, both internal and external, with the aim of encouraging employee development and introducing fresh talent. In 2024, Griffin established a recruitment mechanism in collaboration with third-party agents to assist in identifying and recruiting specialised personnel, effectively improving recruitment efficiency and alleviating the demand for talented personnel..

As of 31 December 2024, Hebei Hua Ao had 501 employees with a further 4 employees elsewhere in the Griffin Group of companies.

Employment

Category		*As of 31 December 2024*
By gender (persons)	Male	432
	Female	69
By management level (persons)	Management personnel	27
	General personnel	474
By age (persons)	Aged 30 and below	48
	Aged 31 to 50	287
	Aged 50 and above	166
By employment type (persons)	Full-time	501
	Part-time	0
By region (persons)	Areas within the territory of China	495
	Other countries and regions	6

Employee Turnover Rate

Category		*As of 31 December 2024*
Employee turnover rate		15%
By gender	Male	13%
	Female	2%
By management level	Management personnel	0%
	General personnel	14%
By age	Aged 30 and below	1%
	Aged 31 to 50	9%
	Aged 50 and above	5%
By employment type	Full-time	15%
	Part-time	0%
By region	Areas within the territory of China	14%
	Other countries and regions	0%

Employee Well-being

The Company abides by the *Social Insurance Law of the People's Republic of China*, *Regulations on Paid Annual Leave for Employees*, *Regulations on the Administration of Housing Accumulation Funds* and other laws and regulations. Griffin continuously reviews and amends as appropriate payroll structures, compensation and benefits to employees to provide employees with good pay and conditions.

Griffin seeks to provide fair compensation for work undertaken taking account of employee experience, skills, and workplace environment, whilst having due regard to local pay levels. Griffin sets personal performance bonus indicators, which include safety compliance, behavioural standards, attendance, and other factors, to stimulate employees' enthusiasm and work motivation. Griffin follows global trends concerning executive compensation incentives and industry practice so as to align compensation and incentives with Griffin's development.

Griffin provides employees with comprehensive welfare benefits including, five insurances and one fund in accordance with PRC law, transportation to and from work, triple wages for statutory holidays, annual leave, sick leave, work-related injury leave, marriage leave, maternity leave and other compassionate leave. Griffin abides by the PRC national working hours system and implements standard working hours of 8 hours a day and no more than 40 hours a week. If overtime is required, the Company will pay overtime or give employees the right to take compensatory time off. Griffin strives to ensure employees have a balanced work life. Griffin arranges regular health checkups for employees, and gives shopping cards and gifts to employees in the Spring and Mid-Autumn Festivals. Griffin strives to create a safe and harmonious working environment, whilst enhancing employees' sense of identity within the Company.

Griffin recognises the challenges female employees may face at work and provides them with appropriate support. Griffin follows PRC protection regulations for female employees, prohibiting the assignment of female employees to underground mining operations, high or low-temperature environments, cold-water operations, and prohibited tasks during pregnancy. Additionally, Griffin applies enhanced protection for female employees during maternity and post natal periods, implementing relevant leave regulations and ensuring they receive applicable compensation and benefits. To help female employees balance work and family, the Company provides free accommodation and food at the Caijiaying Mine site, allows them to bring family members and children until the child reaches one year old. During holidays such as International Women's Day, Griffin offers female employees a half-day leave and distributes special benefits, effectively ensuring their quality of life and mental health, demonstrating Griffin's care for its employees.

Employee Equality

Griffin believes in democratic management and strives to create an equal working environment. Griffin champions the *Universal Declaration of Human Rights*, *the International Human Rights Conventions*, and other relevant conventions and norms of the International Labour Organisation. Griffin follow the principles of equality and non-discrimination. Griffin promote employees' legal rights through internal bulletin boards, emails, training, and other means, raises awareness about human rights protection, implements human rights measures, and firmly opposes any actions that may cause human rights violations.

Griffin explicitly prohibits the employment and use of child labour, opposes any form of forced labour, and requires suppliers to adhere to the same employment standards. Should any child labour be discovered, Griffin will immediately stop the work of child labourers, provide them with comprehensive health checks, notify the relevant departments, and rectify the internal recruitment process to prevent the reoccurrence of child labour. Griffin provides human rights protection training for every new employee, covering fair treatment, respect for the individual, employee safety and health, opposition to forced labour, prohibition of child labour, and the implementation of non-discriminatory employment policies regarding gender, ethnicity, belief, and age. Griffin require employees to follow the Company's prescribed exit procedures when resigning, allowing them to freely submit their resignation and preventing coercion through violence, threats, or illegal restrictions on personal freedom.

Griffin fully respects employees' rights of participation, information, supervision by public opinion and freedom of association, protects employees' legitimate rights and interests through trade unions, supervises the performance of labour contracts and mediates employees' labour disputes. Griffin has set up communication platforms such as employee feedback email boxes and suggestion boxes


河北华澳矿业
发展绿色矿业
建设绿色矿山

Employee and Contractors Awards Day at the Caijiaying Mine

Sustainability, Environment and Local Community *(continued)*

to encourage employees to give feedback on violations of their own rights and interests, and put forward valuable opinions for the Company's development, whilst keeping employees' personal information strictly confidential. In addition, Griffin has set up activity rooms, gymnasiums and other places for employees to interact and communicate, and regularly holds group building activities, such as holiday-themed dinners and departmental friendships, in doing so striving to create a warm and harmonious working atmosphere and continuously enhance employees' sense of belonging and happiness.

In 2024, the Company had no major labour disputes or human rights complaints from employees.

Employee Development and Training

Griffin recognizes that employee development is crucial for maintaining a competitive advantage and driving innovation within the Company. Griffin is committed to providing employees with diverse career development opportunities, career advancement and promotion. Griffin regularly conducts job assessments and market surveys to ensure that employees' development paths align with market demand. Through various communication channels, Griffin gathers feedback on employees' job satisfaction. Through regular assessments Griffin considers employees abilities and performance, makes appropriate promotions and transfers, offering opportunities for advancement or salary incentives to employees with good work attitude, quality, and abilities. Griffin operates a job rotation system to ensure that new and existing employees are matched with positions suited to their personal development and potential.

Griffin recognizes that the development of employees skills is essential to the development of the Company's business and its efficient running. Griffin has created targeted training plans that align corporate development with employees' personal development goals and job responsibilities. Griffin continues to provide onboarding training for new employees, covering corporate culture, company policies, and occupational health and safety, to help them better understand their job responsibilities so as to integrate them into Griffin's culture and work environment. Griffin has established partnerships with professional skill training schools to cultivate specialised skills for employees in certain job functions. To achieve safety production goals, Griffin runs training programs based on PRC national requirements and site conditions, focusing on safety production and conducting training around various performance indicators, setting performance bonuses to motivate employees' development and enhance their skills and enthusiasm.

In 2024, the Company's employee training coverage rate reached 100%, with a total of 20,480 hours of various training sessions held and a total of 512 employees trained, resulting in an average of 40 hours of training per person. The details of the training activities are as follows:

- **Management personnel training:** 29 management personnel received safe production knowledge and management ability training;
- **Special operation training:** 40 operators received training on getting Certificates for Special Operations;
- **Special equipment training:** 9 operators and management personnel received special equipment management and operation training;
- **New employee training:** 72 new employees received conducted employee orientation level 3 training;
- **Safety training:** Internal safety training for all employees.

Employee Occupational Health

Griffin prioritises employee safety and health in its operations and strictly abides by the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, *Measures for the Supervision and Administration of Employers' Occupational Health Surveillance*, and other laws and regulations. Griffin regulates operational procedures in accordance with these requirements, providing employees with good working conditions and health protection measures, ensuring a safe and healthy work environment.

Griffin continuously assesses disease risks and takes appropriate measures to mitigate any such risk. Griffin engages qualified third-parties to develop and update the *Implementation Plan for the Identification and Rectification of Hazards of Occupational Hazards for the Company* to detect and assess workplace occupational hazards, identify the severity of these hazards, and take appropriate preventive measures. Griffin offers pre-employment, in-service, and post-employment health checks, provides medical insurance, critical illness insurance, and health insurance. Griffin informs employees of the occupational disease risks associated with their roles, raising their awareness of proactive prevention. Throughout their employment, Griffin periodically informs employees in writing about the potential occupational hazards of their positions, ensuring they remain vigilant. Griffin cooperates with local hospitals to arrange annual health checkups and disease screenings for employees, enhancing monitoring of their health and preventing diseases.

Griffin also recognizes the importance of employees' mental health. Through various communication channels Griffin seeks to promptly understand employee work-related needs and challenges, assess their psychological state, and provide psychological counselling. This helps employees maintain a positive and optimistic mindset.

Griffin displays hazard warning labels in prominent areas and uses bulletin boards to spread safety messages, continually reinforcing health education and enhancing employees' safety awareness. All personnel entering the plant are provided with protective gear such as helmets, protective eye wear, and earplugs. Special protective equipment such as rubber boots, felt socks and mining lamps, are also provided to workers in specific roles. Relevant employees are required to master the use and maintenance of health protection equipment and personal protective gear, understand the properties, health hazards, equipment operation, and potential dangers of materials, and regularly participate in fire drills and emergency exercises to ensure they are prepared to handle emergencies effectively.

Safety Management

With mining being the core of Griffin's business, safety is paramount to Griffin's operations. Accordingly, Griffin strictly abides by the *Work Safety Law of the People's Republic of China*, *the Mine Safety Law of the People's Republic of China* and other laws and regulations. Griffin adheres to the safety production principle of "safety first, focusing on prevention and integrated control" and has obtained ISO 45001 occupational health and safety management systems certification.

Griffin places great importance on the establishment of safety production systems and continually seeks to improve safety procedures, including the *Safety Production Responsibility System*, *Safety Production Rules and Regulations*, and *Safety Production Operating Procedures*. Griffin engages professional institutions to review and audit compliance and applicability of these regulations. In 2024, Griffin established and revised 106 safety production rules and regulations, and 159 safety operation procedures. Griffin requires all employees to be familiar with the content of safety regulations and understand their responsibilities. Griffin also promotes the "Golden Rules to Ensure Life Safety", emphasizing the prevention of safety accidents and maintaining standardised and regulated safety management practices, ensuring that "safety production is everyone's responsibility, and everyone knows their responsibility".

Griffin continuously seeks to improve its safety management structure. In 2024, Griffin updated and adjusted the Safety Production Management Committee (hereinafter the "Safety Committee") reflecting latest production and operational needs. Griffin's Operations Manager serves as the director of the Safety Committee, while the Deputy Operations Manager and Safety Director are appointed as deputy directors. Heads of departments and key contractors are members of this committee and are made responsible for overseeing safety production work. The Safety Committee has a dedicated office led by the Safety Director, who also serves as the Office Director, ensuring the committee's daily operations are handled effectively. A dedicated safety production management department is also established, staffed with a sufficient number of safety management personnel, all of whom have received training from the relevant government authorities and hold certificates, ensuring they have the necessary expertise in safety management. Griffin continues to strengthen requirements for on-site safety inspections, implementing a "horizontal to the edge, vertical to the bottom" approach, which establishes a safety production responsibility system across all levels. Griffin clearly defines the safety responsibilities for each role across all levels from the Operations Manager to front line workers, and undertakes safety performance assessments. All employees are required to sign safety production responsibility agreements, ensuring continuous communication of the Company's safety philosophy, policies, regulations, and methodologies.

Griffin formulates an *Annual Work Safety Plan* at the beginning of each year, which specifies the annual work safety objectives. Griffin assesses potential risks, sets job safety protocols and countermeasures, holds safety meetings and conducts regular and special inspections. For high-

Sustainability, Environment and Local Community *(continued)*

risk positions, employees are required to conduct a "Job Safety Analysis" (JSA) before starting work and make a risk assessment prior to commencing any task. In 2024, Griffin conducted four quarterly safety production inspections, 12 leadership comprehensive safety inspections, and over 280 safety inspections in areas including processing, mining, south ventilation shaft, various workshops, bases and warehouses. Griffin also completed nearly 70 specialised safety inspections. All identified safety hazards during these inspections have been addressed and closed.

Employee Health and Safety[1]

Indicators	*Data in 2024*	*Data in 2023*	*Data in 2022*
Total number of work-related fatalities (persons)	0	0	0
Work-related death rate (%)	0%	0%	0%
Lost days due to work injury (days)	503	340	86

[1] This table only covers Hebei Hua Ao employees and not contractors' employees for which one fatality at the Caijiaying mine was recorded in 2024.

Emergency Response Plan for Safety Accidents

Griffin continuously reviews and revises its emergency management protocols for any accidents to comply with relevant laws, regulations, and system documents such as *Measures for the Administration of Contingency Plans for Work Safety Accidents*, the *Guidelines for enterprises to develop emergency response plan for work place accidents* (GB/T 29639-2020), Griffin revised its *Emergency Plan for Production Safety Accidents* and the *Special Emergency Plan for Tailings Dam, Underground and Processing Plant* based on risk identification assessments. After expert reviews, these revised plans were promptly filed with the relevant departments and notified to all relevant personnel to ensure that emergency rescue actions can be carried out promptly and effectively.

Safety Training and Emergency Drill

Griffin continues to strengthen safety education for its employees. At the beginning of each year Griffin prepares and implements a safety education and training plan. Various forms of safety education and training are then organised, with mining safety experts to conduct multiple training sessions and assessments. The training content covers topics such as enhancing safety leadership, identifying safety hazards, and preventive measures, aimed at improving overall safety awareness. Griffin conducted several safety exercises, including tailings dam flood prevention drills, underground fire escape drills, and underground poisoning and suffocation accident response drills, to enhance the risk awareness and rescue capabilities of all operational personnel.

In 2024, the various safety training organised by the Company is as follows:

Employees' Safety Training in 2024

Training category	*Number of Participants (Person-time)*
New employee training	72
All staff training	849
Specialised training	500
Emergency rescue team training	850
Other daily safety education and training	3,905

Contractors' Safety Training in 2024

Training category	*Number of Participants (Person-time)*
New employee training	144
All staff training	458
Specialised training	298

The total duration of safety education and training is 85,533 hours.

Contractor Safety Management

Griffin follows the *Interim Measures for Safety Management of Outsourcing Projects in Non-Coal Mines Safety*, the *Strengthening Safety Management of Outsourcing Projects in Metal and Non-metal Underground Mines* and other management measures. Griffin has formulated the *Foreign Construction Team Management System*, the *Construction Project Safety Management System*, and the *Contractor Assessment Management System*, ensuring contractors are managed in the same manner and comply with the same protocols as employees regarding health and safety. This includes unified management in areas such as administration, training, inspection, assessment, and rewards/punishments ("five unifications"). Griffin examines contractors' qualifications to ensure they meet the necessary professional standards and sign Work Safety Management Agreements with contractors to clarify the safety responsibilities of all parties.

Griffin integrates contractor employees into its safety goals and education programs, including a three-level safety education training and annual safety re-training programme. Griffin conducts regular safety inspections and assessments of contractors, identifies potential risks, and demands corrective actions. Violations are penalised to strengthen safety management. In October 2024, a haulage contractor's employee was tragically killed when waste was discharged from a tailings chute. Griffin immediately instigated rescue operations but was unable to save the injured contractor employee. Griffin promptly reported the incident to the local authorities, suspended all mining activities, and carried out an enhanced safety investigation to identify safety failings and to rectify these.

During the suspension of operations, Griffin conducted a thorough analysis of the cause of the accident and organised special safety risk identification and assessment activities. Griffin conducted safety hazard inspections and corrective actions in specific areas on-site, and Griffin reassessed and improved the organisational structure to enhance safety management levels. To further strengthen safety awareness and reduce the likelihood of accidents, Griffin simultaneously carried out training for all departments and the safety department. Griffin invited external experts to provide safety education training for all staff, with a 100% pass rate on exams.

Responsible Management

Griffin maintains a responsible attitude towards product quality, abiding by the *Product Quality Law of the People's Republic of China* and other laws and regulations, to enhance product quality, optimise production processes, undertake digital construction and scientific research innovation, and undertake monitoring measures to ensure that the grade and moisture content of the concentrates meet customer expectations, and produce high-quality and qualified lead and zinc concentrates. Griffin has successfully passed the ISO 9001 quality management systems certification.

Product Quality Management

Griffin focuses on the quality of the concentrate it produces. After ore is mined it is fed to the mill for processing which includes crushing, milling, lead flotation, zinc flotation, lead concentrate dewatering, and zinc concentrate dewatering. Appropriate equipment for each process step has been installed taking due account of the characteristics of the ore, and latest mineral processing technology. Processes are continuously monitored to optimise production to ensure quality concentrates as efficiently as possible.

A three-stage and one closed-circuit crushing process has been installed at the Caijiaying Mine to crush the ore for screening before passing to the mill. In 2024, Griffin undertook a review of the crushing section to further optimise the crushing process and improve the operational efficiency.

A number of ball mills and cyclones have been installed in the processing plant, monitored to ensure the most advantageous fineness for flotation thereby optimizing recovery rates. Slurry in the milling process is sampled every half hour to test for key indicators such as moisture, granularity, and grade to take appropriate corrective action where necessary to ensure slurry quality.

Griffin performs detailed tests and analysis in the flotation circuits using automatic samplers to identify and rectify any issues during flotation and ensure recovery rates are maximised. Supplement manual samples are taken at key points in the flotation process to ensure the integrity of critical data. After immediate analysis of the samples, feedback is given to the operators to adjust the operating parameters and maintain the stability of flotation process and maximise recovery rates. In 2024, Griffin further reviewed zinc circuit processes to reduce the loss of zinc metal and improve the recovery rate and stability of the zinc circuit. Griffin engages professional third parties to review ore processing to maximise recovery rates and improve efficiencies.

A two-stage dewatering process, combining thickener and ceramic filters, to extract water to produce concentrates with a moisture content of some 10%. Lead and precious metals in concentrate are bagged for security and customer requirements.

Equipment is regularly inspected and maintained with shut downs planned to maintain the operational efficiency of

Sustainability, Environment and Local Community (continued)

the plant and equipment. In 2024, Griffin instigated a plant automation project in collaboration with Société Générale de Surveillance SA (SGS), with a view to introducing advanced automation equipment.

Intellectual Property Management

Griffin is committed to intellectual property protection, integrating intellectual property management into all activities. Griffin complies with all regulations concerning intellectual property rights and data protection. Griffin prohibits employees from engaging in any activities that may infringe upon other persons or entities confidentiality or intellectual property rights.

Digital Mining Construction

Computer aided systems play a key role in mining operations and development. The use of computer aided tools are critical in the planning and construction of a mine and management of operations thereafter, enhancing efficiencies, product quality, safety and environmental management. Griffin continually invests in research and development to support sustainable development, and market competitiveness. Griffin investigates innovative technologies, engages and cooperates with third parties to stimulate innovation. Griffin has formed talented technical teams for scientific and technological research. Griffin continues to provide funding to support technology innovation.

Griffin constantly seeks improvements in mining technologies introducing advanced digital software and tools, upgrading digital systems such as automated control systems, automated mine systems, and unmanned mine equipment. Griffin utilises 3D computer modeling of resource reserves, and resource management. Griffin investigates and uses digital technologies to modernise traditional production methods, including management of detonators and explosives. Programmable Logic Controller (PLC) control systems are used in crushing and grinding. Technologies used by Griffin include:

- Micromine 3D mining engineering software for ore block modelling, stope design and resource estimation.
- "Six systems for underground safety" for, inter alia, location of personnel underground, online monitoring, and gas detection.
- Intelligent remote control systems for underground water pumping stations, and surface ventilation fans.
- Frequency conversion control system to remotely adjust the operation of ventilation fans and air compressors.
- Ventsim mine ventilation software for efficient ventilation for the mine.

In 2024, Griffin continued to promote industry-university-research cooperation, maintaining collaboration with the University of Science and Technology Beijing to improve the quality of wet sprayed retaining walls and mixing stations. Griffin further co-operated with China ENFI Engineering Technology Co., Ltd on increased production and carried out exchanges with Dalian University of Technology to study ways to improve filling efficiency.

Protection of Rights and Interests of Customers

Griffin adheres to the principle of "promoting cooperation, mutual benefit", and strives to improve product quality and after-sales service. Griffin monitors any complaints regarding its products to resolve any product related issues and protect customer rights and interests. Any post sale issue will arise from the grade of metals in concentrate and moisture content. The concentrates are assayed by both Griffin and the customer and by third party laboratories to resolve any discrepancies.

Griffin abides by the *Personal Information Protection Law of People's Republic of China*, the *Cybersecurity Law of the People's Republic of China* and other laws and regulations. Griffin ensures all customer information is kept confidential. Griffin only collects and retains information on business partners and customers necessary for the related business activities. Griffin designates specific personnel to be responsible for the management and encryption of customer files, minimising the risk of leaking confidential or sensitive information. Griffin arranges training for employees on information confidentiality management and has established a penalty mechanism to strictly prevent the occurrence of customer privacy leakage .

In 2024 Griffin did not receive any complaints or returns regarding product quality, did not recall products sold due to any safety or health concerns, and did not experience any breaches of customer privacy or business information.

Sustainable Supply Chain

Griffin recognizes the importance of supply chain management to ensure timely purchase and delivery of quality goods and services and has set formal procurement protocols.

Griffin expects certain standards and conduct from all suppliers of goods and services and evaluates this through procurement management, logistics management, and information management. Griffin evaluates supplier performance based on a number of factors, including quality, price and delivery time. Griffin promotes the purchase of green and local goods and services while ensuring the quality of suppliers. Griffin has implemented an integrated "audit, evaluation, and supervision inspection" process for suppliers, setting clear requirements for them in terms of environment, compliance, health and safety.

Supplier Access and Daily Management

Griffin applies supplier standards, and undertakes regular supplier evaluations set out in Company policy documents such as the *Selection and Evaluation of Suppliers and the Procurement Department Business Division Regulations.* When considering suppliers regard is made to changes of production scale and production demand, combined with the requirements of risk management, cost control, quality control, laws and regulations. Griffin assesses supplier product prices through multi-party inquires and price comparison. Griffin prioritises suppliers who obtain professional qualification certifications such as quality management, environmental management, occupational health and safety management, and requires all suppliers to sign the *Environmental Compliance Commitment Letter* and includes those who have not signed the letter in the list of unqualified suppliers. For supplies of products such as mineral processing chemicals, Griffin focuses on quality assessments, taking samples to send to third-party authoritative institutions for analysis. Following which, Griffin will decide whether to cooperate with the supplier based on the quality tests and the opinion from the Production Technology Department. For suppliers of toxic chemicals and explosive chemicals, Griffin implements stricter controls requiring them to provide appropriate certificates such as hazardous chemical operating licences and will verify the authenticity and validity of the licenses through official channels to minimise potential risks.

Griffin will select and regularly evaluate suppliers based on quality, price, delivery time and other factors. Griffin will ensure timely delivery of goods with real-time integration of production, warehousing, and purchasing information. Griffin uses a ERP system to integrate supply chain information and monitor production progress in real time to ensure no interruptions in production. Griffin has developed supplier evaluation standards covering product quality, delivery capacity and price level, and evaluates suppliers' performance in product quality, delivery and price based on supplier qualifications. If suppliers do not meet the relevant standards, or have or may have a significant negative impact on the environment and society, Griffin requires suppliers to rectify in a timely manner. Griffin will terminate any suppliers who do not meet such standards or requirements in respect of unwarranted delayed delivery, dishonesty, insolvency or poor after-sales service.

In 2024, Griffin evaluated 375 suppliers in total, with over 50% of the suppliers certified with professional qualifications.

Environmental and Social Risk Management

Griffin continually seeks to improve standards for suppliers, whilst minimising environmental and social risks. Griffin communicates with suppliers through various channels sharing information to assist suppliers to enhance their awareness of environmental and social risks.

Griffin actively monitors updates in policies, laws and regulations to manage the environmental and social risks that suppliers may face. Griffin has established an evaluation system covering environmental management, labour rights, business ethics and other relevant areas, and regularly collects information on suppliers to evaluate their performance. When purchasing equipment, building materials, steel, chemicals and other products, Griffin contractually requires suppliers to abide by the latest national and local laws and regulations to ensure transportation safety and vehicle emission compliance. Griffin will request relevant compliance certification. Griffin gives priority to suppliers with quality management, environmental management and occupational health and safety management qualifications. When purchasing underground trackless vehicles, the equipment is required to meet the emission standard of the *Limits and Measurement Methods for Exhaust Pollutants from Diesel Engines of Non-road Mobile Machinery* (GB 20891-2014).

Griffin actively take various measures to guide suppliers to use environmentally friendly products. Griffin is committed to establishing long-term and stable cooperative relationships with suppliers who adopt environmentally friendly products or services, and incorporate environmental protection requirements into the contract terms. For suppliers who refuse to accept the

Sustainability, Environment and Local Community *(continued)*

concept of green environmental protection and refuse to make improvement, Griffin will terminate the cooperative relationship in order to avoid serious environmental damage caused by their actions. Griffin continues to strengthen communication and cooperation with suppliers, conduct regular training, share best practices on sustainable development with suppliers, enhance suppliers' understanding of sustainable development, encourage suppliers to bring good benefits by using environmentally friendly products or services, and enhance suppliers' awareness of environmental protection.

Griffin requires suppliers to sign a *Legal Employment Commitment*, confirming adherence to requirements and standards on health and safety. Griffin prohibits the employment of child labour, and ensure that employees receive reasonable and legal remuneration on a regular basis. Griffin places importance on the legitimate rights and interests of employees. Griffin checks the fulfillment of suppliers' social responsibilities, and gives priority to suppliers where Griffin has experienced good service and cooperation from the supplier. Griffin will immediately terminate the relationship with a supplier if Griffin finds that the supplier has violated the rules that directly or indirectly lead to serious human rights violations, conflicts, environmental damage or damage to business ethics.

Griffin observes the local market, and will prioritize local high-quality suppliers, protect the legitimate rights and interests of local suppliers, promote the consolidation and development of cooperative relations with local suppliers, and help local economic development while reducing procurement costs.

As of 31 December 2024, Hebei Hua Ao had 434 suppliers in total, of which 430 were in Mainland China and 4 were in other countries and regions.

Community Prosperity

Griffin appreciates that building a harmonious relationship between it and the local community is essential for ensuring successful operations. Griffin adheres to the concept of "actively responding to the national calls and fulfilling social responsibilities" and is committed to the peaceful development of the community. Griffin continues to improve the *Community Development Plan* and other institutional documents, putting in place relevant policies and processes for social and welfare activities. Griffin engages with the local communities, reacts on feedback and suggestions from the communities, and provides assistance to the neighbouring communities as much as possible. Through close communication and cooperation with local communities and stakeholders, Griffin strives to achieve the balance between Griffin's own development and that of the local community to achieve common prosperity.

In 2024, the Company donated a total of Rmb3,411,300 to local communities..

Charitable Donations

Griffin makes community charitable donations to alleviate conditions in the communities where Griffin operates, and deepen Griffin's relationship with the local community. Since 2010, Griffin has donated flour and rice to the Caijiaying Village every Mid-Autumn Festival, conveying warmth and care through practical actions. In September 2024, Griffin carried out the "Festivals Greeting" campaign, donating Rmb72,000 worth of Mid-Autumn Festival care packages to Caijiaying Villagers, including 950 bags of flour and 600 bags of rice.

Community Care

Griffin regards support to the local community and its residents as a key responsibility to achieving common development and harmonious relations. Griffin actively engages in and supports education within the local community, providing support for the future development of young people and to help them grow. Griffin has established the "Hua Ao Hope Scholarship" to reward graduates from high schools. In 2024, Griffin invested approximately Rmb624,300 in residents' pension subsidies to improve their living conditions. Through the Hebei Youth Development Foundation, Griffin directly donated Rmb98,000 to support college students from No.3 Township, encouraging the academic development of young students.

Community Contribution

Griffin actively contributes to the prosperity of the community and helps improve the living environment of the residents in the surrounding communities. To help Caijiaying Village solve the problem of poor street lighting, Griffin has been installing solar photovoltaic street lamps in the Caijiaying Village. In 2024, Griffin invested Rmb60,000 to replace and repair street lamps in the Caijiaying Village, improving the living conditions of the residents.

Community Development

Griffin continues to carry out various community projects such as agricultural assistance, construction and welfare support, thereby promoting community development reflecting Griffin's care for the local community. In 2024, Griffin invested Rmb1,857,000 repairing local housing. Griffin also invested Rmb700,000 in a community fund to support infrastructure construction around the mining area.

Griffin intends to continue contributing to the local community through welfare, community construction and other projects to build a more sustainable and better society.

New Modular Accommodation Building for Personnel at the Caijiaying Mine

Strategic Review

OVERVIEW

The objective of the directors and management is to ensure the long-term sustainability of the Company and its business to benefit its shareholders and other stakeholders. To achieve this objective, the directors and senior executives seek to add value, manage risks and minimise costs whilst pursuing economic returns commensurate to the risk taken pursuing the following strategy.

In view of the significant potential of the Caijiaying Mine and surrounding areas and given the Company's knowledge and expertise in the PRC, the directors and management have focused on the further development of the Caijiaying Mine, investigation of prospective areas near the Caijiaying Mine and other potential projects in other provinces of the PRC. In addition, the directors and senior executives evaluate other mining companies and projects worldwide to ascertain whether any acquisition can be made which has the possibility of matching the financial returns provided by the Caijiaying Mine.

CAIJIAYING MINE

The Caijiaying Mine's metal production capability has been augmented with continued extensive exploration, expansion of the mill processing facilities (including grinding and flotation circuits) and ongoing underground infrastructure development. Exploration has been focused on identifying geological targets and evaluating the potential for significant additional resources. Whilst the existing Mineral Resource estimate confirms the availability of extensive resources at the Caijiaying Mine for increased production, further resource additions will provide an opportunity to further increase the Caijiaying Mine's production profile. This includes more extensive drilling not only at Zones II and III, but also at Zones V & VIII, to fully understand the size and nature of these orebodies. Whilst the grant of a new mining licence over Zones II and III has enabled production rates to be raised to 1.5 million tonnes per annum, further expansion of operations will require further licences and permits from various Chinese authorities which are proving increasingly complex and time consuming to obtain.

ACQUISITIONS AND FURTHER PROJECTS

Whilst the Company continues to develop the Caijiaying Mine and explore the surrounding area, it also continues to search for, and investigate, other potential acquisitions of both gold and base metals projects that may be brought into long term, economic production for a capital cost that provides a substantial and justifiable return on equity to shareholders. Relatively new geological, geophysical and geochemical techniques, aided by new equipment, all sourced or discovered in Australia, Europe and/or the USA, have expanded the Company's search criteria to include virgin, exploration ground. Any found of value may be sold, joint ventured or offered in a separate vehicle to existing Griffin shareholders or retained by the Company and developed for existing shareholders.

To effect this strategy, the Company has expanded the scope and activities of China Zinc to encompass this corporate goal.

In addition, a large number of potential mining projects have been analysed worldwide. None have been successfully consummated for a myriad of reasons including country risk, negative findings during due diligence, a questionable return calculated for the risk shareholders would need to accept in funding the project to production, the overall project risk profile and various other deficiencies in grade, tonnes, metallurgy, depth and difficulty in mining.

CLIMATE CHANGE

Griffin studies the possible impact of climate change on business operations and actively tackles climate change where it is able to do so. This has involved identifying risks related to climate change such as extreme weather and sudden natural disasters including rainstorms, snowstorms, drought, etc. that may lead to power and other supply interruptions and production accidents, causing significant economic losses and threatening personal safety. Accordingly, Griffin has developed relevant measures to address these risks including back-up diesel generators and ensuring sufficient supplies of essential goods. The upgraded facilities can ensure the continued operation of underground ventilation, drainage and mill maintenance work in case of an emergency, thereby reducing the risk of underground workers being trapped due to power outages.

Corporate Governance

The board of directors of Griffin has responsibility for setting the overall strategy of the Group, its performance, management and financial matters including, the approval of budgets, significant capital expenditure and financial reports. Key decisions are based on the regular review of financial performance, capital and operational budgets and regular operational reports.

The directors continue to seek to add value and minimise costs to ensure the long-term sustainability of the Company and its business in order to fulfil their responsibility to benefit shareholders and other stakeholders.

The Company and its directors have identified and keep under consideration the risks facing the Company and its subsidiaries ("the Group"). These risks and how they are managed are detailed in the directors' report on pages 68 to 71.

Griffin is incorporated in Bermuda, a jurisdiction which does not have a formal overarching corporate governance code. Under common law in Bermuda, shareholders are entitled to have the affairs of the Company conducted in accordance with general law and the Company's memorandum of association and bye-laws. As required by Bermuda company law, all the directors are shareholders in the Company to align their interests with those of the shareholders.

The Company and its directors have adopted the Corporate Governance Code published by the UK Quoted Company Alliance ("QCA") and are guided by the principles contained therein, so far as the Board of Directors is able and considers practicable.

The Board meets on a quarterly basis, or as required, with all members in attendance in 2024. The Chairman leads the Board, and whilst not employed by the Company, he spends a significant part of his time on the Company's business. The Chairman's services are provided by Keynes Capital (see report of the Remuneration Committee on page 60). The Company has no Chief Executive Officer. Accordingly, the roles of Chief Executive Officer and Chairman have not been separated as recommended by the QCA Code, for the above reason. The executive director is the full-time Finance Director. He is also the Company Secretary and, although not in accordance with best practice, it has not proved practicable to separate these roles. Independent advice is sought where necessary to supplement Mr Goodwin's considerable experience and corporate memory.

Independent directors now constitute 50% of the Board. Dean Moore has been appointed Chair of the Remuneration Committee and Linda Naylor is Chair of the Audit Committee. The shareholdings of the three non-independent directors are less than 0.2% of the Company's issued share capital and they are free from any business or other relationship which could materially interfere with the exercise of their independent judgement. Adam Usdan is not an independent non-executive director as he is also a major shareholder.

Clive Whiley, the Senior Independent Director ("SID"), receives additional compensation to reflect his commitment to make 25% of his time available to help the Chairman with strategic support. The SID together with the Chairman and Finance Director maintain regular contact with shareholders and the Company retains an office in London as a point of contact for all shareholders and potential shareholders in order to gauge the needs and expectations of shareholders in the Company. The SID supports the executive directors by regularly communicating with the major shareholders, other shareholders and potential investors. The Company updated its website during the year to improve communication with stakeholders.

The Board is supported by the Audit Committee and Remuneration Committee. The reports of these Committees are given on pages 57 to 61. A Nomination Committee has not been formally established with, in effect, the whole Board fulfilling this function.

The existing board of directors brings a balance of skills and experience to the Company, including legal, financial, mining, geological and market expertise. Details of each director are given in the biographies on page 62. To reflect the Company's commitment to sustainability, Linda Naylor has completed the ICAEW Sustainability Certificate. All directors are subject to re-appointment annually at the annual general meeting of the Company's shareholders.

Dal Brynelsen, a director of the Company's Chinese subsidiary with 40 years' experience in the mining industry, provides additional support to the Board.

The Chairman and Finance Director regularly visit the Group's operations to meet with management and other personnel and communicate with them virtually on a daily basis when not on site.

Corporate Governance (*continued*)

A review of Board effectiveness is in progress when the issue of succession plans for the key executives will also be addressed.

The safety of all personnel working at the Group's operations is a priority with formal procedures in place to prevent and report any safety and environmental issues. The Group will not deal with any organisation or individual which it believes to be involved with slavery. The Company has formal procedures regarding the avoidance of bribery and corruption which are detailed further in the Sustainability Review on page 41. The Group engages personnel regardless of race or gender.

The Company has appointed a Chief Operating Officer who reports directly to the Chairman, who in turn reports directly to the board of directors. The Chief Operating Officer oversees the Group's operations with individual department heads reporting directly to him. The Company has appointed a Chief Financial Officer in China who reports to the Chief Operating Officer and directly to the Finance Director, who in turn reports to the board of directors. Individual department managers are able to communicate directly to the Chairman concerning any issues of concern.

The Company, through Hebei Hua Ao, has invested heavily in the local community in China and continues to maintain and further implement best practices for the protection of the environment and for the benefit of the local community. Further details are given on pages 50 to 53.

Further details are provided on the Company's website.

Stakeholder Engagement

The Board has identified the following internal and external stakeholders. The needs, interests and expectations of these stakeholders are regularly monitored and assessed with the understanding that the long-term success of Griffin depends on good relations with all stakeholder groups. Feedback from all channels of communication with stakeholders is integrated into Griffin's strategy.

Main Stakeholders	*Key Issues*	*Communication and Feedback Channels*
Government and regulatory agencies	Implementation of laws, regulations and policies.	Compliance with laws and regulations including payment of taxes
	Corporate governance and compliance operation	Daily communication and reporting
	Safety and environment protection	
Shareholders and investors	Profitable operations	Regulatory reporting
	Sustainable development governance	Equal opportunity employer
	Human rights policy disclosure	Anti-slavery policy
	Anti-corruption policies	Bribery and corruption policy
Employees and their families	Salary and benefits	Employee performance reviews
	Training and development	Staff representative conference
	Health and safety	Regular safety reporting, safety inductions and safety meetings
Suppliers and business partners	Customer service	Dedicated procurement department
	Supply chain management	Independent assay and moisture checks of concentrate sold
	Product quality	
Community	Community investment	Involvement in the local community
	Community benefits	Local community support, including infrastructure, poverty alleviation, schooling
	Environmental protection and ecology	Care and protection of the local environment with minimal discharges

Report of the Audit Committee

The Audit Committee assists the main board of directors in its oversight of the Company's financial reporting, internal control and risk management within the corporate governance framework.

The Chair is Linda Naylor, a Chartered Accountant with sector experience. She is joined by Adam Usdan and Clive Whiley, who both bring extensive fund management and capital markets experience to benefit the work of the Committee.

The Committee met three times in 2024 with all members in attendance.

FINANCIAL REPORTING

The Audit Committee monitors the integrity of the financial statements of the Company, including its annual and interim reports, preliminary results and any other formal announcement relating to its financial performance whilst reviewing significant financial reporting issues and judgements contained within those announcements before recommending their approval to the Board. The Audit Committee also reviews summary financial statements, significant financial returns to regulators and any financial information contained in certain other documents, such as announcements of a price sensitive nature.

The Audit Committee reviews and challenges where necessary:

a) The consistency of, and any changes to, accounting policies, both on a year on year basis and across the Company and its Group;

b) The methods used to account for significant or unusual transactions where different approaches are possible;

c) Whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;

d) The clarity of disclosure in the Company's financial reports and the context in which statements are made; and

e) All material information presented with the financial statements, such as the operating and financial review and the corporate governance statement (insofar as it relates to the audit and risk management).

In order to fulfil these duties, the Audit Committee receives regular financial and other reports from management and has unfettered access to employees of the Company and its subsidiaries. The Audit Committee seeks to ensure all reporting is up to date and relevant to shareholders, to aid their understanding of the Company and its performance.

SIGNIFICANT ISSUES CONSIDERED BY THE COMMITTEE IN RELATION TO THE 2024 FINANCIAL STATEMENTS

The value of fixed assets and the need for any impairment provisions based on the mine plan prepared by the COO and FD. The Committee considered the key judgements made by management in relation to commodity prices and production forecasts, operating and discretionary capital expenditure assumptions, discount and exchange rates as well as mineral reserves and resources estimates.

The terms of Hebei Hua Ao's business licence is currently due to expire in 2037, although changes to PRC Foreign Investment Law had required Hebei Hua Ao to be converted into a limited liability company with an indefinite life by 1 January 2025, which to date has not occurred. The Committee considered the key judgement made by management, and having taken legal advice, has assumed that the business licence will be extended beyond 2037 for an unlimited period for no additional cost.

INTERNAL CONTROLS

The Audit Committee continued to keep the effectiveness of the Company's systems of internal control under review. The Committee monitors and reviews the budget prepared each year for approval by the Board. Actual performance against budget is presented in the monthly management accounts with explanations for significant variances. There is no internal audit function due to the size of the Group and the current level of internal controls are considered to be adequate. Monitoring of internal controls also takes place through the external audit and any recommendation for improvements are implemented.

RISK MANAGEMENT SYSTEMS

The Audit Committee monitors and reviews management's approach to risk management, including the process of identification of emerging risks and their mitigation. The risks and process of identification is then further scrutinised and approved by the Board as a whole.

Report of the audit committee (*continued*)

WHISTLE BLOWING

The Audit Committee reviews the Company's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Audit Committee ensures that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.

EXTERNAL AUDIT

The Audit Committee:

a) Considers and make recommendations to the Board, to be put to shareholders for approval at the annual general meeting, in relation to the appointment, re-appointment and removal of the Company's external auditor. During the year, the Audit Committee evaluated their external auditor, PricewaterhouseCoopers LLP, and several potential new auditors, considering factors such as their independence, expertise and audit quality. Following a competitive tender process and thorough evaluation, the Audit Committee recommended the appointment of BDO LLP as the new external auditor of the Company. The Audit Committee is committed to maintaining the highest standards of financial reporting and will continue to provide strong oversight of the external audit process.

b) Oversees the relationship with the external auditors including (but not limited to):

   (i) Approval of their remuneration, whether fees for audit or non-audit services and that the level of fees is appropriate to enable an adequate audit to be conducted;

   (ii) Approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;

   (iii) Annual assessment of the auditors' independence and objectivity taking into account relevant national, professional and regulatory requirements and the relationship with the auditors as a whole, including the provision of any non-audit services;

   (iv) Satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditors and the Company (other than in the ordinary course of business);

   (v) Agreeing with the Board a policy on the employment of former employees of the Company's auditors, then monitoring the implementation of this policy;

   (vi) Monitors the auditors' compliance with relevant ethical and professional guidance on the rotation of audit partners, the level of fees paid by the Company compared to the overall fee income of the firm, office and partner and other related requirements; and

   (vii) Annual assessment of the auditors' qualifications, expertise and resources and the effectiveness of the audit process which shall include a report from the external auditors on their own internal quality procedures.

c) Meets with the external auditors, including once at the planning stage before the audit and once after the audit at the reporting stage and at other times when necessary. The Audit Committee has the right to meet the external auditors at least once a year, without management being present, to discuss their remit and any issues arising from the audit;

d) Reviews and approves the annual audit plan and ensures that it is consistent with the scope of the audit engagement and the materiality is appropriate;

e) Reviews the findings of the audit with the external auditors. This includes but is not limited to, the following:

   (i) Discussion of any major issues which arose during the audit,

   (ii) Any accounting and audit judgements, and

   (iii) Levels of errors identified during the audit.

(f) Reviews the effectiveness of the audit;

(g) Reviews the representation letter(s) requested by the external auditors before they are signed by management;

(h) Reviews the management letter and management's response to the auditors' findings and recommendations; and

(i) Develops and implements a policy on the supply of non-audit services by the external auditors, taking into account any relevant ethical guidance on the matter.

Linda Naylor
Chair of the Audit Committee
4 June 2025

Report of the Remuneration Committee

To comply with Corporate Governance requirements set by AIM, a remuneration committee (the "Remuneration Committee") was formed in 2018 which now comprises the non-executive directors Dean Moore (Chair), Clive Whiley and Adam Usdan.

THE ROLE OF THE REMUNERATION COMMITTEE

The Remuneration Committee is responsible for determining and agreeing with the Company's board of directors the broad policy for the remuneration and employment terms of the Finance Director, Chairman and other senior executives and, in consultation with the Chairman, for determining the remuneration packages of such other members of the executive management of the Group, as it is designated to consider. The Renumeration Committee is also responsible for the review of, and making recommendations to, the board of directors in connection with share option plans and performance related pay and their associated targets and for the oversight of employee benefit structures across the Group.

Apart from the Finance Director, all the other executives engaged by the Griffin Group are either employed by operating subsidiaries or independent contractors (contracting through professional service companies). Almost all of these executives or service companies are employed or retained by Hebei Hua Ao. As such, and as an operating mining company, Hebei Hua Ao has always applied remuneration standards commensurate with local and international mining industry standards and, far more importantly, the legal and cultural traditions of the PRC.

The remuneration of non-executive directors is a matter for the board of directors. No director may be involved in any decision as to their own remuneration.

This Remuneration Committee report includes a summary of the remuneration policy and the Annual Report on Remuneration.

DIRECTORS' REMUNERATION POLICY

With only one executive director in the Group, the Remuneration Committee has determined that it would be inappropriate to have an extensive and prescriptive formula for determining one employee's total compensation package. Accordingly, the executive director's remuneration is considered by the Remuneration Committee, with the assistance of outside executive compensation consultants, on a year by year basis.

Nevertheless, the Remuneration Committee continues to assess various remuneration policies to attract and retain future high-calibre executives and motivate them to develop and implement the Group's business strategy in order to optimise long-term shareholder value. It is intended that such policy will build on past practice and apply in the future.

The policy is being framed around the following key principles:

- Total rewards will be set at levels that are sufficiently competitive to enable the recruitment and retention of high-calibre executives;
- Total incentive-based rewards will be earned through the achievement of performance conditions consistent with shareholder interests;
- The design of long-term incentives will be prudent and will not expose shareholders to unreasonable financial risk;
- In considering the market positioning of reward elements, account will be taken of the performance of the Group and of each individual executive director; and
- Reward practice will conform to best practice standards as far as reasonably practicable.

When formulating the scale and structure of remuneration, the Remuneration Committee considers a number of different factors including market practice and external market data of the level of remuneration offered to directors of similar type and seniority in other companies of the size and activities of the Company.

In addition, the pay and employment conditions of employees are also considered when determining directors' remuneration. The Remuneration Committee may also seek advice from external consultants where appropriate. No director has been involved in deciding the level and composition of their own remuneration.

The Finance Director receives an amount of fixed pay made up of a base salary, fixed fees from subsidiary companies and pension contributions. In addition he has been awarded share purchase options.

Report of the remuneration committee *(continued)*

Long-term performance is incentivised by way of the grant of shares and share purchase options.

The Board seeks to strengthen the alignment of director, employee and shareholder interests.

EXECUTIVE DIRECTORS' REMUNERATION FOR 2024

With effect from 1 April 2022 the salary payable to the Finance Director was increased from £315,000 to £350,000, and has since remained at this level.

In 2024, Roger Goodwin (Finance Director and Company Secretary) received a basic salary of £350,000 ($428,000) (2023: £350,000 $376,000), no bonus (2023: £30,000 $37,000); and pension contributions of £30,000 ($38,000) (2023: £30,000 $37,000). In addition, he received directors' fees of $206,000 (2023: $209,000) from subsidiary companies.

The service contract between the Company and Roger Goodwin provides for three months notice by either side or six months in the event of a change of control of the Company.

CHAIRMAN

Over the past 25 years, the Chairman has dedicated a significant portion of his time to the Group and its operations. His services are provided through a service entity, Keynes Capital, being the registered business name of Keynes Investments Pty Limited as trustee for the Keynes Trust. In addition to the services of the Chairman, Keynes Capital provides supporting services to the Company in Australia, including support staff and offices. The Chairman, Mladen Ninkov, is a director and employee of Keynes Capital.

Under a consultancy agreement with the Company, Keynes Capital received fees of $2,848,000 (2023: $2,994,000) in 2024, for the provision of advisory and support services including office premises, staff and consultants to Griffin and its subsidiaries.

Having considered relevant data on directors fees, particularly for companies of comparable size and complexity in the mining sector and having considered inflationary factors, currency exchange rates, the state of the mining sector and limited number of suitably qualified individuals, and having further considered the services provided by Keynes Capital under its consultancy agreement with the Company, the Keynes Capital consultancy agreement with the Company was renewed on 1st January 2025 for a further year on the same terms, under which fees of £2,365,000 ($2,850,000) per annum are payable to Keynes Capital. Bonus is only payable on pre-set targets being achieved.

In recognition of the services provided by Keynes Capital and, in particular, increases in production at Caijiaying, a bonus of £2,200,000 ($2,782,000) (2023: £220,000 ($272,000)) was awarded to Keynes Capital for performance achieved in 2023, in particular the achievement of 1.5m tonnes throughput.

The consultancy agreement with Keynes Capital is subject to appropriate performance criteria and a minimum one month termination notice. In addition to the above, the Chairman received directors' fees from subsidiary companies of $206,000 in 2024 (2023: $209,000).

LONG TERM INCENTIVES

On 13 February 2014, options (the "40 pence options") over 5,000,000 new ordinary shares were granted to directors and key employees of the Company, all of which subsequently vested. Each 40 pence option entitled the holder to subscribe for new ordinary shares in the Company at an exercise price of £0.40 per share on or before 31 December 2023.

On 6 February 2015, the Board resolved to adopt a new share option scheme (the "30 pence options") over a total of 20,000,000 new ordinary shares in the Company, all of which subsequently vested. Each 30 pence option entitled the holder to subscribe for new ordinary shares in the Company at an exercise price of 30 pence per new ordinary share on or before 31 December 2023.

An offer was made on 30 December 2022 to all option holders for the purchase and cancellation of outstanding options over 19,520,000 shares in the Company ("the Offer"). Acceptances were received from option holders in respect of options to purchase 17,520,000 shares in the Company, which have subsequently been purchased and cancelled, which based on the mid-market price on the Offer date of 76 pence per share, have resulted in 10,130,526 new ordinary shares being issued pursuant to the Offer for nil consideration.

In March 2023 the Company implemented a Share Incentive Plan (the "Plan"), to retain vital key Company personnel, in particular, Mladen Ninkov. On 4 April 2023 7,805,000 shares were issued under the terms of the

Plan, including 6,000,000 new ordinary shares to Mladen Ninkov, Chairman. On 30 December 2024 6,000,000 ordinary shares were cancelled and 7,000,000 new ordinary restricted shares were issued under this scheme to Mladen Ninkov. Following these issues Mladen Ninkov has an interest in 7,033,001 shares in the Company, representing 3.8% of the Company's issued share capital. The new Ordinary Shares issued are subject to certain contractual terms including that the shares issued will not be sold or otherwise transferred or disposed of before 31 December 2024 except in the event of a transaction occurring with the Company, and that the shares issued will be returned in the event of malus and returned pro rata upon leaving the employment of the Company or its subsidiaries before 31 December 2024. As part of the agreement for the grant of 7,000,000 new ordinary shares to Mladen Ninkov on 30 December 2024, these shares are subject to ongoing restrictions concerning the sale, transfer, disposal, employment or malus.

On 31 December 2023, Roger Goodwin exercised 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. These shares were issued and admitted to trading on 8 January 2024. On 12 January 2024, Roger Goodwin completed the sale of 1,350,000 shares in the Company at 88 pence per share to the Company as part of the Company's share buy-back programme.

Following the exercise of options by Roger Goodwin there are no share purchase options outstanding.

NON-EXECUTIVE DIRECTORS.

The non-executive Directors' fees were last reviewed in March 2022 and held at £66,125 per annum.

Since 1 April 2022 Clive Whiley has been engaged to provide 25% of his time for consultancy services to the Company, being in addition to that expected of him as a director of the Company, at a rate of £20,000 per month subject to UK PAYE, in addition to his non-executive fees of £66,125 per annum., on a rolling 90 day termination notice period.

Total Directors' Remuneration

The table below sets out the total remuneration payable to the Directors, in USD000s:

	Fees	***Salary***	***Pension contributions***	***Total 2024***	*Fees*	*Salary*	*Pension Contributions*	*Total 2023*
	$000	***$000***	***$000***	***$000***	$000	*$000*	*$000*	*$000*
Mladen Ninkov*	**206**	**-**	**-**	**206**	209	-	-	209
Roger Goodwin	**206**	**428**	**38**	**672**	209	470	37	716
Dean Moore	**85**	**-**	**-**	**85**	82	-	-	82
Linda Naylor	**85**	**-**	**-**	**85**	82	-	-	82
Adam Usdan	**85**	**-**	**-**	**85**	82	-	-	82
Clive Whiley	**394**	**-**	**-**	**394**	378	-	-	378
	1,061	**428**	**38**	**1,527**	1,042	470	37	1,549
Key personnel	**60**	**2,240**	**-**	**2,300**	60	2,301	18	2,379
Total	**1,121**	**2,668**	**38**	**3,827**	1,102	2,771	55	3,928

* Keynes Capital, the registered business name of Keynes Investments Pty Limited as trustee for the Keynes Trust, received fees under a consultancy agreement of $5,630,000 including a bonus of $2,782,000 (2023: $2,994,000 / bonus $272,000), for the provision of advisory and support services to Griffin Mining Limited and its subsidiaries during the year. Mladen Ninkov is a director and employee of Keynes Investments Pty Limited. In 2024 6,000,000 shares awarded to Mladen Ninkov were cancelled and 7,000,000 ordinary shares in the Company were awarded under the terms of the Company's Share Incentive plan - see above.

No share options were granted to the directors in 2024 or 2023.

Dean Moore
Chair of the Remuneration Committee
4 June 2025

Directors, Griffin Mining Ltd

Mladen Ninkov, Chairman, holds a Master of Law Degree from Trinity Hall, Cambridge and Bachelor of Laws (with Honours) and Bachelor of Jurisprudence Degree from the University of Western Australia. He is the principal of Keynes Capital. He has a mining, legal, fund management and investment banking background and is admitted as a barrister and solicitor of the Supreme Court of Western Australia. He was the Chairman and Managing Director of the Dragon Capital Funds management group, a director and Head of International Corporate Finance at ANZ Grindlays Bank Plc in London and a Vice President of Prudential-Bache Securities Inc. in New York. He also worked at Skadden Arps Slate Meagher & Flom in New York and Freehill Hollingdale & Page in Australia. He has been chairman and director of a number of both public and private mining and oil and gas companies.

Roger Goodwin, Finance Director, is a Fellow of the Institute of Chartered Accountants in England and Wales. He has been with the Company since 1996 having previously held senior positions in a number of public and private companies within the natural resources sector. He has a strong professional background, including that as a manager with KPMG, with considerable public company and corporate finance experience and experience of emerging markets.

Dean Moore, Non-executive Director, is a Fellow of the Institute of Chartered Accountants in England & Wales with extensive public company experience having previously been Chief Financial Officer at Cineworld Group plc, N Brown Group plc, T&S Stores plc and Graham Group plc and formerly non-executive Chairman of Tuxedo Money Solutions Limited. He is currently a non-executive director and interim Chief Financial Officer at De La Rue Plc and Chair of the Audit and Remuneration Committees of THG plc.

Linda Naylor, Non-executive Director, is a graduate of the London School of Economics and a Fellow of the Institute of Chartered Accountants in England & Wales. A former partner in Grant Thornton UK LLP, her experience has been gained over more than twenty years working as a Nominated Adviser in the Capital Markets team and as an Audit Partner specialising in the natural resource sector. She was Chair of the Audit Committee whilst a Governor of Portsmouth University. As Finance Director of AIM listed Chaarat Gold Holdings Limited from 2009 to 2018, she worked as part of a small executive team. Her responsibilities encompassed financial reporting, investor relations and fund raising as that company transitioned from gold explorer to developer in the Kyrgyz Republic.

Adam Usdan, Non-executive Director, holds an MBA from the Kellogg Graduate School of Management at Northwestern University with majors in Finance, Marketing, and Accounting, and a BA in English from Wesleyan University. He is the President of Trellus Management Company LLC, an equity hedge fund based in the USA. Mr Usdan founded Trellus Management in January 1994 and has been in the investment advisory industry for over 30 years. Mr Usdan began his investment career in 1987 at Odyssey Partners where he was responsible for managing long/short U.S. equity (small to mid-cap) pools of capital.

Clive Whiley, Non-executive Director, has some forty years' experience in regulated and listed company governance positions, both as an executive and non-executive director, across a wide range of industries and geographies, including extensive business experience in the People's Republic of China since becoming a member of the London Stock Exchange in 1983. Mr Whiley is currently Chairman of De La Rue plc and Mothercare Plc, China Venture Capital Management Limited, First China Venture Capital Limited, Y-LEE Limited, and a non-executive Director of Sportech Plc.

Subsidiary Directors and Senior Executives

Directors

Dal Brynelsen, Director, Hebei Hua Ao, is a graduate of the University of British Columbia in Urban Land Economics. Mr. Brynelsen has been involved in the resource industry for over 40 years. He has been responsible for the discovery, development and operation of several underground gold mines during his career.

Dr Bo Zhou, Director, Hebei Hua Ao, Hebei Hua Ao, holds a PhD in exploration geology from Sydney University and a BSc in economic geology from Peking University. He was Managing Director of Sinovus Mining Limited, an ASX listed company with mineral interests in China. Prior to that he was the General Manager for Guangxi Golden Tiger Mining JV, a Sino-Australian JV gold company focussed on Guangxi, China, controlled by Golden Tiger Mining NL, an ASX listed company. He has also worked as the Senior Geologist for Silk Road Resources (a TSX listed company), responsible for evaluating various gold properties in Gansu Province in central western China. Dr Zhou has considerable experience in the Chinese resources sector.

Shirley Tsang, Director, China Zinc, is a Chartered Management Accountant (United Kingdom) and a CPA (Hong Kong & Australia). She holds an MBA (Finance) from the City University Business School. She started her career as an auditor with Ernst & Whinney before moving on to the business advisory practice for international clients with Arthur Young. She was head of the China and Hong Kong business advisor practice from 2003 to 2017 in the Tricor Group. She has considerable experience in corporate restructuring for international clients and best practice in corporate governance. She is currently Managing Director of SEAJA Consultancy Limited in Hong Kong.

Senior Executives

John Steel, Chief Operating Officer, is a graduate Mining Engineer from the Ballarat School of Mines and holds a Master of Business Administration from Deakin University. He is a member of the Australian Institute of Mining and Metallurgy. John has extensive global mining experience including over a decade of in site operational expertise with tier one companies in Australia, Canada (Xstrata Mining PLC) and the Middle East (Barrick Gold Corporation). John also has extensive supplier side experience holding country Managing Director positions in Norway (EPC Groupe) as well as General Manager positions with several explosive and technology service providers within Australia.

Wendy Zhang, Chief Financial Officer, Hebei Hua Ao, holds a Master of Accounting degree from Macquarie University, is a member of the Certified Practising Accountants of Australia and is a qualified member of the Chinese Institute of Certified Public Accountants. She spent 4 years as Financial Controller for Golden Tiger Mining's joint venture operations in China. Previously she was Chief Accountant for Shanghai Silk Group and subsequently Ann Taylor Shanghai.

Paul Benson, Geology Manager, Hebei Hua Ao, is a graduate of Curtain University of Western Australia with over 30 years' experience covering mining geology, mine management, corporate roles, project development, project evaluation and exploration management. His career has taken him across Australia and Asia to a diverse range of projects across precious, base and specialty metals, agri-minerals and uranium. Prior to joining Griffin in 2016 Paul held a number of senior operational and consultancy roles including CEO of Aragon Resources.

Dominic Varley, Strategic Planning Manager, China Zinc, is a Mining Engineer holding a BEng from the University of New South Wales and Graduate Certificate in Mining Finance from Kaplan University. He has worked in China since 2018, focusing on Mine Planning, Mining Operations and Asset Valuation. Prior to joining China Zinc Ltd, he was a Senior Engineer for Shandong Gold, working on a range of international transactions, construction projects and mining operations for China's largest gold producer. Prior to that he was a Senior Engineer at MEC Mining Consultants and Senior Engineer for Thiess Mining.

Directors' Report

The Directors submit their report together with the audited consolidated financial statements of Griffin Mining Limited ("the Company") together with its subsidiaries ("the Group") for the year ended 31 December 2024.

FINANCIAL RESULTS

The Group profit before taxation for 2024 amounted to $17,903,000 (2023: $24,486,000). Taxation of $6,552,000 (2023: $9,250,000) has been provided. No dividends were paid in 2024 (2023: nil). $11,351,000 has been transferred to reserves (2023 credited $15,236,000).

The basic earnings per share amounted to 5.92 cents (2023 earnings 8.03 cents). The attributable net asset value per share at 31 December 2024 amounted to 147 cents (2023 140 cents).

Whilst the directors do not recommend the payment of a dividend at this time, all possible alternatives will be considered in 2025 by the board of directors to either return excess cash to shareholders, or increase shareholder value.

PRINCIPAL ACTIVITIES

The principal activity of the Group is that of mining and exploration. A review of the Group's operations for the year ended 31 December 2024 and the indication of likely future developments are set out on pages 8 to 54.

DIRECTORS

The Directors of the Company during the year were:

Mladen Ninkov – *Australian* – Chairman
Roger Goodwin – *British* – Finance Director
Dean Moore – *British* – Non-executive director
Linda Naylor – *British* – Non-executive director
Adam Usdan – *American (USA)* – Non-executive director
Clive Whiley – *British* – Non-executive director

Under the bye laws of the Company, the Directors serve until re-elected at the next Annual General Meeting of the Company. Being eligible all the Directors currently in office offer themselves for re-election at the forthcoming Annual General Meeting of the Company.

The beneficial interests of the Directors holding office at 31 December 2024 and their immediate families in the share capital of the Company were as follows:

Name	*At 31 December 2024 Ordinary shares, number*	*At 1 January 2024 Ordinary shares, number*
Mladen Ninkov	7,033,001	6,033,001
Roger Goodwin*	1,527,830	877,830
Dean Moore	100	100
Linda Naylor	20,000	20,000
Adam Usdan**	29,209,348	29,209,348
Clive Whiley	100,100	100,100

There were no share purchase options outstanding at either 1 January 2024 or 31 December 2024

* On 31 December 2023, Roger Goodwin exercised 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. These shares were issued and admitted to trading on 8 January 2024. On 12 January 2024, Roger Goodwin completed the sale of 1,350,000 shares in the Company at 88 pence per share, following which he holds 1,527,830 Ordinary Shares in the Company representing 0.8% of the issued share capital of the Company.

** Mr. Adam Usdan is interested in 29,209,348 shares in Griffin representing 16.7% of the Company's issued share capital, 7,960,221 of which are held directly with the remaining 21,249,127 shares being held by Trellus Partners LLP, the General Partner of a Limited Partnership in which Mr. Usdan has a controlling interest. Other than this, all the directors interests disclosed are beneficial.

As part of a rationalisation of the capital structure of the Company, an offer was made on 30 December 2022 to option holders for the purchase and cancellation of outstanding options over 19,520,000 shares in the Company ("the Offer"). Acceptances were received from option holders in respect of options to purchase 17,520,000 shares in the Company which were subsequently purchased and cancelled, which, based on the mid-market price on the Offer date of 76 pence per share, resulted in 10,130,526 new ordinary shares being issued pursuant to the Offer for nil consideration. Options granted over 500,000 new ordinary shares in the Company exercisable at 40 pence per share and options granted over 1,500,000 new ordinary shares in the Company exercisable at 30 pence per share remained outstanding, but exercised on 31 December 2023.

In March 2023 the Company implemented a Share Incentive Plan (the "Plan"), to retain vital key Company personnel, in particular, Mladen Ninkov. On 4 April 2023 7,805,000 shares were issued, not for cash, under the terms of the Plan, including 6,000,000 new ordinary shares to Mladen Ninkov, Chairman. On 30 December 2024 6,000,000 ordinary shares were cancelled and 7,000,000 new ordinary shares were issued under this scheme to Mladen Ninkov. Following these issues Mladen Ninkov has an interest in 7,033,001 shares in the Company, representing 3.8% of the Company's issued share capital. The new Ordinary Shares issued are subject to certain contractual terms including that the shares issued will not be sold or otherwise transferred or disposed of before 31 December 2024 except in the event of a transaction occurring with the Company, and that the shares issued will be returned in the event of malus and returned pro rata upon leaving the employment of the Company or its subsidiaries before 31 December 2024. As part of the agreement for the grant of 7,000,000 new ordinary shares to Mladen Ninkov on 30 December 2024, these shares are subject to ongoing restrictions concerning sale, transfer, disposal, employment or malus. See note 19 to the financial statements.

SHARE BUYBACK

On 12 September 2023, the Company announced that in light of the severely undervalued nature of the Company's share price, the cash generated by operations in conjunction with the available funds available outside of China to Griffin and the current depressed nature of base metals prices and the share prices of those producers, the Directors resolved to renew efforts to successfully effect the share buy-back programme announced on 25 February 2021 (the "Buy-Back Programme") to return excess monies not required to meet financial and working capital requirements to shareholders. The directors extended the buy-back programme on the same terms to 26 August 2024, re instituted this on 30th October 2024 on the same terms to 25 April 2025 and provided sufficient funds are available, they may seek to extend the buy-back programme on the same terms again.

In addition to the Buy-Back Programme, the directors reserved the right (subject to compliance with applicable law) to

1) purchase large blocks of shares from individual shareholders where the large number of such shares offered in the market may cause instability in the Company's share price; and
2) purchase a larger number of shares via a tender offer which would be the subject of further documentation being sent to non-US resident shareholders.

In view of the market price of the Company's shares, the lack of shares capable of being offered daily to the Company for repurchase under the Buy-Back Programme and the desire of certain large individual shareholders wishing to possibly sell a large number of such shares which could cause instability in the Company's share price, the Company announced on 19 December 2023 that it had increased the funds available for the purchase of its own shares from up to US$5m to up to US$10 million and an unlimited number of shares in addition to that already expended under the Buy-Back Programme.

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, (the "Transaction").

Directors' Report *(continued)*

The Transaction was conducted separately from the Company's latest share buyback programme.

On 15 March 2024 10,297,943 ordinary shares in the Company purchased under share buyback programmes were cancelled. Following the cancellation of these shares, there are now 185,530,477ordinary shares in issue with no outstanding options or warrants.

SUBSTANTIAL INTERESTS

Apart from Adam Usdan's interests in the share capital of the Company, the Company has been notified that:

- On 22 January 2021 Andrew Goffe and controlling undertakings held an interest in 26,513,657 ordinary shares in the Company representing 15.227% of the Company's then issued share capital. On 5 January 2024 he sold 112,500 shares in the Company as part of the buyback Transaction.;
- On 1 March 2021 Richard Griffiths and controlling undertakings held an interest in 24,313,224 ordinary shares in the Company representing 13.93% of the Company's then issued share capital, together with voting rights through financial instruments equating to 3.34% of the Company's then issued share capital. On 5 January 2024 he sold 7,423,628 shares in the Company as part of the buyback Transaction; and
- On 25 March 2025 Spreadex Ltd notified the Company of an interest in 5,609,066 ordinary shares in the Company, representing 3.04326% of the Company's issued share capital.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk	Comment	Business Impact	Mitigation
Economic Risk			
Exposure to a fall in zinc, gold, silver and lead metal prices.	Revenue is dependent upon metal prices.	High	In common with other mining companies operating in China the Group sells its products by auction to local smelters and agents, however, Griffin continues to review the appropriateness of hedging and indicative cost of put options.
Exposure to fluctuations in the Renminbi / US dollar exchange rate.	A fall in the value of the Renminbi would reduce the US dollar value of revenues, whilst an increase in the value of Renminbi would increase operating costs.	Moderate	The Renminbi is loosely pegged to the US dollar. Management continually reviews foreign exchange rates and the appropriateness of hedging.
Exposure to increases in the market prices of materials, equipment and services the Group uses.	The Group is subject to increases in the market prices for materials, services and equipment.	Moderate	The Group seeks to agree long term contracts for all major services and goods supplied.
Country Risk			
Exposure to political and social risks in the Peoples Republic of China ("the PRC")	Griffin's assets are located in the PRC and therefore exposed to any adverse changes in the political and social situations there.	Low	The Group has operated in the PRC for over 25 years in which time the country has been relatively stable, and retains good relationships with PRC authorities.

Principal Risks and Uncertainties continued

Risk	Comment	Business Impact	Mitigation
Country Risk (continued)			
Exposure to changes in fiscal and regulatory regime.	In addition to political/social risks, the Group is exposed to changes in permitting, environmental, health and safety, and tax regulations in the PRC which may result in a more challenging, or costly, operating environment.	High	Griffin actively engages and works with the local PRC authorities and agencies to identify and minimise the impact of changes in PRC regulations.
Operational Risk			
Reliance on Third Party Contractors	Griffin uses a number of unrelated contractors, particularly for its mining, haulage and drilling activities. Each of these activities has inherent risk, including injury or death to the contractor's employees. Such events could cause a total shutdown of all operational activities which may take a substantial time to recommence.	High	Griffin has an extensive occupational Health and Safety Department in conjunction with a Mining Manager and his team of underground foremen who constantly oversee all contractors' activities, inter alia, punishing and fining contractors for safety breaches. Griffin keeps under consideration moving to owner operated activities.
Exposure to mining hazards	The Group is exposed to a number of risks and hazards typically associated with mining for example rock falls, flooding and mechanical breakdowns.	Moderate	Griffin's operational teams continually monitor mining and other risks, and report to senior management who report to the Board of directors, taking immediate and appropriate measures to minimise any such risks and hazards identified. In addition, the Group's operations are continually monitored by the PRC Safety and environmental Bureaus.
Reliability of Mineral Resources and Ore Reserves	The calculation of Mineral Resources and Ore Reserves involves significant assumptions and estimates that may prove inaccurate.	Low	Griffin's Mineral Resources and Ore Reserve estimates are prepared by third party consultants, based in Australia, who are deemed "experts" under the JORC Code.
Mine fatality	A fatality in the mine would result in the closure of the mine and suspension of operations for an indefinite time to allow a full investigation by the PRC authorities with subsequent penalties possibly including fines, dismissal of personnel held responsible, and loss of licences.	High	As noted above, Griffin's operational teams continually monitor mining and other risks and report to senior management who report to the Board, taking immediate and appropriate measures to minimise any identified risks and hazards. In addition, the Group's operations are monitored and continually inspected by the PRC local, County, City and Provincial Safety Bureaus.
Other Risks			
Exposure to single operation	Griffin is reliant upon a single operation, being the Caijiaying Zinc Gold mine in the PRC. Factors affecting operations at Caijiaying have an impact upon the Group.	Moderate	It is the Company's policy to pursue growth opportunities through expansion in the Caijiaying area, as well as reviewing acquisition opportunities which can be shown to be value accretive.

Directors' Report *(continued)*

Principal Risks and Uncertainties - (other risks continued)

Risk	Comment	Business Impact	Mitigation
Other Risks (continued)			
Licence administration	Griffin, through its subsidiary companies, holds a number of mining, exploration and other licenses and permits to operate. These normally include conditions for ongoing operation and require periodic renewal. Renewals are not guaranteed.	High	All licensing requirements are kept under review with operational staff liaising with local PRC authorities to ensure conditions are adhered to and applications made on a timely basis and in good order.
Key management	The management of Caijiaying is reliant on a small number of key executives, notably the Chairman, both inside and outside of the PRC. Their death, retirement or departure may have significant effect on the operations of the Company.	High	Griffin has contractual arrangements with all key employees which are renewed on a regular basis.
Geological and Historical Information	The loss of historical and/or geological information would have a very significant impact on the operations of the Company.	Low	Griffin has instituted a complete back up system relating to all geological and operational data in Perth, Western Australia, with ERM formerly CSA Global. It is updated on a daily basis.
Bribery and Corruption.	Whilst strict internal policies and procedures to ensure compliance with applicable laws are applied to prohibit all forms of bribery and corruption the risk remains that employees or contractors have circumvented these policies and procedures which could result in prosecution of the Group and its officers.	Moderate	The Group prohibits bribery and corruption in any form by directors, employees or by those working for and / or connected with the business. With the advice and support of the Group's lawyers the Group has implemented anti bribery and corruption policies and procedures including: anti-bribery instruction to staff and third party contractors; on-going monitoring, including setting up reporting channels; and regular review of antibribery reporting policies and procedures.
Pandemic (Covid-19, SARS etc)	A further outbreak of Covid-19 or other virus may lead to restrictions on operations being imposed by the PRC authorities including a suspension in operations.	Moderate	China imposed strict controls to control the Covid-19 and SARS outbreaks emerging from these relatively quickly. Griffin works closely with the PRC authorities to minimise the impact of such outbreaks upon personnel and operations.
Climate Change	Climate change may have an impact on operations and demand for metals	Low	Griffin studies the possible impact of climate change on operations, identifying risks that may interrupt operations and develops measures to counter these.

POST BALANCE SHEET EVENTS AND GOING CONCERN

There were no significant post balance sheet events requiring adjustment to the financial statements or disclosure.

Going Concern

Whilst it is difficult to accurately predict future profitability and liquidity, particularly regarding the impact of metal prices, the directors consider that at current metal prices and with the benefit of agreed banking facilities the Group can continue as a going concern for the foreseeable future without the need to curtail operations. The Group regularly prepares cash flow forecasts and revises its budgets and Life of Mine Plan to adapt to changing situations, including that relating to climate change, as the need arises. These have been extended for more than a year and adapted for a number of plausible scenarios to confirm that in all cases the Group could maintain liquidity cover. Amongst other matters management has taken into account sensitivities for the possible impacts of restrictions imposed by the Chinese authorities during sensitive periods, such as Chinese Communist Party Congresses, and / or to contain outbreaks of Covid-19 or other pandemics. With this in mind a three month suspension has been built into the cash flow forecasts on a severe case scenario. This is further considered in the notes to the financial statements on page 85.

INDEPENDENT AUDITORS

BDO LLP were appointed auditors by the directors during the year and have indicated their willingness to continue in office as auditors to the Company and a resolution proposing their appointment will be put to the forthcoming Annual General Meeting

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the financial statements in accordance with applicable law and regulation.

The Bermuda Companies Act 1981 requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union. The directors must not approve the financial statements unless they are satisfied that the financial statements give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing the financial statements, the directors are responsible for:

- selecting suitable accounting policies and then applying them consistently;
- stating whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- making judgements and accounting estimates that are reasonable and prudent; and
- preparing the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group, and enable them to ensure the financial statements comply with applicable law and regulation.

DIRECTORS' CONFIRMATIONS

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Group's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information

This report was approved by the Board and signed on its behalf by:

Roger Goodwin, Finance Director and Company Secretary

4 June 2025

Independent Auditor's Report to the Members of Griffin Mining Limited

Opinion on the financial statements

In our opinion,

- the financial statements give a true and fair view of the state of the Group's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with Internal Financial Reporting Standards (IFRS) as adopted by the European Union;
- the financial statements have been prepared in accordance with the requirements of the Bermuda Companies Act 1981.

We have audited the consolidated financial statements of Griffin Mining Limited (the 'Company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated cash flow statement and notes to the financial statements, including material accounting policy information.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included:

- Obtaining and reviewing the Group's cash flow forecasts for the going concern period, challenging the assumptions used by management by comparing them against historic performance, and checking that these were consistent with our existing knowledge and understanding of the business, as well as with the Board-approved budget;
- Reviewing the Group's cash flow forecasts under the severe but plausible downside scenarios, evaluating the assumptions used, and checking that the Group is able to maintain liquidity within the going concern period under these scenarios;
- Applying our own reverse stress scenarios to assess the impact of beyond reasonable downside scenarios on the going concern cash flow forecast;
- Testing the model for mathematical accuracy; and
- Reviewing the disclosures in the financial statements relating to going concern to assess whether they are consistent with the Group's circumstances.

Independent Auditor's Report to the Members of Griffin Mining Limited (continued)

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

<table>
<tr><td>Key Audit Matters</td><td>
<table>
<tr><th></th><th>KAM</th><th>2024</th></tr>
<tr><td>1</td><td>Evaluation of the impact of delays in the conversion of the Hebei Hua Ao business licence</td><td>Yes</td></tr>
</table>
</td></tr>
<tr><td>Materiality</td><td>Group financial statements as a whole
$960,000 based on 5% of three-year average profit before tax (PBT).</td></tr>
</table>

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group's system of internal control. On the basis of this, we identified and assessed the risks of material misstatement of the Group financial statements including with respect to the consolidation process.

We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

Components in scope

From the above risk assessment and planning procedures, we determined which of the Group's components were likely to include risks of material misstatement relevant to the Group's financial statements. We then determined the type of procedures to be performed at these components, and the extent to which component auditors were required to be involved.

In determining components, we have considered how components are organized within the Group, and the commonality of control environments, legal and regulatory framework, and level of aggregation associated with individual entities. Whilst there is relative commonality of controls across the group, differences in jurisdictional risk, and the legal and regulatory frameworks under which the entities operate, prevent the further amalgamation of components.

For components in scope, we used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate evidence. These further audit procedures included:

- Procedures on the entire financial information of the components where identified aggregation risk, including performing substantive procedures;
- Procedures on one or more classes of transactions, account balances or disclosures for components where we identified low or no aggregation of risks; and
- Specified audit procedures.

Independent Auditor's Report to the Members of Griffin Mining Limited (continued)

Procedures performed at the component level

We performed procedures to respond to group risks of material misstatement at the component level that included the following:

	Component Name	Entity	Group Audit Scope
1	Hebei Hua Ao	Hebei Hua Ao Mining Industry Company Ltd	Procedures on the entire financial information of the component
2	Griffin Mining Limited	Griffin Mining Limited	Procedures on one or more classes of transactions, account balances or disclosures
3	Griffin Mining UK Services Limited	Griffin Mining UK Services Limited	Procedures on one or more classes of transactions, account balances or disclosures
4	China Zinc	China Zinc Ltd China Zinc Resources Ltd	Risk assessment procedures
5	China Zinc PTY Limited	China Zinc PTY Limited	Risk assessment procedures
6	Non-operating companies	Hebei Sino Anglo Mining Development Company Limited Panda Resources Limited	Risk assessment procedures

Locations

The Group's operations are primarily focused in China, with head office functions domiciled in the United Kingdom and Bermuda. We visited and conducted procedures in the Group's locations in China (including the Hebei Hua Ao mine) and the United Kingdom.

In addition, our teams worked remotely, holding calls and video conferences, and with digital information obtained from management.

Working with other auditors

As Group auditor, we determined the components at which audit work was performed, together with the resources needed to perform this work. These resources included component auditors, who formed part of the group engagement team as reported above. As Group auditor we are solely responsible for expressing an opinion on the financial statements.

In working with these component auditors, we held discussions with component audit teams on the significant areas of the group audit relevant to the components based on our assessment of the group risks of material misstatement. We issued our group audit instructions to component auditors on the nature and extent of their participation and role in the group audit, and on the group risks of material misstatement.

We directed, supervised and reviewed the component auditors' work. This included holding meetings and calls during various phases of the audit, reviewing component auditor documentation and evaluating the appropriateness of the audit procedures performed and the results thereof.

Independent Auditor's Report to the Members of Griffin Mining Limited (continued)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

Evaluation of the impact of delays in the conversion of the Hebei Hua Ao business licence

Refer to: Note 1 - Judgments and estimates, Note 12 – Mining Assets, Note 25 – Long-term Provisions for further details.

Under the terms of the Group's current equity venture agreement with Zhangjiakou Caijiaying Lead Zinc Mining, the Group's Hebei Hua Ao business licence will expire in 2037. At present, the life of mine plan extends beyond 2037 and assumes no cost to extend the licence.

Pursuant to changes in Foreign Investment Law, by 1 January 2025, the legal entity was required to be converted from an equity joint venture company with a business licence that expires in 2037, to a limited liability company with an indefinite life.

The Group is currently in the process of converting this joint venture arrangement to a limited liability company and, for accounting purposes, has made the judgement that the conversion will extend the business licence beyond 2037 for an unlimited period at nil cost.

Increased judgment is required because, while the process was expected to be concluded by 31 December 2024, subsequent to the year end, the extension remains subject to approval from the relevant Chinese authorities, with the potential for delay or for it never to be substantively enacted.

The impact of a non-conversion and extension of the business license impacts forward-looking estimates, including the recoverable amount of mining assets, the timing of environmental rehabilitation provisions and inputs into the unit of production depreciation calculation of mining assets.

We focused on this area due to its material impact on significant estimates and judgements used in preparing the financial statements.

How the scope of our audit addressed the key audit matter

In response to the key audit matter identified, we have performed the following procedures:

- We have obtained written confirmation from the Group's external legal expert to corroborate the accuracy of management's disclosures regarding the impact of non-conversion and extension of the business licence, as well as to confirm that there is no cost attributed to that extension;
- We have assessed the competence, experience and independence of the Group's external legal expert;
- Following on from the legal opinion received, we have considered the impact on the areas of the financial statements that, in an alternative scenario, would be impacted if the conversion of the business licence is delayed or never substantially enacted;
- We assessed the adequacy of the disclosures and considered the relevance of sensitivities of the potential impacts of the existing business licence expiring in 2037 on the impacted individual financial statement line items. As part of this, we recalculated those sensitivities to check their arithmetic accuracy and ensure consistency with underlying assumptions;
- We have assessed that the accounting treatments impacted by the conversion are in accordance with relevant accounting standards.
- We have corroborated that the judgements and estimates applied in critical forward-looking estimates have been applied consistently;
- We reviewed subsequent events disclosures for indications of any developments in the Hebei Hua Ao business licence conversion after year-end.

Key observations:

Based on the procedures performed, we did not identify any matters to suggest that the evaluation of the impact of delays in the conversion of the Hebei Hua Ao business licence was inappropriate.

Independent Auditor's Report to the Members of Griffin Mining Limited (continued)

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	2024 – Group materiality
Materiality	$960,000
Basis for determining materiality	5% of three-year average profit before tax
Rationale for the benchmark applied	Profit before tax is the key indicator of the Group's performance and the most appropriate benchmark for materiality. Due to volatility in commodity prices which has impacted profitability, we have used a 3-year average profit before tax as the benchmark.
Performance materiality	$624,000
Basis for determining performance materiality	65% of group materiality
Rationale for the percentage applied for performance materiality	Performance materiality has been applied considering the nature of activities, expected audit adjustments based on our review of the predecessor auditor's files and management's attitude towards proposed adjustments.

Component performance materiality

For the purposes of our Group audit opinion, we set performance materiality for each component of the Group based on a percentage of 90% of Group performance materiality, as we do not consider there to be significant aggregation risk across significant and elevated risks of misstatement related to the Group.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of $33,600. We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document entitled 'Report and Accounts', other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

Independent Auditor's Report to the Members of Griffin Mining Limited (continued)

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance including, legal counsel, and the Audit Committee; and
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations;

We considered the significant laws and regulations Bermuda, the People's Republic of China and the UK to be those relating to the mining industry, applicable accounting framework, tax legislation and listing rules of the AIM segment of the London Stock Exchange.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the general economic frameworks, health and safety and environmental legislation in the countries that the Group operates.

Independent Auditor's Report to the Members of Griffin Mining Limited (continued)

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations; and
- Review of financial statement disclosures and agreeing to supporting documentation.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance and the Audit Committee regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be revenue recognition, and management override of controls.

We addressed the fraud risk in relation to revenue recognition, by testing all revenue transactions to supporting documentation, including testing a sample of revenue transactions in the period subsequent to year end to check that revenue was recognised in the correct period. In addition we obtained direct confirmations from the key customers for the sales made during the year.

We addressed the risk of management override of controls by testing a risk-based selection of journals and evaluating whether there was evidence of bias in management's estimates that represented a material misstatement due to fraud. Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met defined risk criteria, by agreeing the sample to supporting documentation;
- Introducing an element of unpredictability into our audit work such that management do not become over familiar with our audit approach. In addition, we selected all samples on a random basis;
- Performing a detailed review of the Group's year end adjusting entries and investigated any that appeared unusual as to nature or amount and agreed these entries to supporting documentation;
- For significant and unusual transactions, particularly those occurring at or near year end, we obtained evidence for the rationale of these transactions and evidence supporting the transactions;
- Assessing whether the judgements made in accounting estimates were indicative of a potential bias (Refer to "key audit matters" section above which certain of these judgements);

Independent Auditor's Report to the Members of Griffin Mining Limited (continued)

- Extending inquiries to individuals outside of management and the accounting department to corroborate management's ability and intent to carry out plans that are relevant to developing the estimates set out in the key audit matters section above; and
- Reviewing minutes from Board meetings of those charges with governance to identify any instances of non-compliance with laws and regulations.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including component auditors who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. For component auditors, we also reviewed the result of their work performed in this regard.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Peter Acloque (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
4 June 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Income Statement

For the year ended 31 December 2024
(expressed in thousands US dollars)

	Notes	2024 $000	2023 $000
Revenue	2	135,128	146,023
Cost of sales	2	(83,877)	(94,181)
Gross profit		51,251	51,842
Administration expenses	2 & 3	(33,963)	(28,005)
Operating Profit		17,288	23,837
Impairment of exploration interests	13	(599)	-
Losses on disposal of plant and equipment	6	(1,108)	(784)
Foreign exchange (losses)		(186)	(136)
Finance income	7	2,018	1,394
Finance costs	8	(37)	(177)
Other income	9	527	352
Profit before tax		17,903	24,486
Income tax expense	10	(6,552)	(9,250)
Profit for the year		11,351	15,236
Basic earnings per share (cents)	11	6.08	8.03
Diluted earnings per share (cents)	11	6.08	7.98

The above Consolidated Income Statement should be read in conjunction with the notes on pages 85 to 109.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024
(expressed in thousands US dollars)

	2024	2023
	$000	$000
Profit for the year	**11,351**	15,236
Other comprehensive (expense) that will be reclassified to profit or loss:		
Exchange differences on translating foreign operations	**(2,911)**	(2,912)
Other comprehensive (expense) for the year, net of tax	**(2,911)**	(2,912)
Total comprehensive income for the year	**8,440**	12,324

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the notes on pages 85 to 109.

Consolidated Statement of Financial Position

As at 31 December 2024
(expressed in thousands US dollars)

	Notes	2024 $000	2023 $000
ASSETS			
Non-current assets			
Mining interests	12	**242,754**	250,370
Exploration interests	13	**1**	575
Deferred taxation	14	**4,768**	-
Other non-current assets	15	**1,215**	1,554
		248,738	252,499
Current assets			
Inventories	16	**5,273**	5,828
Receivables and other current assets	17	**2,985**	2,886
Cash and cash equivalents	18	**48,758**	60,007
		57,016	68,721
Total assets		**305,754**	321,220
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	19	**1,855**	1,928
Share premium		**67,318**	78,550
Contributing surplus		**3,690**	3,690
Share based payments	20	**9,096**	3,109
Shares held in treasury	22	**(2,388)**	(2,017)
Chinese statutory re-investment reserve		**3,830**	3,529
Other reserve on acquisition of non-controlling interests		**(29,346)**	(29,346)
Foreign exchange reserve		**(6,339)**	(3,480)
Profit and loss reserve		**224,955**	213,789
Total equity attributable to equity holders of the parent		**272,671**	269,752
Non-current liabilities			
Other payables	24	**-**	3,106
Long-term provisions	25	**3,822**	3,929
Lease Liabilities	26	**465**	570
		4,287	7,605
Current liabilities			
Trade and other payables	27	**27,486**	38,308
Lease Liabilities	26	**155**	169
Business taxation payable		**1,155**	5,386
Total current liabilities		**28,796**	43,863
Total equities and liabilities		**305,754**	321,220
Attributable net asset value per share to equity holders of parent	28	**1.47**	1.40

The above Consolidated Statement of Financial Position should be read in conjunction with the notes on pages 85 to 109.

The financial statements on pages 80 to 84 were approved by the Board of Directors and signed on its behalf by:

Mladen Ninkov
Chairman

Roger Goodwin
Finance Director

4 June 2025

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024
(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 2023	**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	9,216	-	-	-	-	-	-	-	9,317
Share based payments (note 19 & 20)	78	-	-	2,941	-	-	-	-	-	3,019
Purchase of shares for treasury (note 22)	-	-	-	-	(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**
Regulatory transfer for future investment	-	-	-	-	-	353	-	-	(353)	-
Cancellation of shares (note 19 & 22)	(103)	(12,040)	-	-	12,143	-	-	-	-	-
Issue of shares on cancellation of share purchase options	-	-	-	(168)	-	-	-	-	168	-
Issue of shares on exercise of share options (note 19)	20	808	-	-	-	-	-	-	-	828
Share based payments (note 20)	10	-	-	6,155	-	-	-	-	-	6,165
Purchase of shares for treasury (note 22)	-	-	-	-	(12,514)	-	-	-	-	(12,514)
Transaction with owners	(73)	(11,232)	-	5,987	(371)	353	-	-	(185)	(5,521)
Profit for the year	-	-	-	-	-	-	-	-	11,351	11,351
Other comprehensive income:										
Exchange differences on translating foreign operations	-	-	-	-	-	(52)	-	(2,859)	-	(2,911)
Total comprehensive income	-	-	-	-	-	(52)	-	(2,859)	11,351	8,440
At 31 December 2024	**1,855**	**67,318**	**3,690**	**9,096**	**(2,388)**	**3,830**	**(29,346)**	**(6,339)**	**224,955**	**272,671**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the notes on pages 85 to 109.

Notes to the Financial Statements

Consolidated Cash Flow Statement

For the year ended 31 December 2024
(expressed in thousands US dollars)

	Notes	2024 $000	2023 $000
Net cash flows from operating activities			
Profit before taxation		**17,903**	24,486
Share based payments		**6,165**	3,019
Foreign exchange losses		**186**	136
Finance income	**7**	**(2,018)**	(1,394)
Finance costs	**8**	**37**	177
Impairment of exploration interests	**13**	**599**	-
Depreciation	**12**	**24,613**	28,026
Losses on disposal of equipment		**1,108**	784
Decrease in inventories		**556**	2,249
(Increase) / decrease in receivables and other assets		**(99)**	547
(Decrease) in trade and other payables		**(13,881)**	(415)
Taxation paid		**(15,587)**	(9,238)
Net cash inflow from operating activities		**19,582**	48,377
Cash flows from investing activities			
Interest received	**7**	**1,753**	1,394
Decrease in rehabilitation deposits		**339**	-
Proceeds / (costs) on disposal of equipment		**97**	(263)
Payments to acquire – mineral interests and mine development	**12**	**(13,974)**	(16,792)
Payments to acquire – property, plant, and equipment	**12**	**(6,996)**	(6,056)
Payments to acquire - intangible fixed assets – exploration interests	**13**	**(25)**	(168)
Net cash outflow from investing activities		**(18,806)**	(21,885)
Cash flows from financing activities			
Issue of ordinary shares on exercise of options		**828**	-
Interest paid		**216**	(27)
Purchase of shares for treasury		**(12,515)**	(373)
Bank loan advances		**-**	4,271
Repayment of bank loans		**-**	(4,271)
Finance lease repayments including interest		**(156)**	(155)
Net cash outflow from financing activities		**(11,627)**	(555)
(Decrease) / increase in cash and cash equivalents		**(10,851)**	25,937
Cash and cash equivalents at the beginning of the year		**60,007**	34,138
Effects of foreign exchange rates		**(398)**	(68)
Cash and cash equivalents at the end of the year		**48,758**	60,007
Cash and cash equivalents comprise bank deposits			
Bank Deposits		**48,758**	60,007

The above Consolidated Cash flow Statement should be read in conjunction with the notes on pages 85 to 109.

Notes to the Financial Statements

1. Basis Of Accounting and Material Accounting Policies

The financial statements of Griffin Mining Limited ("the Company") and its subsidiaries, together "the Group," have been prepared in accordance with applicable International Financial Reporting Standards as adopted by the EU and in accordance with the Bermuda Companies Act. The material accounting policies adopted are detailed below. These policies have been consistently applied to all years unless otherwise stated.

Accounting Convention

The financial statements have been prepared under the historical cost convention.

New And Amended Standards Adopted By The Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2024:

- Supplier Finance Agreements. (Amendments to IAS7 and IFRS 17);
- Lease liabilities on a sale and lease back (Amendment to IFRS16);
- Classification of liabilities as current or non-current; and
- Non-current liabilities with covenant (Amendment to IAS1).

The amendments listed above did not have any impact on the amounts recognised in the current period and are not expected to significantly affect future periods.

New Standards And Interpretations Not Yet Adopted

At the date of authorisation of these financial statements, certain new and amended accounting standards and interpretations have been published that are not mandatory for the year ended 31 December 2024, nor have they been early adopted by the Group. These standards and interpretations are not expected to have a material impact on the Company's consolidated financial statements in the current or future reporting periods.

- International Financial Reporting Standard 18 [Presentation and Disclosure in Financial Statements].

Going Concern

The financial statements have been prepared on a going concern basis. The Group prepares cash flow forecasts on a weekly basis and revises its budgets and Life of Mine Plan to adapt to changing situations including that relating to climate change, as the need arises. These have been extended to 31 December 2026 and adapted for a number of severe but plausible scenarios to confirm that in potential adverse cases the Group could maintain liquidity cover. Amongst other matters management has taken into account sensitivities for the possible impacts of additional restrictions imposed by the Chinese authorities during politically sensitive periods and to contain outbreaks of Covid-19 or other pandemic. The Group is dependent on a relatively small number of customers in the PRC. This is not expected to result in a going concern risk.

Consolidation Basis

The Group financial statements consolidate the financial statements of the Company and all its subsidiary undertakings drawn up to 31 December each year. Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities. The Group obtains and exercises control through voting rights.

Management has assessed its involvement in Hebei Hua Ao and Hebei Sino Anglo in accordance with IFRS 10 and concluded that it has control.

In making its judgement, the directors considered the Group's voting rights, the relative size and dispersion of the voting rights held by other shareholders and the extent of recent participation by those shareholders in general meetings.

Unrealised gains on transactions between the Group and its subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Notes to the Financial Statements

Revenue

Revenue is measured by reference to the fair value of consideration received or receivable by the Group and comprises amounts received, net of VAT and production royalties, from sales of metal concentrates to third party customers. Sales are recognised on a delivery or collection basis as at this point the performance obligations are satisfied. Delivery or collection occur following open auction of metals in concentrate and where delivery is taken and cash received within 30 days of the agreement.

Non Current Assets

Exploration costs

Expenditure on licences, concessions and exploration incurred on areas of interest by subsidiary undertakings are carried as intangible assets until such time as it is determined that there are both technically feasible and commercially viable resources within each area of interest and the necessary finance is in place, at which time such costs are transferred to property, plant and equipment to be amortised over the expected productive life of the asset. Until such time exploration costs are not depreciated. The Group's exploration costs capitalised are subject to periodic review at least annually by the directors for impairment. Exploration, appraisal and development costs incurred in respect of each area of interest which are determined as unsuccessful are written off to the income statement.

Property, plant and equipment

Mine development expenditure for the initial establishment of access to mineral reserves, together with capitalised exploration, evaluation and commissioning expenditure, and costs directly attributable to bringing the mine into commercial production are capitalised to the extent that the expenditure results in future benefits. Property, plant and equipment are shown at cost less depreciation and provisions for the impairment of value (see note 12).

Residual values

Material residual value estimates are updated as required, but at least annually and where adjustments are required these are made prospectively.

Depreciation

Depreciation rates reflect the term of operations, extractable resource, and economic lives of the assets as follows:

- Mine acquisition, development, licence, pre production and land use rights (included in mineral interests) - on a unit of production basis, commencing at the time production commences from the area of interest.
- Plant and buildings - over 50 years on a straight line basis with a 5% residual value.
- Dry tailings facility held under finance lease- over 15 years on a straight line basis with no residual value.
- Mechanical equipment - over 10 years on a straight line basis with a 5% residual value.
- All other equipment, including vehicles - over 5 years on a straight line basis with a 10% residual value.

The Group reviews its depreciation policies annually to ensure their appropriateness.

Impairment

A review for impairment indicators at each reporting date is undertaken. In the event of impairment indicators being identified, an impairment test is carried out to assess whether the net book value of the capitalised costs in each area of interest (cash generating unit) is covered by the discounted future cash flows from resources within that area of interest. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal or value in use. Management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, resource estimates, and life of mine plan. Estimates and assumptions used in determining whether an asset has become impaired are set out in note 12.

Notes to the Financial Statements

Impairment *(continued)*

Impairment assessments are based upon a range of estimates and assumptions:

Estimates / Assumptions Basis

- Future production: Measured and indicated resource estimates together with processing capacity and budget costs.
- Capital expenditure: Development meterage at mining cost rates.
- Commodity prices: Current market and expectations of longer term price estimates.
- Exchange rates: Current market exchange rates.
- Discount rates: Cost of capital risk.

Mine Closure Costs

Mining operations are generally required to restore mine and processing sites at the end of their lives to a condition acceptable to the relevant authorities and consistent with the Group's environmental policies. Whilst the Group strives to maintain, and where possible, enhance the environment of the Group's processing sites, provision is made for site restoration costs in the financial statements in accordance with local requirements (see note 25).

Inventories

Inventories are valued at the lower of cost or net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Consumable stores and spares, at purchase cost on a first in first out basis.
- Concentrate stockpiles at cost of direct materials, power, labour, and a proportion of site overhead.
- Ore stockpiles at cost of direct material, power, labour contractor charges and a proportion of site overhead.

Financial Assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through the Statement of Other Comprehensive Income "OCI" or
- through profit or loss; and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will be recorded either in profit or loss or in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Classification of financial assets at amortised cost

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade date (that is, the date on which the Group commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Notes to the Financial Statements

Financial Assets *(continued)*

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Impairment

The Group assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 17 for further details.

Assets carried at amortised cost

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are classified and measured subsequently at amortised cost.

The Group recognises a loss allowance for expected credit losses on its financial assets measured at amortised cost. The amount of expected credit losses is updated at each reporting period to reflect changes in credit risk since initial recognition of the respective financial instruments.

Financial Liabilities

The Group's financial liabilities include bank loans, trade and other payables, which are measured at amortised cost using the effective interest rate method. On initial recognition financial liabilities are recognised at fair value net of transaction costs.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument.

All interest related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included in the income statement line items "finance costs" or "finance income."

Foreign Currency Transactions

The financial statements have been prepared in United States dollars equating to the local currency of Bermuda. Whilst registered in Bermuda the Company, together with its subsidiaries and associates, operate in China, the United Kingdom, Hong Kong and Australia. The functional currency of the parent company is US dollars. The functional currency of Hebei Hua Ao is the Renminbi.

Foreign currency transactions by Group companies are recorded in their functional currencies at the exchange rate ruling at the date of the transaction.

Monetary assets and liabilities have been translated at rates in effect at the statement of financial position date. Any realised or unrealised exchange adjustments have been charged or credited to profit or loss. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction. Non-monetary items measured at fair value are translated using the exchange rates at the date when the fair value was determined.

On consolidation the financial statements of overseas subsidiary undertakings are translated into the presentation currency of the Group at the rate of exchange ruling at the reporting date and income statement items are translated at the average rate for the year. The exchange difference arising on the retranslation of opening net assets is recognised in other comprehensive income and accumulated in the foreign exchange reserve.

All other translation differences are taken to profit or loss.

Notes to the Financial Statements

Equity

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares.
- "Share premium" represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- "Contributing surplus" is a statutory reserve for the maintenance of capital under Bermuda company law and was created on a reduction in the par value of the Company's ordinary shares on 15 March 2001.
- "Share based payments" represents equity-settled share-based remuneration such as shares issued under a share incentive scheme subject to clawback and share options subject to exercise.
- "Foreign exchange reserve" represents the differences arising from translation of investments in overseas subsidiaries.
- "Chinese statutory re-investment reserve" represents a statutory retained earnings reserve under PRC law for future investment by Hebei Hua Ao.
- "Other reserves on acquisition of non controlling interests" represents the excess of the purchase price paid to acquire non controlling interest rights over the non controlling interests in subsidiary companies.
- "Profit and loss reserve" represents retained profits and losses.
- "Shares held in treasury" represents ordinary shares in the Company bought in at cost of purchase.

Equity Settled Share Based Payments

All goods and services received in exchange for the grant of any share-based remuneration are measured at their fair values. Fair values of services are indirectly determined by reference to the fair value of the shares or share options awarded. Their value is appraised at the share issue or option grant date and excludes the impact of non-market vesting conditions (for example, production upgrades).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to "Share based payments" in the statement of financial position.

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. In the case of shares issued subject to clawback, the expense is allocated over the period from issue to end of the clawback period with an initial credit to share capital and balancing credit to share based payments. At the end of the clawback period the allocation to share based payments is released to share premium.

Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates, or if any shares granted under share incentive schemes are to be clawed back. Any cumulative adjustment prior to vesting is recognised in the current period.

Upon exercise of share options, the proceeds received net of attributable transaction costs are credited to share capital.

For the financial year ended 31 December 2024 the total expense recognised in profit or loss arising from share based transactions was $6,165,000 (2023: $3,019,000). See note 4.

Significant Judgements And Estimates

In formulating accounting policies, the directors are required to apply their judgement, and where necessary engage professional advisors, with regard to the following significant areas:

Judgements

Resource base

The Group includes Measured and Indicated Resources in its life-of-mine plans to assess the long-term value of its mines, calculate depreciation on a Unit-of-Production ("UoP") basis, and estimate rehabilitation expenditures.

Notes to the Financial Statements

Significant Judgements And Estimates *(continued)*

The Group considers Zones II and III of the Caijiaying deposit to represent a homogeneous orebody, the combined Measured and Indicated Resource being the basis on which all relevant infrastructure, both above and below the surface, and mineral property rights should be depreciated.

Capitalisation and depreciation of underground development costs

The capitalisation and depreciation of underground development costs requires the Group to make judgements and estimates in determining the costs to be capitalised and the resource base over which these costs are depreciated.

Capitalisation

The Group capitalises costs incurred to obtain access to resources and to provide facilities for extracting, treating, gathering, transporting and storing ore. This includes the following underground development costs which are capital in nature, and thus appropriate to capitalise:

- Declines
- All permanent infrastructure, including pump stations, substation, refuge chamber, escape-ways
- All level crosscuts taking off from declines and ending to last orebody (accessing with declines)
- All footwall or hangwall drives which will also function as any one of other purposes of long term mine operation for primary ventilation, egress route and backfill pipeline access
- All stope crosscuts taking off from footwall or hangwall drives which will serve stoping activities for over 1 year
- All exploration drives

In making this judgement the Group has considered the mining methods applied, and the extent to which capitalised costs provide access to extract ore from the orebody both horizontally and across multiple levels.

Depreciation

The depreciation charge is calculated based on tonnes of ore extracted in the foreseeable future including both measured and indicated resource tonnes, and both incurred and estimated future development costs to access this resource.

The Group has made this judgement as it best reflects the pattern of consumption of the mine's economic benefit. The resource included in the calculation includes indicated resources, based on the high historic and expected conversion of indicated to measured resource, coupled with the homogenous nature of the ore body. This provides a high degree of confidence over the inclusion of indicated resources in the calculation of depreciation on the basis of unit of production ("U of P").

Due to the nature of the orebody and longitudinal open stoping mining methods applied, the incurred and future estimated development costs have been determined to provide access to multiple areas of the orebody and are required for the full extraction of the ore across different levels in accordance with the mining sequence.

For this reason, the depreciation of development costs is attributed to the whole measured and indicated resource base, and not separated into different components of the ore body.

Business license tenure – Hebei Hua Ao

The current business license of Hebei Hua Ao expires in 2037, however, the legal entity is required to be converted to an equity joint venture company from 1 January 2025 with an indefinite life in order to comply with new PRC legislation. The Group is currently undertaking the process of legally converting the joint venture Company into a limited liability company with retrospective effect from 1 January 2025, however there is no precedent for this conversion, and the timing of when this will be concluded is not clear.

Based on legal advice received, the Group has determined that, until such time as the conversion occurs, mining operations will continue under the existing terms of the equity joint venture company.

Notes to the Financial Statements

Significant Judgements and Estimates *(continued)*

The Group does not consider there to be any substantive conditions precedent which would result in the non-conversion of the existing venture agreement into a limited liability company, or that extension of the mining license would result in significant additional costs becoming due.

Given these circumstances, the Group has applied judgement in determining that the current business license will extend beyond 2037 and that there will be no cost involved in gaining this extension.

This impact of ceasing operations in 2037, as opposed to when all resources have been consumed, would have a material impact on the Fair Value less Cost of Disposal ("FVLCOD") of mining assets, UoP depreciation charge and the quantum and timing of environmental rehabilitation charges.

Sensitivity analysis has been provided in note 12 over the impact of mining operations ceasing in 2037.

Under the terms of an agreement dated 21 May 2012, Griffin's Chinese Partners are obliged to provide various services to facilitate Hebei Hua Ao's operations in China and as such the amounts payable of $3,510,000 (2023 $3,903,000) are included in net operating costs rather than attributable to non-controlling interests. Likewise, the amounts due at 31 December 2024 of $8,131,000 (2023: $4,697,000) are included in other payables rather than due to non-controlling interests within equity within the Consolidated Statement of Financial Position.

Estimates

Impairment review assumptions, property, plant and equipment (note 12). Impairments are assessed by comparison of the cash generating units (the Caijiaying Mine) carrying amounts against the value of future discounted cash flows expected to be derived from this unit. The value of the cash flows are impacted by estimates of:

- future prices of the commodities extracted. Estimates were made as at the balance sheet date.
- the expected tonnes and grade of ore mined. Management has assumed forecast production of circa 1.5 million tonnes per annum up to 1.6 million tonnes per annum as set out in the life of mine plan. No alterations to existing processing facilities are required to facilitate the increase in production.
- future zinc treatment costs.
- future operating and capital expenditure.
- discount rates calculated using a capital asset pricing model.

Based on these estimates, the directors have determined that the Group requires the market price of zinc to be above $2,272 on an ongoing basis per tonne with gold, silver and lead prices remaining at current prevailing levels, to avoid an impairment charge. It is also conditional upon mining licences continuing and permits being granted, which the directors consider will be maintained or obtained as appropriate.

Mine Closure Costs

Provisions for mine closure and rehabilitation costs have been made in accordance with the laws and regulations of the PRC and as set out in the Hebei Hua Ao Mine Ecological Restoration Treatment and Land Reclamation Scheme ("the Scheme") as approved by the Ministry of Natural Resources of the PRC. This Scheme provides for a mine life of 40.11 years from January 2019 to February 2059. The Scheme incorporates a rehabilitation plan for "Mine Geological Environment Recovery" with an estimated cost of RMB 65,619,400 ($9,265,000), and "Land Rehabilitation" with an estimated cost of RMB 54,566,100 ($7,704,000). These amounts have been discounted over the deemed Life of Mine at a discount rate of 2.88%, being the PRC 36 year state bond rate.

The directors continually monitor the basis on which their judgements are formulated. Where required they will make amendments to these judgements. Where judgements and estimates are amended between accounting periods, full disclosure of the financial implications are given within the relevant notes to the Group financial statements.

Notes to the Financial Statements

Cash And Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Money Market deposits are measured at fair value with movements in fair value recognised in the income statement. The fair value of Money Market funds are based on their quoted market price and valued using level 1 methodology.

Dividends

Dividend distributions payable to equity shareholders are included in "other short term financial liabilities" when the dividends are declared and authorised by the Board meeting prior to the reporting date, but not distributed prior to the end of the reporting period.

Taxation

Current tax is the tax currently payable based on taxable profit for the year.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries, associates and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised as a component of the tax expense in the income statement, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) in which case the related deferred tax is also charged or credited directly to other comprehensive income or equity.

Segment Reporting

In identifying its operating segments in note 2, as determined by the Board (the Chief Operating Decision Maker), management generally follows the Group's service lines, which represent the main products produced by the Group. Management considers there to be only one operating segment being the operations at the Caijiaying Mine based in China with production of zinc concentrate, and lead concentrate with associated precious metals credits. All activities of the Group are reported through management and the executive director to the Board of the Company. The measurement policies the Group uses for Segment reporting under IFRS 8 are the same as those used in its financial statements.

Corporate assets which are not directly attributable to the business activities of Caijiaying Mine are not allocated to the Chinese segment but are reviewed in light of operating expenses by the region in which they occur. In the financial years under review, this primarily applies to the Group's head office and intermediary holding companies within the Group.

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

Notes to the Financial Statements

Leased Assets

Leased right of use assets are included within property, plant and equipment and on the inception of the lease at the amount of the corresponding lease liability, adjusted for any lease payments prior to the lease commencement date, plus any direct costs incurred and estimated dismantling, disposal or restoration costs, less any lease incentives received. The right to use assets are depreciated over the economic life of the asset on the same basis as other legally owned assets.

Lease Liabilities

Lease liabilities are recognised within non-current and current liabilities. On inception, the lease liability is recognised as the present value of the expected future lease payments, discounted using the Group's cost of borrowing. Lease payments include fixed payments, variable payments dependent on index or other rate, guarantees, and purchase option payments.

2. Segmental Reporting

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 2024 and 2023 were derived from the Caijiaying Zinc Gold mine.

	2024	2023
	$000	$000
REVENUE		
China	**135,128**	146,023
Zinc concentrate sales	**96,126**	112,008
Lead and precious metals concentrate sales	**46,473**	42,428
Royalties and resource taxes	**(7,471)**	(8,413)
	135,128	146,023

Whilst Griffin sells zinc concentrate and lead and precious metal concentrate by way of open auction in the PRC, 57.3% ($55,064,000) (2023: 49.96% $55,957,000) of zinc concentrate revenues were to a single customer with the remainder to another four customers (2023: five) and 46.1% ($21,430,000) (2023: 48% $20,438,000) of lead and precious metal concentrate revenues were to a single customer and the remainder to another three customers (2023: two).

	2024	2023
	$000	$000
COST OF SALES: CHINA		
Mining costs	**25,993**	25,579
Haulage costs	**13,171**	18,098
Processing costs	**20,824**	23,197
Depreciation (excluding depreciation in administration expenses)	**22,647**	25,385
Stock movements	**1,242**	1,922
	83,877	94,181
ADMINISTRATION EXPENSES		
China / Hong Kong	**19,140**	19,023
Australia	**62**	77
UK / Bermuda	**8,596**	5,886
	27,798	24,986
Fair value of shares issued under share incentive plan (note 4)	**6,165**	3,019
	33,963	28,005

Notes to the Financial Statements

2. Segmental Reporting *(continued)*

Administration expenses cover the cost of managing the Group's operations, including; payroll; office costs, which includes depreciation; fees; travel; and insurance. All revenues, cost of sales and administration expenses charged to profit relate to continuing operations and are allocated by receipt / payment location.

	2024	2023
	$000	$000
TOTAL ASSETS		
China	**268,056**	299,094
Australia	**1,142**	1,201
UK / Bermuda	**36,556**	20,925
	305,754	321,220
CAPITAL EXPENDITURE		
China	**20,995**	23,016
UK / Bermuda	**-**	-
	20,995	23,016

3. Profit From Operations

Profit from operations is stated after charging	**2024**	2023
	$000	$000
Fees for the audit of the Company	**195**	235
Fees for the audit of subsidiaries	**171**	189
Fees for non-audit services by audit firm	**0**	23
Staff costs	**16,106**	14,091
Service fees to Zhangjiakou Yuanrun Enterprise Management Consulting Services Co., Ltd.	**3,874**	4,274

	2024	2023
	No.	No.
Average number of persons employed by the Group in the year	**530**	497

4. Shares Issued Under Executive Incentive Plan

	2024	2023
	$000	$000
Fair value of shares issued under share incentive plan (notes 19 & 20)	**6,165**	3,019

Notes to the Financial Statements

5. Directors' And Key Personnel Remuneration

The following fees and remuneration were receivable by the Directors holding office and key personnel engaged during the year:

	Fees	*Salary*	*Pension contributions*	*Total 2024*	Fees	Salary	Pension Contributions	Total 2023
	$000	*$000*	*$000*	*$000*	$000	$000	$000	$000
Mladen Ninkov*	**206**	**-**	**-**	**206**	209	-	-	209
Roger Goodwin	**206**	**428**	**38**	**672**	209	470	37	716
Dean Moore	**85**	**-**	**-**	**85**	82	-	-	82
Linda Naylor	**85**	**-**	**-**	**85**	82	-	-	82
Adam Usdan	**85**	**-**	**-**	**85**	82	-	-	82
Clive Whiley	**394**	**-**	**-**	**394**	378	-	-	378
	1,061	**428**	**38**	**1527**	1,042	470	37	1,549
Key personnel	**60**	**2,240**	**-**	**2,300**	60	2,301	18	2,379
Total	**1,121**	**2,668**	**38**	**3,827**	1,102	2,771	55	3,928

Key personnel comprise individuals in senior management positions.

*Keynes Capital, the registered business name of Keynes Investments Pty Limited as trustee for the Keynes Trust, received fees under a consultancy agreement of $5,630,000 including a bonus of $2,782,000 (2023: $2,994,000 – bonus $0), for the provision of advisory and support services to Griffin Mining Limited and its subsidiaries during the year. Mladen Ninkov is a director and employee of Keynes Investments Pty Limited. 6,000,000 ordinary shares in the Company previously granted to Mladen Ninkov were cancelled and 7,000,000 new ordinary shares were issued under the terms of the Company's Share Incentive plan (see note 19).

No share options were granted to the directors in 2024 or 2023.

6. Losses On Disposal Of Plant And Equipment

	2024	2023
	$000	$000
Losses on disposal of plant and equipment	**1,108**	784

7. Finance Income

	2024	2023
	$000	$000
Interest on bank deposits	**1,753**	1,394
Interest on rehabilitation deposits	**265**	-
	2,018	1,394

8. Finance Costs

	2024	2023
	$000	$000
Interest payable on short term bank loans	**-**	(24)
Interest on rehabilitation provisions	**-**	(110)
Finance lease interest	**(37)**	(43)
	(37)	(177)

9. Other Income

	2024	2023
	$000	$000
Scrap, indemnities, subsidies and sundry other income	**527**	352

Notes to the Financial Statements

10. Income Tax Expense

	2024 $000	2023 $000
Profit for the year before tax	**17,903**	24,486
Expected tax expense at a standard rate of PRC income tax of 25% (2023: 25%)	**4,476**	6,121
Adjustment for tax exempt items:		
- (Income) and expenses outside the PRC not subject to tax	**2,708**	2,088
- (Income) and expenses subject to tax outside the PRC	**583**	(103)
Adjustments for short term timing differences:		
- In respect of accounting differences	**3,056**	2,851
- In respect of other timing differences	**(142)**	(25)
Adjustments for permanent timing differences other	**(26)**	129
Withholding tax on intercompany dividends and charges	**689**	897
Prior period tax credit / (charge)	**12**	(14)
Current taxation expense	**11,356**	11,944
Deferred taxation (credit)		
Origination and reversal of temporary timing differences	**(4,804)**	(2,694)
	(4,804)	(2,694)
Total tax expense	**6,552**	9,250

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 2024 (2023: 25%) based upon the profits calculated under Chinese Generally Accepted Accounting Principles (Chinese "GAAP").

Withholding tax is recognised as a current tax charge when paid. As the Company can control the timing of payments giving rise to withholding tax, deferred tax liabilities for unpaid withholding taxes on unremitted earnings and undistributed dividend payments are recognised using a 'probable' threshold (based on the recognition threshold in IAS 12) , and are reflected at the amount expected to be paid to taxation authorities. Unremitted earnings and undistributed dividend payments from the Group's Chinese mining operation total $145.9m (2023: $127.0m) upon which PRC withholding tax, currently 5%, may be deducted on distribution.

11. 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:

	2024			2023		
	Earnings $000	**Weighted Average no of shares**	**Per share amount (cents)**	Earnings $000	Weighted Average no of shares	Per share amount (cents)
Basic earnings per share						
Basic earnings attributable to ordinary shareholders	**11,351**	**186,599,728**	**6.08**	15,236	189,771,884	8.03
Dilutive effect of securities						
Options	-	-	-	-	1,234,740	(0.05)
Diluted earnings per share	**11,351**	**186,599,728**	**6.08**	15,236	191,006,624	7.98

Notes to the Financial Statements

12. Mining Interests

	Mineral Interests held under retention licences	Mineral interests held under mining licence	Mill and mobile mine equipment	Offices, furniture & equipment	Total
	$000	$000	$000	$000	$000
At 1 January 2023	4,687	196,451	56,070	833	258,041
Foreign exchange adjustments	(79)	(2,190)	(929)	-	(3,198)
Change in estimate of mine closure costs	-	1,226	-	-	1,226
Additions during the year	91	16,701	6,056	-	22,848
Disposals	-	-	(521)	-	(521)
Depreciation charge for the year	-	(21,505)	(6,380)	(141)	(28,026)
At 31 December 2023	4,699	190,683	54,296	692	250,370
Foreign exchange adjustments	(69)	(1,919)	(780)	-	(2,768)
Additions during the year	106	13,868	6,996	-	20,970
Disposals	-	-	(1,205)	-	(1,205)
Depreciation charge for the year	-	(16,277)	(8,197)	(139)	(24,613)
At 31 December 2024	4,736	186,355	51,110	553	242,754
At 1 January 2023					
Cost	4,687	270,563	101,763	1,106	378,119
Accumulated depreciation	-	(74,112)	(45,693)	(273)	(120,078)
Net carrying amount	4,687	196,451	56,070	833	258,041
At 31 December 2023					
Cost	4,699	285,378	103,479	1,558	395,114
Accumulated depreciation	-	(94,695)	(49,183)	(866)	(144,744)
Net carrying amount	4,699	190,683	54,296	692	250,370
At 31 December 2024					
Cost	4,736	296,311	106,323	1,558	408,928
Accumulated depreciation	-	(109,956)	(55,213)	(1,005)	(166,174)
Net carrying amount	4,736	186,355	51,110	553	242,754

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 access cuts, 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 $19,649,000 (2023: $3,416,000) 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.

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 Generating 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 2024 (2023: nil). However, as best practice and in response to an updated Life of Mine Plan, management have updated the impairment model for latest forecast metal prices, smelter treatment charges , and revisions to mine development

Notes to the Financial Statements

12. Mining Interests *(continued)*

costs. In determining any indications of impairment in the carrying value of the Caijiaying Mine the directors have reassessed the net carrying value of mineral interests at 31 December 2024 by reference to the estimated mineral resources at Caijiaying that may be extracted by 2045 from mineralised Zones II & III only (2023: 2050 all Zones). The current business licence of Hebei Hua Ao expires in 2037, however, Hebei Hua Ao is required to be converted to an equity joint venture company with an indefinite life in order to comply with new PRC legislation. Accordingly, a Life of Mine Plan has been prepared by the Company that indicates the continued extraction of ore until at least 2045. Management have assessed a possible termination of operations in 2037 and concluded that on the basis of the assumptions below no impairment is indicated.

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 $2,492 (2023: $2,654) per tonne, gold of $2,190 (2023: $2,000) per troy ounce and silver of $29.1 (2023: $23.4) per troy ounce;
- Zinc treatment charges of 25% (2023: 25%) of market prices;
- Extraction of measured and indicated resources of 31.1 million tonnes from mineralised Zones III and II alone (2023: 41.2 million tonnes from all Zones) to 2045 (2023: 2050) with ore mined and processed of circa 1.5 million tonnes (2023: 1.5 million tonnes) of ore per annum;
- Operating costs, recoveries and payables based upon past performance and that budgeted for 2025 and on internal management forecast, for future years;
- Capital costs based upon that initially scheduled with sustaining capital based on future scheduling;
- Post Tax discount rate of 10% (2023: 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 7.1 Rmb to $1 (2023: 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 including:

Depreciation

The Group has considered the impact of the non-extension of the business license on depreciation of mining assets. The shortening of the mine life to finish in 2037 would result in an increase in depreciation charge for the year ended 31 December 2024 of approximately $6.2m. This has been computed assuming no change in the profile of future capital expenditure which with a shorter mine life would be minimised thereby significantly reducing depreciation rates. This sensitivity is therefore considered to be the "worst-case".

Depreciation of mineral property rights held under mining licences is calculated on a Unit of Production basis. There is judgement in the quantum of future capital expenditure to be included in the calculation, to which this calculation is noted as being most sensitive. A 10% increase/decrease in capital expenditure would result in a corresponding increase/decrease in depreciation of approximately $1.0m.

Life of mine estimates

The Group has considered the impact of the non-extension of the business license on the hypothetical recoverable amount of the Caijiaying cash generating unit. The shortening of the mine life to 2037 would result in a reduction in the recoverable amount for the year ended 31 December 2024 of $61,347,000 assuming no other changes to inputs, but would not result in an impairment.

Notes to the Financial Statements

12. Mining Interests *(continued)*

This has been computed assuming no change in the profile of future capital expenditure – which would be anticipated to be lower with a shorter mine life – nor any production upside of high-grade mining and shortened haulage distances across Zones II and III. This sensitivity is therefore considered to be the "worst-case", and would not have resulted in an impairment as at 31 December 2024.

13. Exploration Interests

China – mineral exploration interests	**$000**
At 1 January 2023	407
Additions during the year	168
At 31 December 2023	**575**
Additions during the year	**25**
Impairment during the year	**(599)**
At 31 December 2024	**1**

Intangible assets represent cost on acquisition, plus subsequent expenditure on licences, concessions, exploration, appraisal and development work in respect of regional exploration in China. Where expenditure on an area of interest is determined as unsuccessful such expenditure is written off to profit or loss. The recoverability of these assets depends, initially, on successful appraisal activities, details of which are given in the report on operations. The outcome of such appraisal activity is uncertain. Upon economically exploitable mineral deposits being established, sufficient finance will be required to bring such discoveries into production.

14. Deferred Taxation

	2024	2023
	$000	$000
At 1 January	**-**	(2,717)
Foreign exchange adjustments	**(36)**	23
Credit for the year	**4,804**	2,694
At 31 December	**4,768**	-

Deferred taxation is provided in full on temporary timing differences under the liability method using a tax rate of 25%. The deferred taxation provision arises on accelerated depreciation in the PRC deductible for taxation purposes

15. Other Non Current Assets:

China – Rehabilitation Deposits	**2024**	2023
	$000	$000
At 1 January	**1,554**	1,494
Foreign exchange adjustments	**-**	60
(Release) / additions in the year	**(339)**	-
At 31 December	**1,215**	1,554

16. Inventories

	2024	2023
	$000	$000
Underground ore stocks	**167**	1,072
Surface ore stocks	**540**	350
Concentrate stocks	**5**	552
Spare parts and consumables	**4,561**	3,854
	5,273	5,828

All inventories are expected to be sold, used or consumed within one year of the balance sheet date.

Notes to the Financial Statements

16. Inventories *(continued)*

The Group did not have any significant slow moving or defective inventories at 31 December 2024 (2023: nil) requiring write off to the Income Statement

17. Receivables And Other Current Assets

	2024	2023
	$000	$000
Other receivables	**345**	490
Prepayments	**2,640**	2,396
	2,985	2,886

Any expected credit losses on the recoverability of receivables are not expected to be material.

Prepayments include $492,000 (2023: $238,000) in respect of supplies and services for non-current assets.

18. Cash and Cash Equivalents

	2024	2023
	$000	$000
Interest bearing money market deposits	**35,816**	35,761
Interest bearing bank term deposit, up to 3 months	**1,066**	2,276
Bank deposit on demand	**11,876**	21,970
	48,758	60,007

19. Share Capital

	2024		2023	
AUTHORISED:	**Number**	**$000**	Number	$000
Ordinary shares of $0.01 each	**1,000,000,000**	**10,000**	1,000,000,000	10,000
CALLED UP ALLOTTED AND FULLY PAID:				
Ordinary shares of $0.01 each				
At 1 January	**192,828,420**	**1,928**	174,892,894	1,749
Issue of shares on exercise of share options	**2,000,000**	**20**	-	-
Issue of shares on cancellation of share options	**-**	**-**	10,130,526	101
Cancellation of shares purchased under share buy backs (note 21)	**(10,297,943)**	**(103)**	-	-
Shares issued under Share Incentive Plan (note 4)	**1,000,000**	**10**	7,805,000	78
At 31 December	**185,530,477**	**1,855**	192,828,420	1,928

On 8 January 2024 2,000,000 new ordinary shares were issued following the exercise on 31 December 2023 of share purchase options over 1,500,000 shares at an exercise price of 30 pence per share and on the exercise of share purchase options over 500,000 shares at an exercise price of 40 pence per share. There were no associated costs with this issue.

As part of a rationalisation of the capital structure of the Company, an offer was made on 30 December 2022 to option holders for the purchase and cancellation of outstanding options over 19,520,000 shares in the Company ("the Offer"). Acceptances were received from option holders in respect of options to purchase 17,520,000 shares in the Company which were subsequently purchased and cancelled, which, based on the mid-market price on the Offer date of 76 pence per share, resulted in 10,130,526 new ordinary shares being issued pursuant to the Offer for nil consideration. There were no associated costs with this issue.

Notes to the Financial Statements

19. Share Capital *(continued)*

On 4 April 2023 7,805,000 shares were issued, not for cash, under the terms of Share Incentive Plan. On 30 December 2024 6,000,000 shares issued under this scheme were cancelled and 7,000,000 new ordinary shares were issued. See note 4. The new Ordinary Shares issued are subject to certain contractual terms including that the shares issued will not be sold or otherwise transferred or disposed of before 31 December 2024 except in the event of a transaction occurring with the Company, and that the shares issued will be returned in the event of malus and returned pro rata upon leaving the employment of the Company or its subsidiaries before 31 December 2024. There were no associated costs with this issue. These terms have been extended over 7,000,000 shares issued under this scheme.

20. Share Based Payments

	2024	2023
	$000	$000
At 1 January 2023	**3,109**	168
Transfer on surrender of options	**(168)**	-
Provided in period (note 4)	**6,155**	2,941
	9,096	3,109

In March 2023 the Company implemented a Share Incentive Plan (the "Plan"), to retain vital key Company personnel. On 4 April 2023 7,805,000 shares were issued, not for cash, under the terms of the Plan, with a further 1,000,000 shares issued under the terms of this plan on 30 December 2024. The new Ordinary Shares issued are subject to certain contractual terms including that the shares issued will not be sold or otherwise transferred or disposed of before 31 December 2024 except in the event of a transaction occurring with the Company, and that the shares issued will be returned in the event of malus and returned pro rata upon leaving the employment of the Company or its subsidiaries before 31 December 2024. The fair value of the shares issued are charged to profit and loss over the period from issue to end of claw back period. These terms of this scheme have been extended over 7,000,000 shares issued under this scheme.

21. Share Options

	At 1 January 2024 Number	Exercised Number	Lapsed Number	At 31 December 2024 Number
Options exercisable at 30 pence per share to 31 December 2023	-	-	-	-
Options exercisable at 40 pence per share to 31 December 2023	-	-	-	-
	-	-	-	-

Options exercisable at 30 pence per share over 1,500,000 new ordinary shares were exercised and options exercisable at 40 pence per share over 500,000 new ordinary shares were exercised on 31 December 2023. All other remaining options lapsed at midnight 31 December 2023.

No share purchase options were granted or exercised in 2024.

The following table shows the number and weighted average exercise price of all the unexercised share options and warrants at the year end:

	2024		2023	
	Number	**Weighted average exercise price Pence**	Number	Weighted average exercise price Pence
Outstanding at 1 January	**-**	**-**	2,640,833	33.7
Surrendered / exercised during the year	**-**	**-**	(2,640,833)	(33.7)
Outstanding at 31 December	**-**	**-**	-	-

Notes to the Financial Statements

21. Share Options *(continued)*

The estimated value of the options exercisable at 40p up to 31 December 2023, which vested in 3 tranches of 1,666,667 each, were 7.4p, 7.9p and 8.4p.

The estimated value of the options exercisable at 30p up to 31 December 2023, which vested in 3 tranches of 6,666,666 each, were 6.2p, 7.2p and 6.8p.

Inputs into the Binomial valuation model were as follows:

	Options expiring 31 December 2023	Options expiring 31 December 2023
Share price	26.5p	33.0p
Exercise price	30.0p	40.0p
Expected volatility	35%	36%
Risk free yield	0.9%	1.3%
Dividend yield	0%	0%

Expected volatility was determined by calculating the historical volatility of the Company's share price with reference to the correlation with the zinc price and zinc price volatility over the same period. The Binomial model used assumes that the options will be exercised early when the share price exceeds the exercise price by a multiple of two.

The Group recognised a total expense of $nil (2023 $nil) during the year ended 31 December 2024 relating to equity settled share option scheme transactions.

22. Shares Held In Treasury

	2024		2023	
	Number	**$000**	Number	$000
At 1 January	**1,271,924**	**2,017**	939,799	1,644
Bought back in during the year	**10,293,015**	**12,514**	332,125	373
Cancelled during the year	**(10,297,943)**	**(12,143)**	-	-
At 31 December	**1,266,996**	**2,388**	1,271,924	2,017

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 ($9,672,000), excluding brokers fees.

In addition to the above during 2024 1,406,887 (2023: 332,125) shares in the Company were purchased in the market at average price of 138p per ordinary share (2023 91p).

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

23. Dividends

No dividends were paid in 2024 (2023: nil).

24. Other Payables

	2024 $000	2023 $000
PRC licence fees	**-**	3,106

25. Long-Term Provisions

PROVISIONS FOR MINE CLOSURE COSTS	2024 $000	2023 $000
At 1 January	**3,929**	2,649
Change in estimate (note 12)	**-**	1,226
Interest charges	**(265)**	110
Foreign exchange adjustments	**158**	(56)
At 31 December	**3,822**	3,929

Provisions for mine closure and rehabilitation costs have been made in accordance with the laws and regulations of the PRC and as set out in the Hebei Hua Ao Mine Ecological Restoration Treatment and Land Reclamation Scheme ("the Scheme") as approved by the Ministry of Natural Resources of the PRC. This Scheme provides for a mine life of 40.11 years from January 2019 to February 2059. The Scheme incorporates a rehabilitation plan for "Mine Geological Environment Recovery" with an estimated cost of RMB 65,619,400 ($9,265,000), and "Land Rehabilitation" with an estimated cost of RMB 54,566,100 ($7,704,000). These amounts have been discounted over the deemed Life of Mine at a discount rate of 1.9121% (2023: 2.88%), being the PRC 36 year state bond rate.

Rehabilitation provision

The Group has considered the impact of the non-extension of the business license on the environmental rehabilitation provision. The shortening of the mine life to finish in 2037 would result in a shortening of the period over which the environmental rehabilitation provision is discounted. This would also result in a decrease in the discount rate applied from 1.912% to 1.7903%.

The impact of the change in discounting period and rate on the environmental rehabilitation provision as at 31 December 2024 would be an increase in the provision of $1,485,000.

26. Lease Liabilities

	2024 $000	2023 $000
At 1 January	**739**	852
Unwind of discount	**37**	42
Repayments in the year	**(156)**	(155)
At 31 December	**620**	739
Amounts falling due in more than one year	**465**	570
Amounts falling due within one year	**155**	169
	620	739

The Company entered into an agreement in October 2016 to rent offices for 12 years from 1 November 2016 with a five year break. As required under IFRS 16 the Group has recognised a right to use asset in respect of this lease. This lease was renewed in October 2021 with a value of $1,581,000 discounted using an incremental borrowing rate of 5% upon which depreciation of $895,000 (2023: $755,000) has been provided.

Notes to the Financial Statements

26. Lease Liabilities *(continued)*

Minimum lease payments on leases entered into by the Group are as follows:

	2024	2023
	$000	$000
Within one year	**156**	159
Between 1 and 2 years	**156**	159
Between 2 and 3 year	**156**	159
Between 3 and 4 years	**156**	159
Between 4 and 5 years	**-**	159
	624	795

27. Trade And Other Payables

	2024	2023
	$000	$000
Trade creditors	**13,996**	20,917
Other creditors	**3,279**	6,457
Zhangjiakou Yuanrun Enterprise Management Consulting Service Co., Limited (note 34)	**8,131**	4,697
Accruals	**2,080**	6,237
	27,486	38,308

All amounts are short term. The carrying values of all trade and other payables are considered to be a reasonable approximation of fair value.

28. 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 2024 of $272,671,000 ($269,752,000 at 31 December 2023) divided by the number of ordinary shares in issue at 31 December 2024 of 185,530,477 (192,828,420 at 31 December 2023).

29. Risk Management

The Group is exposed to a variety of financial risks which result from its operating and investing activities. The Group's risk management is coordinated by its senior management and executive directors and focuses on actively securing the Group's cash flows for the foreseeable future.

Foreign Currency Risk

The majority of the Group's operational and financial cash flows are denominated in Chinese Renminbi and United States Dollars with Sterling, Hong Kong dollars, and Australian Dollar bank deposits held to cover future local expenditure estimates. Currently the Group does not carry out any significant operations in currencies outside the above.

The Group currently does not have a formal foreign currency hedging policy but retains foreign currency to meet future requirements. Management monitors foreign exchange exposure and considers hedging significant foreign currency exposure should the need arise. The conversion of Renminbi into foreign currencies is restricted and subject to the rules and regulations of foreign exchange control promulgated by the government of the Peoples Republic of China.

Notes to the Financial Statements

29. Risk Management *(continued)*

Foreign Currency Risk ***continued***

Sterling bank deposits translated into United States Dollars at the closing rate are as follows:

	2024	2023
	$000	$000
Short term bank deposits	**588**	331

Australian dollar bank deposits translated into United States Dollars at the closing rate are as follows:

	2024	2023
	$000	$000
Short term bank deposits	**1,127**	1,182

Renminbi bank deposits translated into United States Dollars at the closing rate are as follows:

	2024	2023
	$000	$000
Short term bank deposits	**10,564**	20,790

The following table illustrates the sensitivity of the net results for the year and equity with regards to the Group's Renminbi deposits and the Renminbi US Dollar exchange rate. It assumes a + / - 10% (2023: 10%) change in the Renminbi exchange rate for the year ended 31 December 2024. These changes are considered to be reasonable based on observation of current market conditions for the year ended 31 December 2024. The sensitivity analysis is based upon the Group's Renminbi deposits at each reporting date.

If the Renminbi had strengthened against the US Dollar by 10% (2023: 10%) this would have had the following impact:

	2024	2023
	$000	$000
Net result for the year and on equity	**1,349**	2,310

If the Renminbi had weakened against the US Dollar by 10% (2023 10%) this would have the following impact:

	2024	2023
	$000	$000
Net result for the year and on equity	**(817)**	(1,890)

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be indicative of the Group's exposure to currency risk.

With relatively small amounts held in Sterling, Australian dollars, and Hong Kong dollars the effect on the net results and equity of changes in Sterling, Australian dollar and Hong Kong exchange rates are not expected to be significant.

		2024			2023	
	GBP	**Rmb**	**AusD**	GBP	Rmb	AusD
	$000	**$000**	**$000**	$000	$000	$000
Financial assets	**588**	**13,280**	**1,134**	449	21,157	1,187
Financial liabilities	**(926)**	**(27,156)**	**(25)**	(1,030)	(36,295)	(36)
Short term exposure	**(338)**	**(13,876)**	**1,109**	(581)	(15,138)	1,151

Notes to the Financial Statements

29. Risk Management *(continued)*

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank deposits with floating interest rates. The Group currently does not have an interest rate hedging policy.

The following table illustrates the sensitivity of the net results for the year and equity to a reasonably possible change in interest rates of + 100% and - 100% (2023 + 100% - 100%), with effect from the beginning of the year. These changes are considered to be reasonable based on observation of current market conditions within which the Group operates.

The sensitivity analysis is based upon the Group's deposits at each balance sheet date:

	2024		2023	
	Plus 100%	**Minus 100%**	Plus 100%	Minus 100%
	$000	**$000**	$000	$000
Net result for the year	**1,753**	**(1,753)**	1,394	(1,394)

Fixed and non interest bearing financial assets and liabilities are as follows:

	2024			2023		
	Fixed interest rate	**Non interest bearing**	**Total**	Fixed interest rate	Non interest bearing	Total
	$000	**$000**	**$000**	$000	$000	$000
Financial assets						
Cash at bank	**35,816**	**12,942**	**48,758**	35,756	24,251	60,007
Rehabilitation deposits	**-**	**1,215**	**1,215**	-	1,554	1,554
Other receivables	**-**	**345**	**345**	-	490	490
Total Financial Assets	**35,816**	**14,502**	**50,318**	35,756	26,295	62,051
Finance lease liabilities	**(620)**	**-**	**(620)**	(739)	-	(739)
Trade and other payables	**-**	**(27,486)**	**(27,486)**	-	(41,414)	(41,414)
Total Financial Liabilities	**(620)**	**(27,486)**	**(28,106)**	(739)	(41,414)	(42,153)
Net Financial assets / (liabilities)	**35,196**	**(12,984)**	**22,212**	35,017	(15,119)	19,898

Commodity risk

The Group is exposed to the risk of changes in commodity prices and in particular that for zinc, gold and to a lesser extent silver and lead. The Group currently sells its metal concentrate production by way of open auctions in China. The Group did not hedge its metal production in 2024 or in 2023.

The following table illustrates the sensitivity of the net results for the year and equity to a reasonably possible change in the market price of zinc of plus 25% and minus 25%, gold of plus 20% and minus 20% and silver of plus 20% and minus 20% (2023: zinc plus 30% and minus 30%, gold plus 10% and minus 10% and silver plus 20% and minus 20%), with effect from the beginning of the year. These changes are considered reasonable based upon observation of current market conditions within which the Group operates. This sensitivity analysis is based upon the Group's sales in each year:

	2024		2023	
	Plus	**Minus**	Plus	Minus
	$000	**$000**	$000	$000
Net result for the year – zinc	**16,492**	**(16,492)**	23,685	(23,685)
Net result for year – gold	**5,717**	**(5,717)**	2,452	(2,452)
Net result for year – silver	**992**	**(992)**	940	(940)

Notes to the Financial Statements

29. Risk Management *(continued)*

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group does not have trade receivables and does not hold collateral as security. Excess funds are placed on money market with counter party premier banks (note 18).

Credit risk from balances with banks and financial institutions is managed by the Board. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed on a regular basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty failure. No material exposure is considered to exist by virtue of the possible non-performance of the counterparties to financial instruments.

There is no deemed credit risk on rehabilitation deposits as these are held with recognised PRC Banks.

Liquidity risk

Prudent liquidity risk management implies maintaining cash, marketable securities and adequate credit facilities to meet financial obligations as they fall due. At 31 December 2024 the Group held cash and cash equivalents (bank deposits) with high credit financial institutions of $48,758,000 (2023: $60,007,000) to meet financial obligations and apart from lease, trade and other payables had no bank loans or similar financial liabilities.

Management monitors rolling cash flow forecasts on a weekly basis and keeps under review bank financing facilities at a local and Group level, to ensure sufficient liquidity is maintained to meet future financial obligations. This also includes regular review of metal market prices and foreign currency requirements. Hebei Hua Ao retains rolling bank loan facilities of Rmb150m ($21.4m) renewable on 14 May 2026 and Rmb100m ($14.3m) renewable on 23 May 2025 that have not been drawn down.

30. Capital Management And Procedures

The Group's capital management objectives are:

- To ensure the Group's ability to continue as a going concern;
- To increase the value of the assets of the Group: and
- To enhance shareholder value in the Company and returns to shareholders.

The achievement of these objectives is undertaken by developing existing ventures and identifying new ventures for future development. The Company will also undertake other transactions where these are deemed financially beneficial to the Company.

The directors continue to monitor the capital requirements of the Group by reference to expected future cash flows. Capital for the reporting periods under review is summarised in the consolidated statement of changes in equity. The directors consider the capital of the Group to be the total equity attributable to the equity holders of the parent of $272,671,000 at 31 December 2024.

31. Financial Instruments

The Group does not enter into derivative transactions such as interest rate swaps, forward rate agreements or forward currency contracts. Funds in excess of immediate requirements are placed in US dollar, Chinese Renminbi, Australian Dollar and Sterling short term fixed and floating rate deposits. The Group has overseas subsidiaries operating in China, the United Kingdom, Hong Kong and Australia, whose costs are denominated in local currencies.

In the normal course of its operations the Group is exposed to commodity price, foreign currency and interest rate risks.

The Group places funds in excess of immediate requirements in US dollar, Chinese Renminbi, Australian Dollar and Sterling deposits with a number of banks to spread currency, interest rate and bank risk. These deposits are kept under regular review to maximise interest receivable and with reference to future expenditure and future currency requirements.

Notes to the Financial Statements

31. Financial Instruments (continued)

Commodity prices are monitored on a regular basis to ensure the Group receives fair value for its products. The Group held the following investments in financial assets and financial liabilities:

	2024	2023
	$000	$000
FINANCIAL ASSETS		
Cash and cash equivalents	**48,758**	60,007
Other receivables and rehabilitation deposits	**1,560**	2,044
	50,318	62,051
FINANCIAL LIABILITIES		
Lease liabilities at amortised cost	**620**	739
Trade and other payables	**27,486**	41,414
	28,106	42,153

Contractual maturities of financial liabilities:

At 31 December 2023	Within 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years	Total contractual cash flows	Carrying amount (assets)/liabilities
	$000	$000	$000	$000	$000	$000
Non-derivatives						
Payables	38,308	3,106	-	-	41,414	41,414
Lease liabilities	159	159	159	318	795	739
Total non-derivatives	38,467	3,265	159	318	42,209	42,153

At 31 December 2024	Within 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years	Total contractual cash flows	Carrying amount (assets)/liabilities
	$000	$000	$000	$000	$000	$000
Non-derivatives						
Trade payables	27,846	-	-	-	27,846	27,846
Lease liabilities	156	156	156	156	624	620
Total non-derivatives	28,002	156	156	156	28,470	28,106

32. Subsidiary Companies

At 31 December 2023, Griffin Mining Limited had interests in the share capital of the following principal subsidiary companies.

Name	*Class of Share held*	*Proportion of shares held*	*Nature of business*	*Country of incorporation*
China Zinc Pty Ltd	Ordinary	100%	Service company	Australia
China Zinc Ltd	Ordinary	100%	Holding and service company	Hong Kong
China Zinc (Resources) Ltd	Ordinary	100%	Holding and service company	Hong Kong
Griffin Mining (UK Services) Limited	Ordinary	100%	Service company	England
Hebei Hua' Ao Mining Industry Company Ltd*		88.8% **	Base and precious metals mining and development	China
Panda Resources Ltd	Ordinary	100%	Holding company	England
Hebei Sino Anglo Mining Development Company Ltd*		90%	Mineral exploration and development	China

Notes to the Financial Statements

32. Subsidiary Companies *(continued)*

* China Zinc Pty Limited, China Zinc Limited, Griffin Mining (UK Services) Limited and Panda Resources Limited are directly owned by the Company. China Zinc Limited has a 100% interest in China Zinc (Resources) Limited and a controlling interest in Hebei Hua' Ao Mining Industry Company Limited, see below, and Panda Resources Limited has a 90% controlling interest in Hebei Sino Anglo Mining Development Company Limited.

** The joint venture contract establishing the Hebei Hua' Ao Mining Industry Company Limited provides that the foreign party (China Zinc Limited) receives 88.8% of the cash flows and profits of Hebei Hua Ao in accordance with its share in the equity interest in the joint venture. However, Griffin through China Zinc Ltd funded the whole of Hebei Hua Ao's registered capital and retains substantive control over Hebei Hua Ao with the right to appoint the majority of the directors and all key management in charge of day to day control of Hebei Hua Ao's operations. Under the terms of an agreement dated 21 May 2012, Griffin's Chinese Partners are entitled to distributions in accordance with their equity interest with a minimum "profit share" of Rmb25m, subject to various force majeure provisions, but are obliged to provide various services to facilitate Hebei Hua Ao's operations in China. Griffin therefore considers such arrangements to be in the nature of a service agreement and as such amounts payable of $3,510,000 (2023: $3,903,000) are included in net operating costs rather than attributable to non-controlling interests. Likewise, the amounts due at 31 December 2024 of $8,131,000 (2023: $4,697,000) are included in other payables rather than due to non-controlling interests within equity within the Consolidated Statement of Financial Position. The term of the joint venture's business licence expires on 12 October 2037. Please refer to significant judgements and estimates in note 1 for further consideration of the judgement made by management in this respect.

33. Commitments

At 31 December 2024 the Group had capital commitments in the PRC relating to development of the Caijiaying Mine of $3,779,000 (31 December 2023 $5,415,000).

34. Related Parties

Keynes Capital

Keynes Capital, the registered business name of Keynes Investments Pty Limited as trustee for the Keynes Trust, received fees under a consultancy agreement of $5,630,000 (2023: $2,994,000), for the provision of advisory and support services to Griffin Mining Limited and its subsidiaries during the year including that of the Chairman Mladen Ninkov. Mladen Ninkov is a director and employee of Keynes Investments Pty Limited.

Zhangjiakou Yuanrun Enterprise Management Consulting Service Co., Ltd

During the year $3,874,000 was charged (2023: $4,274,000) for services paid to Zhangjiakou Yuanrun Enterprise Management Consultancy Services Co., Ltd, the Group's joint venture partner in Hebei Hua Ao in connection with local PRC licensing and permitting requirements and land acquisitions. At 31 December 2024 $8,131,000 (2023: $4,697,000) was due to this company.

35. Post Balance Sheet Events

At 31 December 2024 there were no adjusting post balance sheet events (2023: none) and no non-adjusting post balance sheet events requiring disclosure.

Tailings Facility 4 at Caijiaying

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Company Secretary:	Roger Goodwin
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