



## GRIFFIN MINING LIMITED

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**9<sup>th</sup> AUGUST 2021**

### **UNAUDITED INTERIM RESULTS for the six months ended 30<sup>th</sup> June 2021**

Griffin Mining Limited (“Griffin” or “the Company”) has today released its unaudited results for the six months ended 30<sup>th</sup> June 2021.

#### **Highlights:**

- Revenues of \$54.1 million (30<sup>th</sup> June 2020: \$21.3 million), an increase of 154%.
- Gross Profit of \$25.7 million (30<sup>th</sup> June 2020: \$4.2 million), an increase of 512%.
- Profit before tax of \$15.5 million (30<sup>th</sup> June 2020: Loss \$3.0 million).
- Profit after tax of \$10.3 million (30<sup>th</sup> June 2020: Loss \$3.8 million).
- Basic earnings per share of 5.88 cents (30<sup>th</sup> June 2020: Basic loss per share 2.22 cents).

#### **Financial and Trading:**

The results for the six months to 30<sup>th</sup> June 2021 reflect a step up in production following final PFA approval for previous development work at Zone III of the Caijiaying mine in late 2020, enabling increased mining rates. Mining and processing rates have now reached the equivalent of over a million tonnes of ore per annum without the benefit of ore from the Zone II area at Caijiaying expected in 2022.

As in previous years, the 2021 first half year results were impacted by the Chinese New Year holidays in February in comparison to the 2020 first half year results which were also affected by the suspension in operations at Caijiaying imposed by the Chinese authorities to contain the Covid-19 pandemic.

Ore tonnes mined in the first half of 2021 were up 47% on that mined in the first half of 2020 and tonnes processed in the first half of 2021 were up 47.1% on that achieved in the first half of 2020. Zinc metal in concentrate produced was up 47.8% on that achieved in the first half of 2020. Gold in concentrate production was up 213.6% on that produced in the first half of 2020 and silver in concentrate production was up 30.6% on that produced in the first half of 2020.

With 475,785 tonnes (30<sup>th</sup> June 2020: 323,536 tonnes) of ore processed, metal in concentrate production in the first six months of 2021 was:

- 19,876 tonnes of zinc ( 30<sup>th</sup> June 2020: 13,448 tonnes);
- 561 tonnes of lead (30<sup>th</sup> June 2020: 631 tonnes);
- 144,705 ounces of silver (30<sup>th</sup> June 2020: 110,832 ounces); and
- 7,584 ounces of gold (30<sup>th</sup> June 2020: 2,418 ounces).

The results benefited from a significant improvement in the market price for zinc and lower smelter treatment charges from that in the first half of 2020, with the average price received for zinc metal in concentrate increasing by 69.4% from \$1,304 per tonne in the first six months of 2020 to \$2,209 per tonne in the first half of 2021. Zinc revenues before royalties and resource taxes in the six months to 30<sup>th</sup> June 2021 were \$42,102,000 (30<sup>th</sup> June 2020: \$17,008,000) with 19,062 tonnes of zinc metal in concentrate sold (30<sup>th</sup> June 2020: 13,046 tonnes). Precious metals and lead revenues were \$15,136,000 (30<sup>th</sup> June 2020: \$5,279,000).

During the six months to 30<sup>th</sup> June 2021:

- 462,632 tonnes of ore were mined (30<sup>th</sup> June 2020: 314,690 tonnes);
- 471,423 tonnes of ore were hauled (30<sup>th</sup> June 2020: 321,514 tonnes); and
- 475,785 tonnes of ore were processed (30<sup>th</sup> June 2020: 323,536 tonnes).

Costs of sales (mining, haulage and processing) of \$28,401,000 increased by 65.6% from that in the first six months of 2020 of \$17,153,000 reflecting increased tonnes of ore mined, hauled and processed albeit with increased unit costs as mining accesses the deeper levels of the mine.

Net operating expenses (administration costs, including those of the Caijiaying site and the Chinese joint venture partners profit share) increased by 41.7% from \$7,204,000 in the first six months of 2020 to \$10,209,000 in the first six months of 2021. This reflects the resumption in activities from Covid-19 induced restrictions in 2020 and a 7.6% increase in the value of the Renminbi.

Basic earnings per share were 5.88 cents (30<sup>th</sup> June 2020: loss of 2.22 cents per share). At 30<sup>th</sup> June 2021, attributable net assets per share amounted to 141 cents (30<sup>th</sup> June 2020: 121 cents).

Cash flows from operations in the period of \$16,818,000 (30<sup>th</sup> June 2020 used in operations \$4,259,000) have been directed to the further development of the Caijiaying Mine. 359,799 shares in the Company were bought in to treasury at a cost of \$672,000 in the six months to 30<sup>th</sup> June 2021 (30<sup>th</sup> June 2020: nil). The Griffin Mining Group of companies remains free of any bank loans.

## **Chairman's Statement**

Chairman Mladen Ninkov commented, "This is an extraordinary 2021 half year result, already surpassing the full year financial results for 2020. It is a credit to the continuing team effort of the people at the mine site, office and board table. If all things remain equal, and assuming the zinc and gold prices hold firm or rise further, 2021 should prove to be an outstanding year for the Company. I would, however, caution that events can quickly turn in the current environment with the current Covid-19 coronavirus again having broken out in multiple Chinese provinces, the lack of any government announcement concerning the Winter Olympic Games and how that will impact Provincial borders and transport of workers, explosives, re-agents and other critical supplies and the ongoing diplomatic tensions between China, the US, the UK, Canada and Australia."

## **Teleconference Call for Griffin Mining Limited's interim results to 30<sup>th</sup> June 2021 on Monday 9<sup>th</sup> August 2021:**

Time:	4.00pm British Summer Time
Dial in numbers:	Australia Toll Free: 1 800 681 584 Canada Toll Free: 1 866 378 3566 Berlin : +49 (0) 30 3001 90612 Germany Toll Free: 0800 673 7932 Hong Kong Toll Free: 800 900 476 UK-Wide: +44 (0) 33 0551 0200 Zurich: +41 (0) 43 456 9986 Switzerland Toll Free: 0800 800 038

UK Toll Free: 0808 109 0700  
New York New York: +1 212 999 6659  
USA Toll Free: 1 866 966 5335

Password:

Quote Griffin Interim results when prompted by operator

**Further information**

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This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014

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

The Company's news releases are available on the Company's web site: [www.griffinmining.com](http://www.griffinmining.com)

**GRIFFIN MINING LIMITED**  
**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**(expressed in thousands US dollars)**

	<b>6 months to 30/06/2021 Unaudited \$000</b>	6 months to 30/06/2020 Unaudited \$000	Year to 31/12/2020 Audited \$000
<b>Revenue</b>	<b>54,072</b>	21,321	75,403
Cost of sales	<b>(28,401)</b>	(17,153)	(42,737)
<b>Gross profit</b>	<b>25,671</b>	4,168	32,666
Net operating expenses	<b>(10,209)</b>	(7,204)	(17,518)
<b>Profit / (loss) from operations</b>	<b>15,462</b>	(3,036)	15,148
Losses on disposal of equipment	<b>(26)</b>	(614)	(1,129)
Impairment of intangible fixed assets	<b>(2)</b>	(1)	(10)
Foreign exchange (losses) / gains	<b>(7)</b>	(147)	22
Finance income	<b>68</b>	45	108
Finance costs	<b>(152)</b>	(149)	(359)
Other income	<b>63</b>	76	735
<b>Profit / (loss) before tax</b>	<b>15,406</b>	(3,826)	14,515
<b>Income tax expense</b>	<b>(5,148)</b>	-	(5,605)
<b>Profit / (loss) after tax</b>	<b>10,258</b>	(3,826)	8,910
<b>Basic earnings / (loss) per share (cents)</b>	<b>5.88</b>	(2.22)	5.16
<b>Diluted earnings / (loss) per share (cents)</b>	<b>5.43</b>	(2.22)	4.88

**GRIFFIN MINING LIMITED**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**(expressed in thousands US dollars)**

	<b>6 months to 30/06/2021 Unaudited \$000</b>	6 months to 30/06/2020 Unaudited \$000	Year to 31/12/2020 Audited \$000
<b>Profit / (loss) for the financial period</b>	<u>10,258</u>	<u>(3,826)</u>	<u>8,910</u>
<b>Other comprehensive income</b>			
Exchange differences on translating foreign operations	2,514	(1,891)	9,662
	<u>2,514</u>	<u>(1,891)</u>	<u>9,662</u>
<b>Other comprehensive income for the period, net of tax</b>			
<b>Total comprehensive income / (losses) for the period</b>	<u>12,772</u>	<u>(5,717)</u>	<u>18,572</u>

**GRIFFIN MINING LIMITED**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
(expressed in thousands US dollars)

	<b>30/06/2021</b>	30/06/2020	31/12/2020
	<b>Unaudited</b>	Unaudited	Audited
	<b>\$000</b>	\$000	\$000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	<b>268,930</b>	225,898	266,709
Intangible assets – exploration interests	<b>349</b>	325	325
	<b>269,279</b>	226,223	267,034
<b>Current assets</b>			
Inventories	<b>6,257</b>	3,896	5,333
Receivables and other current assets	<b>4,175</b>	2,275	6,675
Cash and cash equivalents	<b>25,143</b>	10,351	16,435
	<b>35,575</b>	16,522	28,443
<b>Total assets</b>	<b>304,854</b>	242,745	295,477
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital	<b>1,749</b>	1,728	1,728
Share premium	<b>69,334</b>	68,455	68,470
Contributing surplus	<b>3,690</b>	3,690	3,690
Share based payments	<b>2,072</b>	2,072	2,072
Shares held in treasury	<b>(1,589)</b>	(917)	(917)
Chinese statutory re-investment reserve	<b>2,858</b>	2,463	2,830
Other reserve on acquisition of non-controlling interests	<b>(29,346)</b>	(29,346)	(29,346)
Foreign exchange reserve	<b>13,851</b>	(151)	11,365
Profit and loss reserve	<b>184,072</b>	161,233	173,814
<b>Total equity attributable to equity holders of the parent</b>	<b>246,691</b>	209,227	233,706
<b>Non-current liabilities</b>			
Other payables	<b>13,622</b>	-	13,487
Long-term provisions	<b>2,264</b>	3,802	2,200
Deferred taxation	<b>3,392</b>	2,691	3,359
Finance leases	<b>-</b>	-	-
	<b>19,278</b>	6,493	19,046
<b>Current liabilities</b>			
Trade and other payables	<b>38,842</b>	25,311	42,342
Finance leases	<b>43</b>	1,714	383
<b>Total liabilities</b>	<b>38,885</b>	27,025	42,725
<b>Total equities and liabilities</b>	<b>304,854</b>	242,745	295,477
Number of shares in issue	<b>174,892,894</b>	172,786,228	172,826,228
<b>Attributable net asset value / total equity per share</b>	<b>\$1.41</b>	\$1.21	\$1.35

**GRIFFIN MINING LIMITED**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
(expressed in thousands US dollars)

	Share Capital	Share Premium	Contributing surplus	Share based payments	Shares held in treasury	Chinese 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
<b>At 31<sup>st</sup> December 2019</b>	<b>1,728</b>	<b>68,455</b>	<b>3,690</b>	<b>2,072</b>	<b>(917)</b>	<b>2,500</b>	<b>(29,346)</b>	<b>1,703</b>	<b>165,059</b>	<b>214,944</b>
Retained (loss) for the 6 months	-	-	-	-	-	-	-	-	(3,826)	(3,826)
<i>Other comprehensive income:</i>										
Exchange differences on translating foreign operations	-	-	-	-	-	(37)	-	(1,854)	-	(1,891)
Total comprehensive income for the period	-	-	-	-	-	(37)	-	(1,854)	(3,826)	(5,717)
<b>At 30<sup>th</sup> June 2020 (Unaudited)</b>	<b>1,728</b>	<b>68,455</b>	<b>3,690</b>	<b>2,072</b>	<b>(917)</b>	<b>2,463</b>	<b>(29,346)</b>	<b>(151)</b>	<b>161,233</b>	<b>209,227</b>
Regulatory transfer for future investment	-	-	-	-	-	155	-	-	(155)	-
Issue of shares on exercise of options	-	15	-	-	-	-	-	-	-	15
Transaction with owners	-	15	-	-	-	155	-	-	(155)	15
Retained profit for the 6 months	-	-	-	-	-	-	-	-	12,736	12,736
<i>Other comprehensive income:</i>										
Exchange differences on translating foreign operations	-	-	-	-	-	212	-	11,516	-	11,728
Total comprehensive income for the period	-	-	-	-	-	212	-	11,516	12,736	24,464
<b>At 31<sup>st</sup> December 2020</b>	<b>1,728</b>	<b>68,470</b>	<b>3,690</b>	<b>2,072</b>	<b>(917)</b>	<b>2,830</b>	<b>(29,346)</b>	<b>11,365</b>	<b>173,814</b>	<b>233,706</b>
Purchase of shares for treasury	-	-	-	-	(672)	-	-	-	-	(672)
Issue of shares on exercise of options	21	864	-	-	-	-	-	-	-	885
Transaction with owners	21	864	-	-	(672)	-	-	-	-	213
Retained profit for the 6 months	-	-	-	-	-	-	-	-	10,258	10,258
<i>Other comprehensive income:</i>										
Exchange differences on translating foreign operations	-	-	-	-	-	28	-	2,486	-	2,514
Total comprehensive income for the period	-	-	-	-	-	28	-	2,486	10,258	12,772
<b>At 30<sup>th</sup> June 2021 (Unaudited)</b>	<b>1,749</b>	<b>69,334</b>	<b>3,690</b>	<b>2,072</b>	<b>(1,589)</b>	<b>2,858</b>	<b>(29,346)</b>	<b>13,851</b>	<b>184,072</b>	<b>246,691</b>

**GRIFFIN MINING LIMITED**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
(expressed in thousands US dollars)

	<b>6 months to 30/06/21 Unaudited \$000</b>	6 months to 30/06/2020 Unaudited \$000	Year to 31/12/2020 Audited \$000
<b>Net cash flows from operating activities</b>			
Profit/(loss) before taxation	15,406	(3,826)	14,515
Foreign exchange losses / (gains)	7	147	(22)
Finance income	(68)	(45)	(108)
Finance costs	152	149	359
Depreciation, depletion and amortisation	7,964	5,518	12,801
Impairment of intangible assets	2	1	10
Losses on disposal of equipment	26	614	1,129
(Increase) / decrease in inventories	(924)	(57)	(1,494)
Decrease / (Increase) in receivables and other current assets	2,936	(414)	(4,814)
Increase / (decrease) in trade and other payables	(1,395)	(2,762)	5,666
Taxation paid	(7,288)	(3,584)	(3,644)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>16,818</b>	<b>(4,259)</b>	<b>24,398</b>
<b>Cash flows from investing activities</b>			
Interest received	68	45	108
Proceeds / (expenses) on disposal of equipment	-	(34)	(44)
Payments to acquire - mineral interests (mine development)	(7,471)	(3,379)	(18,691)
Payments to acquire - plant & equipment	(1,215)	(984)	(5,684)
Payments to acquire – office equipment	-	(4)	(5)
Payments to acquire – intangible assets – exploration interests	(26)	(3)	(11)
<b>Net cash (outflow) from investing activities</b>	<b>(8,644)</b>	<b>(4,359)</b>	<b>(24,327)</b>
<b>Cash flows from financing activities</b>			
Issue of shares on exercise of share purchase options	885	-	15
Purchase of shares for treasury	(672)	-	-
Interest paid	(101)	-	(112)
Finance lease repayments	(357)	(929)	(2,469)
<b>Net cash (outflow) from financing activities</b>	<b>(245)</b>	<b>(929)</b>	<b>(2,566)</b>
<b>Increase / (decrease) in cash and cash equivalents</b>	<b>7,929</b>	<b>(9,547)</b>	<b>(2,495)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>16,435</b>	<b>19,885</b>	<b>19,885</b>
Effects of exchange rate changes	779	13	(955)
<b>Cash and cash equivalents at end of the period</b>	<b>25,143</b>	<b>10,351</b>	<b>16,435</b>
<b>Cash and cash equivalents comprise bank deposits</b>			
Bank deposits	25,143	10,351	16,435



**GRIFFIN MINING LIMITED**  
**NOTES TO THE INTERIM STATEMENT**

1. These unaudited condensed consolidated interim financial statements have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year to 31<sup>st</sup> December 2020.
2. This interim report will be available on the Company's web site, [www.griffinmining.com](http://www.griffinmining.com). Hard copies are available from the Company's London office, 8<sup>th</sup> Floor, Royal Trust House, 54 Jermyn Street, London. SW1Y 6LX.
3. The summary accounts set out above do not constitute statutory accounts as defined by Section 84 of the Bermuda Companies Act 1981 or Section 434 of the UK Companies Act 2006. The consolidated statement of financial position at 31<sup>st</sup> December 2020 and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended have been extracted from the Group's 2020 statutory financial statements upon which the auditors' opinion is unqualified, and should be read in conjunction with the accompanying notes contained therein.
4. The summary accounts have been prepared on a going concern basis. Having considered recent events, including the impact of Covid-19, the Group's cash resources, banking facilities and forecasts regularly updated, the directors consider that the Group will be able to meet its liabilities as they fall due.
5. The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period. 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. There was no dilutive effect on the losses per share in the six months to 30<sup>th</sup> June 2020. Reconciliation of the earnings and weighted average number of shares used in the calculations are set out below:

	6 months to 30/06/2021 Unaudited			6 months to 30/06/2020 Unaudited			Year to 31/12/2020 Audited		
	Earnings \$000	Weighted average number of shares	Per share amount (cents)	Earnings \$000	Weighted average number of shares	Per share amount (cents)	Earnings \$000	Weighted average number of shares	Per share amount (cents)
<b>Basic (loss) / earnings per share</b>									
(Loss) earnings attributable to ordinary shareholders	10,258	174,410,343	5.88	3,826	172,728,728	(2.22)	8,910	172,788,420	5.16
<b>Dilutive effect of securities</b>									
Options		14,374,897	(0.45)					9,861,227	(0.28)
<b>Diluted earnings per share</b>	<b>10,258</b>	<b>188,785,241</b>	<b>5.43</b>				8,910	182,649,647	4.88

6. As at 30<sup>th</sup> June 2021 there were no adjusting post balance sheet events. Since 30<sup>th</sup> June the Company bought in 40,000 shares to be held in treasury at a cost of \$54,000.