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Griffin Mining Limited 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 web site: www.griffinmining.com.

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

Registered number: 13667 Bermuda.
Registered Office: Clarendon House, 2 Church Street, Hamilton HM11, Bermuda
United Kingdom office: 60 St James's Street, London SW1A 1LE

Caijiaying Mine - Winter 2013

Chairman's Statement

It is with continuing pride that I present to you, the shareholders, the Annual Report and Accounts for Griffin Mining Limited ("Griffin" or the "Company") for the 2012 financial year. It has been a remarkable year for your Company in spite of further decreases in metals prices, continuing global economic turmoil, virtually no real growth in the western world, the continuing destruction of true wealth worldwide and stalled real growth in China. Yet in spite of all this economic negativity, Griffin was still able to achieve a memorable year.

Griffin and its subsidiaries (together the "Group") recorded: An operating profit of $31,174,000; profit before tax of $27,239,000; profit after tax of $19,707,000 and profit after non-controlling interests of $14,835,000 (a reduction of less than a million dollars from the previous year). This all occurred whilst the average market price for zinc fell 11%, silver by 13% and lead by 10%.

Impressively, the Group achieved record throughput and record zinc, lead and silver production. In summary, and in comparison with the 2011 results, there were 13.5% more tonnes of ore mined, 11.8% more ore processed, 11.8% more zinc metal in concentrate produced, 31.1% more silver in concentrate produced and 25.8% more lead in concentrate produced. Only gold in concentrate produced decreased by 19.1% as the throughput of gold bearing ore was minimized until the various gold mineralologies of the different orebodies were examined and forward planning completed to ensure extraction of the highest possible recoveries going forward.

As expected, the first half of 2012 was primarily focused on the transaction to increase Griffin's interest in Hebei Hua Ao Mining Industry Company Limited ("Hebei Hua Ao") to 88.8% and extend the term of the joint venture through to October 2037. Subsequently, significant time was dedicated to restructuring site management and solidifying reporting procedures from the Caijiaying Mine following the diminution of Chinese involvement in the day to day management of Hebei Hua Ao.

The Company is now focused on the extensive process of increasing the mining and processing of ore at the Caijiaying Mine to 1.5 million tonnes per annum. This will include an expansion of the processing facilities, the underground development of Zone II and an expansion of the existing mining operations at Zone III. These developments are all subject to the successful granting of a mining licence over Zone II, which licence area will also include the area between Zone II and Zone III, and which is not expected to occur prior to the end of the first quarter of 2014. By that time, the boundary survey, feasibility study and environmental impact study should have all been completed and underground development work at both Zones II and III will be well under way. The total upgrade is expected to be completed by the end of 2014.

Critically for shareholders, all capital costs associated with the upgrade will be funded from cash flow from existing operations. The Company expects to continue its extraordinary record of not raising any new net equity for a decade and, as such, prevent any dilution to shareholders. Unfortunately, that also means a decision not to declare a dividend yet again this year. Obviously, I am well aware of a number of shareholders desire for the Company to begin paying dividends both for personal income requirements and the financial discipline such an action imposes upon management. The Company has every intention to do so when circumstances allow, however, shareholders short term need or desire to have cash returned to them cannot cause an under investment in the future growth of the Company. It seems abundantly clear that, for now, further investment in the Caijiaying Mine represents the best use of Griffin's available resources. Having reviewed many potential acquisitions and having carefully considered the potential of Caijiaying and the future market for metals, particularly zinc, it is clear that further investment in the Caijiaying Mine will generate higher returns for the Company and its shareholders than any new, low return/high risk investment elsewhere.

This is even more true when considering the number and size of the major world zinc mines reaching the end of their economic lives and the substantial reduction in the future supply of zinc. Assuming the return of world, or at least Chinese, growth in the near future, then a rise in zinc prices should follow. Accordingly, it is expected that the further investment to increase production at the Caijiaying Mine will result in significant returns to the Company and to its shareholders, at which time the Company's dividend policy will be reassessed.

As outlined so often in the past, the Company continues to investigate a large number of potential mining ventures worldwide, pursuing any mining opportunity which shows the necessary economic returns demanded by the Company's shareholders. Such opportunities are rare and, geologically speaking, becoming rarer, as any brownfields exploration prospect has inevitably been explored long ago and greenfields exploration becomes far more difficult, deeper and more expensive. Hope exists that, as the equity markets remain generally closed to the junior mining market, a hidden gem will be found either in junior public mining companies or in private organisations incapable of raising new equity in private or public markets.

I continue to be overwhelmed by the efforts of all the directors, staff and contractors of the Company and Hebei Hua Ao in making the Caijiaying Mine and Company bigger, better and brighter. As a person well known for giving scant praise or thanks (and always pointing out what needs to be done faster, cheaper and better), this is my opportunity to do so on, not only my behalf, but the Company's and the shareholders behalf. It is the people who make any organisation and ours are some of the best.

Lastly, to the shareholders and owners of the Company, from the largest institutional organisations to the smallest individual, so many of whom have been with us for so many years and with whom we now converse on a personal, almost familial basis, we say thank you. That tenure and loyalty of ownership not only deserves, but demands, respect in this instantaneous and transient world. Just know we never take it for granted and we sincerely strive daily to repay the trust you have placed in your Company.

Mladen Ninkov
Chairman
11th April 2013

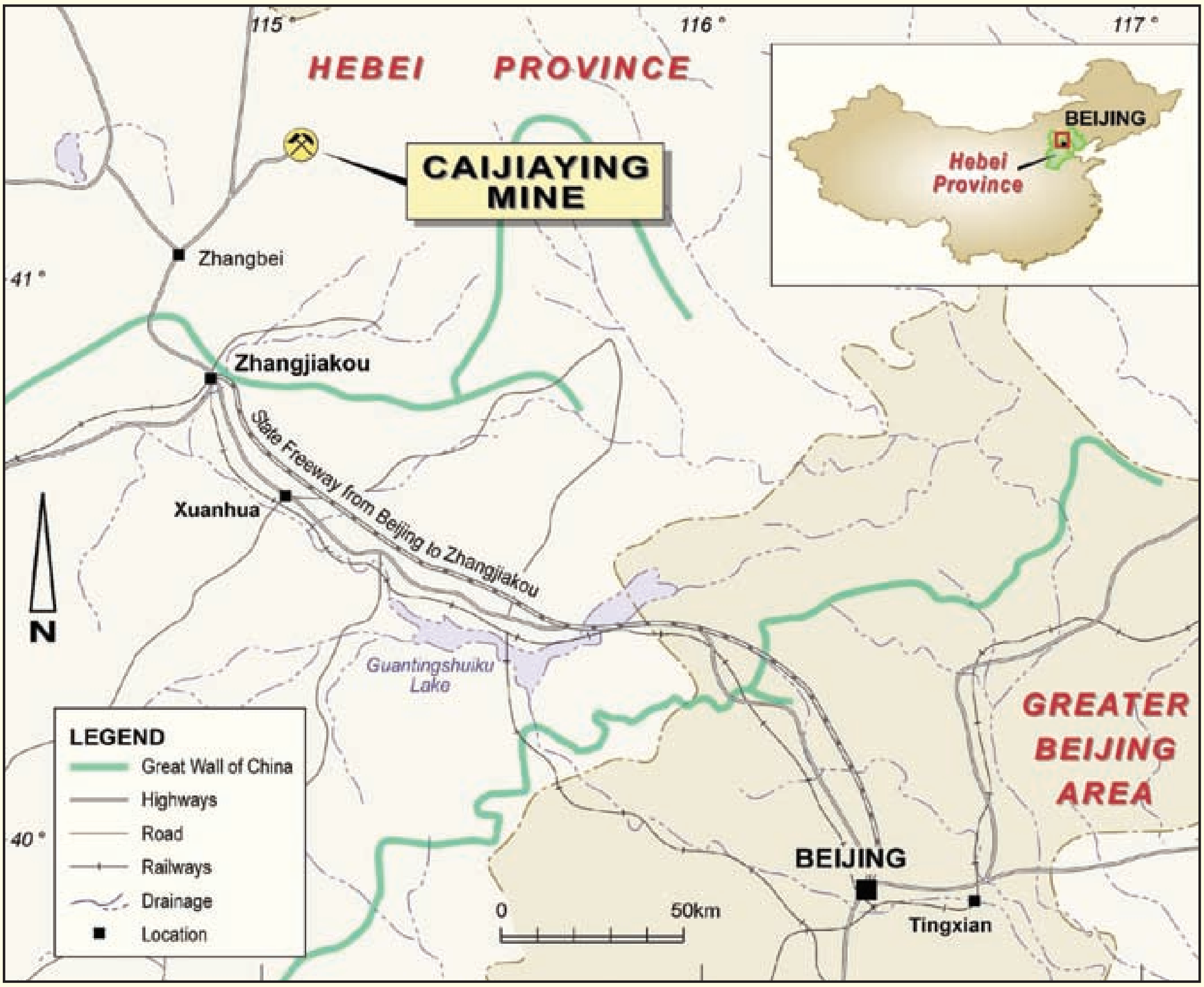

荣誉证书
HONORARY CREDENTIAL

Excellence Awards ceremony for outstanding employees of Hebei Hua Ao

CAIJIAYING MINE

INTRODUCTION

The major asset of the Company is an 88.8% interest in Hebei Hua Ao Mining Industry Company Ltd (“Hebei Hua Ao”), the owner of the mine and processing facilities located at Caijiaying in the Peoples Republic of China (the "Caijiaying Mine"). The Caijiaying Mine, together with staff accommodation, recreational and mess facilities, is located approximately 300 kilometres by road, north-west of Beijing in Hebei Province. The Caijiaying Mine site is easily accessible by two alternative freeway systems from Beijing and a number of secondary sealed roads. The site has significant water supplies, two independent connections to the electricity grid, full connectivity to fixed and mobile telecommunications systems and broadband access for internet services. Climatic conditions are not severe with warm summers and cold, dry winters enabling operations at Caijiaying to continue for 365 days a year.



Caijiaying Mine Location

History

Hebei Hua Ao is a contractual co-operative joint venture company entity established in 1994. Initially, Griffin held 60% of Hebei Hua Ao, through a wholly owned subsidiary, with the remaining 40% held by the predecessor entity to the Zhangjiakou Caijiaying Lead Zinc Mining Company, the shareholders of which remain the Zhangjiakou City People's Government and the Third Geological Brigade of Hebei Province. The initial term of Hebei Hua Ao was 25 years and was to expire in 2019. To enable the speedy return of capital to Griffin, which provided all the capital for the development and construction of the Caijiaying Mine, Griffin was entitled to 100% of the profits of the Caijiaying Mine for 3 years until the end of 2008. In 2012, Griffin, through its wholly owned Hong Kong subsidiary, China Zinc Limited, purchased an additional 28.8% interest in Hebei Hua Ao from the Zhangjiakou Caijiaying Lead Zinc Mining Company such that Griffin now holds an 88.8% equity interest in Hebei Hua Ao and the Zhangjiakou Caijiaying Lead Zinc Mining Company retains an 11.2% interest.. In addition, and as part of this purchase agreement, the term of the Hebei Hua Ao joint venture was extended until October 2037.

In January 2004, a second contractual joint venture company, Hebei Sino Anglo Mining Development Company Limited ("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, has a 90% interest in Hebei Anglo whilst the Zhangjiakou Caijiaying Lead Zinc Mining Company holds 10%. Griffin, through Hebei Hua Ao and Hebei Anglo, has a controlling interest in mining and exploration licences over 55 square kilometres at Caijiaying.

Following extensive exploration, resource delineation drilling, scoping study, feasibility study, financing and construction, in 2005 Griffin successfully commissioned the Caijiaying Mine on time and within budget, meeting its initial design throughput rate of 200,000 tonnes of ore per annum. Production rates have been steadily increased since commissioning with processing rates in excess of 820,000 tonnes of ore per annum having been achieved following the latest upgrade of the processing facilities.

In December 2007, production of a separate precious metals concentrate containing gold, silver and lead commenced from an integrated circuit forming part of the main processing facilities at the Caijiaying Mine. This allowed the full economic benefit of these metals to be obtained by the Group. Previously gold, silver and lead were "lost" and unaccounted for in the zinc concentrate by the Chinese smelters.

Corporate Developments

As previously outlined, on 25th June 2012, China Zinc Ltd completed agreements to purchase a 28.8% interest in Hebei Hua Ao from the Zhangjiakou Caijiaying Lead Zinc Mining Company Limited with an extension of the joint venture with the grant of a new 25 year business licence to the 12th of October 2037, for a cash consideration of Rmb700 million ($110 million) plus expenses ("the Transaction"). The total cost of the Transaction amounted to $117,459,000.

On completion of the Transaction, Griffin's interest in Hebei Hua Ao, was increased from 60% to 88.8% and the joint venture period extended to October 2037. The pre-existing joint venture would have terminated in 2019.

The Zhangjiakou Caijiaying Lead Zinc Mining Company retains a 11.2% interest in Hebei Hua Ao.

In addition, following completion of the Transaction, Hebei Hua Ao's joint venture contract and articles of association were amended giving Griffin greater control over the management and operations of Hebei Hua Ao.

The consideration for the Transaction was financed from Griffin's existing cash resources and from dividends due from Hebei Hua Ao. These later funds were drawn down from banking facilities in China. Under International Financial Reporting Standards, 75% of this amount has been attributed to the extension of the joint venture term and capitalised to non-current assets and 25% attributed to buying out the non controlling interest share of 28.8% and charged directly to reserves. This allocation has been based upon estimated future discounted cash flows from the Caijiaying Mine.

The acquisition of the majority proportion of the non-controlling interests and extension of the joint venture term has secured the long term future of the Caijiaying Mine enabling the Company to proceed with plans to significantly expand operations as soon as possible.

Exploration Review

Mineralisation at Caijiaying is believed to be related to a Jurassic igneous event that affected the 2.3 billion year old metamorphic basement rocks. Base metal and gold mineralisation associated with Jurassic intrusives have replaced favourable horizons in the metamorphic rocks, most notably calcsilicates and marble. Porphyry sills and dykes intruding along faults have then cut across the sequence.

On going exploration in the area surrounding the Caijiaying Mine and within Hebei Hua Ao's and Hebei Anglo's tenement boundary continues to confirm the area to be highly prospective, indicating significant potential for further base metal and gold deposits.

Hebei Hua Ao Licence Area

Drilling activity continued underground at Zone III with up to 5 rigs operating during 2012. Drilling was focused on extending the known resource, both along strike and at depth. Ore tonnes were increased outside the previously defined resource and a greater understanding of the ore distribution was developed. Primary targets were Fu Long North, South and down-dip, Qing Long South and down-dip, Ju Long South, Xiao Long South, Zone II North and down-dip extensions of the Inferred Resource.

Along strike drilling of the Qing Long and Fu Long orebodies defined the northern extent of these orebodies where the metamorphic host rocks are truncated against the younger Jurassic volcanics and sediments. Down-dip drilling of both of these orebodies intersected significant base metal mineralisation up to 200 metres below the lowest development level (1259RL).

Mineralisation continues to remain open below these intersections and the down-dip extension of these zones will be tested with further drilling as mining continues deeper at Zone III.

Extensional drilling targeting Qing Long South and Zone II North returned positive results with significant base metal intersections seen in both drill programs. These two areas appear to have a complex structural relationship and may represent originally a single zone of mineralisation offset by northeast-southwest faulting. Intersections in excess of 10 metres thick and 5% zinc were seen in the southern-most holes drilled into the Xiao Long orebody, proving that the mineralisation continues to the south, beyond current mine development.

Hebei Anglo Licence Area

In 2012, exploration expenditure in the Hebei Anglo licence area was focused on preparing the tenement for the statutory relinquishment of 25% of its land area. Previously recorded soil sampling, illite crystallinity, Induced Polarisation, ground magnetic and drillhole data were analysed to define areas of low prospectivity for relinquishment and areas of high prospectivity for future work.

Two vertical diamond drillholes of 500.3 metres and 450.4 metres were drilled in the southwest of the tenement where the intersection of the regionally significant F45 Fault and a number of smaller subordinate faults had been interpreted from magnetic images. The aim of the drilling was to test the depth to metamorphic basement and, if basement was intersected, the nature of the basement rocks and their geochemistry. Both holes were terminated in younger, unmineralised Jurassic volcanics where it was concluded that they had passed beyond a practical mining depth.

To the east of the Caijiaying Mine, several previously tested targets were considered appropriate for relinquishment. Prior unfavourable drilling and soil sample results determined that no further work was warranted in these areas. The southern side of the F45 Fault is known to have been down-thrown in excess of 500 metres rendering basement metamorphic rocks impractical to economically explore or mine. A portion of the tenement to the south of the F45 Fault was also selected for relinquishment based on this information.

Two bio-geochemical surveys were carried out on four areas within the lease during 2012. This exploration technique attempts to use the broader reach (in comparison to a traditional soil sample) of vegetation's root systems to indicate geochemical anomalies within soil by sampling and analysing the foliage. Survey results were inconclusive as the most significant anomalies recorded were obtained from areas where the greatest likelihood of contamination had been located, i.e. prior artisanal processing operations.

COMMUNITY PARTICIPATION

Griffin has invested heavily in the local community and instigated best practices regarding the protection of the environment. In this regard:

- Solid and liquid wastes are not disposed of into the environment;
- All production water is recycled;
- Gas emissions from boilers are treated to remove pollutants;
- Mined areas underground are back filled;
- Noise and dust from operations at the Caijiaying Mine are strictly controlled; and
- All non-recyclable wastes from supporting facilities are treated in an incinerator.

Griffin's environmental practices were rewarded twice with Hebei Hua Ao being presented with the Environmental Award at the 2010 China Mining Conference and the Mine Development Outstanding Achievement Award at the 2011 China Mining Conference.

Hebei Hua Ao has provided direct water supplies to the local villagers, constructed sealed roads to the Caijiaying Mine and nearby villages, financed the construction of a local kindergarten, old peoples rest home and assisted on other infrastructure projects. Hebei Hua Ao has also assisted in the upgrade of facilities at the local township school and set up "Project Hope" to provide scholarships to local students for ongoing study at primary, secondary and tertiary levels. During 2012, Hebei Hua Ao contributed Rmb1.7 million ($270,000) to a social security fund for the local community.

Griffin estimates that the Caijiaying Mine has provided direct and indirect employment to over 1,000 Chinese nationals and minimised the employment of expatriate personnel.

During 2012, Hebei Hua Ao paid Rmb203.8 million ($32.5 million) in taxes, royalties, social security fees, fines and other duties to Chinese governmental authorities and agencies.

Financial

Griffin and its subsidiaries (together the "Group") recorded:

- Operating profit of $31,174,000 (2011 - $36,832,000);
- Profit before tax for the year of $27,239,000 (2011 - $39,953,000);
- Profit after tax of $19,707,000 (2011 - $27,697,000); and
- Profit after non-controlling interests of $14,835,000 (2011 - $15,815,000).

Despite record throughput, base metal and silver production, revenues and operating profits in 2012 were impacted by lower metal prices. As a result of this and decreased gold production, revenues fell to $76,860,000 (2011 - $79,062,000) with profits from operations of $31,174,000 (2011 - $36,832,000).

In summary, production results were as follows:

- A record 789,692 tonnes of ore were mined, compared to 695,848 tonnes in 2011, a 13.5% increase;
- A record 800,288 tonnes of ore were processed, compared to 715,955 tonnes in 2011, an 11.8% increase;
- A record 40,581 tonnes of zinc metal in concentrate were produced, compared to 36,283 tonnes in 2011, an 11.8% increase;
- A record 409,596 ounces of silver in concentrate were produced, compared to 312,509 ounces in 2011, a 31.1% increase;
- A record 2,402 tonnes of lead in concentrate were produced, compared to 1,909 tonnes in 2011, a 25.8% increase; and
- 8,322 ounces of gold in concentrate were produced, compared to 10,281 ounces in 2011, a 19.1% decrease.

The average market price for zinc fell 11% in 2012 from that in 2011. As a result, the average price per tonne of zinc metal in concentrate received by the Group in 2012 fell by 11% to $1,374 (2011 - $1,546). The average price received for silver declined 13% to $22.80 per ounce (2011 - $26.22) and that for lead by 10% to $1,855 per tonne (2011 - $2,054). The average price received for gold increased by 4% to $1,499 per ounce (2011 - $1,438).

Costs of sales increased 9% in 2012 to $34,795,000 (2011 - $31,918,000). With throughput increasing 11.8%, some economies of scale were achieved despite increasing costs as the lower mine levels continue to be accessed.

Group operating costs, including Caijiaying Mine site administration costs, rose 5.6% to $10,891,000 (2011 - $10,312,000) reflecting inflationary cost pressures in China.

Profits before tax declined to $27,239,000 (2011 - $39,953,000) reflecting not just lower operating

Surface drilling between Zones II and III - Caijiaying Mine profits, but also interest charges not incurred in prior years of $3,411,000, foreign exchange losses of $904,000 (2011 - gains of $2,588,000) as well as lower interest receipts.

Cash balances were utilised in 2012 in the Transaction to fund the acquisition of the non-controlling interests in and extension of, the Hebei Hua Ao joint venture. As a result, interest receipts declined to $495,000 (2011 - $616,000).

Bank loan facilities in China were drawn down in 2012 to fund the payment of dividends used in the Transaction to purchase the non controlling interests in and extension of the Hebei Hua Ao joint venture. As a result, interest costs of $3,411,000 (2011 - nil) were incurred.

With outstanding dividends due from Hebei Hua Ao denominated in Renminbi being paid and used in the Transaction as part of the acquisition of the non controlling interests in, and extension of, the Hebei Hua Ao joint venture at a time of declining values in the US dollar, foreign exchange losses of $904,000 (2011 - gains of $2,588,000) were recorded.

Griffin's 39.2% share of the losses of Spitfire Oil Limited ("Spitfire") of $163,000 (2011 - $118,000) have been recognised.

Income taxes of $7,532,000 (2011 - $12,256,000) have been charged. The decrease from 2011 reflects not just reduced profits subject to Chinese income tax, but also a reduction in Chinese withholding tax from 10% to 5% on dividends paid to certain jurisdictions outside China.

The non-controlling interests' share of Hebei Hua Ao's profits of $4,872,000 (2011 - $11,882,000) has been provided for, resulting in attributable profits to Griffin of $14,835,000 (2011 - $15,815,000). The reduction in the non-controlling interests' reflects a reduction in profits received commensurate to the reduction in its equity interests from 40% to 11.2% with effect from the 25th June 2012.

Basic earnings per share in 2012 was 8.46 cents per share (2011 - 8.96 cents) with diluted earnings per share of 8.36 cents in 2012 (2011 - 8.76 cents).

During 2012, 50,000 (2011 - 5,040,000) ordinary shares in Griffin were bought back on market for cancellation at a cost of $24,000 (2011 - $4,977,000), thereby reducing the number of Griffin shares on issue to 175,451,830.

Net cash inflow from operating activities in 2012 amounted to $32,244,000 (2011 - $43,346,000). $125,419,000 was invested in 2012, which included $117,459,000 in the Transaction to purchase the non-controlling interests in, and extend the term of, the Hebei Hua Ao joint venture.

Attributable net assets per share at 31st December 2012 was 79 cents (2011 - 87 cents).

Operations

The processing plant has performed above its design capacity treating a record 800,288 tonnes of ore during 2012. Throughput was constrained by the safety production permit rather than mill capacity, which will be increased as further permitting is obtained.

Average ore processed was 5.3% zinc, 0.41% lead, 32.1 grammes per tonne silver and 0.66 grammes per tonne gold to produce 40,581 tonnes of zinc, 2,402 tonnes lead, 409,596 ounces silver and 8,322 ounces of gold, all in concentrate. Zinc, lead and silver metal in concentrate production not only exceeded 2011 production, but were a record for Caijiaying. Gold production was below 2011 levels due to lower grade gold mined.

Metallurgical recovery of all metals exceeded that in 2011. However, the variability of the gold grade and mineralogy in different ore lodes in Zone III has resulted in gold recoveries remaining below 50%. Metallurgical test work has been extensive and remains ongoing to increase gold grades and recoveries. In the interim, the mining of known higher gold grade lodes has been avoided until increased gold recoveries can be guaranteed. Lead recoveries were increased significantly as a result of modifications made to the processing circuit.

Mining rates have continued to be increased to meet the enhanced processing capacity with more stopes opened and greater use made of mechanised mining methods with faster rates of extraction.

During 2012, a record 789,692 tonnes of ore were mined and a record 792,653 tonnes of ore hauled.

Detailed planning for increasing mining and the further upgrade of the processing facilities will be undertaken in 2013 with the expectation of completing the upgrade by the end of 2014.

Further mine development work was undertaken in 2012 with the extension of the North and South declines and drives to access ore below the 1300 level. The south decline was developed to RL 1230 (270 metres below surface portal) and the north decline to RL 1235 (265 metres below the surface portal). During 2012, 7,314 metres of development drives and decline development were completed. This enabled lower levels of the mine to be accessed including the larger Ju Long, Fu Long and Qi Long lodes and allowed the greater use of mechanised mining methods. Long hole stoping continues to be the predominate mining method used in Zone III.

Remote bogging continued to be used to remove ore left in previously mined stopes which increased the recovery of ore mined during the year.

The percentage of tailings generated from the processing plant and placed underground as backfill increased to approximately 45%. Backfilling mined stopes reduced the amount of waste material going to the tailings dams and improved ground stability thereby allowing more ore to be extracted through the year. A dry tailings facility is currently under construction to further reduce the surface tailing facility volume required in the future. Dry tailings disposal should reduce the future capital cost of tailings dams, which would otherwise need to be constructed to handle the amount of wet tailings produced by the Caijiaying Mine.

Administration procedures are well under way to lodge the final application for a mining licence over Zone II and the area between Zone II and Zone III. The submission of a geological report to the relevant Chinese authorities has been accepted by the Ministry of Land and Resources. A boundary survey, feasibility study and environmental impact study are now being prepared. Work to access Zone II from the main decline has already begun in anticipation of the granting of the new mining licence, expected in the Spring of 2014. Further anticipatory work will also include infrastructure ventilation construction and underground development work to enable ore definition drilling to be completed.

The development of the Zone II deposit and upgrade of the processing facilities are not expected to result in any interruption to existing operations.

Development and plant upgrade costs will be funded from cash flow from existing operations with surplus cash flow directed to repaying existing Chinese banking facilities used in the Transaction to fund the acquisition of additional equity in, and the extension of, the joint venture in 2012.

JORC RESOURCE

In May 2012, the latest JORC Mineral Resource Estimate for Caijiaying was produced at a zinc cut-off of 1%. Tabled below is the summary of the 2012 Mineral Resource.

Approximately 35,898 meters of extensional and grade control drilling were completed in 2012. A resource update is planned to be completed by the end of 2013.

2012 Mineral Resource Estimates

Lodes	Category	Tonnes	Metal Grade				Contained Metal			
			Zinc	Lead	Silver	Gold	Zinc	Lead	Silver	Gold
		'000t	%	%	Grams per Tonne	Grams per Tonne	Tonnes	Tonnes	Ounces	Ounces
Zone III										
Fu, Jin, Qing, Xiao, Ju, Chang, Hong Long lodes	Measured	4,447	5.6	0.32	30.3	0.76	249,000	14,000	4,331,900	109,400
	Indicated	10,926	4.84	0.26	27.03	0.73	529,000	28,000	9,495,000	258,000
	Inferred	1,146	4.78	0.28	31.37	0.46	55,000	3,000	1,156,200	17,000
	Subtotal	16,519	5.04	0.28	28.21	0.72	833,000	45,000	14,983,100	384,400
Zone III										
Caijiaying	Inferred	15,075	3.91	0.22	21.68	0.76	589,000	32,000	10,507,600	370,400
Subtotal Zone III		**31,594**	**4.50**	**0.25**	**25.09**	**0.74**	**1,422,000**	**77,000**	**25,490,700**	**754,800**
Zone II										
All	Measured	-	-	-	-	-	-	-	-	-
	Indicated	4,056	3.02	0.68	24.87	0.30	123,000	27,000	3,242,800	39,300
	Inferred	15,570	3.31	0.75	24.53	0.25	516,000	117,000	12,276,700	124,200
Subtotal Zone II		**19,626**	**3.25**	**0.73**	**24.6**	**0.26**	**639,000**	**144,000**	**15,519,500**	**163,500**
Total		**51,220**	**4.02**	**0.43**	**24.90**	**0.56**	**2,061,000**	**221,000**	**41,010,200**	**918,300**

The information in this report that relates to the May 2012 Mineral Resource estimates is based on information compiled by Mr Matthew Stevens, B.Sc. (Hons) Geology, Member AIG and AusIMM. Mr Stevens was a full time employee of CSA Global Pty Ltd. Mr Stevens has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves' (the JORC Code). Mr Stevens consents to the inclusion in the report of the matters based on his information in the form and context which they appear.

†Zinc-equivalent grades are based on Caijiaying economics at 05/2011, assuming a linear correlation between all commodities. Concentrates of Au=0.575g/t, Ag=18g/t and lead=0.97% correlate to an increase in value equivalent to 1% zinc above base value.

Remote bogging - Caijiaying Mine

Strategic Direction

Management efforts in the first half of 2012 were primarily focused on the Transaction to acquire the non controlling interests in, and extending the term of, the Hebei Hua Ao joint venture. Subsequently, a significant portion of management's efforts have been directed at reorganising and restructuring site management and reporting procedures from the Caijiaying Mine following the lessening of local Chinese involvement in the day to day management of Hebei Hua Ao.

Having reviewed many potential acquisitions and having carefully considered the potential of Caijiaying and the future market for metals, particularly zinc, it was concluded that further investment in the Caijiaying Mine would generate higher returns for the Company and its shareholders than any new, low return/high risk investment elsewhere.

With the finalisation of the Transaction for the acquisition of the non-controlling interests in, and the extension of the term of, the Hebei Hua Ao joint venture, the Company's aim is clearly focused on increasing throughput at Caijiaying within the next few years. The latest JORC resource estimate confirms the availability of extensive ore resources at Caijiaying for increased production over an extended period.

Nevertheless, the Company continues to investigate a large number of potential mining ventures worldwide. With Griffin's good relationships and reputation in China, many of these opportunities have inevitably been mining related within the Asian region. However, the Company is not constrained by geographic region and will pursue any mining opportunity which shows the necessary economic returns demanded by the Company's shareholders.

It is generally accepted that by the end of the decade 15 of the world's larger zinc mines outside China are expected to exhaust their reserves resulting in the loss of some 1.8* million tonnes of zinc metal production with few new sources of supply becoming available. Zinc supply is expected to experience the sharpest decline in 2017. Assuming ongoing world demand, particularly from China, zinc consumption is expected to exceed mine production by 2014, an encouraging sign for the future profitability of the Caijiaying Mine.

**CRU International Ltd Zinc Greenfield Mines 2012 report*

Associated Interests

Spitfire Oil Ltd

Griffin currently holds 16,666,667 ordinary shares in Spitfire Oil Limited ("Spitfire"), representing a 39.2% interest in the issued share capital of Spitfire. In addition, with Mladen Ninkov and Roger Goodwin being directors of both Griffin and Spitfire, this requires Spitfire to be treated as an associated company of Griffin. As a result, $163,000 (2011 - $118,000) has been charged to Griffin's income statement for its share of Spitfire's losses in the period.

Spitfire, through its wholly owned subsidiary, Spitfire Oil Pty Ltd, was formed to pursue the production of liquid hydrocarbons, including fuels and distillates, from the Salmon Gums Lignite Deposits in Western Australia. Lignite is a low-rank form of brown coal which has properties that allow it to be converted into oil.

On 4th September 2012, Spitfire Oil Pty Ltd was granted a five year renewable retention licence covering the Salmon Gums lignite resource area. There are no annual exploration expenditure commitments attaching to this licence other than the prescribed licence fees.

The segments of the exploration licences previously held by Spitfire Oil Pty Ltd that occurred outside the Retention Licence area were relinquished in 2012 and Surrender Reports lodged as required by the relevant regulations. Extension-of-term applications were lodged to cover the intervening period between the expiry of the exploration licences and the grant of the retention licence. The remaining exploration licences have now expired and the licence fees refunded.

As part of its ongoing monitoring of any suitable process technologies for the Salmon Gums lignite resource, Spitfire has conducted a review of currently available technologies for the gasification of the lignite. This review was undertaken by a world recognised independent consulting firm specialising in the processing of lignite deposits, Higman Consulting GmbH. It concluded that due to the high water and salt content and the plastic physical nature of the material, the Salmon Gums lignite was unlikely to be economic with existing gasification processes and current capital and operating pricing structures. In light of these conclusions, Spitfire has ceased any further work on the Salmon Gums lignite project but continues to maintain its investigation of processing technologies, particularly the many new developments to pyrolysis technology being undertaken at present for the bio fuels industry.

Following the completion of the gold exploration program over the remainder of the exploration licences that had remained untested, it was concluded that the weak results did not merit further work for gold.

Spitfire continues to evaluate numerous alternative natural resources projects. Several oil and gas projects have been reviewed to date but none were found to meet the necessary economic returns demanded by Spitfire. With the continuing global financial uncertainty, there has been a noticeable deterioration in equity markets for smaller companies and more robust projects may become available for acquisition or joint venture in the future.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Rom Pad - Caijiaying Mine

Directors

Mladen Ninkov, Chairman, Australian, aged 51, holds a Masters 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 companies.

Roger Goodwin, Finance Director, British, aged 57, is a Chartered Accountant. 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 particularly in Africa, the CIS and Eastern Europe.

Dal Brynelsen, Director, Canadian, aged 66, is is a graduate of the University of British Columbia in Urban Land Economics. Mr. Brynelsen has been involved in the resource industry for over 30 years. He has been responsible for the discovery, development and operation of several underground gold mines during his career. Mr. Brynelsen is the Chief Executive Officer of Vangold Resources Limited.

William Mulligan, Director, USA, aged 69, has a BSc from Thomas Clarkson University, an MS in Geological Engineering from the University of Connecticut and an MBA from NYU Bernard Baruch School of Business Administration. He was the Managing Director for Global Projects and Political Risk at AIG Global Trade and Political Risk Insurance Company, a wholly owned subsidiary of American International Group Inc., and a director of AIG Investment Bank (ZAO) Ltd based in Moscow. From 1994 to 1996 he was Executive Vice President for Corporate Development at Latin American Gold Limited.

Senior Executives

William Darcey, Operations Manager Caijiaying, Australian, aged 61, holds degrees from Curtin University in mining, metallurgy, mineral economics and a MEngSc (mining planning and design). He has over 30 years experience in the mining and mineral processing industry working in both technical and operational roles. He has worked on mining project in Australia and overseas. More recently he worked in the Philippines as Operations Director for a gold mining company.

Wendy Zhang, Chief Financial Officer China, Australian, aged 39, holds a Master of Accounting degree from Macquarie University, and is a member of the Certified Practising Accountants of Australia and a qualified member of the Chinese Institute of Certified Public Accountants for 11 years. Prior to joining Griffin she spent the previous 4 years as Financial Controller for Golden Tiger Mining's joint venture operations in China (a gold exploration and mining company listed in Australian Stock Exchange). Previously she was a Chief Accountant for Shanghai Silk Group and subsequently Ann Taylor Shanghai.

Dr Bo Zhou, General Manager China, Australian, aged 50, 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 Ltd, an ASX listed company with mineral interests in China. Before that he was the General Manager for Guangxi Golden Tiger Mining JV, a Sino-Australian JV gold company focussed in Guangxi, China, which is controlled by Golden Tiger Mining NL, an ASX listed company. He has also worked as the Senior Geologist for Silk Road Resources (a Toronto listed company), responsible for evaluating various gold properties in Gansu Province in central western China. Dr Zhou has considerable experience of and has established extensive contacts in the Chinese resources sector.

Crushing Plant and Fine Ore Bin - Caijiaying Mine

Directors' Report

The Directors submit their report together with the audited consolidated financial statements of Griffin Mining Limited ("the Company") and its subsidiaries ("the Group") for the year ended 31 December 2012.

Financial results

The Group profit before taxation, amounted to US$27,239,000 (2011 US$39,953,000). Taxation of US$7,532,000 (2011 US$12,256,000) and non controlling interests of $4,872,000 (2011 $11,882,000) have been provided. No dividend was paid in 2012 (2011 nil). US$14,835,000 has been credited to reserves (2011 US$15,815,000).

The basic earnings per share amounted to 8.46 cents (2011 8.96 cents). The attributable net asset value per share at 31 December 2012 amounted to 79 cents (2011 87 cents).

With cash flows from operations being used to fund the development of the Zone II deposit and the upgrade of the processing facilities at Caijiaying and with any surplus cash flow directed to repaying existing Chinese banking facilities used to fund the acquisition of additional equity in, and the extension of, the joint venture in 2012 the directors do not recommend the payment of a dividend at this time.

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 2012 and the indication of likely future developments are set out on pages 8 to 23

Directors

The Directors of the Company during the year were:

Mladen Ninkov – *Australian – Chairman*
Roger Goodwin – *British – Finance Director*
Dal Brynelsen – *Canadian*
William Mulligan – *American (US)*

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 2012 and their immediate families in the share capital of the Company were as follows:

Name	At 31 December 2012			At 1 January 2012		
	Ordinary shares number	Options over ordinary shares, number exercisable at		Ordinary shares number	Options over ordinary shares, number exercisable at	
		45 pence	20 pence		45 pence	20 pence
Mladen Ninkov	33,001	6,000,000	3,000,000	33,001	6,000,000	3,000,000
Dal Brynelsen	15,001	400,000	200,000	1	400,000	200,000
Roger Goodwin	577,830	1,200,000	600,000	577,830	1,200,000	600,000
William Mulligan	300,001	400,000	200,000	300,001	400,000	200,000

All of the Directors' interests detailed are beneficial.

The options exercisable at 20 pence per share entitle the holder to subscribe for new ordinary shares in the Company on or before 31 October 2013. The options vest with each option holder in 3 separate and equal instalments as follows:

a. The first third of each holder's options vested on 28 October 2008;

b. The second third of each holder's options vested on 31 December 2009; and

c. The last third of each holder's options vested on 31 December 2010.

Directors' Report

On 4 March 2010 a new set of options (the "new options") over 10,000,000 new ordinary shares were granted to directors and key employees of the Company in order to retain and incentivise key personnel with managerial and operating experience in non-standard jurisdictions in a tight mining employment market.

Each new option entitle the holder to subscribe for new ordinary shares in the Company at an exercise price of 45 pence per new ordinary share on or before 28 February 2015. The new options vest with each option holder in 3 separate and equal instalments as follows:

a. The first third of each holder's options vested on 4 March 2010;

b. The second third of each holder's options vested on 31 December 2010; and

c. The last third of each holder's options vested on 31 December 2011.

Corporate Governance

Although incorporated in Bermuda and therefore not obliged to comply with the code of best practice established by the UK Corporate Governance Code issued by the Financial Reporting Committee, the Company has reviewed and broadly supports this code. The Company does not comply where compliance would not be commercially justified allowing for the practical limitations relating to the Company's size. In particular, in view of the Company's size and the limited number of directors, the Company has not formally established: an audit committee; a remuneration committee; and a nominations committee. However, the non executive directors informally fulfil the roles and responsibilities normally expected of such committees.

The board of directors includes a number of non executive directors who, other than their shareholding, are considered to be independent as their shareholdings are less than 0.2% of the Company's issued share capital and are free from any business or other relationship which could materially interfere with the exercise of their independent judgement. The Board meets regularly and is responsible for the overall strategy of the Group, its performance, management and major financial matters. All directors are subject to re-appointment annually at each annual general meeting of the Company's shareholders.

Various safeguards and checks have been instigated as part of the Company's system of financial control. These include:

- preparation of regular financial reports and management accounts
- preparation and review of capital and operational budgets
- preparation of regular operational reports
- prior approval of capital and other significant expenditure
- regular review and assessment of foreign exchange risk and requirements
- regular review of commodity prices and assessment of hedging requirements

Auditor

Grant Thornton UK LLP 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.

Directors' Report

Statement of directors' responsibilities in respect of the accounts

Bermudan company law and generally accepted best practice requires the directors to prepare accounts for each financial year which 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 these accounts, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume the Company will continue in business.

In so far as the directors are aware:

- there is no relevant information of which the Company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken as directors to make themselves aware of relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Bermuda Companies Act 1981 as amended. They 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 the maintenance and integrity of the corporate and financial information included in the Company's website. Legislation in Bermuda and the United Kingdom governing the preparation and dissemination of financial statements may differ from the legislation in other jurisdictions.

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

Roger Goodwin
Finance Director and Company Secretary
11th April 2013

REPORT OF THE INDEPENDENT AUDITOR

REPORT OF THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRIFFIN MINING LIMITED

We have audited the Group financial statements of Griffin Mining Limited for the year ended 31 December 2012 which comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated cash flow statement, the accounting policies and the notes 1 to 29. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 90 of the Bermuda Companies Amendment Act 1981 as amended. Our audit work has been undertaken so that we might state to the 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 28, the directors are responsible for the preparation of the Group financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Group financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with International Financial Reporting Standards. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the Chairman's Statement, Caijiaying Mine, Financial Review, Operations Review, Associated Interests and Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all of the financial and non-financial information in the Chairman's Statement, Caijiaying Mine, Financial Review, Operations Review, Associated Interests and Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our reports.

OPINION

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2012 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

Grant Thornton UK LLP
Registered Auditors, Chartered Accountants
London

11th April 2013

Consolidated Income Statement

For the year ended 31 December 2012
(expressed in thousands US dollars)

	Notes	2012 $000	2011 $000
Revenue	1	**76,860**	79,062
Cost of sales	1	**(34,795)**	(31,918)
Gross profit		**42,065**	47,144
Net operating expenses	1	**(10,891)**	(10,312)
Profit from operations		**31,174**	36,832
Share of losses of associated company	4	**(163)**	(118)
Foreign exchange (losses)/gains		**(904)**	2,588
Finance income	5	**495**	616
Finance losses	6	**-**	(14)
Finance costs	7	**(3,411)**	-
Other income	8	**48**	49
Profit before tax		**27,239**	39,953
Income tax expense	9	**(7,532)**	(12,256)
Profit after tax		**19,707**	27,697
Attributable to non-controlling interests		**4,872**	11,882
Attributable to equity share owners of the parent		**14,835**	15,815
		19,707	27,697
Basic earnings per share (cents)	10	**8.46**	8.96
Diluted earnings per share (cents)	10	**8.36**	8.76

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2012
(expressed in thousands US dollars)

	2012 $000	2011 $000
Profit for the year	**19,707**	**27,697**
Other comprehensive income		
Exchange differences on translating foreign operations	**545**	2,417
Other comprehensive income for the period, net of tax	**545**	2,417
Total comprehensive income for the period	**20,252**	30,114
Attributable to non-controlling interests	**4,960**	12,691
Attributable to equity owners of the parent	**15,292**	17,423
	20,252	30,114

Consolidated Statement of Financial Position

As at 31 December 2012
(expressed in thousands US dollars)

	Notes	2012 $000	2011 $000
ASSETS			
Non-current assets			
Property, plant and equipment	11	177,470	85,291
Intangible assets – Exploration interests	12	1,707	1,573
Investment in associated company	13	3,596	3,759
		182,773	90,623
Current assets			
Inventories	14	6,231	4,608
Receivables and other current assets	15	4,168	2,505
Cash and cash equivalents		16,764	91,089
		27,163	98,202
Total assets		209,936	188,825
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	16	1,755	1,755
Share premium		70,037	70,061
Contributing surplus		3,690	3,690
Share based payments		3,055	3,030
Chinese statutory re-investment reserve		1,313	1,300
Other reserves on acquisition of non controlling interests		(29,346)	-
Foreign exchange reserve		10,485	10,041
Profit and loss reserve		77,966	63,131
Total equity attributable to equity holders of the parent		138,955	153,008
Non-controlling interests		4,904	12,523
Total equity		143,859	165,531
Non-current liabilities			
Long-term provisions	19	2,535	806
Current liabilities			
Taxation payable		3,840	11,631
Trade and other payables	20	12,590	10,857
Bank loans	21	47,112	-
Total liabilities		63,542	22,488
Total equities and liabilities		209,936	188,825
Number of shares in issue		175,451,830	175,501,830
Attributable net asset value / total equity per share to equity holders of parent	22	$0.79	$0.87

The accounts on pages 34 to 57 were approved by the Board of Directors and signed on its behalf by:

Mladen Ninkov
Chairman

Roger Goodwin
Finance Director

11th April 2013

Consolidated Statement of Changes in Equity

For the year ended 31 December 2012
(expressed in thousands US dollars)

	Share capital	Share premium	Contributing surplus	Share based payments	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	Non-controlling interests	Total equity
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
At 31 December 2010	**1,804**	**74,948**	**3,690**	**2,513**	**938**	**-**	**8,480**	**47,631**	**140,004**	**6,218**	**146,222**
Regulatory transfer for future investment	-	-	-	-	315	-	-	(315)	-	-	-
Issue of share capital	1	40	-	-	-	-	-	-	41	-	41
Purchase of shares for cancellation	(50)	(4,927)	-	-	-	-	-	-	(4,977)	-	(4,977)
Cost of share based payments	-	-	-	517	-	-	-	-	517	-	517
Transfers in respect of dividends	-	-	-	-	-	-	-	-	-	(6,386)	(6,386)
Transaction with owners	(49)	(4,887)	-	517	315	-	-	(315)	(4,419)	(6,386)	(10,805)
Profit for the year	-	-	-	-	-	-	-	15,815	15,815	11,882	27,697
Other comprehensive income: Exchange differences on translating foreign operations	-	-	-	-	47	-	1,561	-	1,608	809	2,417
Total comprehensive income	-	-	-	-	47	-	1,561	15,815	17,423	12,691	30,114
At 31 December 2011	**1,755**	**70,061**	**3,690**	**3,030**	**1,300**	**-**	**10,041**	**63,131**	**153,008**	**12,523**	**165,531**
Regulatory transfer for future investment	-	-	-	-	-	-	-	-	-	-	-
Acquisition of non controlling interests	-	-	-	-	-	(29,346)	-	-	(29,346)	(18)	(29,364)
Purchase of shares for cancellation	-	(24)	-	-	-	-	-	-	(24)	-	(24)
Cost of share based payments	-	-	-	25	-	-	-	-	25	-	25
Transfers in respect of dividends	-	-	-	-	-	-	-	-	-	(12,561)	(12,561)
Transaction with owners	-	(24)	-	25	-	(29,346)	-	-	(29,345)	(12,579)	(41,924)
Profit for the year	-	-	-	-	-	-	-	14,835	14,835	4,872	19,707
Other comprehensive income:	-	-	-	-	-	-	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	13	-	444	-	457	88	545
Total comprehensive income	-	-	-	-	13	-	444	14,835	15,292	4,960	20,252
At 31 December 2012	**1,755**	**70,037**	**3,690**	**3,055**	**1,313**	**(29,346)**	**10,485**	**77,966**	**138,955**	**4,904**	**143,859**

Consolidated Cash Flow Statement

For the year ended 31 December 2012
(expressed in thousands US dollars)

	Notes	2012 $000	2011 $000
Net cash flows from operating activities			
Profit before taxation		**27,239**	39,953
Share of associated company losses	**4**	**163**	118
Foreign exchange losses / (gains)		**904**	(2,588)
Finance (income)	**5**	**(495)**	(616)
Finance losses	**6**	**-**	14
Finance costs	**7**	**3,411**	-
Adjustment in respect of share based payments	**17**	**25**	517
Depreciation, depletion and amortisation	**11**	**6,762**	5,900
(Increase) in inventories		**(1,623)**	(1,472)
(Increase) in receivables and other current assets		**(1,663)**	(1,226)
(Decrease) / increase in trade and other payables		**(2,479)**	2,746
Net cash inflow from operating activities		**32,244**	43,346
Taxation paid		**(11,435)**	(1,637)
Cash flows from investing activities			
Interest received	**5**	**495**	616
Payments to extend joint venture term and acquire non controlling interests		**(117,459)**	-
Payments to acquire – mineral interests	**11**	**(4,206)**	(6,073)
Payments to acquire – plant and equipment	**11**	**(4,129)**	(3,605)
Payments to acquire – office equipment	**11**	**(3)**	(2)
Payments to acquire intangible fixed assets - exploration interests	**12**	**(117)**	(19)
Net cash (outflow) from investing activities		**(125,419)**	(9,083)
Cash flows from financing activities			
Issue of ordinary share capital		**-**	41
Purchase of shares for cancellation		**(24)**	(4,977)
Interest paid		**(3,411)**	**-**
Dividends paid to non controlling interests		**(12,561)**	(4,257)
Proceeds from bank loans		**47,112**	**-**
Net cash inflow / (outflow) from financing activities		**31,116**	(9,193)
(Decrease) / increase in cash and cash equivalents		**(73,494)**	23,433
Cash and cash equivalents at the beginning of the year		**91,089**	66,450
Effects of exchange rates		**(831)**	1,206
Cash and cash equivalents at the end of the year		**16,764**	91,089
Cash and cash equivalents comprise bank deposits			
Bank deposits		**16,764**	91,089

Included within net cash flows of $73,494,000 (2011 $23,433,000) are foreign exchange losses of $904,000 (2011 gains $2,588,000) which have been treated as realised.

Accounting Policies

Basis of accounting

The accounts have been prepared in accordance with applicable International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the European Union. The significant accounting policies adopted are detailed below:

Accounting convention

The accounts have been prepared under the historical cost convention, except for certain financial assets which are measured at fair value.

Changes in Accounting Policies and Disclosures

(a) New and amended standards adopted by the Group

There were no International Financial Reporting Standards ("IFRSs") or International Reporting Interpretations Committee ("IFRIC") interpretations that are effective for the first time for the financial year beginning on or after 1st January 2012 that are expected to have a material impact on the Group.

(b) At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the International Accounting Standards Board ("IASB") but are not yet effective, and have not been adopted early by the Group.

Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's financial statements.

1. IFRS 9 Financial Instruments. The IASB aims to replace IAS 39 Financial Instruments: Recognition and Measurement in its entirety. IFRS 9 is being issued in phases. To date, the chapters dealing with recognition, classification, measurement and de-recognition of financial assets and liabilities have been issued. These chapters are effective for annual periods beginning 1 January 2015. Further chapters dealing with impairment methodology and hedge accounting are still being developed. The Group's management have yet to assess the impact of this new standard on the Group's consolidated financial statements. However, they do not expect to implement IFRS 9 until all of its chapters have been published and they can comprehensively assess the impact of all changes.

2. Consolidation Standards A package of consolidation standards are effective for annual periods beginning or after 1 January 2014. Information on these new standards is presented below. The Group's management have yet to assess the impact of these new and revised standards on the Group's consolidated financial statements.

   i. IFRS 10 Consolidated Financial Statements (IFRS 10). IFRS 10 supersedes IAS 27 Consolidated and Separate Financial Statements (IAS 27) and SIC 12 Consolidation - Special Purpose Entities. It revised the definition of control together with accompanying guidance to identify an interest in a subsidiary. However, the requirements and mechanics of consolidation and the accounting for any non-controlling interests and changes in control remain the same.

   ii. IFRS 11 Joint Arrangements (IFRS 11). IFRS 11 supersedes IAS 31 Interests in Joint Ventures (IAS 31). It aligns more closely the accounting by the investors with their rights and obligations relating to the joint arrangement. In addition, IAS 31's option of using proportionate consolidation for joint ventures has been eliminated. IFRS 11 now requires the use of the equity accounting method, which is currently used for investments in associates.

   iii. IFRS 12 Disclosure of Interests in Other Entities (IFRS 12). IFRS 12 integrates and makes consistent the disclosure requirements for various types of investments, including unconsolidated structured entities. It introduces new disclosure requirements about the risks to which an entity is exposed from its involvement with structured entities.

   iv. Consequential amendments to IAS 27 and IAS 28 Investments in Associates and Joint Ventures (IAS 28). IAS 27 now only deals with separate financial statements. IAS 28 brings investments in joint ventures into its scope. However, IAS 28's equity accounting methodology remains unchanged.

Accounting Policies

3. IFRS 13 Fair Value Measurement (IFRS 13). IFRS 13 does not affect which items are required to be fair-valued, but clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It is applicable for annual periods beginning on or after 1 January 2013. The Group's management have yet to assess the impact of this new standard.
4. Amendments to IAS 1 Presentation of Financial Statements (IAS 1 Amendments). The IAS 1 Amendments require an entity to group items presented in other comprehensive income into those that, in accordance with other IFRSs: (a) will not be reclassified subsequently to profit or loss and (b) will be reclassified subsequently to profit or loss when specific conditions are met. It is applicable for annual periods beginning on or after 1 July 2012. The Group's management expects this will change the current presentation of items in other comprehensive income; however, it will not affect the measurement or recognition of such items.

As far as can be determined, the directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Group. The Group does not intend to apply any of these pronouncements early. Management have not assessed the impact of IFRS12 which could have a significant impact in respect of non controlling interests.

Going concern

The financial statements have been prepared on a going concern basis. As at 31 December 2012, Hebei Hua Ao (a subsidiary of the Company) had bank loans oustanding of $47.1 million. Since the year end $13.4 million of these facilities have been repaid and Hebei Hua Ao is finalising terms for additional facilities of some $4.8 million and expects to roll over the existing facilities for a further 12 months. Having considered the cash resources, banking facilities and forecasts, the directors do not expect any going concern issues to arise.

Consolidation basis

The Group accounts consolidate the accounts 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 its activities. The Group obtains and exercises control through voting rights.

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.

Acquisitions of subsidiaries are dealt with by the acquisition method. The purchase method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated statement of financial position at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group accounting policies. Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition.

Associates

Associates are those entities over which the Group has significant influence but which are neither subsidiaries nor interests in joint ventures. Investments in associates are recognised initially at cost and subsequently accounted for using the equity method. However, any goodwill or fair value adjustment attributable to the Group's share in the associate is included in the amount recognised as investment in associates.

All subsequent changes to the Group's share of interest in the equity of the associate are recognised in the Group's carrying amount of the investment. Changes resulting from the profit or loss generated by the associate are reported in "share of profits of associates" in profit or loss and therefore affect net results of the Group. These changes include subsequent depreciation, amortisation or impairment of the fair value adjustments of assets and liabilities.

Items that have been recognised directly in other comprehensive income of the associate are recognised in other comprehensive income of the Group. However, when the Group's share of losses in an associate equals or exceeds its interest in the associate,

ACCOUNTING POLICIES

including any unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the investor resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

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

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 made on a cash on delivery / collection basis and are recognised on collection or delivery of the concentrate from the Group's processing facilities.

NON CURRENT ASSETS

Intangible assets – exploration cost
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 reserves within each area of interest and the necessary finance 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. The Group's intangible assets 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 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 significant future benefits.

Property, plant and equipment are shown at cost less depreciation and provisions for the impairment of value (see note 11).

Residual values
Material residual value estimates are updated as required, but at least annually whether or not the asset is re-valued.

Depreciation

With effect from 21st May 2012 the term of Hebei Hua Ao's joint venture business licence was extended to 12th October 2037. The pre existing business licence terminated in 2019. Prior to 21st May 2012 all costs capitalised (mineral interests, mill and mine equipment) within an area of interest were amortised over the current estimated economic reserve of the area of interest on a unit of production basis.

In view of the extension of Hebei Hua Ao's business licence, thereby increasing the term of the joint venture, the economic lives of all non current tangible assets have been reassessed and depreciation rates have been revised with effect from 25th June 2012 to reflect the increased term of operations, extractable resource, and economic lives of the assets as follows:

- Mine acquisition, development, licence, pre production and land use rights - on a unit of production basis
- Plant and buildings - over 25 years on a straight line basis with a 10% residual value
- Mechanical equipment - over 10 years on a straight line basis with a 10% residual value
- All other equipment, including vehicles - over 5 years on a straight line basis with a 10% residual value

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 is covered by the discounted future cash flows from reserves within that area of interest. Any deficiency arising is provided for to the extent that, in the opinion of the directors, it is considered to represent a permanent diminution in value of the related asset, and where arising, is dealt with in the income statement as additional depreciation.

Accounting Policies

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

ESTIMATE / ASSUMPTION	BASIS
Future production	Proven and probable resource estimates together with processing capacity
Commodity prices	Forward market and 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 accounts in accordance with local requirements.

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 costs 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

Financial assets, other than hedging instruments, can be divided into the following categories:

- loans and receivables

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant for the way it is measured and whether resulting income and expenses are recognised in profit or loss or in other comprehensive income.

Financial assets are reviewed by management individually and an assessment of whether a financial asset is impaired is made at least at each reporting date. Financial assets that are substantially past due or when objective evidence is received that a specific counterparty will default, are also considered for impairment. All income and expense relating to financial assets are recognised in the income statement line item "finance costs" or "finance income", respectively.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets or non current assets based on their maturity date. Loans and receivables are classified as either 'trade and other receivables' or 'other financial assets' in the statement of financial position. On initial recognition loans and receivables are recognised at fair value plus transaction costs. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss. The Group's other receivables fall into this category of 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 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 accounts have been prepared in United States dollars being the local currency of Bermuda. Whilst registered in Bermuda the Company, together with its subsidiaries and associates, operate in China, the United Kingdom, and Australia. The functional and presentation currency of the parent is US dollars.

ACCOUNTING POLICIES

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 balance sheet 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 accounts of foreign operations 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.

The balance of the foreign currency translation reserve relating to an operation that is disposed of is reclassified from equity to profit or loss at the time of the disposal.

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 until such share options are exercised.
- "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.

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 share options awarded. Their value is appraised at the 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. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

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 2012 the total expense recognised in profit or loss arising from share based transactions was $25,000 (2011: $517,000).

Accounting Policies

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:

- Impairment review assumptions, property, plant and equipment (note 11). Impairments are assessed by comparison of the cash generating unit (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 estimated by direct reference to the current prevailing value of the commodities extracted. Based on current production and costs the directors have determined that the future profitability of the Group requires the market price of zinc to remain above $1,100 per tonne with gold, silver and lead prices remaining at current prevailing levels.
- Impairment review assumptions, exploration interests (note 12). Impairments are assessed by reference to exploration results carried out in an area of interest. Where such exploration indicates that there are no indications of mineralisation within the area of interest, provision is made for impairment in value.
- Impairment review assumptions, investment in associated company (note 13). Impairments are assessed by reference to the market value of the associated company and to the value of the associated company's underlying assets. This includes capitalised exploration and evaluation costs which are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Facts and circumstances considered include periods of tenure, budgeted expenditure, and exploration and evaluation results achieved. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.
- Provision for mine closure costs (note 19) have been made in accordance with the rules and regulations of the Peoples Republic of China at a rate of Rmb0.5 per tonne of estimated resources. The expected amount of resource due to be extracted during the life of the mine is based on estimated rates of extraction which take into account reported measured, indicated and inferred levels of resource, the term of the Hebei Hua Ao joint venture and current capability of the extractive machinery currently in use at the mine.
- Share based payments (note 17). See aforementioned "Equity Settled Share Based Payments"
- Determination that investments in associates are not subsidiaries (note 13). Mladen Ninkov and Roger Griffin are non-executive directors of Spitfire Oil Ltd which, whilst not having unilateral day-to-day control of the business operations, does give Griffin significant influence over the financial and operating policy decisions of Spitfire. The directors of Griffin have considered whether this influence is such that Griffin controls Spitfire and that therefore the entity should be fully consolidated under IAS27. The Directors judgement in this regard is that as they are unable to control the business activities of Spitfire.
- The division of the purchase consideration for the non controlling interests and the extension of the Hebei Hua Ao joint venture period (note 11) has been determined from forecast discounted future cash flows from Caijiaying assuming current metal prices, costs, extraction and processing rates.

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 accounts.

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.

Dividends

Dividend distributions payable to equity shareholders are included in "other short term financial liabilities" when the dividends are approved in a directors meeting prior to the reporting date.

Accounting Policies

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 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.

Segmental reporting

In identifying its operating segments, management generally follows the Group's service lines, which represent the main products produced by the Group. Management consider there to be only one operating segment being the operations at the Caijiaying Mine based in China. All activities of the Group are reported through management and the executive directors to the Board of directors 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 periods 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

1. Segmental Reporting

The Group has one operating segment, the Caijiaying zinc gold project in the People's Republic of China. All sales and costs of sales in 2012 and 2011 were derived from the Caijiaying zinc gold project.

	2012	2011
	$000	$000
REVENUES		
China	76,860	79,062
COST OF SALES		
China	(34,795)	(31,918)
NET OPERATING EXPENSES		
China	(7,539)	(7,484)
Australia	(163)	(32)
European Union	(3,189)	(2,796)
	(10,891)	(10,312)

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

	2012	2011
	$000	$000
TOTAL ASSETS		
China	202,016	128,961
Australia	4,376	6,363
European Union	3,544	53,501
	209,936	188,825
CAPITAL EXPENDITURE		
China	96,546	9,678
Australia	-	-
European Union	3	2
	96,549	9,680
China - acquisition of non-controlling interests	29,365	-
	125,914	9,680

2. Profit From Operations

Profit from operations is stated after charging

	2012	2011
	$000	$000
Staff costs	(4,929)	(4,747)
Fair values of options granted to directors and management	(25)	(517)

	No.	No.
Average number of persons employed by the Group in the year	367	357

NOTES TO THE FINANCIAL STATEMENTS

3. 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 & Social Security costs**	**Share based payments**	**Total 2012**	Fees	Salary	Pension & Social Security costs	Share based payments	Total 2011
	\$000	**\$000**	**\$000**	**\$000**	**\$000**	\$000	\$000	\$000	\$000	\$000
Mladen Ninkov *	**112**	**-**	**-**	**15**	**127**	99	-	-	310	409
Dal Brynelsen	**154**	**-**	**-**	**1**	**155**	77	-	-	21	98
Roger Goodwin	**112**	**445**	**108**	**3**	**668**	99	442	53	62	656
William Mulligan	**88**	**-**	**-**	**1**	**89**	77	-	-	21	98
	466	**445**	**108**	**20**	**1,039**	352	442	53	414	1,261
Key personnel	**-**	**775**	**-**	**5**	**780**	-	569	-	103	672
	466	**1,220**	**108**	**25**	**1,819**	352	1,011	53	517	1,933

No share options were exercised by the directors in the year (2011 none).

*Keynes Capital, the registered business name of Keynes Investments Pty Limited as trustee for the Keynes Trust, received fees under a consultancy agreement of \$1,692,000 (2011 \$1,582,000), 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.

4. SHARE OF LOSSES OF ASSOCIATED COMPANY

	2012	2011
	\$000	\$000
Share of losses of Spitfire Oil Ltd	**163**	118

Griffin has a 39.2% interest in the issued share capital of Spitfire Oil Limited.

5. FINANCE INCOME

	2012	2011
	\$000	\$000
Interest on bank deposits	**495**	616

6. FINANCE LOSSES

	2012	2011
	\$000	\$000
Losses on revaluation of zinc put options	**-**	(14)

7. FINANCE COSTS

	2012	2011
	\$000	\$000
Interest payable on short term bank loans	**3,411**	-

8. OTHER INCOME

	2012	2011
	\$000	\$000
Scrap and other sundry sales	**48**	49

Notes to the Financial Statements

9. Income tax expense

	2012	2011
	$000	$000
Profit for the year before tax	**27,239**	**39,953**
Tax rate	**25%**	25%
Expected tax expense:	**6,810**	9,988
Adjustment for tax exempt items:		
- Income and expenses outside the PRC not subject to tax	**(1,796)**	(54)
- Share of associated company losses	**41**	30
Adjustments for timing differences:		
- Other	**256**	105
Adjustments for short term timing differences:		
- In respect of accounting differences	**(109)**	273
- Other	**112**	(236)
Withholding tax on intercompany charges	**2,218**	2,150
Taxation charge	**7,532**	12,256

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 2012 (25% in 2011) based upon the profits calculated under Chinese generally accepted accounting principals (Chinese "GAAP").

10. 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:

	2012			2011		
	Earnings $000	**Weighted average number of shares**	**Per share amount (cents)**	Earnings $000	Weighted average number of shares	Per share amount (cents)
Basic earnings per share						
Earnings attributable to ordinary shareholders	**14,835**	**175,456,077**	**8.46**	15,815	176,499,620	8.96
Dilutive effect of securities						
Options	**-**	**2,021,897**	**-**	-	3,981,592	-
Diluted earnings per share	**14,835**	**177,477,974**	**8.36**	15,815	180,481,212	8.76

Notes to the Financial Statements

11. Property, plant and equipment

	Mineral interests	Mill and mobile mine equipment	Office furniture and equipment	Total
	$000	**$000**	**$000**	**$000**
At 1 January 2011 net of accumulated depreciation	57,759	19,963	23	77,745
Foreign exchange adjustments	2,821	1,001	-	3,822
Additions during the year	6,073	3,605	2	9,680
Rehabilitation provision	(56)	-	-	(56)
Depreciation charge for the year	(2,752)	(3,140)	(8)	(5,900)
At 31 December 2011	63,845	21,429	17	85,291
Foreign exchange adjustments	639	223	-	862
Additions during the year	4,206	4,129	3	8,338
Additions re extensions of joint venture period	88,094	-	-	88,094
Rehabilitation provision	1,647	-	-	1,647
Depreciation charge for the year	(3,817)	(2,934)	(11)	(6,762)
At 31 December 2012	154,614	22,847	9	177,470

	$000	$000	$000	$000
At 31 December 2010				
Cost	63,408	24,554	84	88,046
Accumulated depreciation	(5,649)	(4,591)	(61)	(10,301)
Net carrying amount	57,759	19,963	23	77,745
At 31 December 2011				
Cost	72,652	29,463	86	102,201
Accumulated depreciation	(8,807)	(8,034)	(69)	(16,910)
Net carrying amount	63,845	21,429	17	85,291
At 31 December 2012				
Cost	167,405	33,910	86	201,401
Accumulated depreciation	(12,791)	(11,063)	(77)	(23,931)
Net carrying amount	154,614	22,847	9	177,470

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

At 31 December 2012 and 2011 there were no indications of impairment in the net book values of the capitalised cost.

The office furniture and equipment disclosed above relates solely to the fixed assets of the Company and China Zinc Pty Ltd.

On 25th June 2012 China Zinc Limited acquired a further 28.8% of the existing joint venture partner's interest in Hua Ao, and with effect from 21st May 2012 the term of the joint venture's business licence extended to 12th October 2037, by the outlay of $117,459,000. 75% of this amount has been attributed to the extension of the joint venture term and capitalised to non-current tangible assets and 25% attributed to buying out the minority interests and charged directly to reserves within other reserves on acquisition of non controlling interests. The allocation has been based upon estimated future discounted cash flows from the Caijiaying mine.

In view of the extension of Hebei Hua Ao's business licence, thereby increasing the term of the joint venture, the rehabilitation provision and depreciation rates have been revised with effect from 25th June 2012 to reflect the increased term of operations, extractable resource, and economic lives of the assets.

Notes to the Financial Statements

12. Intangible assets

China – Zinc / gold exploration interests	**$000**
At 1 January 2011	1,481
Foreign exchange adjustments	73
Additions during the year	19
At 31 December 2011	1,573
Foreign exchange adjustments	17
Additions during the year	117
At 31 December 2012	1,707

Intangible assets represent cost on acquisition, plus subsequent expenditure on licences, concessions, exploration, appraisal and development work. 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. At 31 December 2012 no amounts had been provided or charged to the income statement in respect of the above exploration costs.

13. Investment in associated company

	2012	2011
	$000	$000
At 1 January	**3,759**	3,877
Share of losses of Spitfire Oil Limited	**(163)**	(118)
At 31 December	**3,596**	3,759

Griffin acquired 16,666,667 ordinary shares in Spitfire Oil Ltd (“Spitfire”), representing a 39.2% interest in the issued share capital of Spitfire, at 15p per share for a total cash consideration of £2,500,000 ($4,542,000) on 27 November 2008.

Mladen Ninkov and Roger Goodwin are non-executive directors of Spitfire Oil Ltd, which, whilst not having unilateral day-to-day control of business, does give Griffin significant influence over the financial and operating policy decisions of Spitfire.

Spitfire’s principal activity is the pursuance of the production of fuel oil and distillate from the Salmon Gums Lignite deposits in Western Australia.

Summarised financial information on Spitfire Oil Limited	**Six months to 31 December 2012 Unaudited $000**	Year to 30 June 2012 Audited $000
Loss before income tax	**(188)**	(444)

ASSETS	**31 December 2012 Unaudited $000**	30 June 2012 Audited $000
Current assets	**7,471**	7,609
Non-current assets	**8,633**	8,679
Total assets	**16,104**	16,288
LIABILITIES		
Current and total liabilities	**(24)**	(47)
NET ASSETS	**16,080**	16,241
EQUITY		
Issued capital	**21,499**	21,499
Reserves	**318**	290
Accumulated losses	**(5,737)**	(5,548)
	16,080	16,241

NOTES TO THE FINANCIAL STATEMENTS

Spitfire Oil Ltd reported no contingent liabilities at 31 December 2012 (30 June 2011 nil).

In common with most Australian companies, Spitfire Oil Ltd's reporting period is to 30th June.

The directors have considered the carrying value of the Company's investment in Spitfire Oil Limited by reference to current market conditions, underlying assets and to projected discounted cash flow projections of Spitfire Oil Limited's principal venture.

14. INVENTORIES

	2012	2011
	$000	$000
Underground ore stocks	**1,546**	1,051
Surface ore stocks	**1,757**	1,652
Concentrate ore stocks	**926**	-
Spare parts and consumables	**2,002**	1,905
	6,231	4,608

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

15. RECEIVABLES AND OTHER CURRENT ASSETS

	2012	2011
	$000	$000
Receivables	**1,906**	-
Other receivables	**904**	849
Prepayments	**1,358**	1,656
	4,168	2,505

Sales of metals in concentrate are made by way of open auction in China to Chinese smelters and agents.

During the year Rmb3.3m ($527,000) was incurred in service charges with the Zhangjiakou Caijiaying Lead Zinc Mining Company, the non controlling equity holders in Hebei Hua Ao and charged to net operating expenses. Rmb58,191,000 ($9,291,000) was incurred in haulage costs with the Third Geological Brigade of the Hebei Province who have an interest in the Zhangjiakou Caijiaying Lead Zinc Mining Company and charged to cost of sales.

16. SHARE CAPITAL

	2012		2011	
	Number	**$000**	Number	$000
AUTHORISED:				
Ordinary shares of US$0.01 each	**1,000,000,000**	**10,000**	1,000,000,000	10,000
CALLED UP ALLOTTED AND FULLY PAID:				
Ordinary shares of US$0.01 each				
At 1 January	**175,501,830**	**1,755**	180,408,496	1,804
Issued during the year	**-**	**-**	133,334	1
Bought back in for cancellation	**(50,000)**	**-**	(5,040,000)	(50)
At 31 December	**175,451,830**	**1,755**	175,501,830	1,755

During 2012 50,000 (2011: 5,040,000) ordinary shares were bought in for cancellation from the market under a buy back programme at an average price of 29.5 UK pence ($0.475) (2011: average 62.6 UK pence ($0.975) per share.

Notes to the Financial Statements

17. Share options and warrants

	At 1 January 2012 Number	(Exercised) / (lapsed) Number	At 31 December 2012 Number
Options exercisable at 20 pence per share to 31 October 2013	**4,333,333**	-	4,433,333
Options exercisable at 45 pence per share to 28 February 2015	**10,000,000**	-	10,000,000
	14,333,333	-	14,433,333

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

	2012 Number	**2012** Weighted average exercise price Pence	2011 Number	2011 Weighted average exercise price Pence
Outstanding at 1 January	**14,433,333**	**37.5**	14,700,001	37.0
Lapsed during the year	**-**	**-**	(133,334)	(20.0)
Exercised in year	**-**	**-**	(133,334)	(20.0)
Outstanding at 31 December	**14,433,333**	**37.5**	14,433,333	37.5

The estimated value of the options exercisable at 20p up to 31 October 2013, which vest in 3 tranches of 1,666,666 each, were 4.0p, 4.2p and 4.42p.

The estimated value of the options exercisable at 45p up to 28 February 2015, which vest in 3 tranches of 3,333,333 each, were 18.68p, 19.45p and 21.12p.

Inputs into the Binomial valuation model were as follows:

	Options expiring 28 February 2015	Options expiring 31 October 2013
Share price	43.25p	14.0p
Exercise price	45.0p	20.0p
Expected volatility	65%	60%
Risk free yield	2.84%	3.97%
Dividend yield	0%	4%

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 $25,000 (2011 $517,000) during the year ended 31 December 2012 relating to equity settled share option scheme transactions.

18. Dividends

No dividends were paid in 2012 (2011 nil)

19. Long-term provision

PROVISION FOR MINE CLOSURE COSTS	**2012**	2011
	$000	$000
At 1 January	**806**	768
Transfer property plant and equipment (note 11)	**1,647**	(56)
Foreign exchange adjustments	**82**	94
At 31 December	**2,535**	806

Notes to the Financial Statements

Provision for mine closure and rehabilitation costs have been made in accordance with the laws and regulations of China at a rate of Rmb 0.5 per tonne of estimated resources.

On 25th June 2012 China Zinc Limited acquired a further 28.8% of the existing joint venture partner's interest in Hebei Hua Ao, and with effect from 21st May 2012 the term of the joint venture's business licence was extended to 12th October 2037. In view of the extension of Hebei Hua Ao's business licence, thereby increasing the term of the joint venture, the rehabilitation provision has been increased to reflect the increase in the amount of extractable ore over the period of the joint venture.

20. Trade and Other Payables

	2012	2011
	\$000	\$000
Trade creditors	**5,672**	5,542
Other creditors	**3,613**	2,044
Accruals	**3,305**	3,271
	12,590	10,857

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

21. Bank Loans

	2012	2011
	\$000	\$000
Bank loans falling due within one year	**47,112**	-
	47,112	-

The bank loans are repayable within one year under revolving facilities. At 31st December 2012 \$13,415,000 of the amounts due at 31st December 2012 were secured on inventories held at Caijiaying. All other amounts were unsecured. The bank loans carried interest as follows:

	2012		2011	
	\$000	%	\$000	%
Zhangjiakou Commercial Bank (repaid February 2013)	**13,415**	**10.44**	-	-
Bank of Communications	**8,023**	**6.6**	-	-
Bank of China	**25,674**	**6.6**	-	-
	47,112		-	-

22. Attributable net asset value / total equity per share

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 2012 of \$138,955,000 (\$153,008,000 at 31 December 2011) divided by the number of ordinary shares in issue at 31 December 2012 of 175,451,830 (175,501,830 at 31 December 2011).

23. 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 short to medium term cash flows.

Notes to the Financial Statements

23. Risk management (continued)

Foreign Currency Risk

The majority of the Group's operational and financial cash flows are denominated in Renminbi and United States Dollars with sterling bank deposits held to cover future sterling expenditure estimates. Associates operational and financial cash flows are denominated in Australian dollars.

Currently the Group does not carry out any significant operations in currencies outside the above.

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise. In addition, 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 PRC.

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

	2012	2011
	$000	$000
Short term bank deposits	**1,722**	19,535

The following table illustrates the sensitivity of the net results for the year and equity in regards to the Group's sterling deposits and the sterling US Dollar exchange rate. It assumes a + / - 10% change in the sterling exchange rate for the year ended 31 December 2012. These changes are considered to be reasonable based on observation of current market conditions for the year ended 31 December 2012. The sensitivity analysis is based upon the Group's sterling deposits at each reporting date.

If sterling had strengthened against the US Dollar by 10% (2011: 10%) this would have had the following impact:

	2012	2011
	$000	$000
Net result for the year and on equity	**191**	2,171

If sterling had weakened against the US Dollar by 10% (2010: 10%) this would have the following impact:

	2012	2011
	$000	$000
Net result for the year and on equity	**(157)**	(1,776)

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 the Renminbi exchange rate linked to the value of the US dollar and with relatively small amounts held in Australian dollars, the effect on the net results and equity of changes in Renminbi and Australian dollar exchange rates are not expected to be significant.

Foreign currency denominated financial assets and liabilities, translated into US Dollars at the closing rate, are as follows:

		2012			2011	
	GBP	**Rmb**	**AusD**	GBP	Rmb	AusD
	$000	**$000**	**$000**	$000	$000	$000
Financial assets	**1,697**	**15,232**	**739**	19,650	37,563	2,605
Financial liabilities	**(294)**	**(63,248)**	**(1)**	(154)	(22,717)	-
Short term exposure	**1,403**	**(48,016)**	**738**	19,496	14,846	2,605

Notes to the Financial Statements

23. 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 + 300% and - 100% (2011: + 300% - 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.

	2012		2011	
	Plus 300%	**Minus 100%**	Plus 300%	Minus 100%
	$000	**$000**	$000	$000
Net result for the year	**548**	**(183)**	2,177	(616)

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

	2012			2011		
	Floating interest rate $000	**Non interest bearing $000**	**Total $000**	Floating interest rate $000	Non interest bearing $000	Total $000
Financial Assets						
Cash at bank	**16,764**	**-**	**16,764**	91,089	-	91,089
Other receivables	**-**	**2,810**	**2,810**	-	849	849
Total Financial Assets	**16,764**	**2,810**	**19,574**	91,089	849	91,938
Bank Loans	**(47,112)**	**-**	**(47,112)**	-	-	-
Trade and other payables	**-**	**(9,285)**	**(9,285)**	-	(10,857)	(10,857)
Total Financial Liabilities	**(47,112)**	**(9,285)**	**(56,397)**	-	(10,857)	(10,857)
Net Financial (Liabilities) / Assets	**(30,348)**	**(6,475)**	**(36,823)**	91,089	(10,008)	81,081

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 2012 or in 2011.

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, gold and silver of plus 20% and minus 20% (2011 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.

	2012		2011	
	Plus 20%	**Minus 20%**	Plus 20%	Minus 20%
	$000	**$000**	$000	$000
Net results for the year - zinc	**8,025**	**(8,025)**	8,245	(8,245)
Net results for the year - gold	**1,871**	**(1,871)**	2,218	(2,218)
Net results for the year - silver	**1,401**	**(1,401)**	1,229	(1,229)

23. 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. Sales are made on a cash/delivery basis and the Group does not hold collateral as security.

Credit risk from balances with banks and financial institutions is managed by the Board. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Griffin Board 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.

Liquidity and funding risk

The objective of the Group in managing funding risk is to ensure that it can meet its financial obligations as and when they fall due. At the end of the year, Hebei Hua Ao, a subsidiary of the Company, had oustanding bank loans of $47.1 million under revolving loan facilities with Chinese banks. The Group manages its liquidity risk related to these loans by repaying interest as it comes due, managing cash flow from operations, staying in good standing with the counterparties of the loans and being in compliance with all covenants.

Subsequent to the year end, the $13.4 million revolving loan with Zhangjiakou Commerical Bank has been repaid. The Company is in the process of finalising terms for a new facility of Rmb30 million ($4.8 million) and expects to roll over the remaining existing loans under the terms of the revolving facilities for a further 12 months as and when the loans fall due.

24. 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.

25. 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, and Sterling short term fixed and floating rate deposits. The Group has overseas subsidiaries operating in China 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, 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.

Commodity prices are monitored on a regular basis to ensure the Group receives fair value for its products.

26. SUBSIDIARY COMPANIES

At 31 December 2012, 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 Limited	Ordinary	100%	Service and Holding company	Hong Kong
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

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

** The joint venture contract establishing the Hebei Hua' Ao Mining Industry Company Ltd originally provided that the foreign party (China Zinc Ltd) received 60% of the cash flows, in accordance with its share in the equity interest in the joint venture. With effect from 25th June 2012, when 28.8% of the local Chinese joint venture partner's equity interest in Hua Ao was acquired, China Zinc Ltd receives 88.8% of the cash flows and profits of Hebei Hua Ao. On 21st May 2012 the term of the joint venture's business licence extended to 12th October 2037.

27. RELATED PARTY TRANSACTIONS

At 31 December 2012 the Group had capital commitments of $333,000 (31st December 2011 $350,000).

28. CONTINGENT LIABILITIES

As described in note 26, the joint venture contract establishing the Hebei Hua' Ao Mining Industry Company Ltd provided that 100% of the cash flows and profits generated by Hebei Hua Ao in the first three years from commencement of commercial production be paid to the foreign party (China Zinc Ltd). Thereafter, being with effect from 24 July 2008, the cash flows were shared 60% by the foreign party and 40% by the Chinese party, and since 25th June 2012, 88.8% by the foreign party and 11.2% by the Chinese party in accordance with their share in the equity interest in Hebei Hua Ao. The registered capital (equity) of Hebei Hua' Ao was provided in full by China Zinc. Although all the registered capital of Hebei Hua Ao has been provided by China Zinc, in view of the unusual nature of the joint venture contract and uncertainty as to its interpretation, provision has only been made for the non controlling interests in the profits of Hebei Hua Ao with no provision made in respect of the net assets of Hebei Hua Ao. At 31 December 2012, the net assets of Hebei Hua' Ao after distributions due amounted to $23.6m. The non-controlling share of the net assets at 31 December 2012 on a termination of Hebei Hua' Ao could amount to $2.6m. This liability is only triggered on the early termination of the joint venture or at the end of the joint venture term when the net assets are not expected to be significant.

29. POST BALANCE SHEET EVENTS

In February 2013, Hebei Hua Ao repaid bank loans from the Zhangjiakou Commercial Bank of Rmb83,600,000 ($13,415,000) and have since negotiated a further bank facility from the Bank of Communications of Rmb30,000,000 ($4,790,000).

Senior Personnel Accommodation Block - Caijiaying Mine

Corporate Information

London office:	6th & 7th Floors, 60 St James's Street, London. SW1A 1LE. UK. Telephone: + 44 (0)20 7629 7772 Facsimile: + 44 (0)20 7629 7773 Email: griffin@griffinmining.com Website: www.griffinmining.com
Registered office:	Clarendon House, 2 Church Street, Hamilton. HM11. Bermuda.
China Zinc office:	Level 9, BGC Centre, 28 The Esplanade, Perth. WA 6000. Australia. Telephone: + 61 (0)8 9321 7143 Facsimile: + 61 (0)8 9321 7035
Directors:	Mladen Ninkov (Chairman) Roger Goodwin (Finance Director) Dal Brynelsen William Mulligan
Company Secretary:	Roger Goodwin
Nominated Adviser and Broker for AIM:	Panmure Gordon (UK) Limited One New Change, London. EC4M 9AF. UK.
Auditors:	Grant Thornton UK LLP Grant Thornton House, Melton Street, London. NW1 2EP. UK.
Solicitors:	DLA Piper UK LLP 20th Floor, South Tower, Beijing Kerry Centre, 1 Guang Hua Road, Chao Yang District, Beijing. 100020. PRC Conyers Dill & Pearman Clarendon House, Church Street, P.O. Box HM 666, Hamilton. HMCX. Bermuda. Addleshaw Goddard LLP Milton Gate, 60 Chiswell Street, London. EC1Y 4AG. UK. King & Wood Malleson 9/F, Hutchison House, 10 Harcourt Road, Central, Hong Kong
Bankers:	HSBC Bank plc 27-32 Poultry, London. EC2P 2BX. UK The Hong Kong and Shanghai Banking Corporation Limited HSBC Main Building, 1 Queen's Road Central, Hong Kong National Westminster Bank PLC. St James's and Piccadilly, London. W1A 2DG. UK. The Bank of Bermuda Ltd 6 Front Street, Hamilton. HM11. Bermuda.
UK Registrars and Transfer Agents:	Capita Registrars (Jersey) Limited 12 Castle Street, St Helier, Jersey. JE2 3RT. UK.