



CENTRAL  
ASIA  
METALS  
PLC

# 2012 Results

27 March 2013

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March 2013



## 2012 RESULTS

- 6,586t of copper produced
- Kounrad project revenue - \$51m
- Group operating profit - \$15m
- C1 cash cost \$1,562/t (\$0.71/lb)
- Cash at year end - \$33.8m
- 3.7p final dividend proposed
- Completed JORC compliant resource estimate for Kounrad



Kounrad SX-EW Plant



Kounrad copper ready for shipping

## THE COMPANY AT A GLANCE

- 10,000 tpa copper plant built for \$39m, \$8m below budget
- Plant built in 21 months
- 11 months of continuous production
- Steady-state operations in severe climatic conditions
- 6,586t of LME grade A copper produced in 2012 and 6,383t sold
- Direct cash cost of production: \$770/t (\$0.35/lb)
- Share buyback program, 1.3m shares
- Maiden interim and special dividends, 7p per share
- JORC compliant resource statement of over 600kt of contained copper



Copper cathodes in EW building, Kounrad



Stripping copper, Kounrad



The background of the slide features a close-up, slightly blurred image of a balance scale. In the foreground, there are two prominent stacks of silver coins, likely US quarters, one on the left and one on the right. The scale's pans and weights are visible in the upper portion of the image. A semi-transparent blue horizontal bar is positioned across the middle of the image, containing the text 'Financial Review' in white.

# Financial Review

# CAML

## 2012 income statement

### 2012 FINANCIAL PERFORMANCE

- Kounrad is a 60:40 joint venture
- Revenues of \$30.7m (project \$51.1m)
  - 6,083 tonnes sold through Traxys off-take, 320 tonnes sold locally
  - Average sale price \$7,935 per tonne
- Gross profits of \$24.9m (project - \$41.4m)
- Distribution and selling costs \$1.3m (project - \$2.2m)
- Balkhash G&A costs \$1.8m (project - \$3.0m)
- London G&A costs \$6.7m
- CAML Group operating profit \$15.1m (project - \$36.2m)
- CAML Group EBITDA \$16.1m (project - \$37.8m)

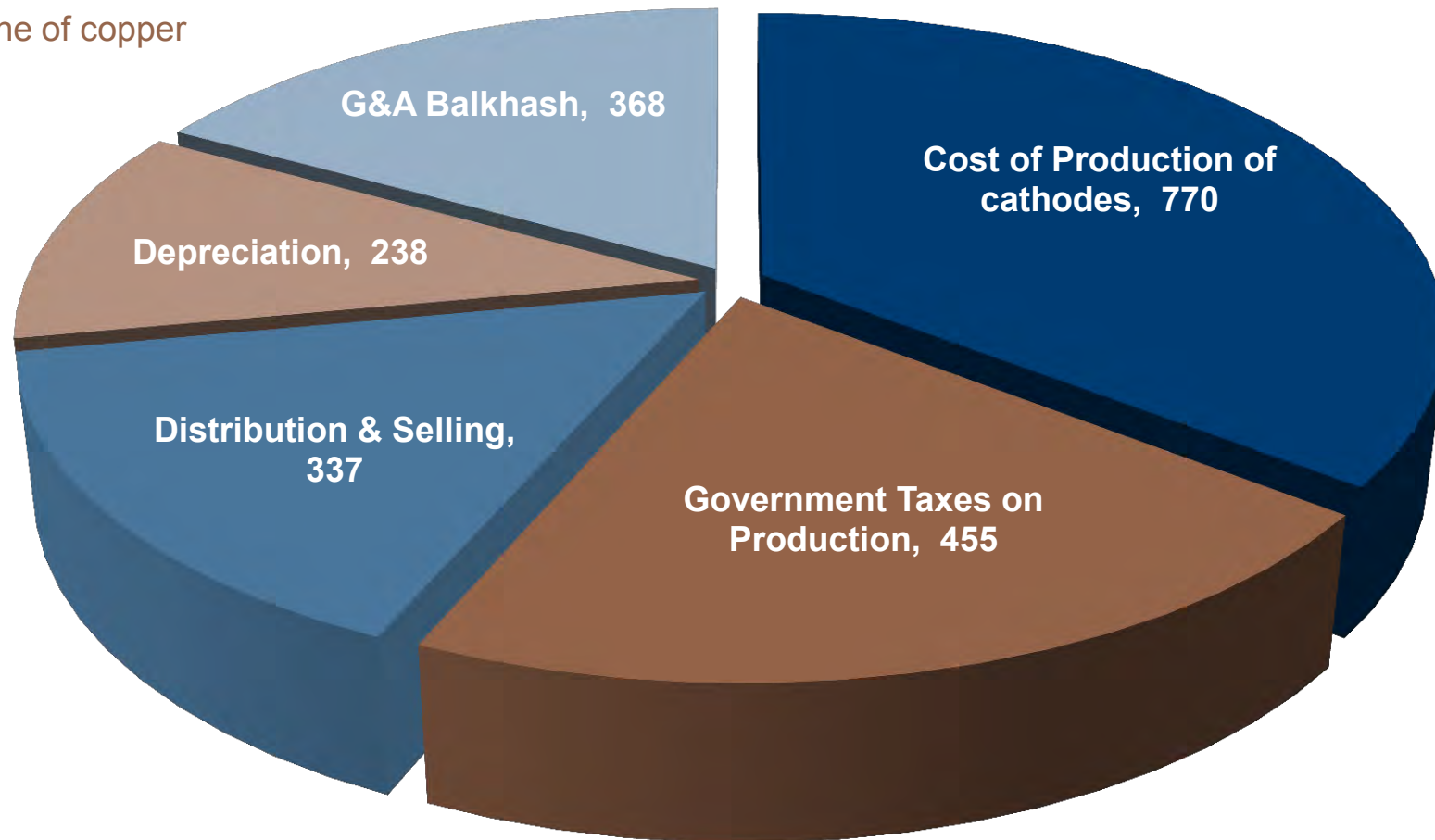
|                         | CAML (60%)  | Project (100%) |
|-------------------------|-------------|----------------|
|                         | \$m         |                |
| <b>Revenue</b>          | <b>30.7</b> | <b>51.1</b>    |
| Cost of sales           | (5.8)       | (9.6)          |
| <b>Gross profit</b>     | <b>24.9</b> | <b>41.4</b>    |
| Distribution & selling  | (1.3)       | (2.2)          |
| G&A – Kazakhstan        | (1.8)       | (3.0)          |
| G&A – London/Mongolia   | (6.7)       |                |
| <b>Operating profit</b> | <b>15.1</b> | <b>36.2</b>    |
| Add back: depreciation  | 1.0         | 1.6            |
| <b>EBITDA</b>           | <b>16.1</b> | <b>37.8</b>    |



# KOUNRAD

## 2012 unit costs of production

USDs per tonne of copper



**All-inclusive cost \$2,167 per tonne (\$0.98/lb)**

# CAML

## 2012 balance sheet and cashflow

### STRONG BALANCE SHEET

- 100% equity financed
- No material debt

### STRONG CASHFLOW

- Cash balance of \$33.8m as at 31 December 2012
- Cash generated from operations - \$27.8m with a net increase of \$17.9m

### RETURNS TO SHAREHOLDERS

- Special and interim 2012 dividends of 7p per share (\$9.5m)
- Final 2012 dividend of 3.7p proposed (\$4.8m)
- 2012 share buyback scheme (\$2.0m)

|                                       | \$m         | \$m           |
|---------------------------------------|-------------|---------------|
| <b>Assets</b>                         | <b>2012</b> | <b>2011</b>   |
| Property, plant & equipment           | 20.3        | 22.5          |
| Intangible assets                     | 7.5         | 8.9           |
| Kounrad recoverable                   | 19.2        | 13.0          |
| Assets held for disposal              | 8.1         | 8.4           |
|                                       | <b>55.1</b> | <b>52.8</b>   |
| Cash                                  | <b>33.9</b> | <b>16.0</b>   |
| Inventory and recoverables            | 2.6         | 0.5           |
| <b>Total assets</b>                   | <b>91.6</b> | <b>69.3</b>   |
| <b>Equity</b>                         | 71.0        | 65.6          |
| Current liabilities and provisions    | 6.7         | 3.7           |
| 2012 dividends payable                | 9.6         | -             |
| Corporation tax - Kounrad             | 4.3         | -             |
|                                       | <b>91.6</b> | <b>69.3</b>   |
| <b>Summary of cashflows</b>           |             |               |
| Cash generated from operations        | <b>27.8</b> | (13.8)        |
| Investments in Kounrad                | (8.1)       | (17.7)        |
| Purchase of CAML shares (net AB loan) | (1.8)       | -             |
|                                       | <b>17.9</b> | <b>(31.5)</b> |



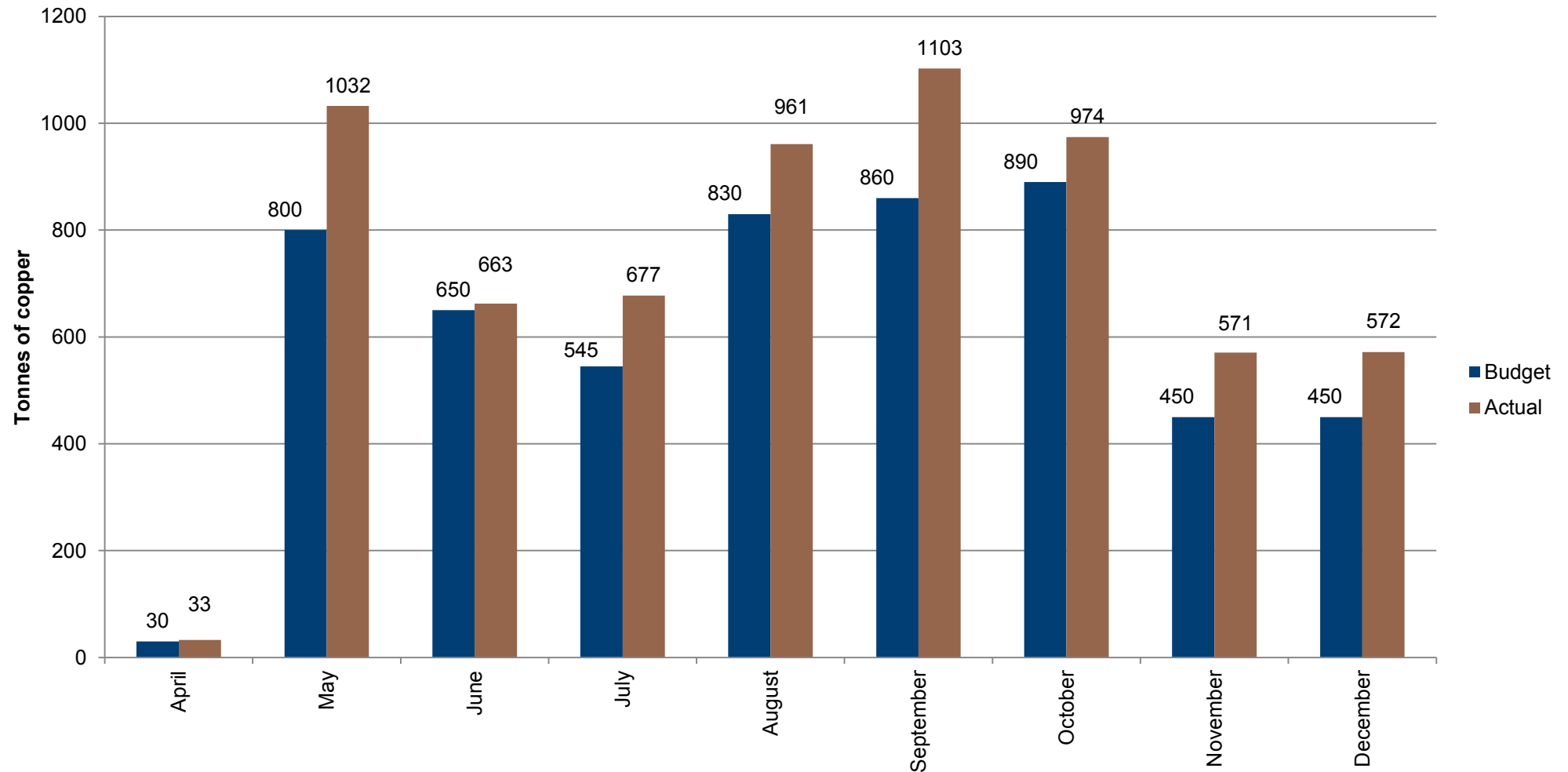
A large industrial facility, likely a water treatment plant, featuring numerous large black cylindrical tanks arranged in rows. Overhead cranes with cables and lights are visible, suspended from a complex steel beam ceiling. The scene is brightly lit, with shadows cast on the floor.

# Operational Review

# Kounrad

## 2012 operations overview

### MONTHLY PRODUCTION

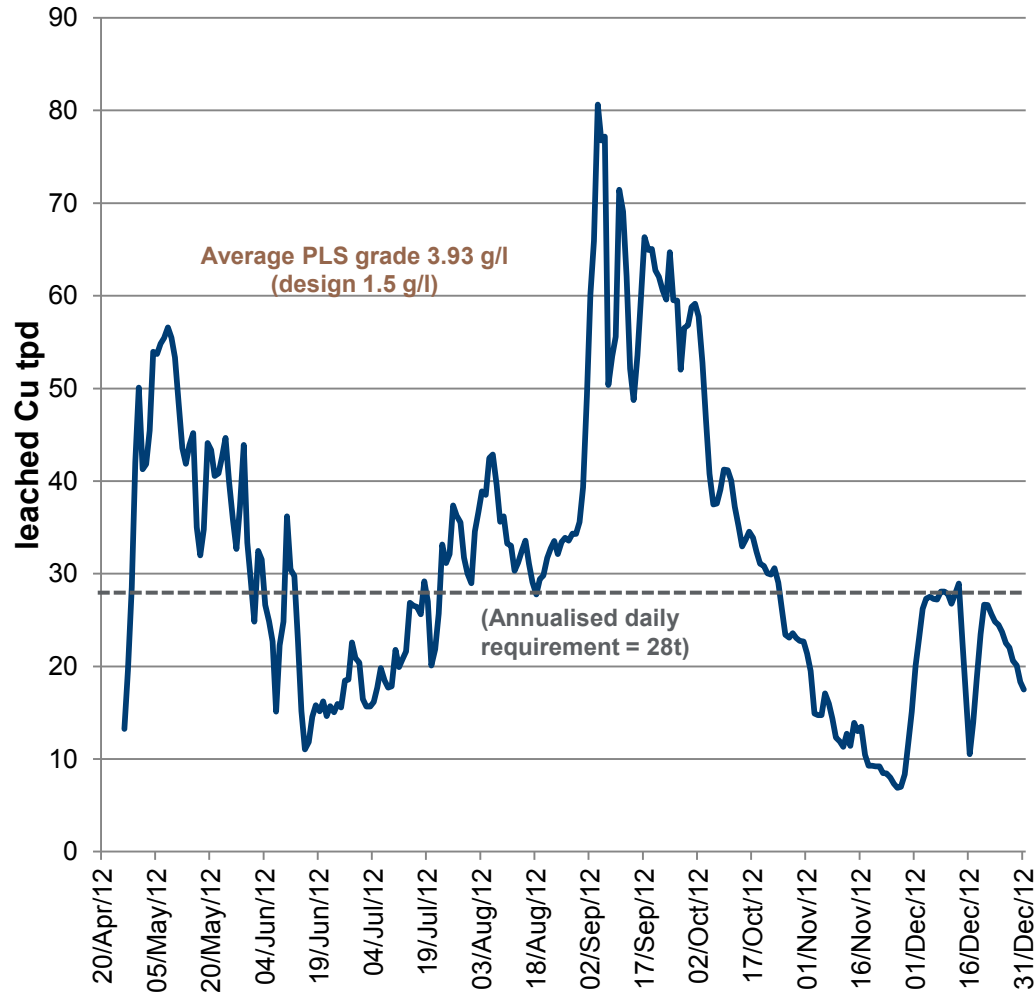




# Kounrad

## 2012 operations overview

### LEACHED COPPER, DUMP TO PLANT



Dump irrigation network, Kounrad

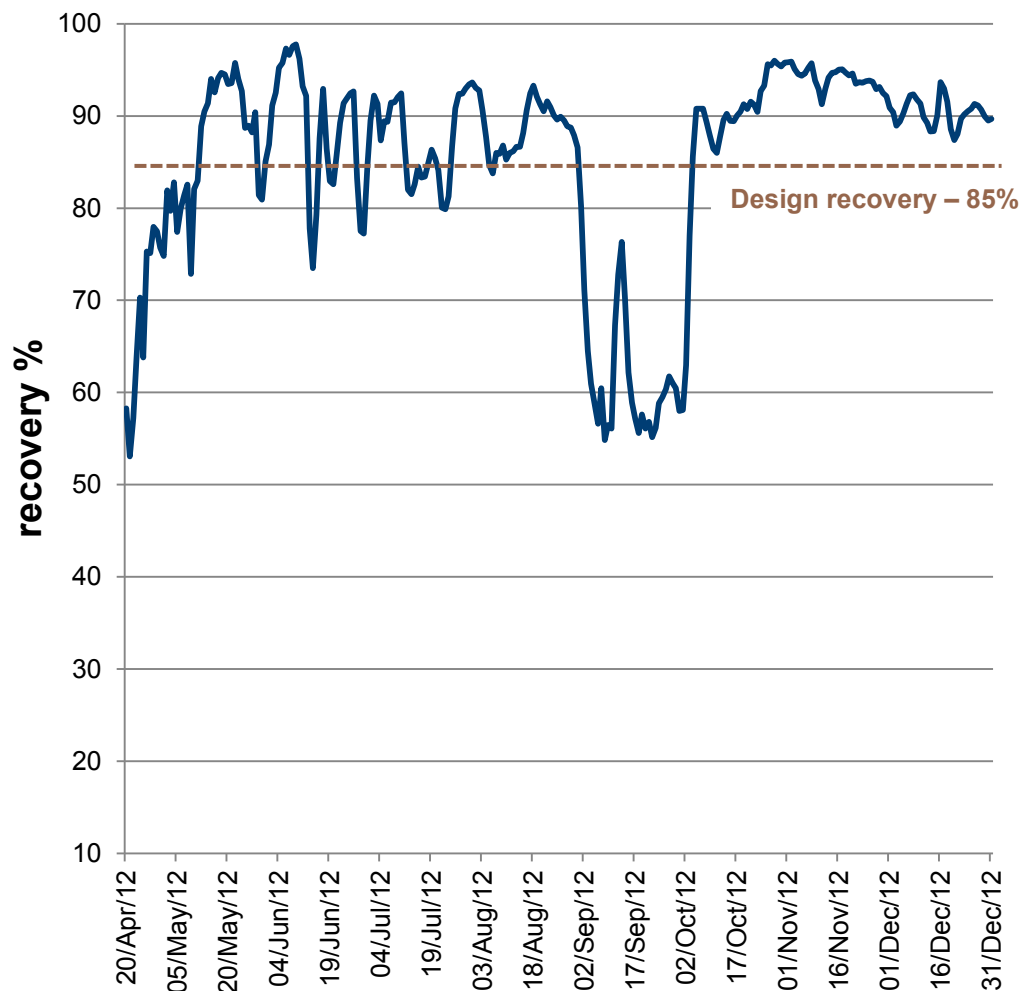


PLS storage pond, Kounrad

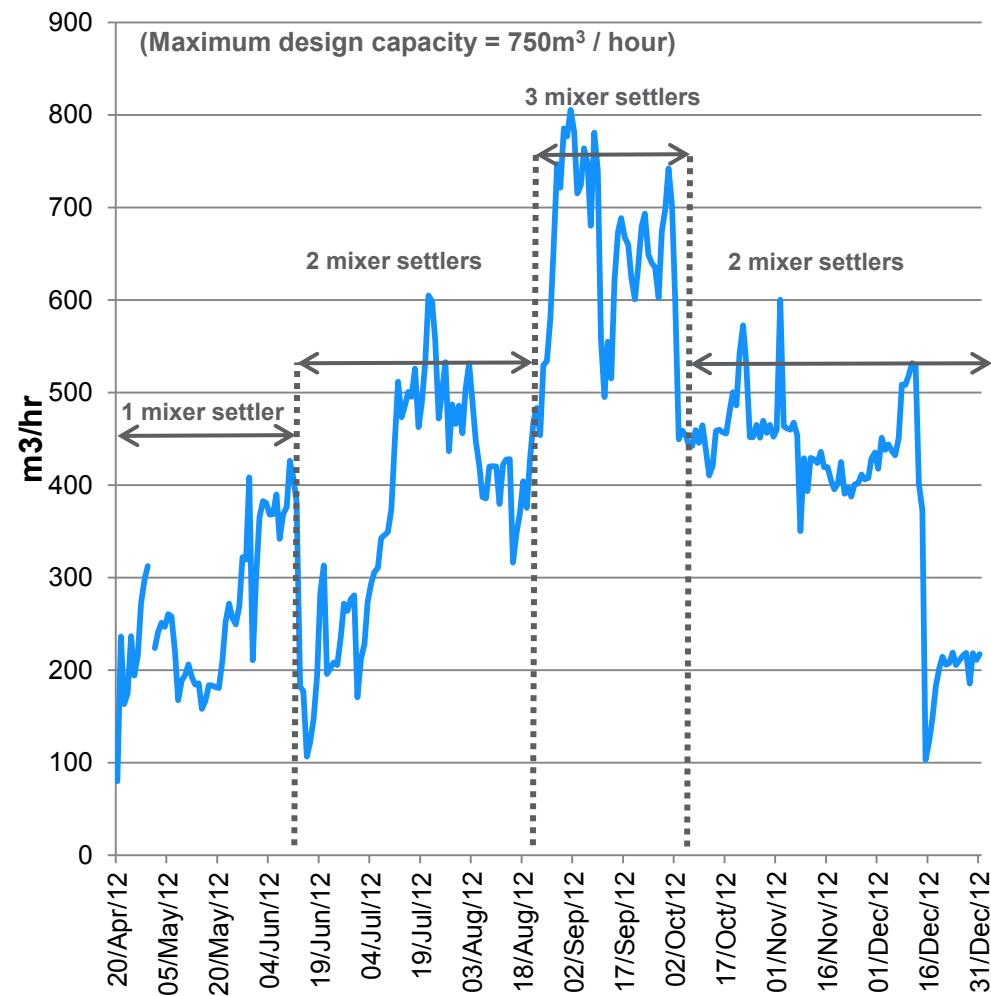


# Kounrad 2012 leaching operations

## RAMP-UP SX RECOVERY RATES



## PLS FLOW-RATE



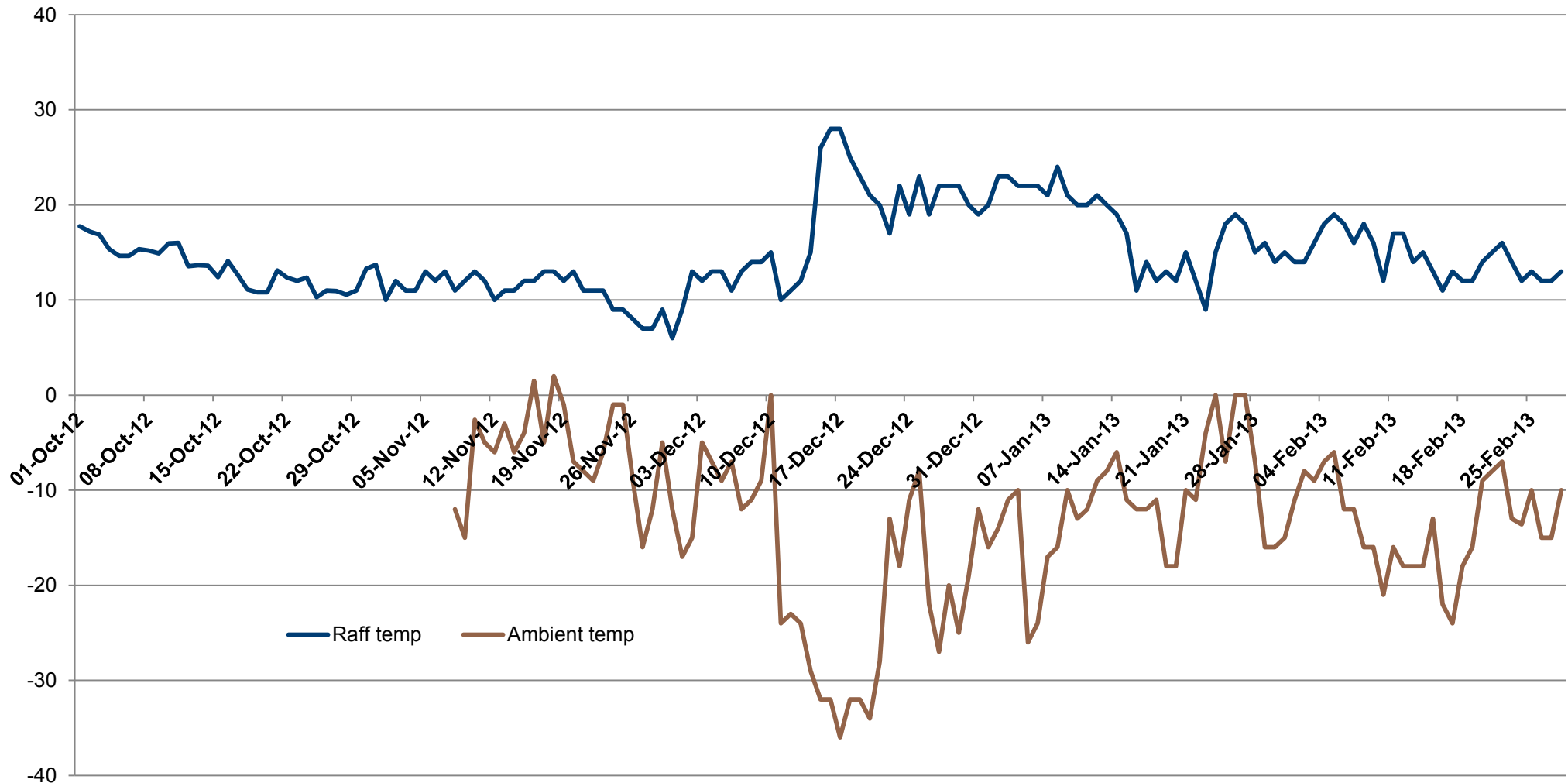
# Kounrad

## 8.4MW boiler and PLS heat exchanger



# Kounrad Operations overview

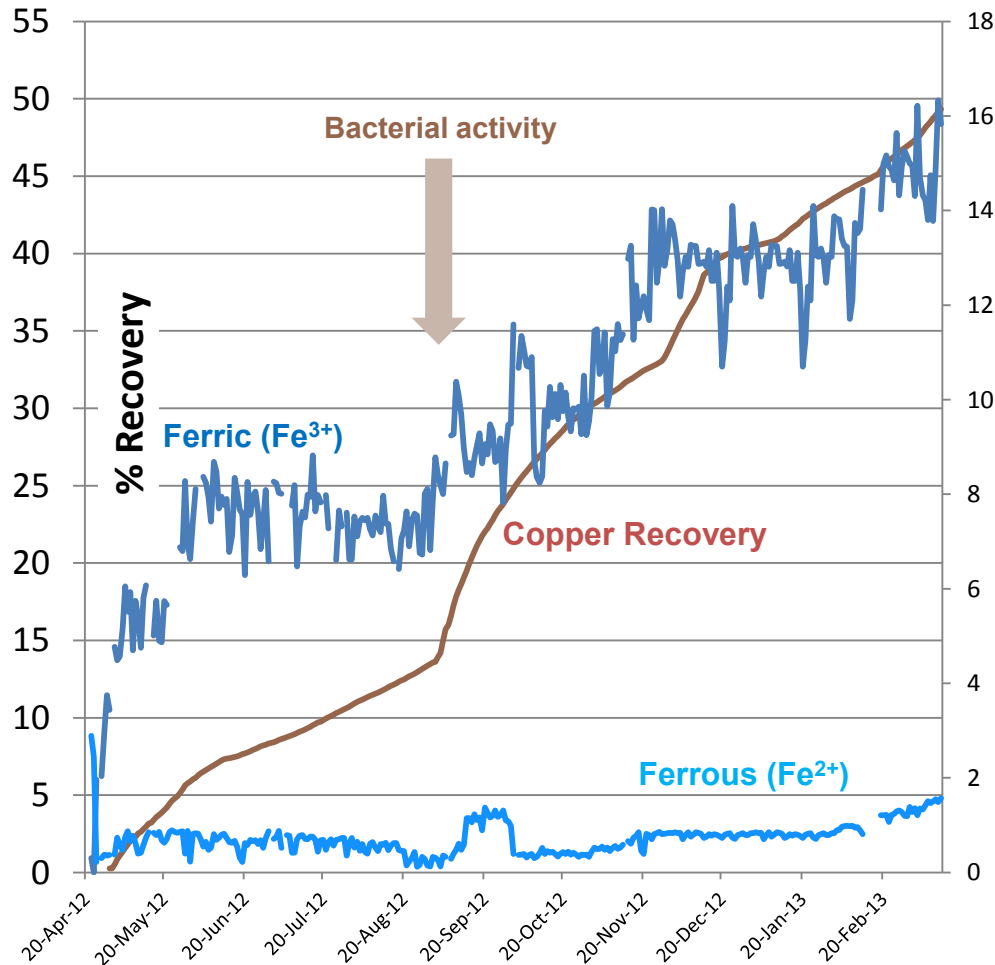
## SOLUTION TEMPERATURE vs. AIR TEMPERATURE



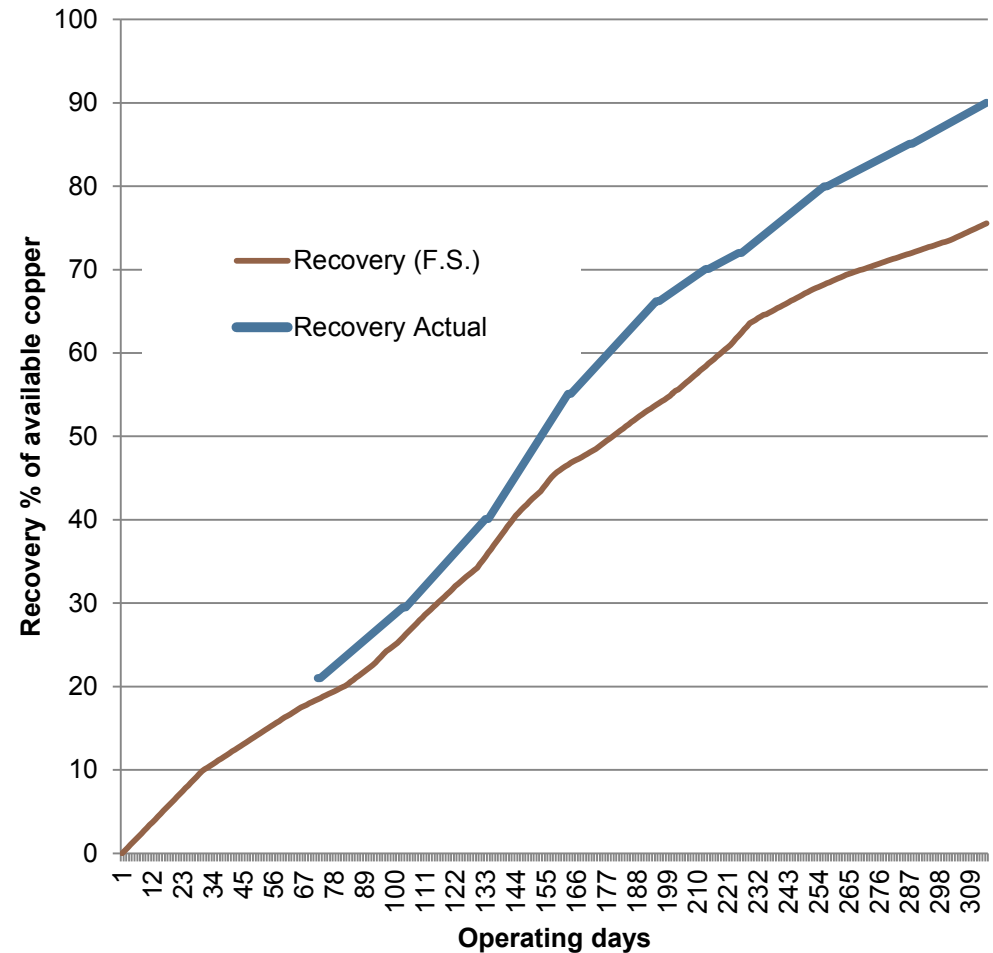


# Kounrad 2012 leaching operations

## Fe SPECIES IMPACT

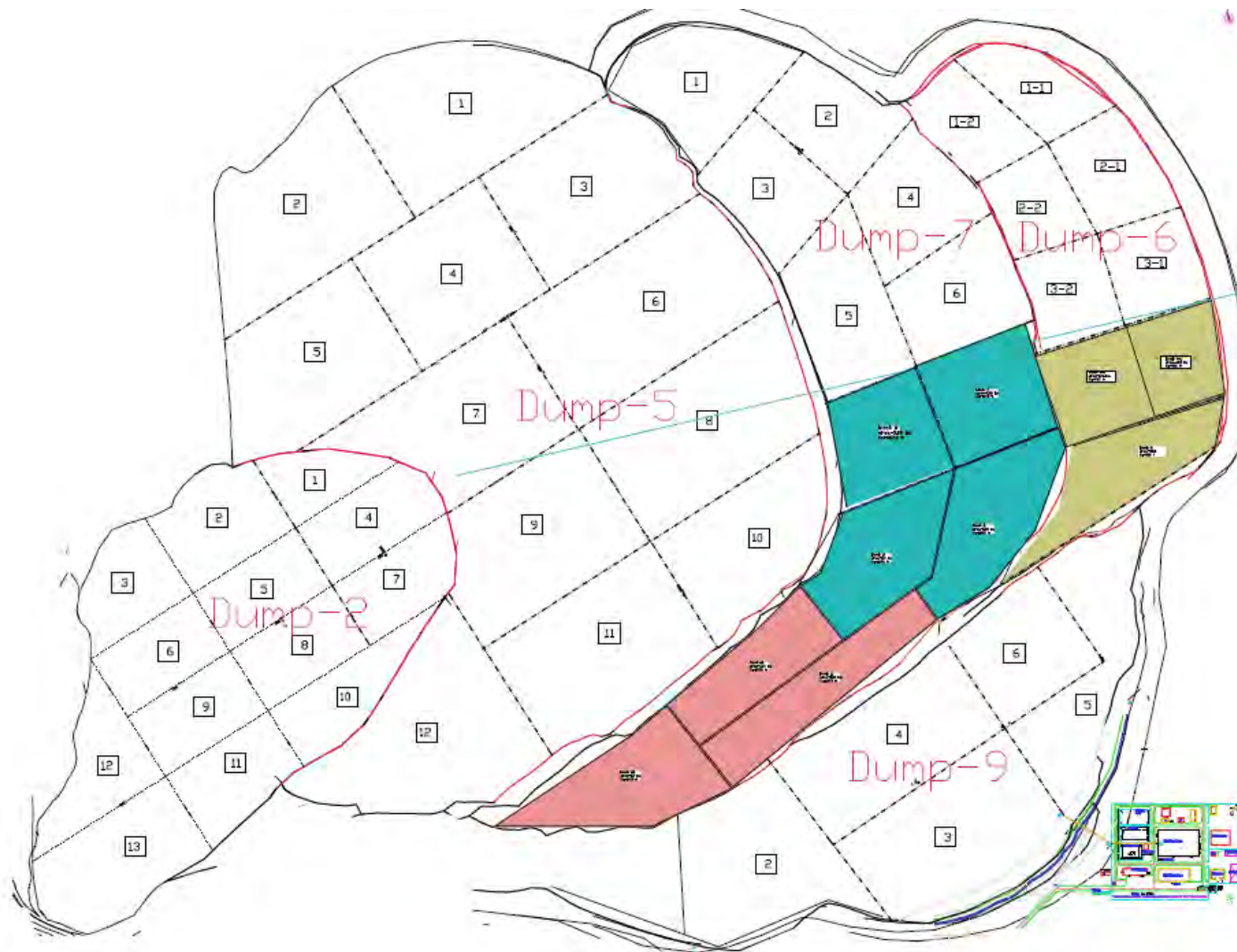


## DUMP 9-10 Cu RECOVERY



# Kounrad

## 2013 leaching plan



# Kounrad Resource update

| WAI 2013 Resource Estimate<br>JORC Code (2004) |                  |              |         |                     | IPO*         |
|--|------------------|--------------|---------|---------------------|--------------|
| Resource type                                  | Category         | Quantity Mt  | Grade % | Contained copper kt |              |
| <b>Eastern Dumps</b>                           |                  |              |         |                     |              |
| Oxide†   | <i>Indicated</i> | 89.7         | 0.10    | 85.8                |              |
|  | <i>Inferred</i>  | 79.6         | 0.10    | 81.7                |              |
| <b>Total</b>                                   |                  | <b>169.3</b> |         | <b>167.5</b>        | <b>173.7</b> |
| <b>Western Dumps</b>                           |                  |              |         |                     |              |
| Sulphide                                       | <i>Indicated</i> | 275.4        | 0.10    | 276.2               |              |
|  | <i>Inferred</i>  | 169.4        | 0.09    | 160.3               |              |
| Mixed  | <i>Indicated</i> | 20.9         | 0.03    | 6.2                 |              |
|  | <i>Inferred</i>  | 12.1         | 0.03    | 4.0                 |              |
| <b>Total</b>                                   |                  | <b>477.8</b> |         | <b>446.7</b>        | <b>456.8</b> |
| <b>Total Eastern and Western</b>               |                  | <b>647.1</b> |         | <b>614.2</b>        | <b>630.5</b> |
| <b>Northern Dumps</b>                          |                  |              |         |                     |              |
| Mixed  | <i>Indicated</i> | 3.0          | 0.04    | 1.3                 |              |
|  | <i>Inferred</i>  | 2.9          | 0.05    | 1.4                 |              |
| <b>Total</b>                                   |                  | <b>5.9</b>   |         | <b>2.7</b>          | <b>105.9</b> |
| <b>Grand Total</b>                             |                  | <b>653</b>   |         | <b>616.9</b>        |              |

\* As estimated at the time of the IPO (September 2010)

† Includes 81.2kt of contained Cu at GKZ-approved C1 category

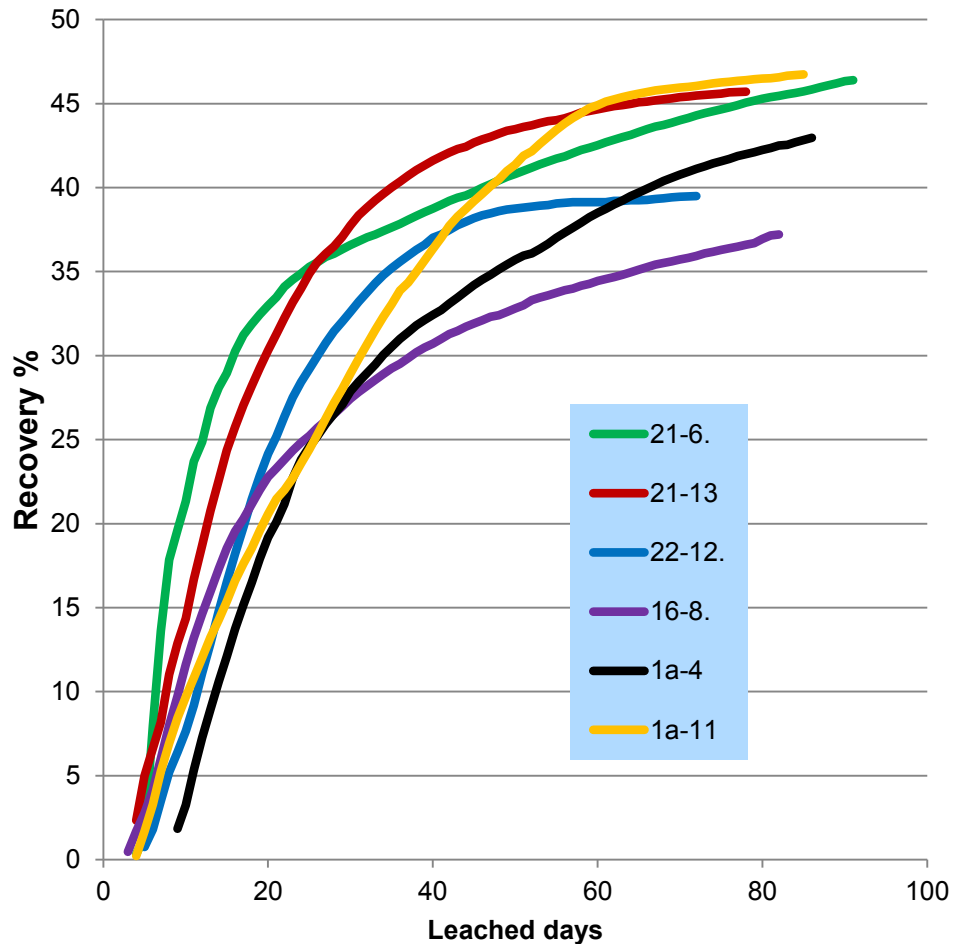


Kounrad mine and dumps



# Kounrad Column testing

## COPPER RECOVERY



## METALLURGICAL TEST RESULTS

| Period               | Dump | Head grade % | Recovery %   |
|----------------------|------|--------------|--------------|
| <b>Sulphide ore</b>  |      |              |              |
| Dec 2011 – Feb 2012  | 1a   | 0.267        | 33.0         |
| May – Aug 2012       | 1a   | 0.22         | 47.8         |
|                      | 1a   | 0.26         | 37.1         |
| Nov 2012 – Jan 2013  | 21   | 0.177        | 46.5         |
|                      | 21   | 0.132        | 46.0         |
|                      | 1a   | 0.129        | 43.0         |
|                      | 1a   | 0.093        | 46.7         |
| <b>AVERAGE</b>       |      | <b>0.183</b> | <b>42.9</b>  |
| <i>Mini plant</i>    |      |              |              |
| June 2011 - Nov 2011 | 1a   | 0.19         | 45           |
| <b>Mixed ore</b>     |      |              |              |
| May – Aug 2012       | 5    | 0.03         | 31.1%        |
|                      | 15   | 0.07         | 47.8%        |
|                      | 16   | 0.02         | 21.0%        |
|                      | 22   | 0.02         | 33.7%        |
| Nov 2012 – Jan 2013  | 22   | 0.046        | 40.0%        |
|                      | 16   | 0.034        | 38.0%        |
| <b>AVERAGE</b>       |      | <b>0.04</b>  | <b>35.3%</b> |

# Mongolia

## CURRENT INVESTMENT CLIMATE

- New foreign investment law
- New draft mining code
- Presidential elections in June 2013

## ALAG BAYAN EXPLORATION LICENCE

- 12,500m drilled to date
- Ibex drilled 3,529m to satisfy its earn-in agreement for 35%
- CAML and IBEX finalising next phase of exploration works
- Application for mining permit submitted on 26 March

## HANDGAIT & EREEN

- Assets held for sale



Field camp, Alag Bayan



Core samples collection, Alag Bayan





# Update and Outlook



# Update and outlook

## UPDATE TO 25 MARCH 2013

- 1,650t of copper production scheduled for Q1 2013 (1,316 budgeted)
- Q1 2013 sales: 1,500 tonnes
- Cash and cash equivalents: \$29.2 million\*
- Proposed 2012 final dividend of 3.7p

## OUTLOOK FOR 2013

- 10,000t of copper production
- Completion of:
  - Acquisition of 40% in Kounrad project
  - Sale of Ereen and Handgait projects
- Obtain mining license for Alag Bayan
- Continue working on technical and economic assessment of second SX-EW plant at Kounrad
- Reviewing other opportunities

\* As of 25 March 2013



Collection trench, Kounrad



Rich electrolyte solution, Kounrad

# Share Price Performance & Buyback



# Share Price Performance

## CAML vs peers



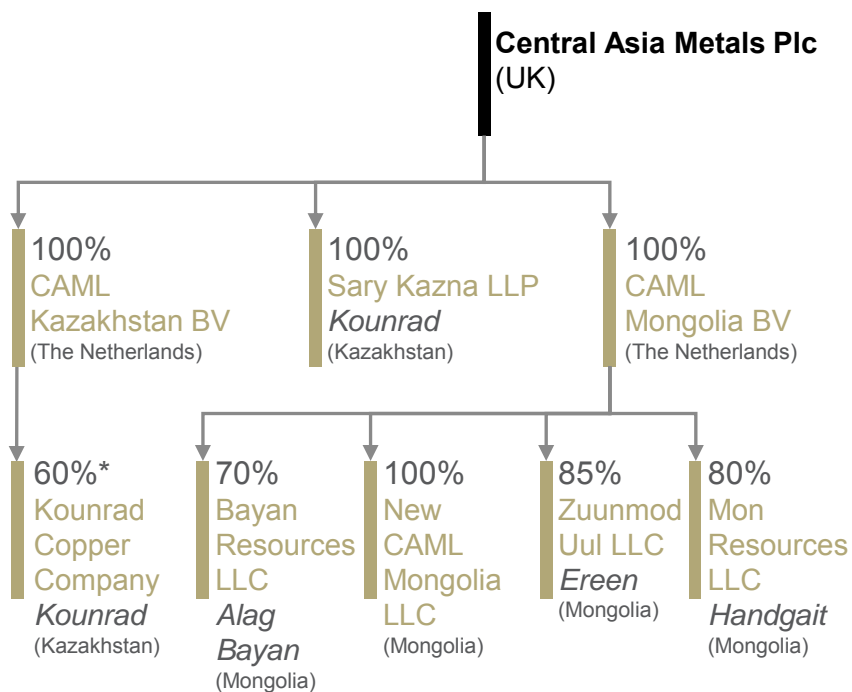




# Appendices



# Structure and Ownership



| MAJOR SHAREHOLDERS*               | No. of shares     | % Holding |
|-----------------------------------|-------------------|-----------|
| LANSDOWNE UK STRATEGIC INVESTMENT | 11,394,762        | 13.22     |
| LEGAL AND GENERAL GROUP           | 9,300,000         | 10.79     |
| COMMONWEALTH AMERICAN PARTNERS    | 7,625,661         | 8.85      |
| MONTOYA INVESTMENT                | 5,119,000         | 6.00      |
| FIDELITY FUNDS                    | 4,284,711         | 4.97      |
| HENDERSON GLOBAL INVESTORS        | 3,601,277         | 4.24      |
| ROBERT CATHERY                    | 3,631,445         | 4.21      |
| MAJEDIE ASSET MANAGEMENT          | 3,607,820         | 4.19      |
| OGIER EMPLOYEE BENEFIT TRUST      | 3,312,946         | 3.84      |
| <b>TOTAL SHARES OUTSTANDING</b>   | <b>84,847,005</b> |           |
| TREASURY SHARES                   | 1,318,929         |           |

\* As of 19 March 2013

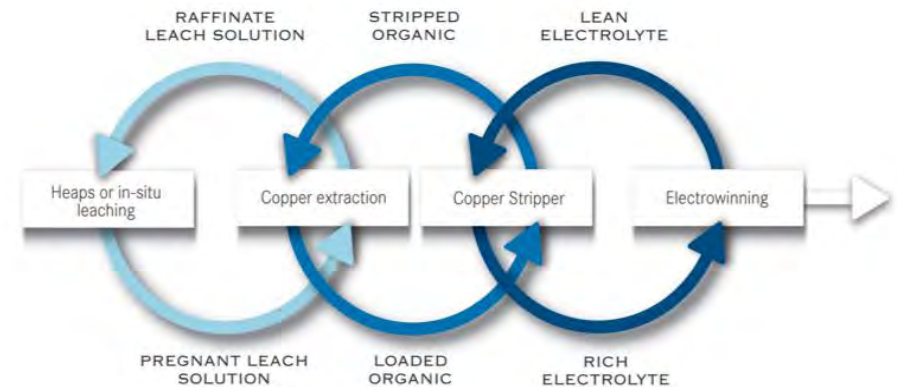
# SX-EW Technology Overview

## CAML SX-EW TEST WORK 2008-2011

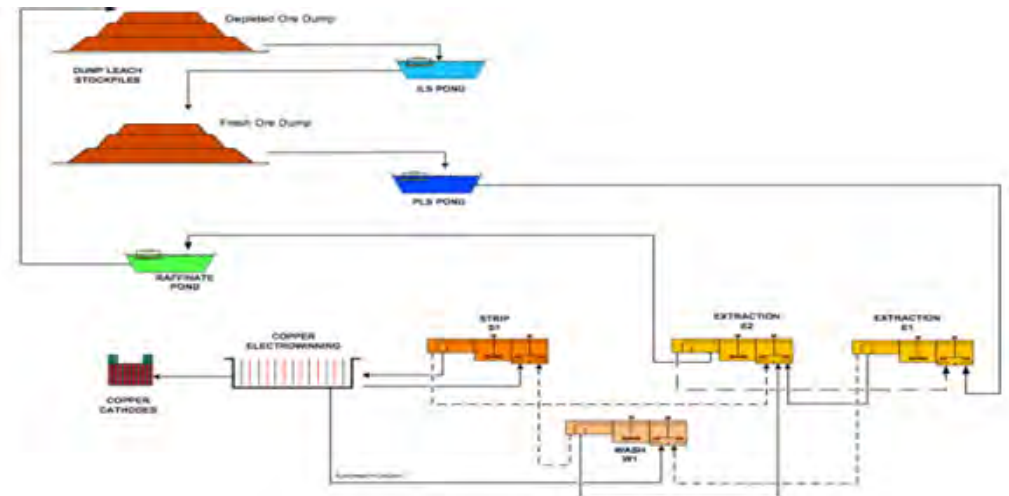
- Pilot in-situ leaching and SX-EW plant operational since August 2008
- Successful year-round operation, over 460 tonnes of 99.99%-grade copper produced
- Pilot plant has facilitated SX-EW optimisation tests
- Process has established low costs and acid consumption.
- Demonstrated over 50% leach recovery

## PROCESS IN USE GLOBALLY

- Aberfoyle (Australia) and over ten other operational dump-leach projects internationally: Chuquicamata, Los Bronces, El Chino and Silver Bel (Chile)
- Operational SX-EW plants internationally: Kansanshi and Chingola (Africa), Chuquicamata, Quebrada Blanca and El Teniente (Chile), Mount Isa, and 30 operational plants in China
- Over 30% of refined copper production comes from SX-EW plants



Typical leach SX-EW flow system



Technological process



# PLS and Groundwater Model

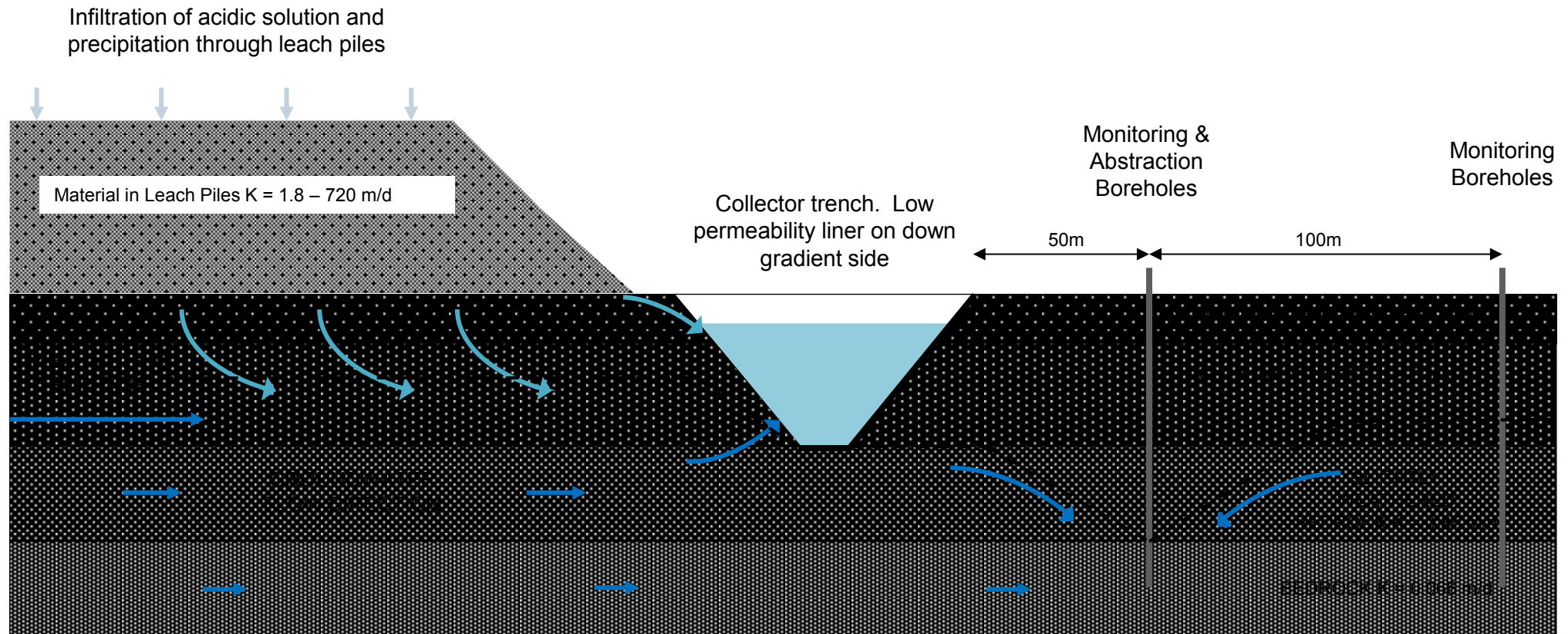


Diagram Not to Scale

# Directors

## Nick Clarke Chief Executive Officer

Nick has 40 years of mining experience, including 16 spent within senior management positions in production and technical services in South Africa, Ghana, and Saudi Arabia. He served as Managing Director of AIM-listed Oriel Resources Plc until 2008 when it was sold to Mechel OAO of Russia for a total consideration of \$1.5 billion. From 1992 until 2004 he was the Managing Director of the international mineral consultancy Wardell Armstrong International Ltd, where he managed numerous multidisciplinary mining projects in Kazakhstan, Kyrgyzstan, Uzbekistan, Romania, Macedonia, and Tajikistan. Nick is a graduate of Camborne School of Mines and a Chartered Engineer. He is a non-executive director of Columbus Copper Corp.

## Nigel Hurst-Brown Non-Executive Chairman

Nigel Hurst-Brown is currently Chief Executive of Hotchkis and Wiley (UK) Limited. Previously he was Chairman of Lloyds Investment Managers (1986-1990) before becoming a director of Mercury Asset Management and later a Managing Director of Merrill Lynch Investment Managers. He is also a non-executive director of Borders & Southern Petroleum Plc and a Fellow of the Institute of Chartered Accountants in England & Wales.

## Nigel Robinson Chief Financial Officer

Nigel is a member of the Institute of Chartered Accountants in England and Wales, and formerly a Royal Navy officer in the Fleet Air Arm. Upon leaving the Royal Navy, he qualified with KPMG where he stayed for a further three years before leaving to work in commerce. Nigel worked for six years in various management roles with British Airways before leaving in 2002 to become more involved with smaller enterprises. He joined CAML in 2007 and was appointed CFO in 2009.

## Howard Nicholson Technical Director

Howard is a metallurgist with 33 years of experience in project development and mine operations management. Formerly the COO of European Minerals Corporation, he contributed to the development of a large copper-gold mine in Kazakhstan, and prior to this had held senior management positions with Ashanti Goldfields, Lonrho, and Anglo American.

## Robert Cathery Non-Executive Director

A founding shareholder of CAML, Robert was a member of the London Stock Exchange from 1967 to 2007 and Managing Director and Head of Oil and Gas at Canaccord Europe. During his career in the City he was a director of Vickers da Costa and Schrodgers Securities, and Head of corporate Sales at SG Securities (London) Ltd. He is currently a non-executive director of Salamander Energy Plc, SOCO International Plc, and Vostok Energy Plc.



## Dr. Michael Price Non-Executive Director

Michael is a mining engineer and mining finance consultant with more than 35 years of experience. Furthermore he has extensive board experience and is currently a non-executive director of Edorado Gold Corp. (TSX, NYSE), PMI Gold Corp. (TSX), and Forbes and Manhattan Coal Corp. (TSX).

## Nurlan Zhakupov Non-Executive Director

Nurlan is a Kazakhstani national and currently employed as Executive Director, Investment Banking at UBS (Kazakhstan). He has extensive experience in the capital markets and has held a number of positions in the Kazakhstan's resource sector for Tau-Ken Samruk (the national mining company), Chambishi Metals Plc, and ENRC. He holds Bachelor and Masters Degrees in Economics from the Moscow State Institute for International Relations (MGIMO). Nurlan joined the Company in October 2011.

# Management

## **Pavel Semenchenko** General Director, Sary Kazna

With 20 years experience of managing businesses in Kazakhstan and a proven record in the industry Pavel has excellent management skills and in-depth knowledge of the local business environment.

## **Saken Ashirbekova** General Director, Kounrad Copper Co.

Saken Ashirbekova joined CAML in 2010 in order to help manage the development of the commercial SX-EW plant at Kounrad. Formerly a General Director of JSC Varvarinskoye, a wholly-owned subsidiary of European Minerals Corporation, she worked for that company in Kazakhstan since 1996. Prior to that, she worked for Kazhakmys as a senior metallurgical engineer. Saken is a graduate of the Moscow Institute of Steel and Alloys with a degree and PhD in metallurgy.

## **Oleg Telnoi** Commercial Director

Oleg joined CAML in 2007 with over ten years of experience in finance management for mining industry in Central Asia. He is a qualified engineer and received an MBA in 1997.

## **Baurzhan Tleulinov** Operational Director

With 18 years experience in hydrometallurgy, Baurzhan previously worked as head of CIL plant at Baryrchik before managing Celtic Resources' (subsequently Severstal) production facilities at Nezhdaninskoye and Suzdal mines. He joined CAML from KazZinc at the beginning of 2013.

## **Yerken Magad** General Director, New CAML Mongolia

A graduate of Mongolian Polytechnic University and mining engineer with over 25 years of proven production record in mining, Yerken gained extensive managerial experience whilst working on major mining projects in Asia, and possesses a first-hand understanding of technical and economic aspects of mining. He holds a PhD in geology from Moscow Mining Academy.





# Contacts

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