



# CENTRAL ASIA METALS H1 2021 RESULTS

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September 2021

# H1 2021 RESULTS SUMMARY

## Creating value for all stakeholders

- H1 2021 dividend 8p (H1 2020: 6p)
- Post period end early repayment of an additional \$10m of corporate debt facility
- Strong H1 2021 EBITDA margin and cash generation
  - EBITDA \$64.4m (H1 2020: \$42.5m)
  - EBITDA margin 61% (H1 2020: 56%)
  - Free cash flow \$48.9m (H1 2020: \$21.2m)
- Deleveraging rapidly
  - H1 2021 debt repayments, \$19.9m
  - 30 June 2021 gross debt, \$60.9m
  - 30 June 2021 cash, \$54.3m, inc. \$8.7m overdraft
- Creating value for all stakeholders
  - Firm on-site response to COVID-19
  - H1 2021, 3 LTIs
  - Q2 2021, 2020 Sustainability Report published
- c.35% reduction in annual CAML Group GHG emissions through EVN renewable power agreement
- Implementation of Cut and Fill Project underway

H1 2021 revenue

**\$106.3m**

H1 2020: \$75.4m

H1 2021 EBITDA

**\$64.4m**

H1 2020: \$42.5m

H1 2021 debt  
repayments

**\$19.9m**

2020: \$38.4m

H1 2021 gross debt

**\$60.9m**

2020: \$80.4m

H1 2021 LTIFR

**2.50**

2020: 0.00

H1 2021 Cu

**6,214t**

H1 2020: 6,607t

H1 2021 Zn

**11,292t**

H1 2020: 12,203t

H1 2021 Pb

**13,807t**

H1 2020: 15,140t





## FINANCIAL RESULTS

# H1 2021 MARKET CONDITIONS

## COVID-19 pandemic

- Economic recovery and vaccination programmes vary globally
- IMF forecasts global GDP growth of 6% in 2021 and 5% in 2022

## Metal prices

- Industrial metal prices remain strong supported by robust demand and continued supply disruptions
- Copper, supported by transition to green economy
- Zinc, supported by increased demand for galvanised steel
- Lead, supported by supply disruptions from Peru, but capped by weak demand from automotive industry due to continuing shortage of semiconductors

## Treatment charges

- 4% increase in H1 2021 Sasa TCs HoH
- Forecast to decrease YoY due to negotiation of reduced terms from 1 April 2021
- Spot TCs suppressed due to continuing COVID-19 impact on supply and sea freight

## Copper



## Zinc and lead



# H1 2021 INCOME STATEMENT

## EBITDA margin 61% (H1 2020: 56%)

- Gross revenue increased with stronger commodity prices for all metals
- Realised hedging losses \$1.9m, unrealised \$4.9m
- Improved EBITDA despite global industry cost pressures

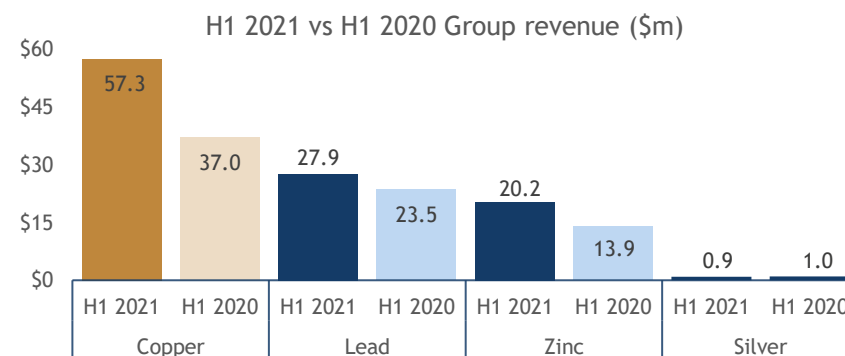
## Kounrad

- Gross revenue \$57.3m (H1 2020: \$37.0m)
  - 64% increase in copper price received to \$9,183/t
- EBITDA \$45.8m (H1 2020: \$27.1m)
  - EBITDA margin 80% (H1 2020: 73%)

## Sasa

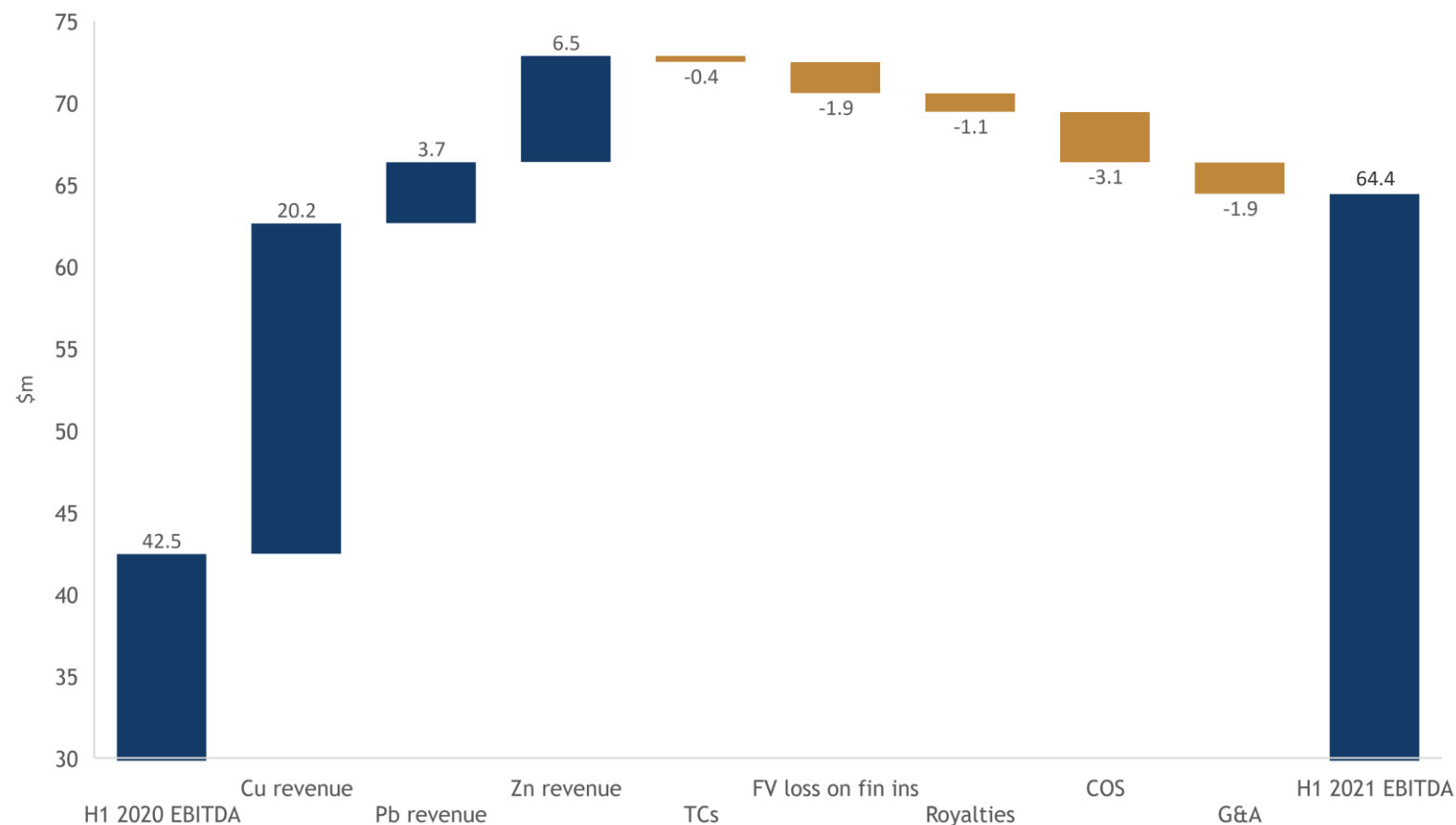
- Gross revenue \$49.0m (H1 2020: \$38.4m)
  - 44% increase in zinc price received to \$2,829/t
  - 26% increase in lead price received to \$2,114/t
- EBITDA \$26.5m (H1 2020: \$19.5m)
  - EBITDA margin 54% (H1 2020: 51%)

Highlights	H1 2021	H1 2020	% change
Gross revenue, \$m	106.3	75.4	+41%
Cost of sales, \$m	39.3	34.7	+13%
Admin expenses, \$m	9.1	7.1	+28%
Profit before tax, \$m	41.8	24.3	+72%
EBITDA, \$m	64.4	42.5	+51%
EBITDA margin	61%	56%	+5%
Adj* EPS from cont. ops, c	20.28	10.35	+96%



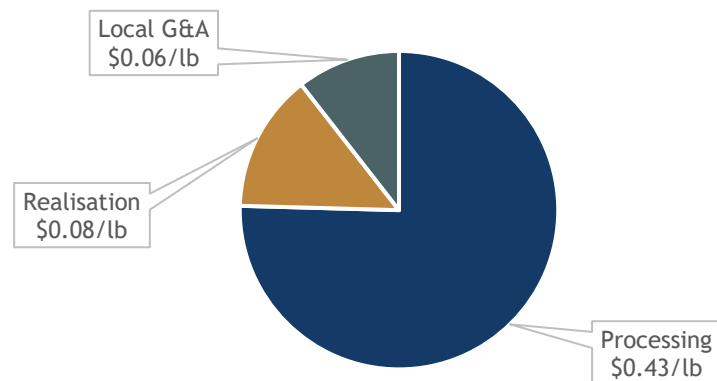
\*EPS adjusted to exclude unrealised losses on financial instruments

# EBITDA H1 2021 VS H1 2020



# H1 2021 KOUNRAD C1 COPPER CASH COST

C1 cash cost \$0.57/lb (H1 2020: \$0.48/lb)



H1 2021 EBITDA margin

80%

\$0.09/lb cost increase

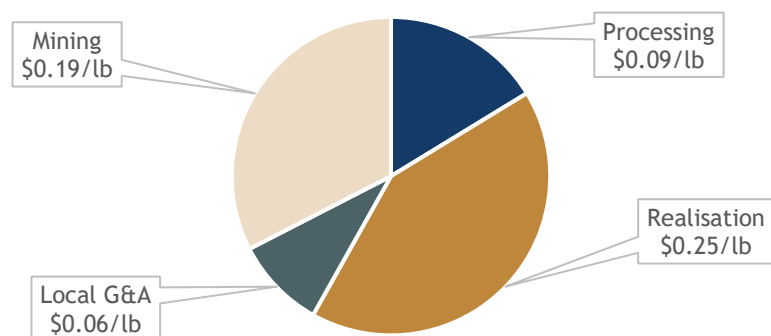
- Increase in reagent consumption, \$0.04/lb
- Increased electricity prices \$0.02/lb
- Decrease in copper production, \$0.03/lb

Cost	H1 2021 \$m	H1 2021 \$/lb	H1 2020 \$m	H1 2020 \$/lb
Reagents	1.8	0.13	1.2	0.08
Power	1.1	0.08	0.9	0.06
Payroll	1.8	0.13	1.7	0.12
Materials	0.5	0.03	0.5	0.04
Consulting & other	0.8	0.06	0.7	0.05
<b>Processing total</b>	<b>6.0</b>	<b>0.43</b>	<b>5.0</b>	<b>0.35</b>
Distribution & selling	1.2	0.08	1.2	0.08
G&A	0.7	0.06	0.8	0.05
<b>Kounrad C1 costs</b>	<b>7.9</b>	<b>0.57</b>	<b>7.0</b>	<b>0.48</b>



# H1 2021 SASA C1 ZINC EQ. CASH COST

C1 cash cost \$0.59/lb (H1 2020: \$0.43/lb)



H1 2021 EBITDA margin

**54%**

\$0.16/lb cost increase

- Increase of pro-rata Zn due to increase in Zn revenue, \$0.07/lb
- Decrease in production, \$0.04/lb
- Cost inflation, \$0.05/lb

C1 cash cost	H1 2021 \$m	H1 2020 \$m	H1 2021	H1 2020
Zinc payable production	-	-	9,486t	10,242t
Pro-rata costing zinc	-	-	42%	37%
Mining	9.3	8.3	\$0.19/lb	\$0.14/lb
Processing	4.6	4.1	\$0.09/lb	\$0.07/lb
Local G&A	3.3	2.4	\$0.06/lb	\$0.04/lb
Total site-based operating costs	17.2	14.8	\$0.34/lb	\$0.25/lb
RoM mine	-	-	413,987t	416,055t
Site-based unit cost	-	-	\$41.6/t	\$35.5/t
Realisation	12.1	11.6	\$0.25/lb	\$0.18/lb
Sasa C1 costs	29.3	26.4	\$0.59/lb	\$0.43/lb

# 30 JUNE 2021 BALANCE SHEET

## Net debt \$10.1m (2020: \$36.2m)

- Group cash balance, \$54.3m (2020: \$47.9m)
- Group gross debt, \$60.9m (2020: \$80.4m)
  - \$52.2m Traxys corporate debt
  - \$8.7m North Macedonian overdraft facilities, to provide additional financial flexibility during COVID-19 uncertainty
- H1 2021 corporate debt repayments of \$19.2m & North Macedonian overdraft repayments of \$0.7m
- FY2021E debt repayments \$48-49m

	30 Jun 2021, \$m	31 Dec 2020, \$m
PPE	397.9	418.0
Intangible assets	54.4	56.6
Cash	50.7	44.3
Restricted cash	3.6	3.6
Other assets	21.7	21.0
<b>Total assets</b>	<b>528.3</b>	<b>543.5</b>
Borrowings	60.9	80.4
Silver stream commitment	20.2	20.8
Other liabilities	22.4	13.6
Deferred tax & provisions	32.6	35.9
Equity & reserves	392.2	392.8
<b>Total equity &amp; liabilities</b>	<b>528.3</b>	<b>543.5</b>

# H1 2021 CAPEX

## Group cash capex \$7.7m (H1 2020: \$4.6m)

- Includes \$1.1m prepayments of equipment (not yet on balance sheet)

### Sasa sustaining capex, includes

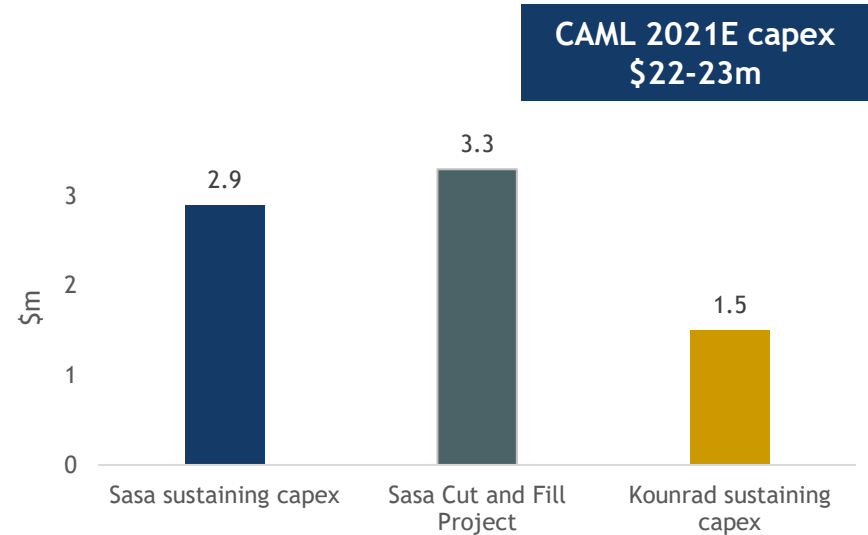
- \$1.5m mine development
- \$0.2m Putzmeister concrete pump, \$0.2m diamond drill rig, \$0.1m Paus Minca Pit vehicle

### Cut and Fill Project

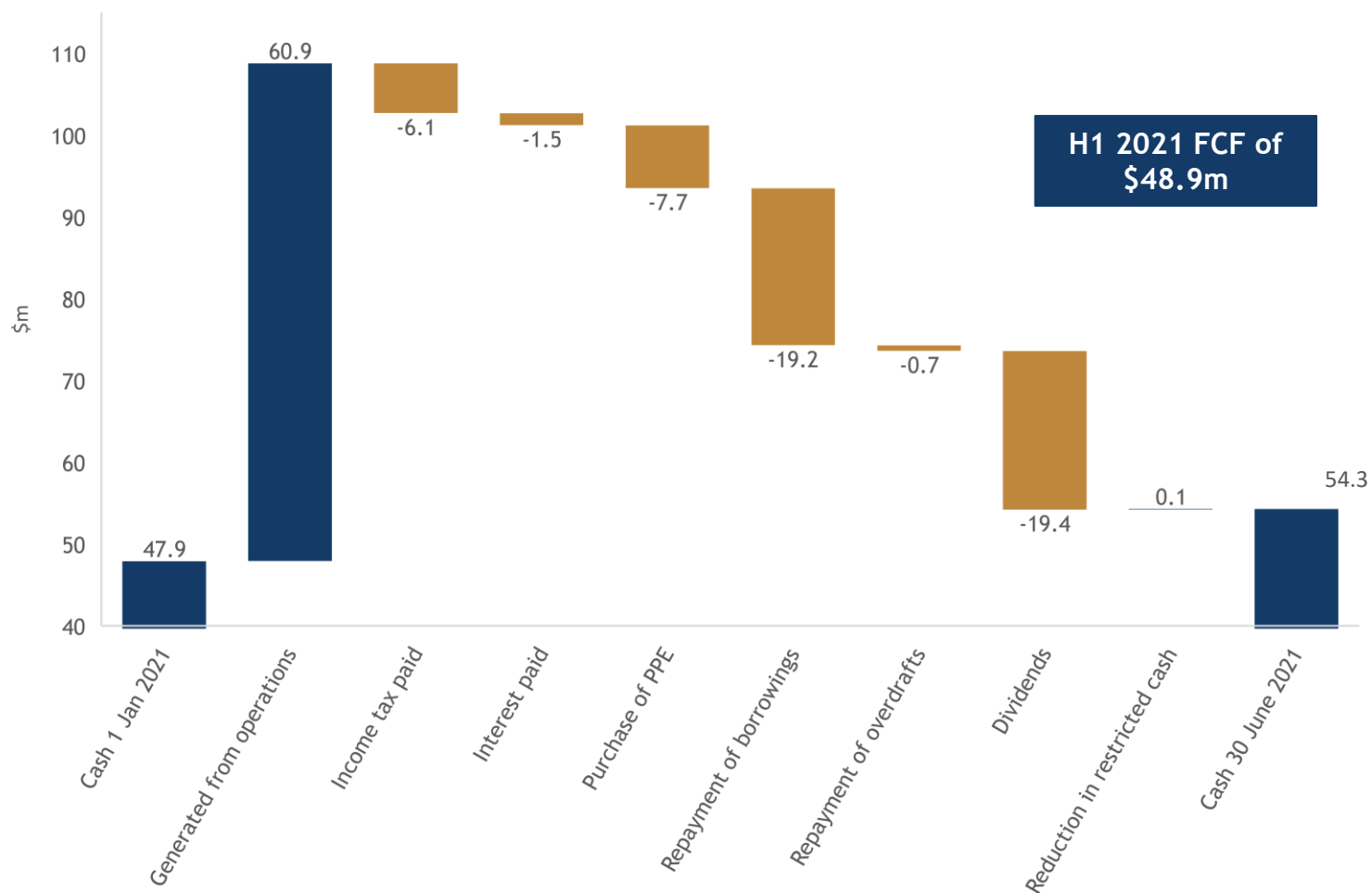
- \$1.5m Central Decline, including equipment for a new boomer and loader
- \$1.0m design of paste backfill plant & dry stack tailings
- \$0.7m prepayments on equipment for DST

### Kounrad capex, includes

- \$0.5m Intermediate Leach Solution ('ILS'), \$0.3m dripper pipes, \$0.2m SX-EW anodes & cathodes



# H1 2021 CASH FLOW



# SUSTAINABILITY UPDATE





# MAINTAINING HEALTH AND SAFETY

## Sasa

- H1 2021 - 3 LTIs
- 2020 - 0 LTIs, 1 MTI
- 77 cumulative COVID-19 cases on site since start of pandemic
  - 36% employees received  $\geq 1$  vaccine dose

## Kounrad

- H1 2021 - 0 LTIs or MTIs
- 2020 - 0 LTIs or MTIs
- 58 cumulative COVID-19 cases on site since start of pandemic
  - Almost 100% employees received  $\geq 1$  vaccine dose

## Group

- H1 2021 LTIFR 2.50
- H1 2021 TRIFR 2.50

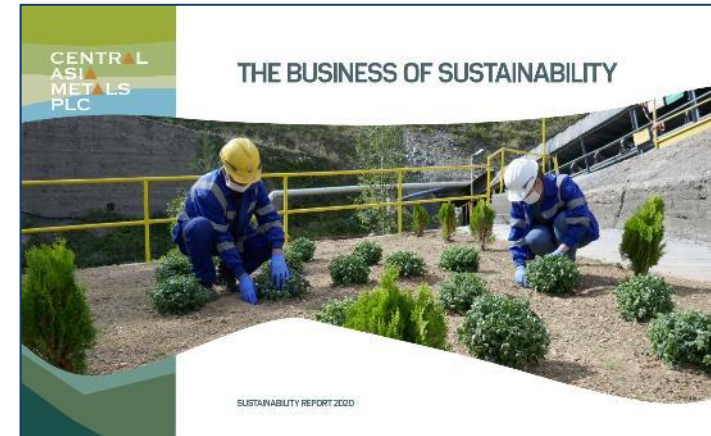
	H1 2021 Sasa	H1 2021 Kounrad	H1 2021 CAML	2020 CAML	2019 CAML
No. lost time injuries (LTI)	3	0	3	0	1
No. medical treatment injuries (MTI)	0	0	0	1	1
No. recordable injuries (RI)	3	0	3	1	2
Cumulative hours worked	0.8m	0.4m	1.2m	2.3m	2.4m
Lost time injury frequency rate (LTIFR)	3.92	0.00	2.50	0.00	0.42
Total recordable injury frequency rate (TRIFR)	3.92	0.00	2.50	0.43	0.85



# H1 2021 SUSTAINABILITY UPDATE

## CAML 2020 sustainability report published

- Published in Q2 2021
- Underpinned by independent stakeholder engagement exercise to develop materiality matrix
- First report published in accordance with Global Reporting Initiative ('GRI') standards (core option)
- Incorporates four of the 17 UN SDGs that CAML has the capacity to best contribute
  - No poverty
  - Good health and well-being
  - Quality education
  - Decent work and economic growth
- Sasa Foundation charity formed and now operational
- Kounrad initial baseline biodiversity study completed



## H2 2021 outlook

- Initiated climate change strategy work with the help of consultants, Climate Risk Services
  - Leading to TCFD disclosure
- Asset Retirement Obligation ('ARO') and site closure plan work to be undertaken at both sites in H2 2021 by external consultants
- CAML work in progress towards Global Industry Standard for Tailings Management ('GISTM') reporting within 3 years

# 2020 PERFORMANCE AGAINST TARGETS

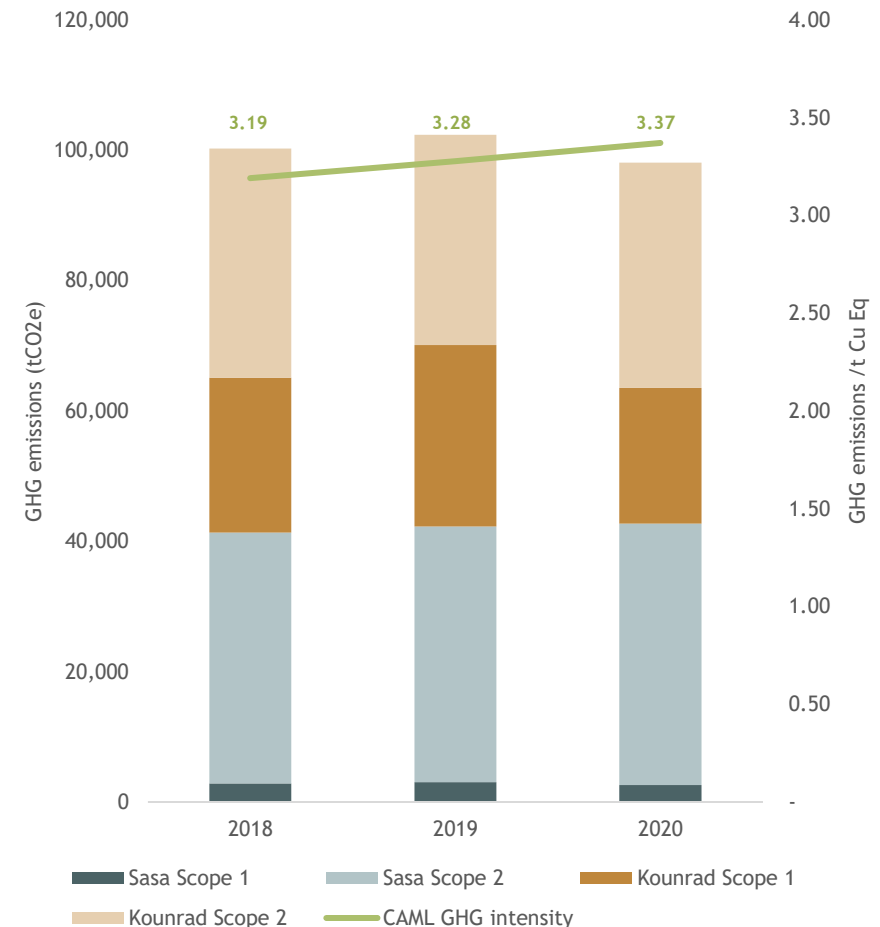
Sustainability topic	2020 target	2020 target achieved?	2021 / long-term target
Governance	Deliver audit plan for suppliers and contractors to ensure responsible supply chain	Yes	Zero human rights abuses
Health and safety	Zero fatalities	Yes	Zero fatalities
	15% reduction in 3 year LTIFR to below 1.71	Yes	15% decrease in 5 year LTIFR to below 1.16
People	100% of new joiners given full induction training and a training and development plan	Yes	Implement 3 year collective agreement at Sasa
	Development of site people plans for both operations	Yes	Employees moved onto permanent contracts after 12 months employment at Sasa
Environment	Zero severe or major environmental incidents	No	Zero severe or major environmental incidents
	Complete Kounrad scoping study into potential solar power generation at Kounrad	Yes	
Community	Zero severe or major community incidents	Yes	Zero severe or major community incidents
			0.25% revenue committed to social investment

## 2020 Group GHG emissions reduced YoY

- Lower coal consumption at Kounrad resulted in reduction of GHG emissions from 102,315tCO<sub>2</sub>-e in 2019 to 98,068tCO<sub>2</sub>-e in 2020
- GHG emission intensity increased due to lower copper equivalent tonnes produced
- Sasa 2020 electricity consumption, 43,848 MWh
- Kounrad 2020 electricity consumption, 56,456 MWh

## c.35% Group GHG reduction identified

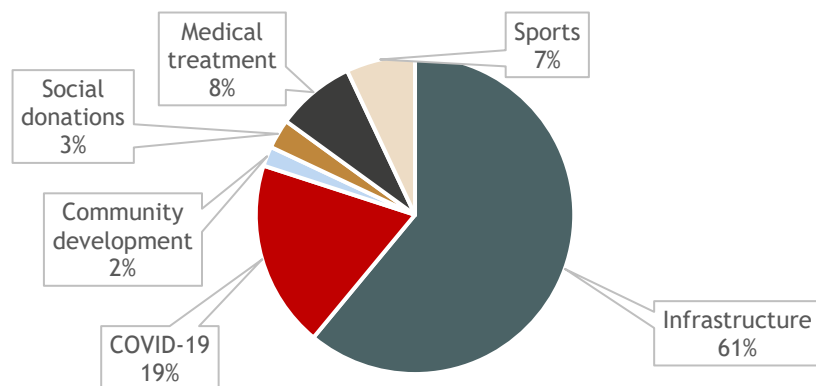
- Sasa agreement signed to purchase from EVN solely renewable power from 1 July 2021
- Kounrad solar plant scoping study accelerated into full feasibility work
- Options of tree planting (offsets) and longer term EV usage at Sasa also being investigated



# H1 2021 UNLOCKING VALUE FOR OUR COMMUNITIES

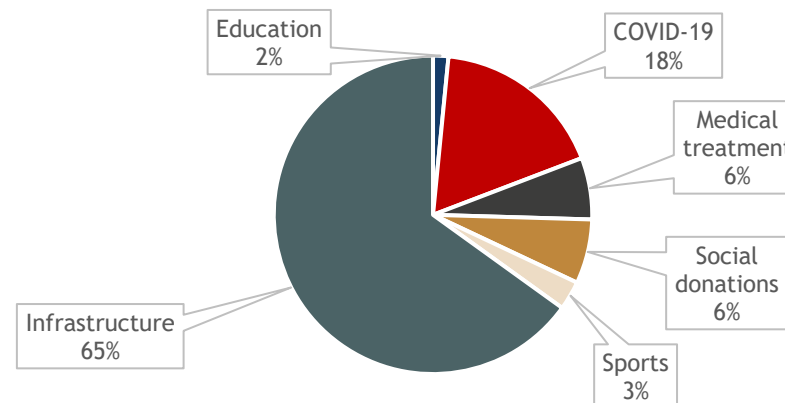
## Sasa Foundation (and mine) spend (\$0.1m)

- COVID-19 support
  - Purchase of a bioluminescence cabinet for Kocani Centre for Public Health
- Other community support
  - \$0.1m commitment towards development of Youth Park in Makedonska Kamenica (completed post period end)
  - Community support for vulnerable and low-income families



## Kounrad Foundation spend (\$0.1m)

- COVID-19 support
  - Purchase of an ambulance car for Balkhash to provide urgent transportation, particularly during the pandemic
- Other community projects
  - Completion of renovation works for the Central Sport Ground in Balkhash
  - Community support for vulnerable and low-income families





# SASA - YOUTH PARK (\$0.1M)



Completed August 2021, and comprises trails and walkways along the river, with trees, flower beds and a gazebo as well as children's play areas





# RIVER REMEDIATION....ONE YEAR LATER

## River Remediation complete

- Phase 1 complete Q4 2020
  - 95% tailings removed
- Phase 2 complete Q2 2021
  - As much as possible remaining tailings removed, plus removal of physical silt traps
  - Planting of 3,600 trees, 350 shrubs, 320kg wildflower seeds and grasses
- **Monitoring of water quality and biodiversity ongoing**

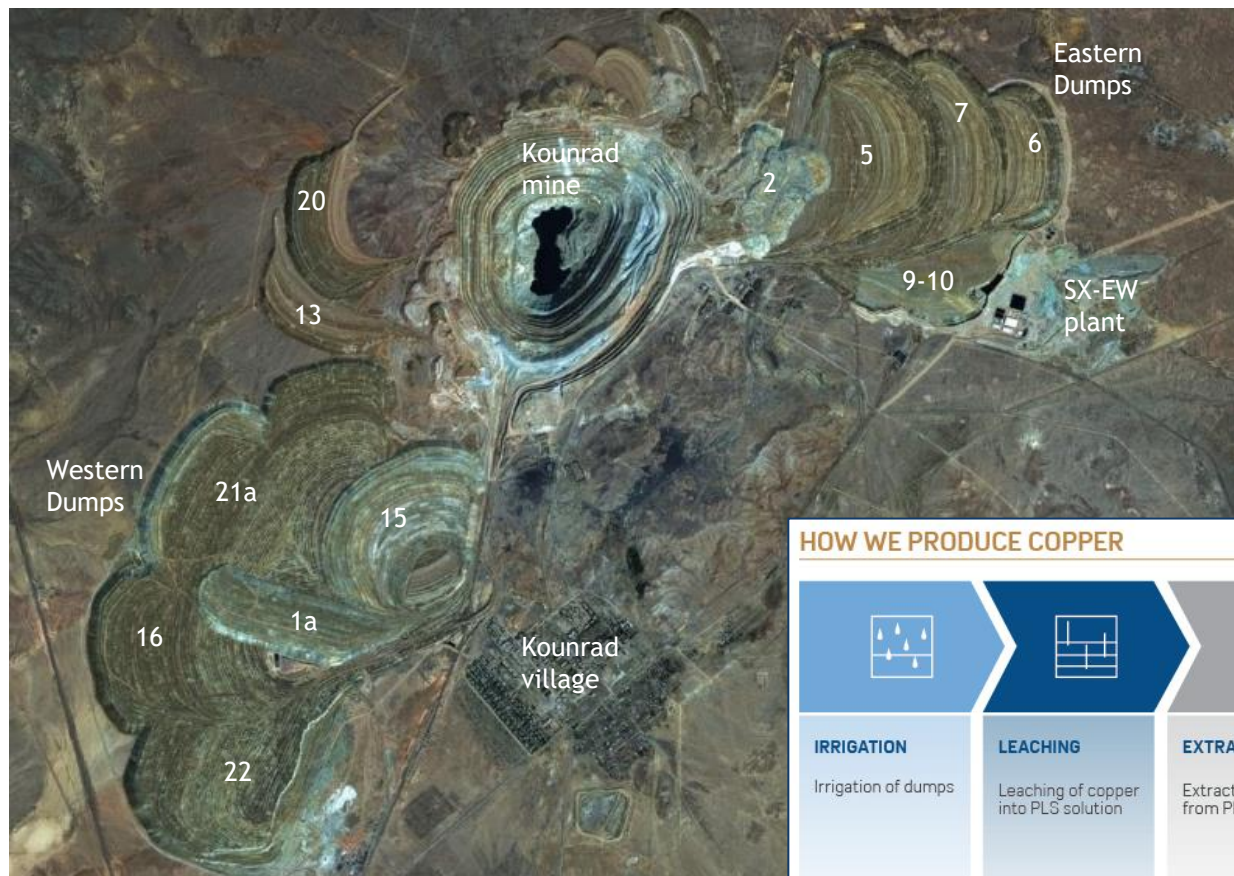






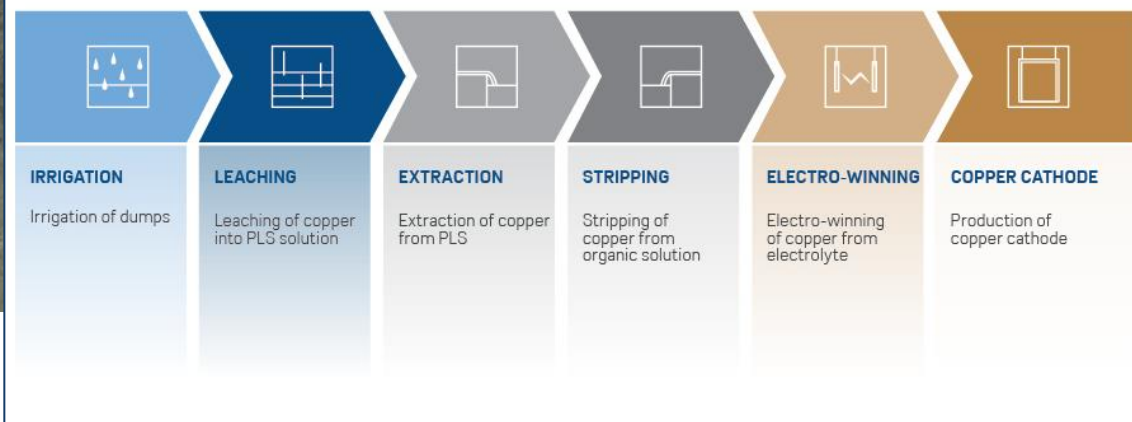
**OPERATIONAL UPDATE**

# KOUNRAD COPPER OPERATION



	Remaining recoverable resources
Eastern Dumps	c. 10,000t
Western Dumps	c. 124,000t
Total	c. 134,000t

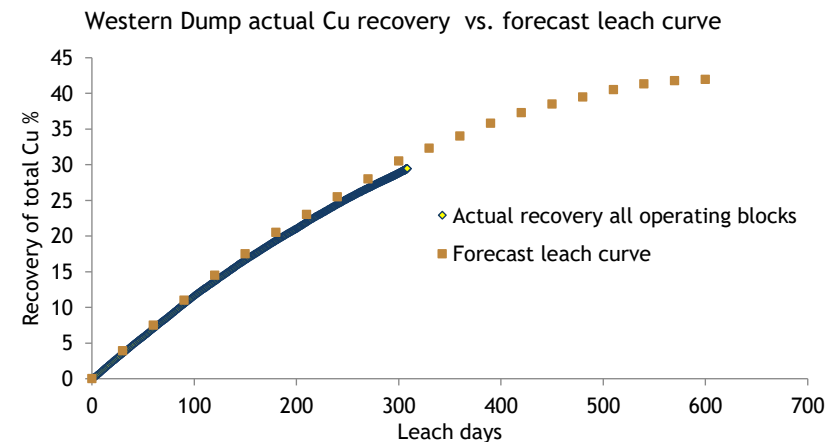
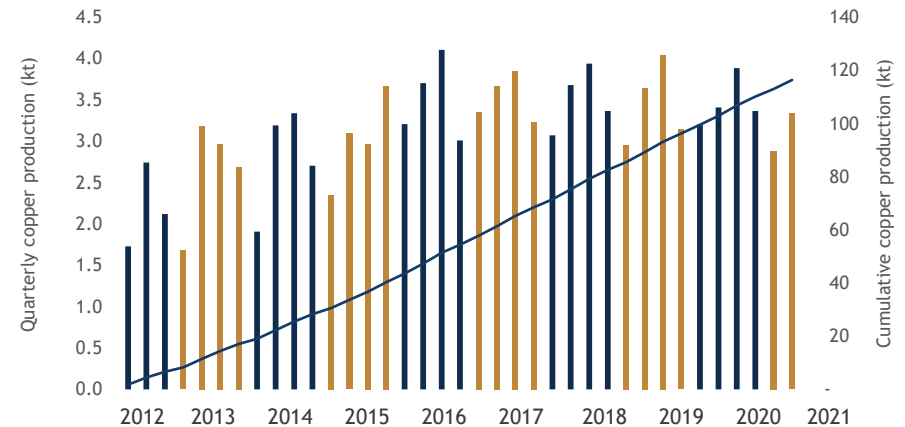
## HOW WE PRODUCE COPPER





## In-situ dump leach and SX-EW plant

- Met increased 2020 guidance
  - 2020 copper production, 13,855t
  - 2021 guidance, 12,500t - 13,500t
  - H1 2021 copper production, 6,214t
- Eastern Dumps
  - Average dump height 20m
  - Average leach time 8 months
  - Average copper recovery 45-50%
- Western Dumps
  - Average dump height 40m
  - Average leach time 20 months
  - Average copper recovery 35-42%
  - Western dump preferred leach application rate of c.2.25 l/m<sup>2</sup>/hr leading to slightly longer leach times
    - Production targets achieved by increasing area under leach
    - Expected copper recovery remains the same

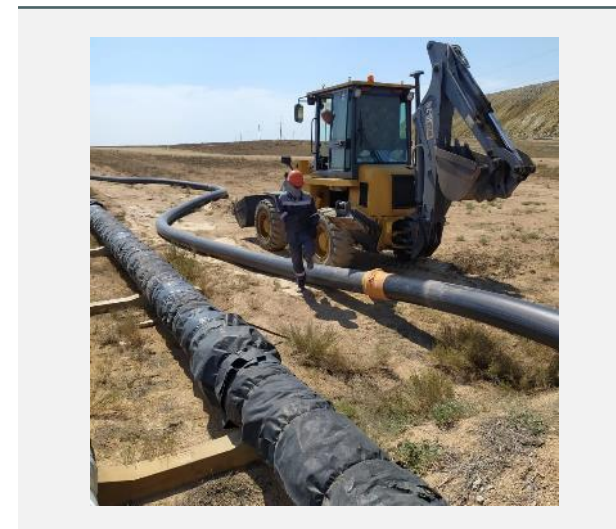




# KOUNRAD OPERATING STATISTICS AND ILS

## Intermediate Leach System ('ILS')

- Phase 1 of the ILS has been completed
- Comprises 14km of installed pipelines and associated pumps
- Allows Kounrad to irrigate previously leached Western Dump blocks with fresh water pumped from Lake Balkhash pipeline via SX-EW plant and then recirculate off-flows to unleached Western Dump blocks
- Phase 2 of the ILS to be undertaken in 2022
- ILS system to be in regular use in 2023



	2012	2013	2014	2015	2016	2017	2018	2019	2020	H1 2021
Cu production, t	6,586	10,509	11,136	12,071	14,020	14,103	14,049	13,771	13,855	6,214
Ave. PLS, m <sup>3</sup> /hr	383	532	771	784	888	921	993	985	1,048	885
PLS grade, gpl	3.9	3.0	2.2	2.3	2.4	2.5	2.2	2.2	2.1	2.1
Plant availability, %	96.9	99.3	98.7	99.1	98.6	99.5	99.5	99.6	99.5	99.6
Irrigation area, ha	15.3	17.2	28.1	33.1	35.9	39.2	54.3	56.2	60.9	57.2
Cathode purity, %	99.997	99.998	99.998	99.998	99.998	99.998	99.998	99.998	99.998	99.998

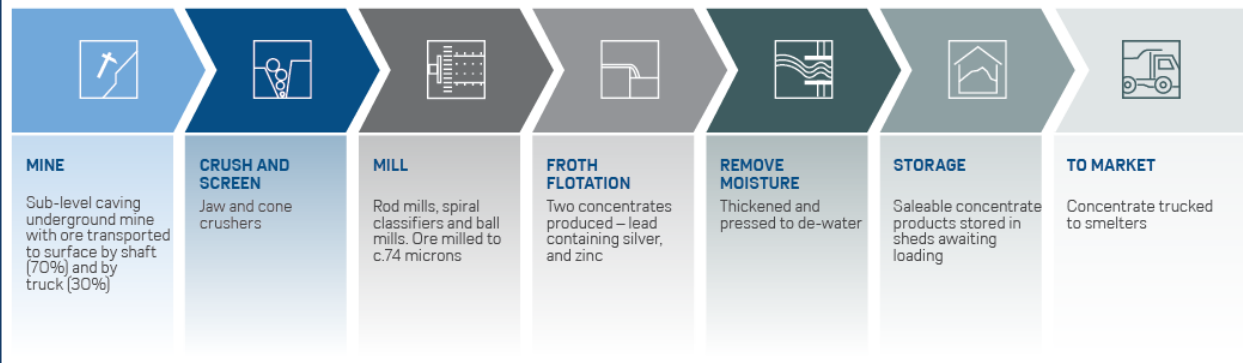
# SASA ZINC AND LEAD MINE

## Highly profitable operation

- Sasa EBITDA since acquisition (<4 years) of \$214.1m
- Debt repaid since acquisition of \$134.5m
- Reserves and resources to 2037
- Mechanised underground mine



## HOW WE PRODUCE ZINC AND LEAD



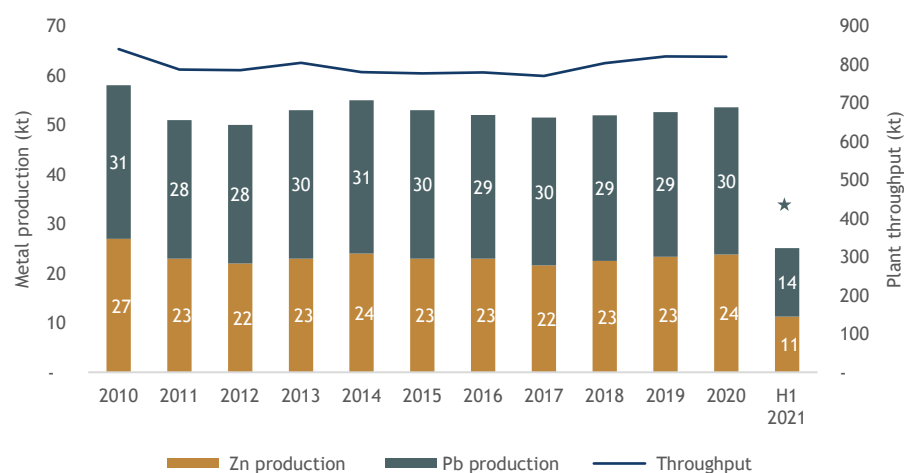
# SASA PRODUCTION UPDATE

## H1 2021 production

- Zinc in concentrate, 11,292t
- Lead in concentrate, 13,807t
- Zn & Pb grades lower due to more ore produced from stopes as opposed to from development

## 2021 production guidance

- Zinc in concentrate, 23,000t - 25,000t
- Lead in concentrate, 30,000t - 32,000t



	Unit	H1 2021	2020	2019	2018
Ore mined	t	413,987	826,421	817,714	803,101
Plant feed	t	423,413	820,215	820,491	804,749
Zinc grade	%	3.14	3.37	3.29	3.31
Zinc recovery	%	84.9	86.1	86.5	84.6
Zinc	t	11,292	23,815	23,369	22,532
Lead grade	%	3.50	3.85	3.77	3.90
Lead recovery	%	93.2	94.3	94.5	93.6
Lead	t	13,807	29,742	29,201	29,388



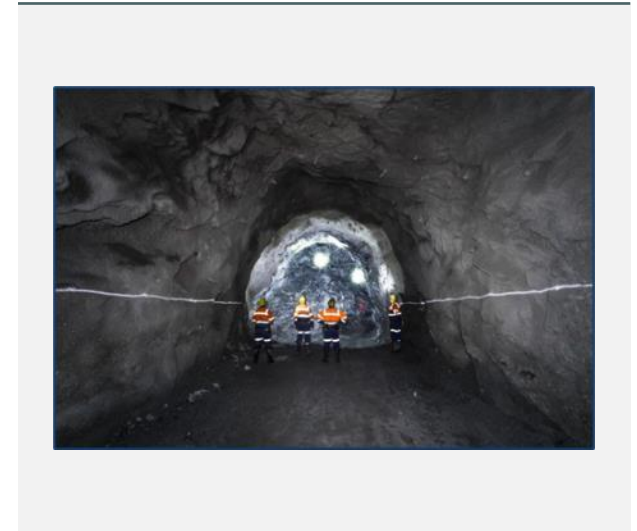
# SASA CUT AND FILL PROJECT UPDATE



# CENTRAL DECLINE

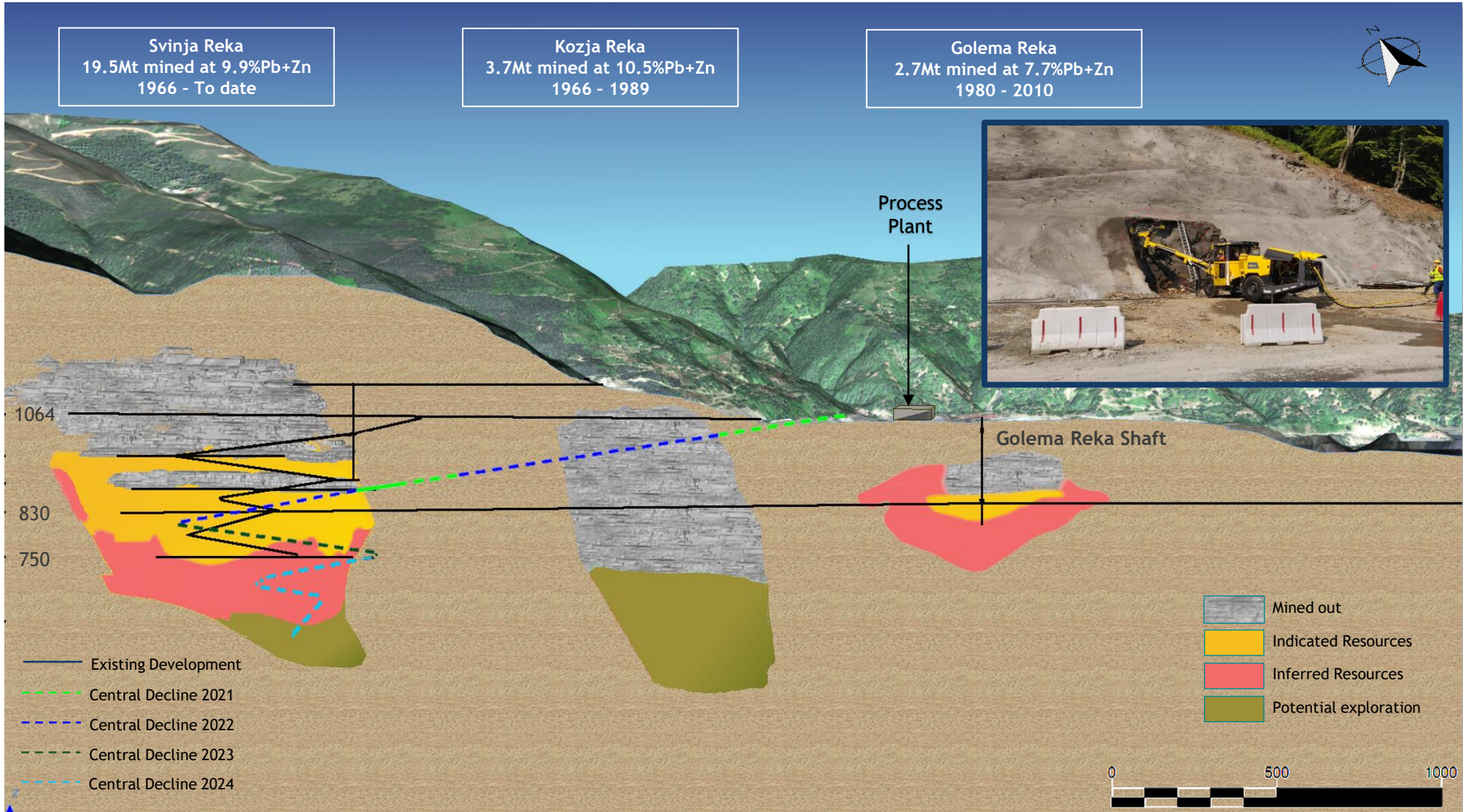
## Development commenced

- New decline from surface offers increased ventilation, easier access for reticulation infrastructure and the ability to increase ore mined to 900,000t in the medium term
- Profile increased to allow for potential future electric vehicle access
- Development initially commenced on 910 level
  - 200m developed to date
  - Total of 780m development expected during 2021
- Total length of decline, 3.8km
  - Construction to be undertaken in 3 stages over 4 years





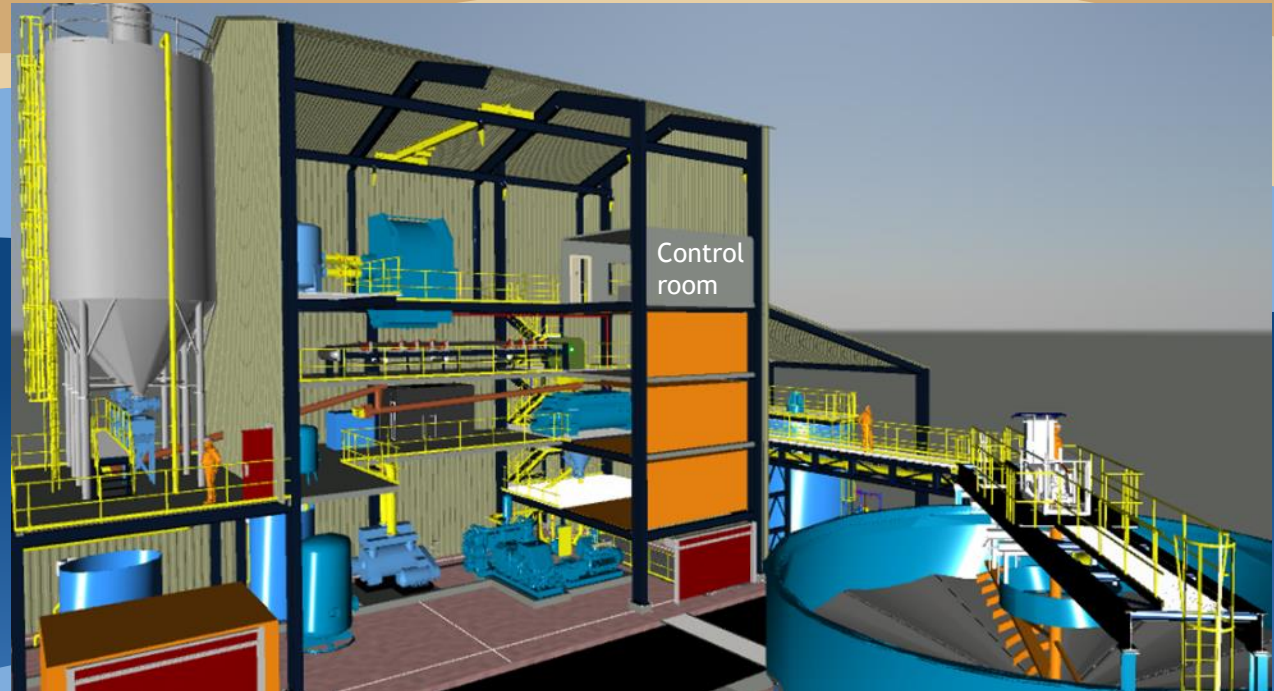
# SASA LONG SECTION SHOWING CENTRAL DECLINE



# PASTE BACKFILL PLANT

## Site location confirmed

- Equipment laydown area established
- New site offices have arrived on site
- All major plant components ordered, including
  - Civils and structural steels
  - Thickener and flocculant plant
  - Continuous mixer
  - Various pumps, including paste pump
  - In excess of 4.5km of reticulation pipes
- Installation of reticulation pipes to commence H2 2021
- Construction of paste backfill plant to commence H1 2022

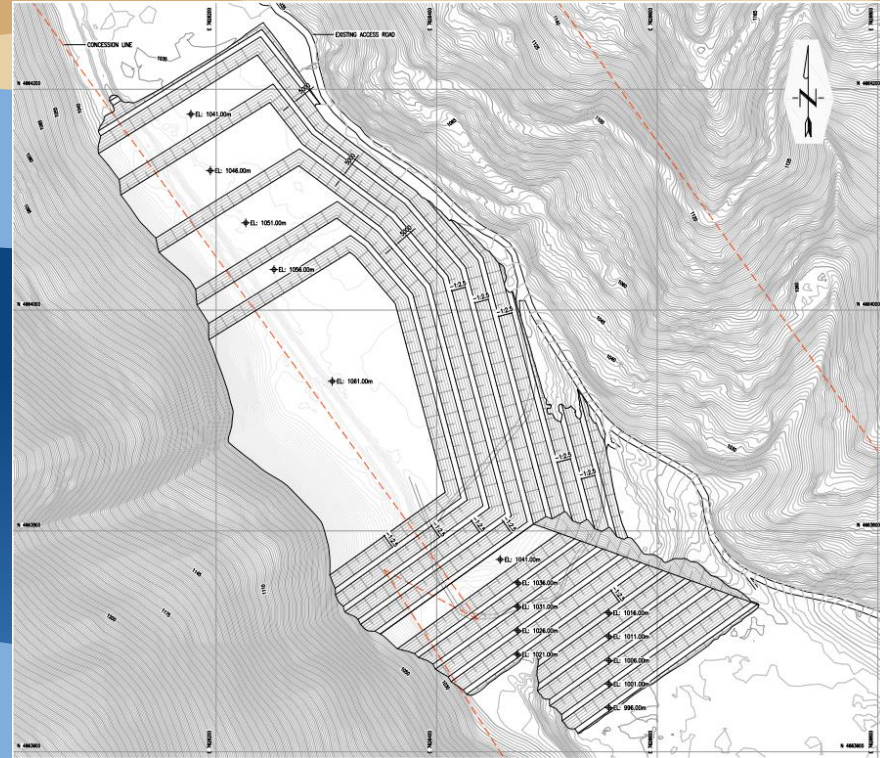




# DRY STACK TAILINGS / PLANT EXPANSION

## KP involvement

- Knight Piésold completed conceptual landform design
- Detailed studies to be completed during H2 2021
- Construction drawings for stacking of tailings and site preparation to be undertaken during 2022
- Detailed design work for dry stack tailings plant undertaken
- Construction of plant to commence in H1 2022, with commissioning on schedule for end of 2022
- Technical work underway to ascertain best process route to deliver 900,000t/year



# CAPITAL ALLOCATION / OUTLOOK

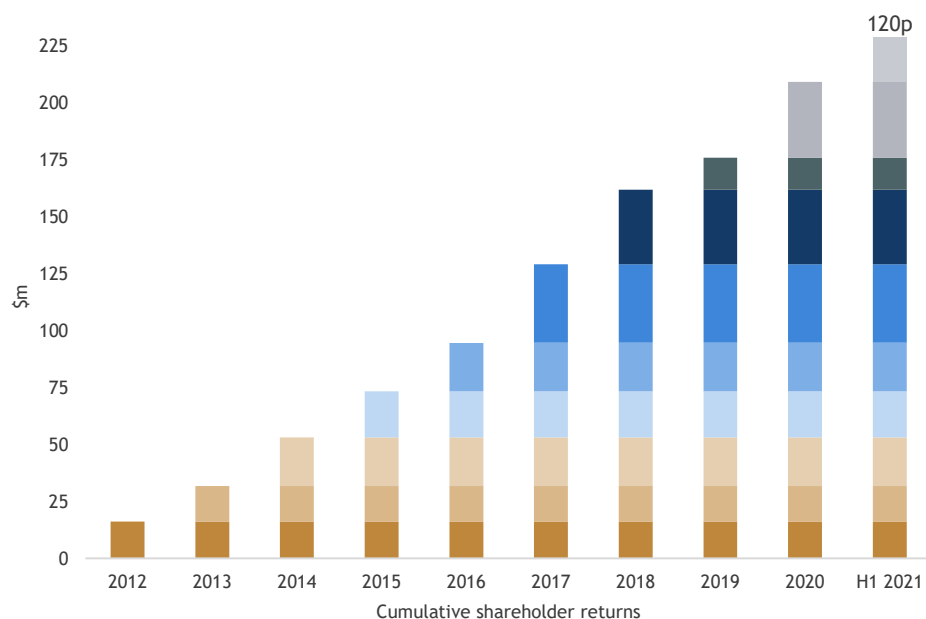




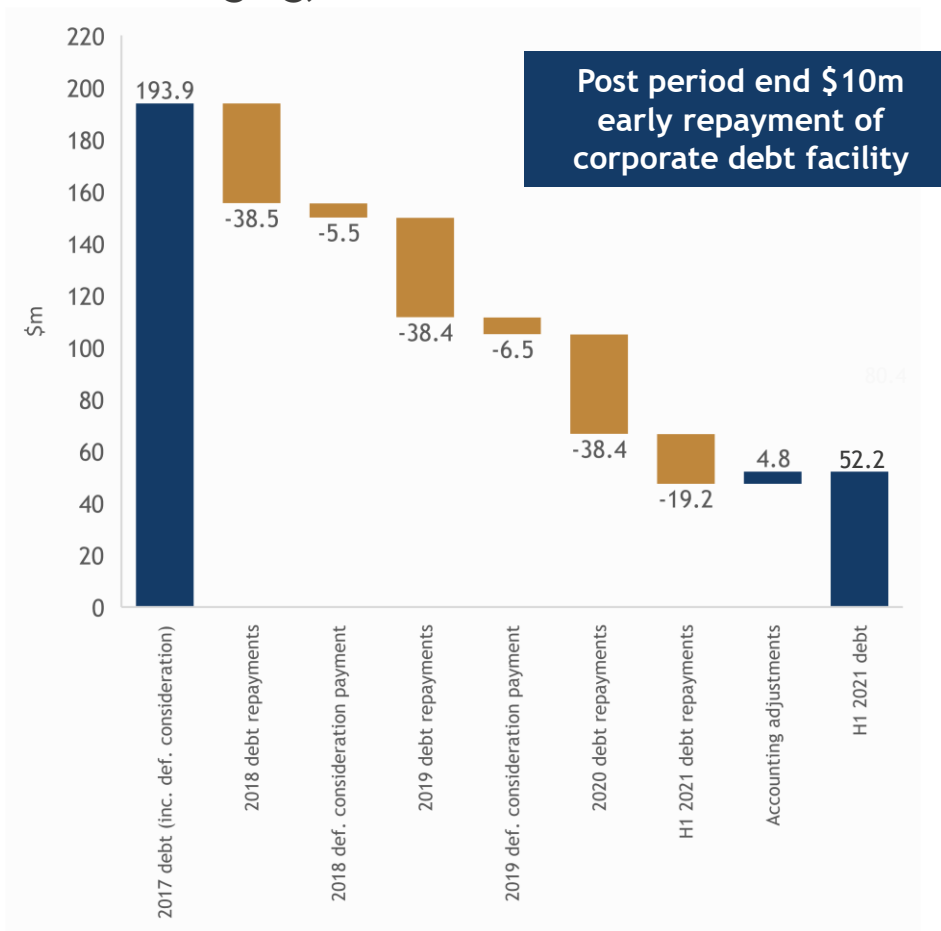
# CAPITAL ALLOCATION PRIORITIES

## Returns to shareholders

- H1 2021 dividend, 8p
- 40% of FCF
  - CAML dividend policy, 30-50% FCF
- Total dividends since 2012, \$229.0m or 120p



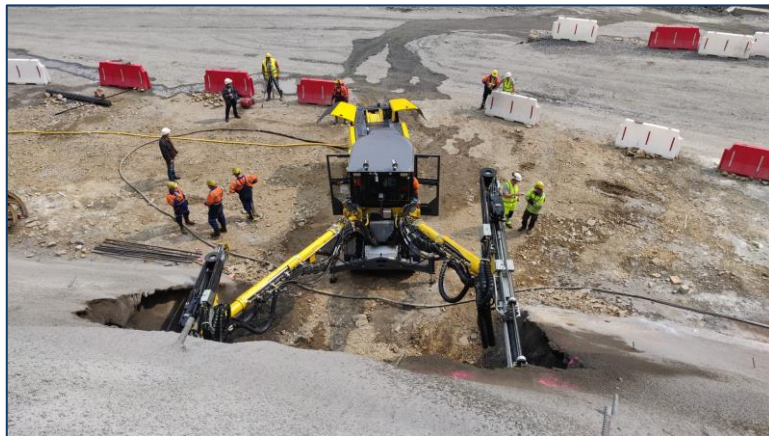
## Deleveraging, 2017 - H1 2021 (corporate debt facility)



# CAPITAL ALLOCATION PRIORITIES CONTD.

## Investment in the business

- **Cut and Fill Project at Sasa achieves:**
  - Safer operation
  - Maximum extraction of mineral resources
  - Improved tailings storage (40+% to be used in paste fill underground)
  - Lower capex than additional TSFs
  - \$18-19m 2021-2022 capex



## Growth opportunities

- Maintain focus on business development activities
- Size and liquidity becoming more important considerations
- Looking to acquire with manageable balance sheet implications
- Attractive commodity exposure (ideally copper)

## H1 2021 business development activities

1 site visit  
undertaken

11 NDAs signed

18 opportunities  
reviewed

## A strong sustainable business

- Strong operational performance
  - Producing the metals essential for modern living safely and sustainably
- Strong EBITDA and FCF generation
- Capital allocation priorities
  - H1 2021 dividend, 8p
  - Accelerated deleveraging (\$10m)
  - Implementation of Sasa Cut and Fill Project underway
  - Looking for growth opportunities
- 2021 outlook
  - Employee welfare remains top priority through COVID-19
  - Climate change strategy underway
  - c.35% reduction in CAML Group annual GHG emissions identified
  - Production guidance maintained
  - Strong metal price environment



International Women's Day 2021, Kounrad

## CONTACT DETAILS

### DIRECTOR OF CORPORATE RELATIONS

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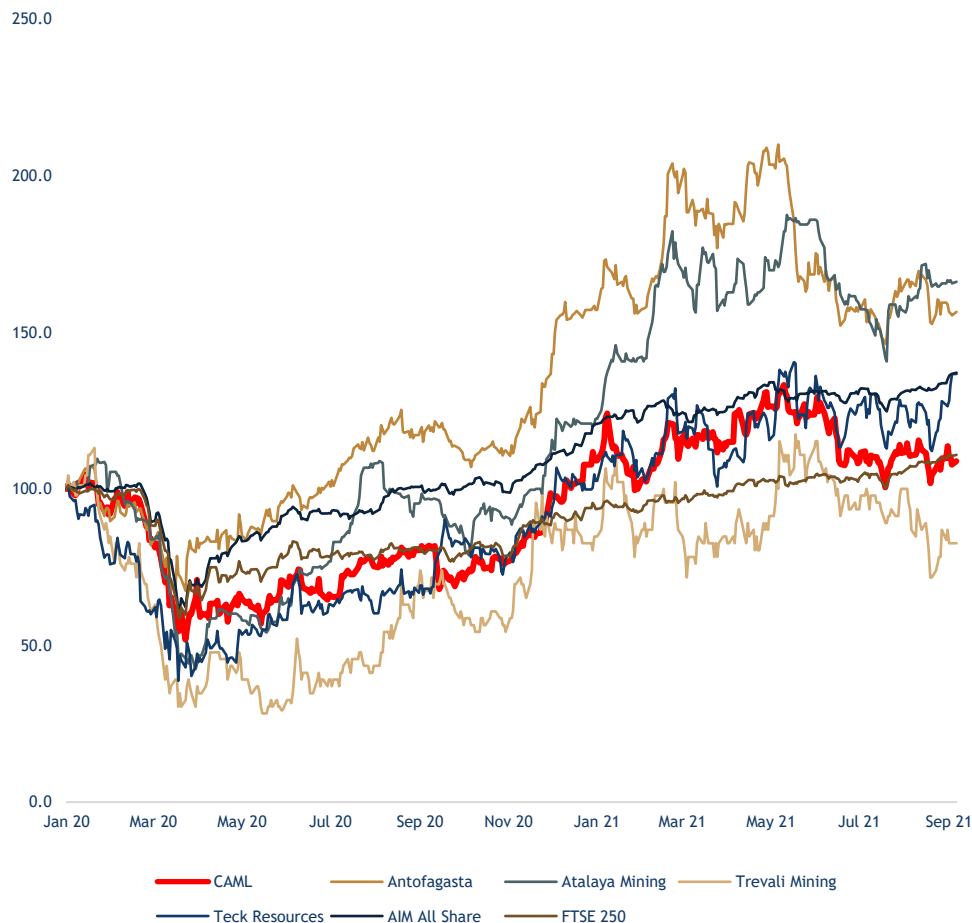




# APPENDIX

# SHARE PRICE / SHAREHOLDERS

## Share price performance versus peers



Share price* (AIM:CAML)	£2.35
Total no. voting shares	176,026,619
Treasury shares	471,647
Issued shares	176,498,266
Market capitalisation	£414m
Free float	93%
Average daily volume	0.51m

\*Share price as of 13 September 2021

Shareholders	No. shares	% holding
BlackRock	18,875,307	10.72%
JO Hambro	15,271,372	8.68%
Fidelity	14,924,172	8.48%
Polar Capital	10,042,766	5.71%
AXA Framlington	7,535,000	4.28%
Hargreaves Lansdown	7,392,424	4.20%
JPMorgan	7,093,348	4.03%
Allan Gray	5,347,020	3.04%



# BOARD OF DIRECTORS



**Robert Cathery**  
NED  
- City experience  
Chair  
- Remuneration Committee  
Member  
- Nomination Committee

**Mike Prentis**  
NED  
- City experience  
Member  
- Nomination Committee  
- Audit committee  
- Sustainability Committee

**Nick Clarke**  
Non-Executive Chairman  
Chair  
- Nomination Committee

**Nigel Robinson**  
CEO  
Member  
- Sustainability Committee

**Nurlan Zhakupov**  
NED  
- Kazakhstan experience  
Member  
- Nomination Committee  
- Sustainability Committee

**Gavin Ferrar**  
CFO

**Dr Gillian Davidson**  
NED  
- sustainability experience  
Chair  
- Sustainability Committee  
Member  
- Nomination Committee

**Roger Davey**  
NED  
- technical experience  
Member  
- Nomination Committee  
- Audit Committee  
- Sustainability Committee

**David Swan**  
NED  
- accounting experience  
Chair  
- Audit Committee  
Member  
- Nomination Committee  
- Remuneration Committee



# COPPER - GLOBAL ENERGY TRANSITION A MAJOR DRIVER

## Positive market backdrop, but risks remain

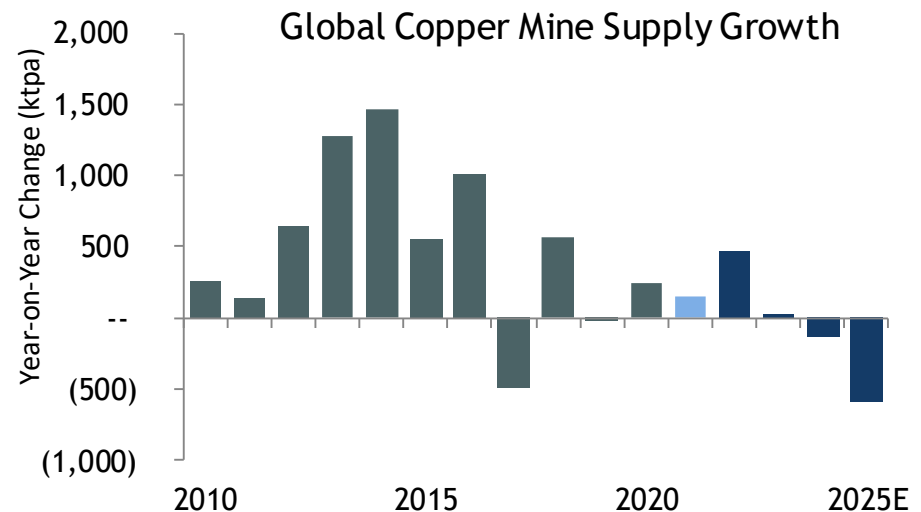
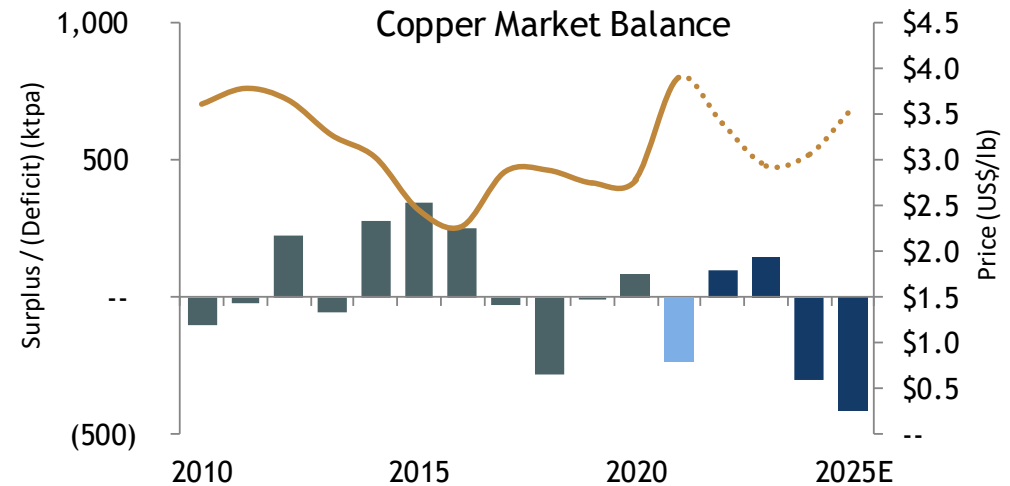
- The copper concentrate market remains tight, creating a bottleneck for primary metal production in China, with available on-exchange inventory cover thin
- TCRCs remain at historic lows, having recently risen to around \$45/t in July from just over \$20/t in April
- Chinese headwinds are receding and demand in the rest of the world is robust, evidenced by premiums for physical copper in the US rising to 5-year highs
- Supply side is also facing challenges from maintaining capacity at existing operations to increasing political and industrial action risk

## Global energy transition supporting robust long-term fundamentals

- BMO sees ~1Mtpa of demand growth by 2025 in each of electric vehicles and renewable energy, both of which are more copper intensive than incumbent technologies
- EU put forward tighter emissions standards: 55% reduction by 2030 and a ban on gas-powered vehicles by 2035

## Price trend

- Revised BMO copper price outlook
  - 2021: \$3.91/lb (up by 22%)
  - 2022: \$3.40/lb (up by 28%)
  - 2023: \$2.93/lb (down by 2%)
  - LT: \$3.25/lb (no change)



Sources: Bloomberg, ICSG, BMO Capital Markets

# ZINC - GALVANISING DEMAND ON THE RISE

## Post COVID-19 infrastructure spending a major tailwind

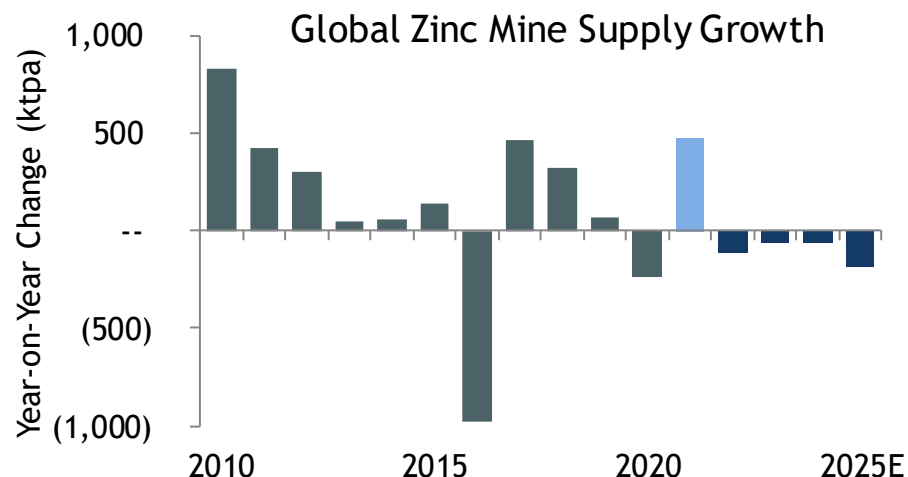
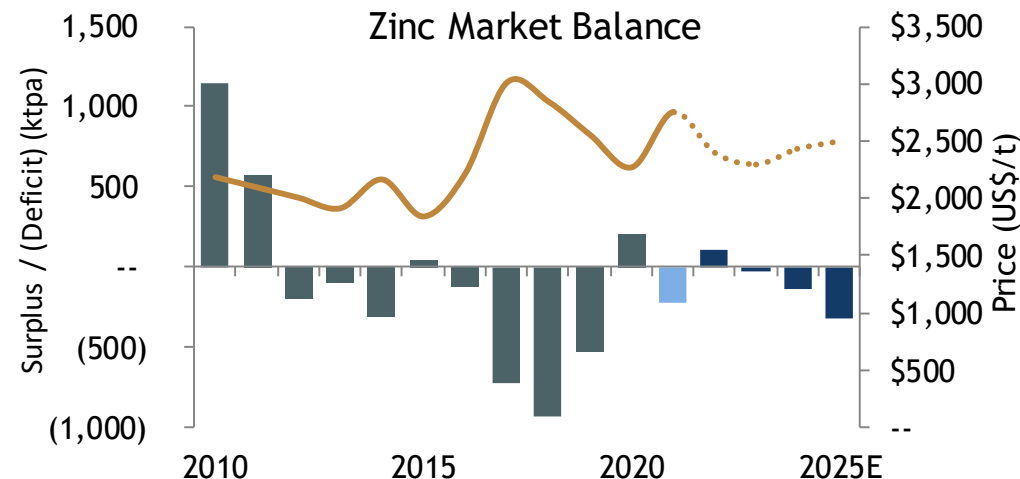
- Zinc prices surged 7.3% YTD, as the metal has benefitted from a 2021 industrial recovery due to increased global spending on infrastructure

## Mixed supply side signals

- Amid strong gains in global smelter output, the consensus is that there is an oversupply of zinc on the market, especially after LME inventories surged to 235 kt in January
- However, the Chinese domestic supply is facing new environmental pressures, and June 2021 Chinese zinc inventories were ~75kt lower YoY
- The concentrate market is expected to remain relatively tight over the coming years although the recent price gains may moderate
- Similar to other commodities, risk of supply disruption remains such as that seen at Port of Callao due to lack of shipping availability, or Alashankou Port due to COVID-19 closures

## Price trend

- Revised BMO zinc price outlook
  - 2021: \$1.25/lb (up by 17%)
  - 2022: \$1.09/lb (up by 17%)
  - LT: \$1.15/lb (no change)



Sources: ICSG, BMO Capital Markets

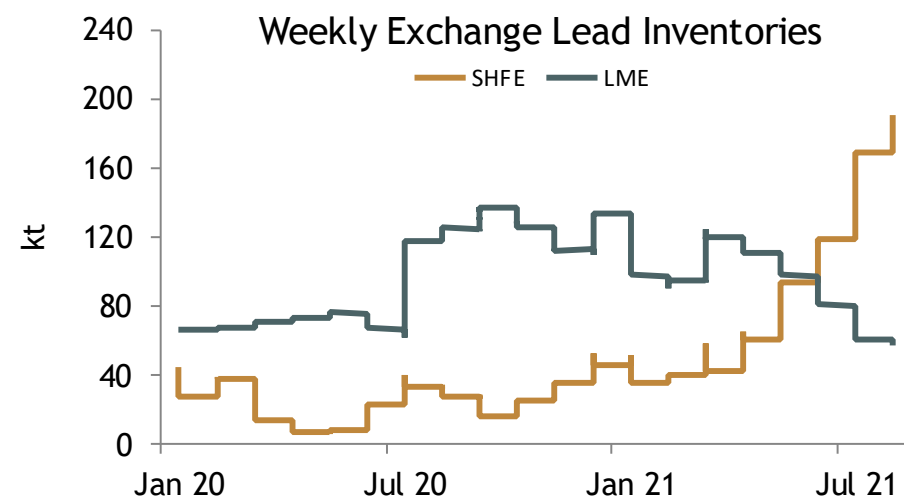
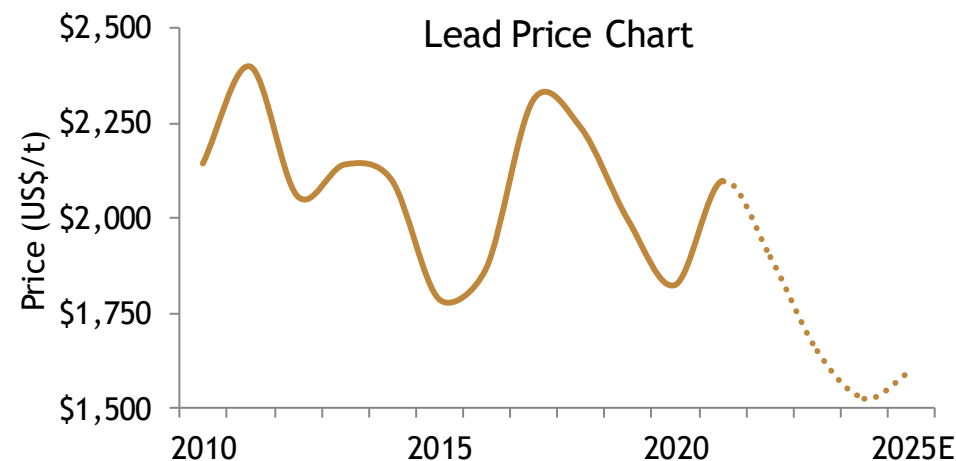
# LEAD - SECONDARY SUPPLY RECOVERING

## US / Europe market showing signs of shortage

- Lead has continued last year's rally amid an improved macro-outlook and a tight physical lead market in the US and Europe
- LME-registered lead inventories have declined steadily since April 2021
- US lead import requirements have grown this year amid exceptionally strong lead-acid battery demand
- Scrap supply remains ample in Europe and the US, but smelters are operating near full capacity

## China market sees deteriorating fundamentals

- SHFE lead is in contango with inventories now at record highs since the contract launched in 2011
- Lead-acid battery demand growth has been consistently subdued so far this year
  - Shortage of semi-conductors leading to pent up auto demand
- China passenger car sales in June were the weakest for that month in 8 years
- China's Q2 2021 lead output totalled 177.9kt, up 15.0% y/y
- BMO lead price expectations
  - 2021: \$0.95/lb (up by 17%)
  - LT: \$0.75/lb (no change)



Sources: Bloomberg, BMO Capital Markets



# H1 2021 GROUP COSTS

## Kounrad copper C1 cash cost \$0.57/lb

- Remains amongst the lowest cost in the copper industry
- \$0.06/lb due to increase in costs of reagents & electricity
- \$0.03/lb due to decrease in production

## Sasa zinc equivalent C1 cash cost \$0.59/lb

- \$0.07/lb increase of pro-rata Zn due to increase in Zn revenue
- \$0.04/lb decrease in production
- \$0.05/lb FX rate, salary increases and cost inflation

## CAML Group Cu eq. C1 cash cost \$1.39/lb

- \$0.23/lb higher due to lower Cu eq. production units as a result of comparatively higher Cu revenue

## CAML fully inclusive cost \$1.92/lb

- \$0.31/lb higher due to lower Cu eq. production units
- \$0.05/lb increase in MET & concession fees due to revenue
- \$0.03/lb increase in capex for Cut and Fill Project

	H1 2021	H1 2020	% change
Kounrad Cu C1 cash cost, \$/lb	0.57	0.48	+19%
Sasa Zn eq. C1 cash cost, \$/lb	0.59	0.43	+37%
Cu eq. production, t	12,145	14,527	-16%
<b>CAML Cu eq. C1 cash cost, \$/lb</b>	<b>1.39</b>	<b>1.03</b>	<b>+35%</b>
Capital expenditure \$/lb	0.16	0.13	+23%
Concession fees \$/lb	0.05	0.04	+25%
MET \$/lb	0.11	0.07	+57%
Loan interest \$/lb	0.09	0.11	-18%
Corporate overheads \$/lb	0.12	0.10	+20%
<b>Fully inclusive cost \$/lb</b>	<b>1.92</b>	<b>1.50</b>	<b>+28%</b>

## Realised losses

- In H1 2021 CAML entered into hedging arrangements:
  - A Zero Cost Collar contract for 30% of Cu production, which includes a put option of \$6,900/t & a call option of \$8,380/t
  - A Swap contract for 30% of payable Zn production at \$2,804/t
  - A Swap contract for 30% of payable Pb production at \$2,022/t

Realised losses	Actual price \$/t	Hedged price \$/t	Loss \$m
Copper	9,183	8,380	1.6
Zinc	2,829	2,804	0.1
Lead	2,114	2,022	0.2
<b>Total loss</b>			<b>1.9</b>

## Unrealised losses

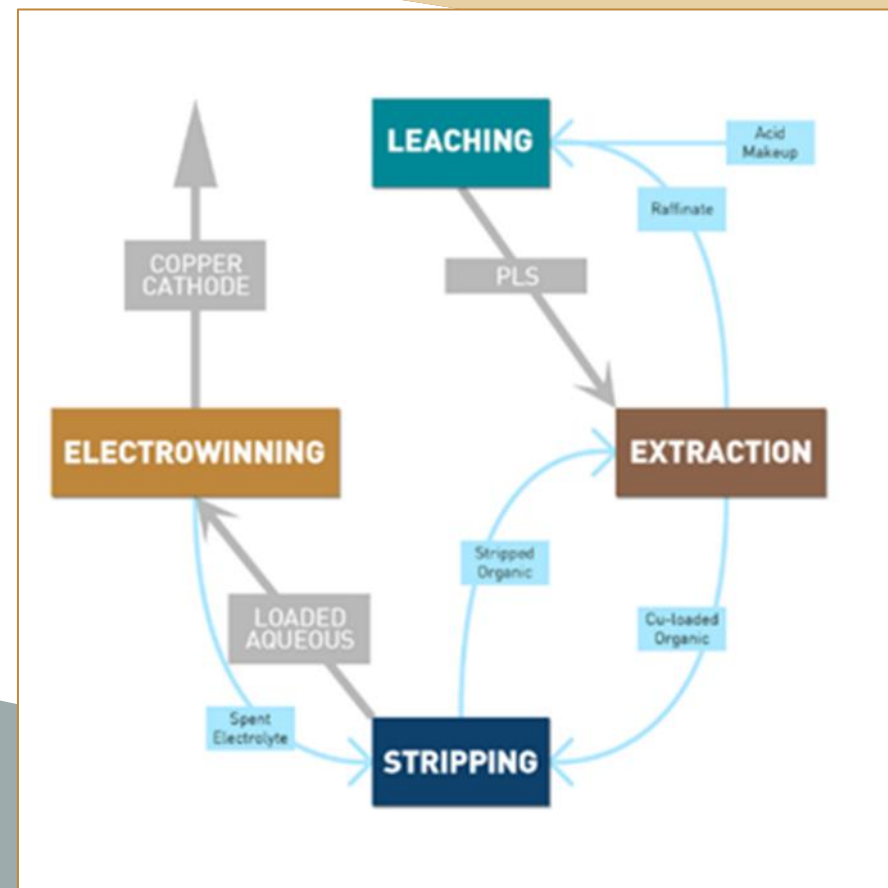
- Hedge arrangements held as FVTPL under IFRS
  - therefore at each period end, a fair value is recognised using Mark to Market information and a total unrealised loss of \$4.9m has been recognised.
- These financial instruments expire at the end of 2021, at which point their fair value will be reduced to zero

Unrealised losses	Loss \$m
Copper	2.6
Zinc	0.7
Lead	1.6
<b>Total loss</b>	<b>4.9</b>

# KOUNRAD RESOURCES AND TECHNOLOGY

	Quantity, Mt	Grade (%)	Contained copper, kt
Eastern Dumps			
Indicated	89.7	0.10	85.8
Inferred	79.6	0.10	81.7
<b>Total</b>	<b>169.3</b>	<b>0.10</b>	<b>167.5</b>
Western Dumps			
Indicated	296.4	0.10	282.4
Inferred	181.5	0.09	164.3
<b>Total</b>	<b>477.9</b>		<b>446.7</b>
<b>Total East and West</b>	<b>647.1</b>		<b>614.2</b>

Prepared by Wardell Armstrong in June 2017  
+100,000t copper have been extracted from dumps





# SASA RESERVES AND RESOURCES (JORC 2021)

	Mt	Pb grade (%)	Zn grade (%)	Ag grade (g/t)	Pb contained (kt)	Zn contained (kt)	Ag (koz)
Svinja Reka - Ore Reserves							
Probable	10.7	4.0	3.0	22.3	431	320	7,671
<b>Total</b>	<b>10.7</b>	<b>4.0</b>	<b>3.0</b>	<b>22.3</b>	<b>431</b>	<b>320</b>	<b>7,671</b>
Svinja Reka - Mineral Resources							
Indicated	12.7	4.7	3.3	25.7	588	421	10,463
Inferred	2.0	3.9	2.0	22.6	81	42	1,508
<b>Total</b>	<b>14.7</b>	<b>4.5</b>	<b>3.1</b>	<b>24.8</b>	<b>669</b>	<b>463</b>	<b>11,972</b>
Golema Reka - Mineral Resources							
Indicated	1.3	3.8	1.6	13.0	48	20	528
Inferred	6.3	3.5	1.4	12.0	217	86	2,444
<b>Total</b>	<b>7.6</b>	<b>3.5</b>	<b>1.4</b>	<b>12.2</b>	<b>265</b>	<b>106</b>	<b>2,972</b>

Ore Reserve prepared by Sasa technical team as of June 2020, Scott Yelland (CAML COO) as Competent Person

Svinja Reka Mineral Resource Estimate prepared by Sasa technical team as of June 2020, Jordan Angelov (Sasa Technical Services Manager) as Competent Person

Golema Reka Mineral Resource Estimate prepared by SRK Consulting (UK) Ltd as of December 2018, Guy Dishaw, SRK Principal Consultant as Competent Person

# ALIGNMENT TO SUSTAINABLE DEVELOPMENT GOALS

	SDG	CAML Commitment
	End poverty in all its forms everywhere	We prioritise local employment in regions where opportunities are sparse and are committed to providing support to the communities close to our operations, where it is needed. Through the transparent payment of taxes, we support economic development in our countries of operation.
	Ensure healthy lives and promote well-being for all at all ages	We have a steadfast commitment to safety and aim to achieve a zero-harm workplace. The Company has a range of initiatives and resources to promote and improve well-being amongst our workforce and in the local communities.
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	We provide professional development, vocational training and retraining courses to our employees and contribute to broader education through the provision of community training programmes, scholarships and investment and support for local schools.
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	We contribute to the economic growth of our countries of operation through the provision of employment opportunities and fair wages, the transparent payment of taxes and preferential local procurement. We are committed to upholding human rights in our workforce, as well as through our supply chains and to respect and abide by all applicable laws regarding modern slavery, child labour, and human trafficking.

# PURCHASE OF RENEWABLE POWER FROM EVN

## CO2 Certifivates for NMK-Market

**EVN**

