

15 September 2021

Central Asia Metals plc
(the 'Group', the 'Company' or 'CAML')

Interim Results for the Six Months Ended 30 June 2021

Central Asia Metals plc (AIM: CAML) is pleased to announce its unaudited interim results for the six months ended 30 June 2021 ('H1 2021' or the 'period').

H1 2021 financial summary

- **Increased dividend and additional debt repayments**
 - H1 2021 dividend of eight pence per share (H1 2020: six pence), representing 40% of Group free cash flow¹ ('FCF')
 - Post period end early repayment of \$10 million of corporate debt facility
- **Strong financial performance driven by robust commodity prices**
 - Group gross revenue¹ of \$106.3 million (H1 2020: \$75.4 million) and Group net revenue of \$100.8 million (H1 2020: \$70.8 million)
 - Group EBITDA¹ of \$64.4 million (H1 2020: \$42.5 million) and EBITDA margin¹ of 61% (H1 2020: 56%)
 - Group FCF of \$48.9 million (H1 2020: \$21.2 million)
- **Strengthening balance sheet**
 - Cash in the bank as at 30 June 2021 of \$54.3 million² (31 December 2020: \$47.9 million²)
 - Group net debt¹ as at 30 June 2021 of \$10.1 million (31 December 2020: \$36.2 million)
 - Debt repayments of \$19.9 million (H1 2020: \$19.2 million)

H1 2021 operational summary

- Kounrad copper production of 6,214 tonnes (H1 2020: 6,607 tonnes)
 - Copper sales of 6,241 tonnes (H1 2020: 6,600 tonnes)
- Sasa zinc in concentrate production of 11,292 tonnes (H1 2020: 12,203 tonnes)
 - Payable zinc sales of 9,419 tonnes (H1 2020: 10,273 tonnes)
- Sasa lead in concentrate production of 13,807 tonnes (H1 2020: 15,140 tonnes)
 - Payable lead sales of 13,160 tonnes (H1 2020: 14,445 tonnes)
- River Remediation Project completed at Sasa
- Three Group lost time injuries ('LTIs'), Group lost time injury frequency rate ('LTIFR') of 2.50

Outlook

- CAML climate change strategy work underway
 - Sasa to be powered by renewable energy following post period end agreement to purchase solely renewable power from North Macedonian power provider, EVN, reducing Group greenhouse gas ('GHG') emissions by approximately 35% on an annualised basis
- Sasa Cut and Fill Project on track and on budget for commissioning in Q4 2022
- On course to achieve upper end of 2021 Kounrad production guidance and lower end of Sasa production guidance

¹ See Financial Review section for definition of non-IFRS alternative performance measures

² The cash balance figure disclosed includes restricted cash

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014, as retained in the UK pursuant to S3 of the European Union (Withdrawal) Act 2018.

Nigel Robinson, Chief Executive Officer, commented:

“I am pleased to report an excellent set of financial results for the first half of 2021, with EBITDA up 51% and FCF up 131% period on period, driven by strong commodity prices. This positive performance over the past six months means we are able to declare a dividend of eight pence per share. This dividend, and the \$10 million in accelerated debt repayments, which takes us closer to the debt free milestone, demonstrates our continued focus on delivering value for our shareholders, as well as our wider stakeholders.

“We have advanced our Cut and Fill Project since the start of the year, which is on track and on budget for commissioning in the last quarter of next year. During the period, development of the new Central Decline has commenced, all major components for the Paste Backfill Plant were ordered and plans for the Dry Stack Tailings part of the project are also advancing.

“As part of our commitment to sustainability, we have been assessing opportunities to reduce our GHG emissions, with several workstreams underway, and we recently secured solely renewable power for our Sasa operations from H2 2021 onwards. Having completed a scoping study for the Kounrad solar plant last year, we are currently in the process of upgrading this to a full feasibility study, which will offer a clearer view on the most effective way of reducing our GHG emissions at the project.

“Over the past six months, our commitment to support our local communities continued and I am particularly proud of the recent completion of the Youth Park along the banks of the river close to Sasa in Makedonska Kamenica, a place that I am sure will be enjoyed for many years to come.

“The outlook for the remainder of 2021 is positive for CAML, with strong demand for the metals that we produce, and we are on track to meet our output guidance from Sasa and Kounrad.”

Analyst conference call

There will be an analyst conference call today at 09:30 (BST). The call can be accessed by dialling +44 (0)330 336 9125 and quoting the confirmation code '2096630'. Additionally, the presentation can be viewed via a live webcast using the following link <https://brmedia.news/bb8h7p>. The webcast and the Company's corporate presentation will be available on the CAML website at www.centralasiametals.com.

Investor Meet Company

The Company will also hold a live presentation relating to the 2021 Interim Results via the Investor Meet Company platform at 16:30 (BST) today. The presentation is open to all existing and potential shareholders. Questions can be submitted at any time during the live presentation. Investors can sign up to Investor Meet Company for free and add to meet Central Asia Metals Plc at

<https://www.investormeetcompany.com/central-asia-metals-plc/register-investor>

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Note to editors:

Central Asia Metals, an AIM-listed UK company based in London, owns 100% of the Kounrad SX-EW copper project in central Kazakhstan and the Sasa zinc-lead mine in North Macedonia.

For further information, please visit www.centralasiametals.com and follow CAML on Twitter at @CamlMetals and on LinkedIn at Central Asia Metals Plc

Chief Executive Officer Review

CAML has delivered strong financial results for H1 2021, with Group EBITDA of \$64.4 million representing an increase of over 50% from the previous corresponding period. CAML's EBITDA margin also improved to 61% (H1 2020: 56%), which demonstrates increased revenue due to stronger commodity prices and the Group's ability to effectively manage its operating costs, notwithstanding global industry cost pressures. Adjusted earnings per share ('EPS') of 20.28 cents was 96% higher than that achieved in H1 2020 (10.35 cents).

These earnings also translated into markedly increased free cash flow of \$48.9 million, which was 131% higher than that generated in the first six months of 2020 (H1 2020: \$21.2 million). Given this strong H1 2021 performance, the CAML Board is pleased to declare an interim dividend of eight pence per ordinary share, which is in line with the Company's stated policy. This will be paid on 22 October 2021 to shareholders registered on 1 October 2021. The Company has also elected to make an additional \$10 million early repayment of its corporate debt facility, post the period end. This reflects strong H1 2021 metals prices and accelerates the Group's return to a debt free position.

CAML's Kounrad operation in Kazakhstan had a safe six months, with no recordable injuries, and the Sasa zinc and lead mine in North Macedonia recorded three lost time injuries. While this performance at Sasa was disappointing, lessons have been learnt from each of the incidents.

Zinc and lead production at Sasa were 11,292 tonnes and 13,807 tonnes respectively. Payable zinc sales for the period were 9,419 tonnes and, for lead, were 13,160 tonnes, and H1 2021 gross revenue from these metal concentrates was \$49.0 million (H1 2020: \$38.4 million). This was 28% higher than H1 2020 due to significantly higher commodity prices during the recent period, with the zinc price received being on average 44% higher than the previous corresponding period at \$2,829 per tonne (H1 2020: \$1,964 per tonne) and the lead price 26% higher at \$2,114 per tonne (H1 2020: \$1,676 per tonne). Sasa's cost of sales for H1 2021 was up 11% to \$27.8 million (H1 2020: \$25.1 million), although 41% of this increase was currency related, and this resulted in a Sasa H1 2021 EBITDA of \$26.5 million (H1 2020: \$19.5 million).

Kounrad produced 6,214 tonnes of copper cathode during the period and sold 6,241 tonnes, generating gross revenue of \$57.3 million (H1 2020: \$37.0 million) from an average copper price received of \$9,183 per tonne, 64% higher than that received in H1 2020 (\$5,605 per tonne). As at Sasa, Kounrad also experienced underlying cost inflation with H1 2021 cost of sales increasing by 20% to \$11.5 million (H1 2020: \$9.6 million), although almost half of this increase was a consequence of increased Kazakh Mineral Extraction Tax ('MET') due to higher copper prices. Kounrad generated H1 2021 EBITDA of \$45.8 million (H1 2020: \$27.1 million).

COVID-19 remains a challenge globally. Our firm response in 2020 and development of effective operational changes to incorporate social distancing and increased hygiene measures into our working practices have enabled us to continue to produce our metals despite outbreaks in both countries of operation. Vaccination rates amongst our employees at Kounrad is high, with almost 100% having received at least one dose. In North Macedonia, only 36% of the workforce has been vaccinated and CAML has instigated an education programme involving medical professionals, which is now underway.

During H1 2021, CAML published its second sustainability report, covering its activities for the year ended 31 December 2020 at Group level and at its two operations. This is the Company's first report written in accordance with the Global Reporting Initiative ('GRI') Standards 'Core Option'. The report details sustainability targets against which executive director performance will be measured, and identifies the four UN Sustainable Development Goals ('SDGs') to which the Company has the capacity to best contribute.

During H1 2021, CAML has been investigating opportunities to reduce its GHG emissions and analysing its physical and transition risks associated with climate change. Several workstreams are underway and, post the period end, Sasa signed an agreement with North Macedonian power provider, EVN, to purchase solely renewable power for the mine. These power purchases, which will be audited subsequently, should lead to CAML being able to claim an approximate 35% reduction in GHG emissions across the Group. The Kounrad solar plant scoping study that was completed in 2020 is currently being upgraded to a full feasibility study, which should deliver firm costs and potential power output.

The Company has made meaningful progress with its Sasa Cut and Fill Project during H1 2021, with development of the Central Decline now underway. All major components for the Paste Backfill Plant have been ordered, the site location for the plant confirmed and detailed design work for the computerised operating system has been undertaken. Plans for the dry stack tailings part of the project are also advancing, with Knight Piésold having completed the conceptual landform design and the processing plant has also been designed. The overall project remains on schedule and on budget.

Management's focus on business development has accelerated during the first six months of 2021, with 18 opportunities reviewed and three discussed at length at Board level, as well as one site visit undertaken. Although there are no advanced discussions with third parties currently underway, management will continue to investigate opportunities of potential interest.

With strong demand for the metals that CAML produces, the Company is in an enviable position. CAML continues to strengthen its balance sheet having now repaid \$135 million of the funds borrowed to acquire Sasa less than four years ago, and is in a strong position to pursue potential acquisition opportunities.

Sustainability review

Health and safety

Safety statistics

There were no LTIs or medical treatment injuries ('MTIs') at Kounrad, and therefore no total recordable injuries ('TRIs') during the reported period. Three LTIs were recorded at Sasa during H1 2021. There were no MTIs at Sasa during H1 2021, and therefore a total of three TRIs for Sasa. CAML Group therefore reports three LTIs and three TRIs for the six-month period. CAML's H1 2021 lost time injury frequency rate ('LTIFR') and total recordable injury frequency rate ('TRIFR') are the same at 2.50.

Safety initiatives underway

At Sasa, implementation of the recommendations from the conveyor condition audit, including enhanced guarding, is underway. This work should be materially completed during H2 2021. Improvements in the lockout-tagout system are underway at Sasa and this process will also be completed in H2 2021.

The underground Wi-Fi communications project at Sasa, which has been designed and is being installed by the CAML and Sasa IT departments, is partially complete, with seven kilometres of fibre-optic cable onsite and currently being installed by the electrical teams. In H2 2021, a network of wireless relays will be installed and this will then transform the communication, and therefore safety and management, of the underground operations.

In terms of wellbeing, improvements and modernisation of workers' changing rooms and showers were completed at Kounrad during H1 2021. The 10-year-old fire suppression system in the Kounrad solvent extraction plant building is in the process of being replaced.

COVID-19

COVID-19 remains a risk to the welfare of CAML employees and contractors and there have been cases of the virus at both Sasa and Kounrad during the reported period.

Vaccination take-up is improving in both countries and, to date, almost 100% of Kounrad employees have had at least one dose. In North Macedonia, this number is lower, at approximately 36%. There is some vaccine scepticism in North Macedonia, and the Sasa team has recently initiated an education programme, involving medical professionals.

In 2020, CAML acted quickly to implement strategies at both operations to protect the welfare of its employees, to meet respective government guidance and to maintain production. These measures remain in place where appropriate at Kounrad and Sasa.

Environment

There were no environmental incidents at either operation during H1 2021.

During Q2 2021, the River Remediation Project at Sasa was completed. Phase 1 of the project, comprising removal of approximately 95% of the tailings from the riverbed, was completed during Q4 2020. Phase 2 involved extraction of as much as possible of the remaining tailings as well as removal of the physical silt

traps from the river, and the planting of 3,600 trees, 350 shrubs and 320 kilogrammes of wildflower seed and grasses. The monitoring of water quality and biodiversity will be ongoing.

During H1 2021, a tendering process was undertaken with a view to selecting consultants to undertake a formal Asset Retirement Obligation ('ARO') and site closure plan at Sasa and Kounrad. Golder Associates (UK) has been selected to provide an estimate of closure costs as well as identifying a best practice and responsible approach to rehabilitation to ensure a sustainable legacy for the long term. This work will be undertaken in H2 2021.

Water balance studies are underway at Sasa as part of the tailings management studies being undertaken in readiness for the paste backfill plant, with the assistance of SRK Consulting. CAML does not expect to report any significant water usage savings for 2021 but, going forward, potential savings will be assessed as part of the overall water management strategy for tailings management and the Cut and Fill project. It may be possible to identify water savings during H2 2021 for 2022.

An energy efficiency audit has been undertaken at Kounrad during H1 2021 and no material additional savings were identified.

Kounrad's biodiversity studies are ongoing. An initial baseline study has been completed and future workstreams will be expanded to also include an assessment of any impact of Kounrad's abstraction on Lake Balkhash.

Community

There were no community incidents at either operation during H1 2021.

In Q2 2021, the Sasa team established and formalised its charity foundation, known as the Sasa Foundation for Support of Sustainable Development. Future community support will be provided through this foundation, which has strict criteria for appropriate community investment.

At Sasa, \$0.1 million was spent in community support during H1 2021. The most notable project was the Youth Park which Sasa committed to develop along the banks of the river in Makedonska Kamenica. This project was completed post the period end, and comprises trails and walkways along the river with trees, flower beds and a gazebo, as well as children's play areas. In terms of COVID-19 community support, Sasa purchased a bioluminescence cabinet for the Kocani Centre for Public Health.

At Kounrad, \$0.1 million was spent in community support during H1 2021. Two key donations were the purchase of an ambulance car for Balkhash, which will provide urgent transportation to medical facilities, particularly during the pandemic. The Kounrad Foundation also completed renovation works and re-surfacing of the Central Sports Ground in Balkhash. Support for vulnerable and low-income families was also provided.

Our people

CAML's Human Resources team began the process of reviewing the Company's cultural values with the site teams. This process has been undertaken at Kounrad, and a pilot survey undertaken at Sasa which will be rolled out into a fuller study. The results of both processes will then help to inform CAML values, which will be re-visited if necessary.

Training needs analysis to close skills gaps is underway and the Company is in the process of developing a management training programme for Sasa.

Simplification of the Sasa payroll system was identified as necessary, both from an administrative perspective and from a responsible operator perspective to ensure that pay is fair and transparent. A job evaluation programme has been completed and a plan and timeline developed to complete this process during H2 2021.

A culture change management programme is underway at Kounrad, aided by external consultants, Abraxas T&D Group. The initial focus of this study was to identify personnel challenges and then work as a team to make adjustments in order to resolve any issues and to ensure that different departments communicate effectively and work well together. Group coaching sessions have been run to aid with this work and, going forward, management training will be undertaken, as well as development of a mentoring programme, and this will feed into the development of a new six-monthly key performance indicator ('KPI') and bonus structure.

Negotiations regarding a three-year collective bargaining agreement at Sasa are scheduled to commence in Q4 2021.

Sustainability reporting

CAML 2020 Sustainability Report

In Q2 2021, CAML published its second standalone Sustainability Report, covering the 2020 activities corporately and at Sasa and Kounrad.

This was the Company's first Sustainability Report to be prepared in accordance with GRI standards 'Core option'. During 2020, CAML identified four of the 17 UN SDGs to which the Company has the capacity to best contribute and its commitments to the following goals are set out in the 2020 Sustainability Report:

- No poverty
- Good health and well-being
- Quality education
- Decent work and economic growth

CAML has committed to the following 2021 and/or long-term targets with a view to maintaining momentum in its sustainability achievements for the future and will report on its performance in these key areas in the 2021 Sustainability Report. Additional targets will be set going forwards as appropriate. Executive Director and Senior Management remuneration will reflect performance against these goals:

- Zero human rights abuses
- Zero fatalities
- Demonstrate a 15% decrease in the LTIFR over the last five-year period
- Implement a three-year collective bargaining agreement at Sasa during 2021
- Ensure, during 2021, that all employees are moved onto a permanent contract after 12 months' employment at Sasa
- Zero severe or major environmental incidents
- Zero severe or major community related incidents
- 0.25% Group revenue committed to social investment

Climate Change

During H1 2021, the CAML team has been developing its understanding of climate change factors which may affect the Group and is working towards developing a Climate Change Strategy.

Consultants, Climate Risk Services, were retained to help the sustainability team to identify CAML's physical and transition risks associated with climate change specifically. These are being embedded into the Company's risk management activities in order to ensure preparedness for the long term.

In terms of GHG emissions, CAML is exploring possible avenues for potential reductions of Scope 1 and Scope 2 emissions at both Sasa and Kounrad.

Sasa has recently negotiated to acquire solely renewable power from its North Macedonian power provider, EVN, from 1 July 2021. Auditing of renewable energy consumption and associated GHG emission

reduction claims is in its infancy in North Macedonia. However, EVN has indicated it would subsequently use a renowned accountancy group to audit its sales of renewable power to Sasa. While 6% of the electricity currently sold to Sasa is renewable by state instruction, but with no means to certification, CAML believes EVN's auditing proposals should be sufficient for CAML to demonstrate a c.94% reduction in Sasa's Scope 2 emissions on an annualised basis versus 2020. CAML should therefore be able to claim an annualised GHG emission reduction of approximately 35% as a result of this initiative. It should be noted, however, that energy consumption is expected to rise during the construction phase of the Cut and Fill Project.

At Kounrad, the solar power plant scoping study that was undertaken during 2020 is currently being upgraded to a full feasibility study and discussions with regulators to ascertain the appropriate courses of action will be undertaken during H2 2021. Further detail will be provided in due course.

Once the team has furthered its research and formalised an overarching strategy, reporting work towards Task Force for Climate Related Disclosure ('TCFD') will be initiated.

Global Industry Standard on Tailings Management ('GISTM')

CAML has committed to reporting to the GISTM for all five of Sasa's tailings storage facilities ('TSFs') within the required three-year timeframe. A working group has been formed, comprising members of the production, tailings, sustainability, community relations and corporate relations teams, overseen by the Sustainability Director, to ensure all workstreams are effectively covered.

External consultants, Knight Piésold and Wardell Armstrong, are being used to bolster the Sasa team where necessary. In June 2021, Knight Piésold undertook an audit of all Sasa's TSFs to assess whether the design, construction and operation of the facilities meets international best practice standards and to provide recommendations to reduce risks associated with the TSFs going forwards. The findings of this study will be delivered to CAML during Q3 2021. Knight Piésold has also assisted CAML with a gap analysis in order for the Company to ensure compliance with the GISTM.

Operations review

Sasa production

In H1 2021, mined and processed ore were 413,987 tonnes and 423,863 tonnes respectively. The average head grades for H1 2021 were 3.14% zinc and 3.50% lead respectively. The average H1 2021 metallurgical recoveries were 84.9% for zinc and 93.2% for lead.

Additional localised ground support was required during the period, resulting in more production from stopes as opposed to from development. The latter typically produces zinc and lead ore of elevated grades due to reduced dilution, and hence head grades were lower in H1 2021.

Sasa produces a zinc concentrate and a separate lead concentrate. Total H1 2021 production was 22,571 tonnes of zinc concentrate at an average grade of 50.0% and 19,119 tonnes of lead concentrate at an average grade of 72.2%.

Sasa typically receives from smelters approximately 84% of the value of its zinc in concentrate and approximately 95% of the value of its lead in concentrate. Accordingly, total payable production for H1 2021 was 9,486 tonnes of zinc and 13,117 tonnes of lead.

Given that deliveries from Sasa to the smelters occur on a regular basis, payable base metal in concentrate sales for the six-month period were similar at 9,419 tonnes of zinc and 13,160 tonnes of lead.

During H1 2021, Sasa sold 151,009 ounces of payable silver to Osisko Gold Royalties, in accordance with its streaming agreement.

The Company expects that 2021 zinc and lead production at Sasa could be towards the lower end of the guidance range, which is between 23,000 tonnes and 25,000 tonnes for zinc and between 30,000 tonnes and 32,000 tonnes for lead.

	Units	H1 2021	H1 2020
Ore mined	t	413,987	416,055
Plant feed	t	423,863	419,856
Zinc grade	%	3.14	3.37
Zinc recovery	%	84.9	86.3
Lead grade	%	3.50	3.82
Lead recovery	%	93.2	94.3
Zinc concentrate	t (dry)	22,571	24,510
- Grade	%	50.0	49.8
- Contained zinc	t	11,292	12,203
Lead concentrate	t (dry)	19,119	21,035
- Grade	%	72.2	72.0
- Contained lead	t	13,807	15,140

Sasa Cut and Fill Project update

A dedicated Capital Projects team has been formed with clear responsibilities, and a construction coordinator, a backfill manager and an additional environmental engineer have been hired. Progress has been made in all aspects of the Cut and Fill Project with \$3.3 million expenditure incurred during H1 2021. Permitting processes for the various work streams are also underway.

The Central Decline

Development of the Central Decline from surface and underground has commenced. This decline will be larger than the existing decline access to the mine and will provide increased ventilation, easier access for reticulation infrastructure and the potential to increase ore mined to 900,000 tonnes per year in the medium term. The profile of the decline has been marginally increased to facilitate the potential future use of the slightly larger underground electric vehicles, and an analysis of diesel versus electric vehicles is currently underway.

Development initially commenced underground on the 910 level and, to date, approximately 200 metres have been developed. It is expected that during 2021 a total of 780 metres will be developed. A designated suite of underground equipment has been allocated to the Central Decline that includes a new twin boom drilling machine, a new dump truck and a new loader, which were delivered to site in June and July 2021.

The total length of this decline will be approximately 3.8 kilometres and construction will be undertaken in three stages during the next four years.

Paste Backfill Plant

The site location for the paste backfill plant has been confirmed, the equipment lay down area established and the new site offices have arrived at Sasa. All major components for the plant have been ordered, including the civils and structural steels, thickener and flocculant plant, the continuous mixer, various pumps including the paste pump and in excess of 4.5 kilometres of pipes for the underground reticulation.

CAML has selected a preferred contractor to design and supply the process automation system for the paste backfill plant, and the electrical engineering aspects of the project will be undertaken by local North Macedonian contractors.

Installation of reticulation pipework to deliver the paste backfill product to the mined voids should commence in H2 2021. Construction of the paste backfill plant is expected to commence in H1 2022 and commissioning and completion is expected on schedule for the end of 2022.

Dry Stack Tailings

The dry stack tailings project comprises two separate aspects – design and construction of the landform on which to stack the dry tailings, and design and construction of the dry stack tailings processing plant.

Knight Piésold has completed a conceptual design for the landform and the detailed design studies are underway and due to be completed in H2 2021. Construction drawings for the stacking of tailings will be completed and the site prepared on schedule throughout 2022.

Detailed design work for the dry stack tailings processing plant, which is expected to filter out residual moisture from the tailings product to approximately 11.5%, has been undertaken. Construction of the site is expected to commence in H1 2022, with commissioning on schedule for the end of 2022.

Processing plant expansion

Technical work is underway to ascertain the most effective process routes to achieve the increase in throughput to 900,000 tonnes per annum by 2023. It is currently anticipated that a third ball mill will be installed and some additional flotation cells may also be required.

Kounrad

CAML is pleased to report a period of strong operational performance at Kounrad, with copper cathode production of 6,214 tonnes for the first six months of 2021. The Company is on course to achieve its full year 2021 copper production guidance of between 12,500 tonnes and 13,500 tonnes.

Copper sales during H1 2021 were 6,241 tonnes, with the majority of the cathode sold to CAML's offtake partner, Traxys Europe S.A. The quality of cathode produced remains excellent, at a purity level of 99.998%, and continues to meet the requirements of the customers.

During the winter of 2020 / 2021, leaching was undertaken only on Western Dump blocks for the first time, and this resulted in some differences in solution metallurgy, which the team effectively managed. However, for 2021/2022, winter blocks will be prepared on both the Eastern and Western Dumps and covering of these blocks in readiness for the winter began in Q2 2021.

In terms of capital expenditure during H1 2021, Phase 1 of the Intermediate Leach System ('ILS') has been completed and 14 kilometres of pipelines have been installed for this purpose with \$0.5 million expenditure capitalised. This will allow Kounrad to irrigate previously leached Western Dump blocks with fresh water pumped from the Lake Balkhash water pipeline via the SX-EW plant and then recirculate the off-flows to new, un-leached Western Dump blocks. Pumps required to move this solution around the site were also installed and the whole process successfully tested post the period end.

Phase 2 of the ILS project will be undertaken in 2022, and this involves installation of the irrigation distribution system enabling separate collection of Western Dump off-flows. It is expected that the ILS systems will be in regular use from April 2023, operating during the seven months of spring and summer each year, and the purpose of this modification is to optimise copper recoveries and maintain pregnant leach solution ('PLS') grades into the processing plant.

Excavation of an 800 metre trench extension is underway around the eastern edge of the Western Dumps to collect solutions flowing in that direction from Dump 21.

The usual anode and cathode replacement activities were undertaken, with 500 refurbished cathodes returned to site for future replacement and an order placed for the 750 new anodes which will be installed during H2 2021.

Business Development

CAML has been active with business development efforts during H1 2021 and, during the six-month period, 18 opportunities have been appraised in geographies including Kazakhstan, Europe, Africa and the Americas and one site visit was undertaken.

Detailed due diligence has been conducted on four opportunities, with external consultants engaged for one of the assets. Three opportunities were discussed in detail at Board level, however there are no advanced discussions underway at present.

Strong base metal prices have generated interest from other parties in terms of mergers and acquisitions ('M&A'). However, diverging views on long term metal outlook, that typically arise in periods of elevated near-term metal prices, have in some cases emerged and these can create differing expectations on asset valuations, making completing transactions more challenging.

Financial Review

Overview

CAML's H1 2021 gross revenue has increased significantly by 41% to \$106.3 million (H1 2020: \$75.4 million) as market conditions moved favourably during the period and the prices of copper, zinc and lead reflected the increasing demand for these metals. The increase is augmented by the onset of the COVID-19 pandemic during the comparative period leading to economic uncertainty and significantly lower metal prices.

The Group generated H1 2021 EBITDA of \$64.4 million (H1 2020: \$42.5 million), representing an increase of 52% from the prior corresponding period due to the increase in commodity prices. The EBITDA margin improved to 61% (H1 2020: 56%), which reflects the increased revenue and the Group's ability to maintain low costs across the operations, notwithstanding global industry cost pressures.

Adjusted EPS from continuing operations was 20.28 cents (H1 2020: 10.35 cents) an increase of 96%, as the Group benefited from increased revenue. EPS from continuing operations, including unrealised losses from financial instruments, was 17.53 cents (H1 2020: 10.35 cents). See note 8 for more details.

CAML generated FCF of \$48.9 million (H1 2020: \$21.2 million). The Group continued to deleverage, having repaid debt of \$19.9 million during the period, reporting 30 June 2021 net debt of \$10.1 million (31 December 2020: \$36.2 million).

Sasa's H1 2021 EBITDA increased to \$26.5 million (H1 2020: \$19.5 million), with a margin of 54% (H1 2020: 51%) due to higher zinc and lead prices realised during H1 2021.

Kounrad's H1 2021 EBITDA increased to \$45.8 million (H1 2020: \$27.1 million), with a margin of 80% (H1 2020: 73%) due to the significant increases in the copper price realised during H1 2021.

Income statement

Group profit before tax ('PBT') from continuing operations increased by 72% to \$41.8 million (H1 2020: \$24.3 million).

Revenue

CAML generated H1 2021 gross revenue of \$106.3 million (H1 2020: \$75.4 million), which is reported after deduction of zinc and lead treatment charges, but before deductions which include offtake buyer's fees and silver purchases for the Sasa silver stream. Net revenue after these deductions was \$100.8 million (H1 2020: \$70.8 million).

Sasa

Overall, Sasa generated H1 2021 gross revenue of \$49.0 million (H1 2020: \$38.4 million). A total of 9,419 tonnes (H1 2020: 10,273 tonnes) of payable zinc in concentrate and 13,161 tonnes (H1 2020: 14,445 tonnes) of payable lead in concentrate were sold during H1 2021. The reduction in payable concentrate sold at Sasa was due to lower zinc and lead grades as a result of more production coming from stopes as opposed to from development.

The zinc price achieved increased by 44% to an average of \$2,829 per tonne (H1 2020: \$1,964 per tonne) and, for lead, the price increased by 26% to an average of \$2,114 per tonne (H1 2020: \$1,676 per tonne), leading to an overall increase in gross revenue generated from the mine. This was marginally offset by higher global treatment charges during the period of \$10.3 million (H1 2020: \$9.9 million). Due to a 2021 reduction in global zinc and lead treatment charges and therefore CAML's treatment charges, terms became more favourable for the Company from April 2021 onwards. During H1 2021, the offtake buyer's fee for Sasa was \$0.5 million (H1 2020: \$0.5 million).

Zinc and lead concentrate sales agreements have been arranged with Traxys through to 31 December 2022 for 100% of Sasa production. Two new smelters in Europe were identified in H1 2021 to further diversify CAML's customer base and 2,446 dry tonnes of lead concentrate were shipped to them during H1 2021.

Sasa has an existing silver streaming agreement with Osisko Gold Royalties whereby Sasa receives approximately \$6 per ounce for its silver production for the life of the mine.

Kounrad

A total of 6,205 tonnes (H1 2020: 6,542 tonnes) of copper cathode from Kounrad were sold as part of the Company's offtake arrangement with Traxys which has been fixed through to October 2022. The commitment is for a minimum of 95% of Kounrad's annual production. A further 36 tonnes (H1 2020: 58 tonnes) were sold locally. Total Kounrad H1 2021 copper sales were 6,241 tonnes (H1 2020: 6,600 tonnes).

While copper cathode sales volumes decreased when compared to H1 2020 due to lower production as we shift to the western dumps, revenue increased significantly due to an 64% increase in the average copper price received, which was \$9,183 per tonne in H1 2021 (H1 2020: \$5,605 per tonne). This generated gross revenue for Kounrad of \$57.3 million (H1 2020: \$37.0 million). During H1 2021, the offtaker's fee for Kounrad was lower than that paid during H1 2020 at \$1.1 million (H1 2020: \$1.2 million) due to reduced sales volumes.

Cost of sales

Group cost of sales for the period was \$39.3 million (H1 2020: \$34.7 million). This includes depreciation and amortisation charges during the period of \$14.8 million (H1 2020: \$14.4 million).

Sasa

Sasa's cost of sales for the period was 11% higher than the previous corresponding period at \$27.8 million (H1 2020: \$25.1 million) as Sasa faced certain inflationary pressures, many of which have been encountered by the industry globally. However, 41% of this total cost increase (\$1.1 million) was currency related as the North Macedonian Denar, which is pegged to the Euro, strengthened to an average of 51.13 against the US Dollar versus a H1 2020 average of 55.71. The material cost increases were a \$0.6 million increase in salaries and \$0.7 million higher costs of reagents, explosives and other consumables both of which include a significant foreign exchange impact.

H1 2021 depreciation increased by \$0.4 million versus H1 2020 due primarily to the inclusion of TSF4 depreciation within these calculations for a full period, which commenced in May 2020.

H1 2021 concession fees increased against H1 2020 by \$0.2 million to \$1.4 million (H1 2020: \$1.2 million) (including a foreign exchange impact). This tax is calculated at the rate of 2% (H1 2020: 2%) on the value of metal recovered during the period and the significant increase in metal prices was only moderately offset by lower production.

Kounrad

Kounrad's H1 2021 cost of sales was higher than H1 2020 at \$11.5 million (H1 2020: \$9.6 million). 47% of this increase was due to an increase in MET. MET is charged by the Kazakhstan authorities at the rate of 5.7% (H1 2020: 5.7%) on the value of metal recovered during the period. MET for the period was \$3.0 million (H1 2020: \$2.1 million) and increased as a result of the higher average copper price during the period.

There was also a H1 2021 increase in LIX and Escaid reagent costs of \$0.6 million to \$1.8 million (H1 2020: \$1.2 million) for which increased consumption arose due to a metallurgical adjustment arising from solely leaching the Western Dumps during the winter period.

H1 2021 Kounrad power costs increased by \$0.2 million due to a 10% increase in local electricity prices from \$0.039/kWh to \$0.043/kWh.

C1 cash cost of production

C1 cash cost of production is a standard metric used in the mining industry to allow comparison across the sector. In line with the industry standard, CAML calculates C1 cash cost by including all direct costs of production at Kounrad and Sasa (reagents, power, production labour and materials, as well as realisation charges such as freight and treatment charges) in addition to local administrative expenses. Royalties, depreciation and amortisation charges are excluded from C1 cash cost.

Sasa

Sasa's C1 zinc equivalent cash cost of production for H1 2021 was \$0.59 per pound (H1 2020: \$0.43 per pound). In addition to the cost increases highlighted above, the \$0.16 per pound increase in the C1 calculation was due to the decreased production volumes of zinc (\$0.04 per pound) and a higher proportion of pro-rata zinc costing resulting from the zinc equivalent calculation due to the increase in zinc revenue versus lead in H1 2021 (\$0.07 per pound). The on-site costs amounted to \$41.6 per tonne (H1 2020: \$35.5 per tonne).

Kounrad

Kounrad's H1 2021 C1 cash cost of production was \$0.57 per pound (H1 2020: \$0.48 per pound) and this remains amongst the lowest in the copper industry. The increase in C1 cash cost versus H1 2020 is due to higher costs as detailed above (\$0.06 per pound) and lower production volumes (\$0.03 per pound).

Group

CAML reports its Group C1 cash cost on a copper equivalent basis incorporating the production costs at Sasa. The Group's H1 2021 C1 copper equivalent cash cost was \$1.39 per pound (H1 2020: \$1.03 per pound). This number is calculated based on Sasa's H1 2021 zinc and lead payable production, which equates to 5,931 copper equivalent tonnes (H1 2020: 8,076 copper equivalent tonnes) added to Kounrad's H1 2021 copper production of 6,214 tonnes (H1 2020: 6,607 tonnes) totalling 12,104 tonnes (H1 2020: 14,683 tonnes). 64% of the Group C1 cash cost increase on a copper equivalent basis is due to a smaller number of copper equivalent production units.

CAML also reports a fully inclusive cost that includes sustaining capital expenditure, local taxes including MET and concession fees, interest on loans and corporate overheads associated with the Kounrad and Sasa projects as well as the C1 cost component. The Group's fully inclusive copper equivalent unit cost for the period increased by \$0.46 per pound to \$1.92 per pound (H1 2020: \$1.46 per pound). The increase is explained by those factors highlighted above which is caused by the relative changes in commodity prices.

Financial instruments

During the period, given the increased capital expenditure expected to deliver the Sasa Cut and Fill Project, the Group entered into commodity price hedge contracts for a portion of its 2021 metal production. These arrangements ensure that CAML retains its exposure to strong copper, zinc and lead prices, while protecting a meaningful proportion of revenues during the higher capex period and continuing to rapidly deleverage.

A Zero Cost Collar contract for 30% of copper production, which includes a put option of \$6,900 per tonne and a call option of \$8,380 per tonne, was put in place for Kounrad. Also, two swap contracts were put in place for 30% of Sasa's payable zinc production to be sold at \$2,804 per tonne and 30% of its payable lead production to be sold at \$2,022 per tonne.

As a result of these financial instruments, the Company recognised \$1.9 million (H1 2020: nil) of realised losses during the period. The fair value of these financial instruments was calculated as at 30 June 2021 with reference to the forward curve of the commodity prices, and an unrealised loss for the remainder of 2021 of \$4.9 million (H1 2020: nil) was recognised and recorded through the income statement. These financial instruments expire at the end of the year, at which point their fair value will be reduced to zero.

Administrative expenses

During the period, administrative expenses increased to \$9.1 million (H1 2020: \$7.1 million), largely due to an increased non-cash share-based payment charge of \$1.3 million (H1 2020: \$0.3 million). In H1 2021 a share-based payment charge was recognised for both the 2019 and 2020 share options granted to employees which vest over three years whereas in the comparative period the charge recognised was for only the 2019 share options granted. In addition, in the comparative period there was no dividend additional share awards made in the comparative period as a result of no final 2019 dividend.

There was also an increase in salary costs of \$0.3 million due in large part to the weakening of the US Dollar versus the Sterling rate, as well as additional staff members.

Finance costs

The Group incurred lower finance costs in H1 2021 versus H1 2020 of \$2.4 million (H1 2020: \$3.5 million) resulting from further scheduled debt repayments and therefore a reduced level of debt. Interest rates were also lower due to further reductions in LIBOR.

Taxation

H1 2021 Group corporate income tax increased to \$10.9 million (H1 2020: \$6.1 million) as a result of higher profits at Kounrad of \$43.8 million (H1 2020: \$25.2 million) taxed at a corporate income tax rate of 20% and at Sasa of \$13.0 million (H1 2020: \$6.7 million) at a corporate income tax rate of 10%.

Discontinued operations

The Group continues to report the results of the Copper Bay entities within Discontinued Operations. These assets were fully written off in prior years.

Balance sheet

Capital expenditure

During the period, there were additions to property, plant and equipment of \$6.6 million (H1 2020: \$4.7 million). The additions were a combination of \$1.2 million (H1 2020: \$0.6 million) Kounrad sustaining capital expenditure, \$2.9 million (H1 2020: \$4.1 million) Sasa sustaining capital expenditure and \$2.5 million (H1 2020: nil) in relation to the Sasa Cut and Fill Project.

Kounrad expenditure included \$0.8 million on solution pipes, lining and dripper pipes, which were higher than in H1 2020 due to the global oil price increase impacting the cost of plastics. The cost of dripper pipes increased by 15% and PND pipes by 6% leading to increased sustaining capex. There was also further expenditure on new anodes and a new bulldozer.

Sasa sustaining capital expenditure includes capitalised mine development of \$1.5 million, and \$0.3 million on additional mobile plant. Project capital expenditure includes a cost of \$1.5 million for the Central Decline which related to a new Epiroc mobile plant including a boomer and loader as well as costs associated with prepayments for the design and construction of the paste backfill equipment as well as technical studies.

Working capital

As at 30 June 2021, current trade and other receivables were \$7.4 million (31 December 2020: \$8.9 million), which includes trade receivables from the offtake sales of \$1.6 million (31 December 2020: \$1.9 million) and \$2.7 million in relation to prepayments and accrued income (31 December 2020: \$2.2 million). The corporate tax recoverable balance at Sasa has decreased by \$1.2 million due to increase in zinc and lead prices reducing the previously accumulated recoverable balance.

Non-current trade and other receivables were \$5.7 million (31 December 2020: \$3.8 million) which has increased due to prepayments made on property, plant and equipment purchases as part of the Sasa Cut and Fill Project. As at 30 June 2021, a total of \$3.8 million (31 December 2020: \$3.4 million) of VAT receivable was owed to the Group by the Kazakhstan authorities. Recovery is still expected through the local sales of cathode to offset these liabilities.

As at 30 June 2021, current trade and other payables were \$19.2 million (31 December 2020: \$12.9 million). This has increased significantly as a result of the new commodity price hedge contracts which have a fair value of \$4.9 million (31 December 2020: nil) as at 30 June 2021. There has also been an increase in

tax payable of \$8.3 million (31 December 2020: \$3.7 million) due to the increase in copper prices increasing the corporation tax liability to be paid ahead of the year end.

Cash and borrowings

As at 30 June 2021, non-current and current borrowings were \$13.8 million (31 December 2020: \$32.3 million) and \$47.1 million respectively (31 December 2020: \$48.1 million). The reduction of \$19.5 million reflects debt repaid during the period of \$19.2 million, repayments of overdrafts of \$0.7 million and foreign exchange impact of \$0.3 million. This is countered by the effective interest rate amount of \$0.7 million relating to unwinding directly attributable fees.

The corporate debt facility with Traxys has a final maturity date of 4 November 2022. The monthly repayment schedule is \$3.2 million and interest is payable at LIBOR plus 4.00%. Security is provided over the shares in CAML Kazakhstan BV, certain bank accounts and the offtake agreements between Traxys and each operation. The financial covenants of the debt which include the monitoring of gearing and leverage ratios are all carefully monitored by management, and the Group is currently compliant and forecast to continue to be compliant with significant headroom.

The overdraft facility agreed with Komercijalna Banka AD Skopje with a fixed interest rate of 2.4% - 2.5%, dependent on conditions, was extended post period end for a further year to 30 July 2022. In June 2020, a new overdraft facility was agreed with Ohridska Banka A.D. Skopje with a fixed interest rate of 2.5% denominated in Macedonian Denar. This was originally repayable on 26 June 2021 and was extended for a further year to 26 June 2022.

As of 30 June 2021, the Group had cash in the bank of \$54.3 million and gross debt of \$60.9 million. Gross debt comprises \$52.2 million in corporate debt through Traxys and \$8.7 million of North Macedonian overdraft facilities.

Cash flows

The operational performance of both Kounrad and Sasa and the associated low costs of production resulted in strong cash flows for the Group and net cash flow generated from operations was \$53.4 million (H1 2020: \$25.8 million).

During the period, debt repayments of \$19.2 million were made (H1 2020: \$19.2 million) in relation to the Traxys loan and a further \$0.7 million of overdraft was repaid, plus interest, totalling \$1.5 million (H1 2020: \$2.9 million).

Taking into account sustaining capital expenditure of \$4.5 million CAML's free cash flow for H1 2021 was \$48.9 million (H1 2020: \$21.1 million). There was additional capital expenditure of \$3.3 million associated with the Sasa Cut and Fill Project, which include prepayments for fixed assets not yet capitalised.

\$0.1 million (H1 2020: \$0.6 million) of North Macedonia corporate income tax was paid in cash during the period in addition to a \$2.1 million (H1 2020: \$2.3 million) non-cash payment against VAT and corporate income tax receivable. \$6.0 million (H1 2020: \$5.0 million) of Kazakhstan corporate income tax was paid during the period.

Dividend

In conjunction with CAML's H1 2021 results, the Board has declared an interim dividend for the period of 8 pence per Ordinary Share which represents 40% of free cash flow in line with this policy. This demonstrates an extremely positive start to 2021, particularly in terms of commodity prices. This latest dividend will increase the amount returned to shareholders in dividends and share buy-backs since the 2010 IPO to \$229.0 million.

Going concern

The Group sells and distributes its copper product primarily through an offtake arrangement which is in place until October 2022 whereby Traxys commits to sell a minimum of 95% of Kounrad's cathode. The Group sells 100% of Sasa's zinc and lead concentrate product through an offtake arrangement with Traxys which has been fixed through to 31 December 2022.

The Group meets its day to day working capital requirements through its profitable and cash generative operations at Kounrad and Sasa. The Group manages liquidity risk by maintaining adequate committed borrowing facilities and the Group has substantial cash balances as at 30 June 2021. During H1 2021, both the Kounrad facility in Kazakhstan and the Sasa mine in North Macedonia continued to operate with no disruptions to production or sales volumes due to COVID-19.

The financial covenants of CAML's debt, which include the monitoring of gearing and leverage ratios, are all routinely monitored by management and the Group is compliant with its covenants.

The Board has reviewed forecasts for the period to December 2022 to assess the Group's liquidity and debt covenant compliance which demonstrate substantial headroom. Additional sensitivity scenarios have been considered in terms of pricing and production including consideration of inherent COVID-19 risks, together with reverse stress testing of the forecasts in line with best practice. Liquidity and covenant headroom was demonstrated in each reasonably possible scenario. Accordingly, the Directors continue to adopt the going concern basis in preparing the consolidated financial information.

Non-IFRS financial measures

The Group uses alternative performance measures, which are not defined by generally accepted accounting principles ('GAAP') such as IFRS, as additional indicators. These measures are used by management, alongside the comparable GAAP measures, in evaluating the business performance. The measures are not intended as a substitute for GAAP measures and may not be comparable to similarly reported measures by other companies. The following non-IFRS alternative performance financial measures are used in this report:

Earnings before Interest, tax, depreciation and amortisation ('EBITDA')

EBITDA is a valuable indicator of the Group's ability to generate liquidity and is frequently used by investors and analysts for valuation purposes. It is also a non-IFRS financial measure which is reconciled as follows:

	Six months ended	
	30-Jun-21	30-Jun-20
	\$'000	\$'000
Profit for the period	30,965	18,304
Plus/(less):		
Income tax expense	10,870	6,065
Depreciation and amortisation	15,131	14,650
Unrealised loss on financial derivatives	4,855	-
Foreign exchange loss	248	370
Loss/(profit) on disposal of property, plant and equipment	11	(296)
Other income (net of expenses)	(57)	(3)
Finance income	(42)	(83)
Finance costs	2,410	3,472
Profit from discontinued operations	(9)	(23)
EBITDA	64,382	42,456

Gross revenue

Gross revenue is presented as the total revenue received from sales of all commodities after deducting the directly attributable treatment charges associated for the sale of zinc, lead and silver. This figure is presented as it reflects the total revenue received in respect of the zinc and lead concentrate and is used to reflect the movement in commodity prices during the period. The Board considers gross revenue, together with the reconciliation to net IFRS revenue to provide valuable information on the drivers of IFRS revenue.

Net debt

Net debt is a measure used by the Board for the purposes of capital management and is calculated as the total of the borrowings held with Traxys and bank overdrafts less the cash and cash equivalents held at the end of the period. This balance does not include the restricted cash balance of \$3.6 million (2020: \$3.6 million):

	30-Jun-21 \$'000	31-Dec-20 \$'000
Borrowings	60,869	80,412
Cash and cash equivalents	(50,743)	(44,231)
Net debt	10,126	36,181

Free cash flow

Free cash flow is a non-IFRS financial measure of the cash from operations less sustaining capital expenditure on property, plant and equipment and intangible assets and is presented as follows:

	Six months ended	
	30-Jun-21 \$'000	30-Jun-20 \$'000
Net cash generated from operating activities	53,352	25,787
Less: Purchase of sustaining property, plant and equipment	(4,450)	(4,622)
Free cash flow	48,902	21,165

The purchase of sustaining property, plant and equipment figure above does not include the \$3.3 million (H1 2020: nil) of expenditure on the Sasa Cut and Fill Project which includes prepayments not yet capitalised. These costs are not considered sustaining capital expenditure as they are expansionary development costs required for the transition to the Cut and Fill mining technique. These exceptional costs are expected to continue until the end of 2022.

Directors' Responsibility Statement

The Directors confirm that, to the best of their knowledge, the interim financial information has been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the United Kingdom and the AIM Rules for Companies, and that the interim results include a fair review of the information required.

On behalf of the Board

Gavin Ferrar
Chief Financial Officer

14

September

2021

INDEPENDENT REVIEW REPORT TO CENTRAL ASIA METALS PLC

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2021 which comprise:

- the condensed consolidated interim statement of financial position as at 30 June 2021;
- the condensed consolidated interim income statement and condensed consolidated interim statement of comprehensive income for the period then ended;
- the condensed consolidated interim statement of changes in equity;
- the condensed consolidated interim statement of cash flows;
- notes to the consolidated interim financial information.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of and has been approved by the Directors. The Directors are responsible for preparing the interim report in accordance with the rules of the London Stock Exchange for companies trading securities on AIM which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the Company's annual accounts having regard to the accounting standards applicable to such annual accounts.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2021 is not prepared, in all material respects, in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

Use of our report

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the rules of the London Stock Exchange for companies trading securities on AIM and for no other purpose. No person is entitled to rely on this report unless such a person is a

person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

BDO LLP
Chartered Accountants
London
14 September 2021

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

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT (unaudited)
for the six months period ended 30 June 2021

		Six months ended	
		30-Jun-21	30-Jun-20
	Note	\$'000	\$'000
Continuing operations			
Revenue		100,827	70,807
Presented as:			
Gross revenue		106,305	75,416
Less:			
Silver stream purchases		(3,781)	(2,949)
Offtake buyers' fees		(1,697)	(1,660)
Revenue		100,827	70,807
Cost of sales		(39,297)	(34,656)
Distribution and selling costs		(1,270)	(1,237)
Gross profit		60,260	34,914
Administrative expenses		(9,104)	(7,108)
Other gains and losses	6	(6,714)	299
Foreign exchange loss		(248)	(370)
Operating profit		44,194	27,735
Finance income		42	83
Finance costs		(2,410)	(3,472)
Profit before income tax		41,826	24,346
Income tax	7	(10,870)	(6,065)
Profit for the period from continuing operations		30,956	18,281
Discontinued operations			
Profit for the period from discontinued operations		9	23
Profit for the period		30,965	18,304
Profit attributable to:			
Non-controlling interests		3	8
Owners of the parent		30,962	18,296
		30,965	18,304
Earnings per share from continuing and discontinued operations attributable to owners of the parent during the period (expressed in cents per share)			
		\$ cents	\$ cents
Basic earnings per share			
From continuing operations	8	17.53	10.35
From discontinued operations		0.01	0.01
From profit for the period		17.54	10.36
Diluted earnings per share			
From continuing operations	8	17.07	10.09
From discontinued operations		0.01	0.01
From profit for the period		17.08	10.10

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (unaudited)
for the six months period ended 30 June 2021

	Six months ended	
	30-Jun-21	30-Jun-20
	\$'000	\$'000
Profit for the period	30,965	18,304
Other comprehensive expense:		
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences	(13,152)	(483)
Other comprehensive expense for the period, net of tax	(13,152)	(483)
Total comprehensive income for the period	17,813	17,821
Attributable to:		
- Non-controlling interests	3	8
- Owners of the parents	17,810	17,813
Total comprehensive income for the period	17,813	17,821
Total comprehensive income attributable to equity shareholders arises from:		
- Continuing operations	17,804	17,798
- Discontinued operations	9	23
	17,813	17,821

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (unaudited)
as at 30 June 2021

		Unaudited	Audited
		30-Jun-21	31-Dec-20
	Note	\$'000	\$'000
Assets			
Non-current assets			
Property, plant and equipment	9	397,917	418,045
Intangible assets	10	54,440	56,640
Deferred income tax asset	14	354	236
Other non-current receivables	12	5,681	3,842
		458,392	478,763
Current assets			
Inventories	11	8,175	7,830
Trade and other receivables	12	7,411	8,945
Restricted cash		3,578	3,641
Cash and cash equivalents		50,743	44,231
		69,907	64,647
Assets of the disposal group classified as held for sale		44	58
		69,951	64,705
Total assets		528,343	543,468
Equity attributable to owners of the parent			
Ordinary shares		1,765	1,765
Share premium		191,988	191,537
Treasury shares		(2,493)	(3,840)
Currency translation reserve		(86,650)	(73,498)
Retained earnings		288,988	278,103
		393,598	394,067
Non-controlling interests		(1,312)	(1,315)
Total equity		392,286	392,752
Liabilities			
Non-current liabilities			
Borrowings	15	13,796	32,320
Silver streaming commitment		18,857	19,246
Deferred income tax liability	14	24,939	26,199
Lease liability		365	432
Provision for other liabilities and charges		7,359	6,999
		65,316	85,196
Current liabilities			
Borrowings	15	47,074	48,092
Silver streaming commitment		1,341	1,573
Trade and other payables	13	19,197	12,895
Lease liability		453	248
Provisions for other liabilities and charges		2,658	2,687
		70,723	65,495
Liabilities of disposal group classified as held for sale		18	25
		70,741	65,520
Total liabilities		136,057	150,716
Total equity and liabilities		528,343	543,468

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (unaudited)
for the six months period ended 30 June 2021

	Ordinary shares	Share premium	Treasury shares	Currency translation reserve	Retained earnings	Total	Non- controlling interest	Total equity
Attributable to owners of the parent	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2021	1,765	191,537	(3,840)	(73,498)	278,103	394,067	(1,315)	392,752
Profit for the period	-	-	-	-	30,962	30,962	3	30,965
Other comprehensive expense– currency translation differences	-	-	-	(13,152)	-	(13,152)	-	(13,152)
Total comprehensive income/(expense)	-	-	-	(13,152)	30,962	17,810	3	17,813
Transactions with owners								
Share based payments	-	-	-	-	1,106	1,106	-	1,106
Exercise of options	-	451	1,347	-	(1,798)	-	-	-
Dividends	-	-	-	-	(19,385)	(19,385)	-	(19,385)
Total transactions with owners, recognised directly in equity	-	451	1,347	-	(20,077)	(18,279)	-	(18,279)
Balance as at 30 June 2021	1,765	191,988	(2,493)	(86,650)	288,988	393,598	(1,312)	392,286

	Ordinary shares	Share premium	Treasury shares	Currency translation reserve	Retained earnings	Total	Non- controlling interest	Total equity
Attributable to owners of the parent	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2020	1,765	191,184	(6,526)	(100,473)	250,480	336,430	(1,324)	335,106
Profit for the period	-	-	-	-	18,296	18,296	8	18,304
Other comprehensive expense– currency translation differences	-	-	-	(483)	-	(483)	-	(483)
Total comprehensive income/(expense)	-	-	-	(483)	18,296	17,813	8	17,821
Transactions with owners								
Share based payments	-	-	-	-	275	275	-	275
Exercise of options	-	-	1,601	-	(1,622)	(21)	-	(21)
Disposal of subsidiaries	-	-	-	-	(122)	(122)	(11)	(133)
Total transactions with owners, recognised directly in equity	-	-	1,601	-	(1,469)	132	(11)	121
Balance as at 30 June 2020	1,765	191,184	(4,925)	(100,956)	267,307	354,375	(1,327)	353,048

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (unaudited)
for the six months period ended 30 June 2021

		Six months ended	
		30-Jun-21	30-Jun-20
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash generated from operations	16	60,931	34,346
Interest paid		(1,488)	(2,932)
Corporate income tax paid (net of refunds)		(6,091)	(5,627)
Net cash flow generated from operating activities		53,352	25,787
Cash flows from investing activities			
Purchases of property, plant and equipment		(7,713)	(4,622)
Proceeds from sale of property, plant and equipment		-	300
Interest received		42	83
Decrease in restricted cash		63	305
Net cash used in investing activities		(7,608)	(3,934)
Cash flows from financing activities			
(Repayment)/drawdown of overdraft	15	(708)	9,105
Repayment of borrowings	15	(19,200)	(19,200)
Dividend paid to owners of the parent		(19,385)	-
Receipt on exercise of share options		13	6
Net cash used in financing activity		(39,280)	(10,089)
Effect of foreign exchange gain/(losses) on cash and cash equivalents		35	(148)
Net increase in cash and cash equivalents		6,499	11,616
Cash and cash equivalents at 1 January		44,287	28,672
Cash and cash equivalents at 30 June		50,786	40,288

Cash and cash equivalents at 30 June 2021 includes cash at bank on hand included in assets held for sale of \$43,000 (30 June 2020: \$30,000). The consolidated statement of cash flows does not include the restricted cash balance of \$3,578,000 (30 June 2020: \$3,708,000).

1. General information

Central Asia Metals plc ('CAML' or the 'Company') and its subsidiaries (the 'Group') are a mining organisation with operations in Kazakhstan and North Macedonia and a parent holding company based in England in the United Kingdom ('UK').

The Group's principal business activities are the production of copper at its Kounrad operations in Kazakhstan and the production of lead, zinc and silver at its Sasa operations in North Macedonia. CAML owns 100% of the Kounrad SX-EW copper project in Kazakhstan and 100% of the Sasa zinc-lead mine in North Macedonia. The Company also owns a 75% equity interest in Copper Bay Limited which is currently held for sale.

CAML is a public limited company, which is listed on the AIM Market of the London Stock Exchange and incorporated and domiciled in England, UK. The address of its registered office is Masters House, 107 Hammersmith Road, London, W14 0QH. The Company's registered number is 5559627.

The condensed consolidated interim financial information incorporates the results of Central Asia Metals plc and its subsidiary undertakings as at 30 June 2021 and was approved by the Directors for issue on 15 September 2021. The condensed consolidated financial statements are unaudited and do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The information for the year ended 31 December 2020 included in this report was derived from the statutory accounts for that year, which were prepared in accordance with International Financial Reporting Standards ('IFRSs') issued by the International Accounting Standards Board ('IASB') and interpretations issued by the International Financial Reporting Interpretations Committee ('IFRIC') of the IASB, as adopted by the UK up to 31 December 2020, a copy of which has been delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain a statement under 498(2) 498(3) of the Companies Act 2006.

The comparative figures for the financial period ended 31 December 2020 are not the Group's statutory accounts for that financial period. Those accounts have been reported on by the Group's auditors and delivered to the registrar of companies. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

This condensed consolidated interim financial information has been reviewed, not audited.

2. Basis of preparation

These condensed consolidated interim financial statements for the 6 months to 30 June 2021 have been prepared in accordance with IAS 34 'Interim financial reporting' and also in accordance with the measurement and recognition principles of UK adopted international accounting standards. They do not include all of the information required for full annual financial statements and should be read in conjunction with the 2020 Annual Report and Accounts, which were prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The comparative figures for the financial period ended 31 December 2020 are not the Group's statutory accounts for that financial period. Those accounts have been reported on by the Group's auditors and delivered to the registrar of companies. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Principal risks and uncertainties

In preparing the condensed consolidated interim financial information management is required to consider the principal risks and uncertainties facing the Group.

In management's opinion the principal risks and uncertainties facing the Group are unchanged since the preparation of the consolidated financial statements for the year ended 31 December 2020. Those risks and uncertainties, together with management's response to them are described in the Principal Risks and Uncertainties section of the 2020 Annual Report and Accounts.

3. Accounting policies

The accounting policies, methods of computation and presentation used in the preparation of the condensed consolidated interim financial information are the same as those used in the Group's audited financial statements for the year ended 31 December 2020.

Going concern

The Group sells and distributes its copper product primarily through an offtake arrangement which is in place until October 2022 whereby Traxys commits to sell a minimum of 95% of Kounrad's cathode. The Group sells 100% of Sasa's zinc and lead concentrate product through an offtake arrangement with Traxys which has been fixed through to 31 December 2022.

The Group meets its day to day working capital requirements through its profitable and cash generative operations at Kounrad and Sasa. The Group manages liquidity risk by maintaining adequate committed borrowing facilities and the Group has substantial cash balances as at 30 June 2021. During H1 2021, both the Kounrad facility in Kazakhstan and the Sasa mine in North Macedonia continued to operate with no disruptions to production or sales volumes due to COVID-19.

The financial covenants of CAML's debt, which include the monitoring of gearing and leverage ratios, are all routinely monitored by management and the Group is compliant with its covenants.

The Board have reviewed forecasts for the period to December 2022 to assess the Group's liquidity and debt covenant compliance which demonstrate substantial headroom. Additional sensitivity scenarios have been considered in terms of pricing and production including consideration of inherent Covid-19 risks, together with reverse stress testing of the forecasts in line with best practice. Liquidity and covenant headroom was demonstrated in each reasonably possible scenario. Accordingly, the Directors continue to adopt the going concern basis in preparing the consolidated financial information.

Revenue

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. These steps are as follows: identification of the customer contract; identification of the contract performance obligations; determination of the contract price; allocation of the contract price to the contract performance obligations; and revenue recognition as performance obligations are satisfied.

Under IFRS 15, revenue is recognised when the performance obligations are satisfied and the customer obtains control of the goods or services, usually when title has passed to the buyer and the goods have been delivered in accordance with the contractual delivery terms.

Those sales of zinc and lead made abroad to China and Korea are sold under CIF where legal title transfers when the goods are loaded onto the ship and leave the port. However, part of the transaction price is allocated to a distinct 'shipping and insurance' as we are responsible for arranging the freight and insurance on behalf of customer. This amount is not material to the Group so no adjustment has been made to the financial statements.

Sales of lead made to our new European smelter customer are sold under FOB where legal title transfers when the goods are loaded onto the ship and leave the port.

Revenue is measured at the fair value of consideration received or receivable from sales of metal to an end user, net of any buyers' discount, treatment charges and value added tax. The Group recognises revenue when the amount of revenue can be reliably measured and when it is probable that future economic benefits will flow to the entity.

The value of consideration is fair value which equates to the contractually agreed price. The offtake agreements provide for provisional pricing i.e. the selling price is subject to final adjustment at the end of the quotation period based on the average price for the month following delivery to the buyer. Such a provisional sale contains an embedded derivative which is not required to be separated from the underlying host contract, being the sale of the commodity. At each reporting date, if any sales are provisionally priced, the provisionally priced copper cathode, zinc and lead sales are marked-to-market using forward prices, with any significant adjustments (both gains and losses) being recorded in revenue in the Income Statement and in trade receivables in the Statement of Financial Position.

The Company may mitigate commodity price risk by fixing the price in advance for its copper cathode with the offtake partner and also its zinc and lead sales with the banks where a facility has been set up and agreed. The price fixing arrangements are outside the scope of IFRS 9 Financial Instruments: Recognition and Measurement and do not meet the criteria for hedge accounting.

The Group reports both a gross revenue and revenue line. Gross revenue is reported after deductions of treatment charges but before deductions of offtakers fees and silver purchases under the Silver Stream.

Derivative financial instruments

The Group uses commodity price contracts to reduce its exposure to risks from commodity price movements. Derivative financial instruments are primarily used as a means of managing exposure to price in line with the Group risk management strategy. Derivative financial liabilities are initially recognised and measured at fair value on the date a derivative contract is entered into and then subsequently re-measured at fair value by reference to valuation models and the probability of outcome scenarios and categorised as level 2 measurements:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

For the derivative contracts held the Group are recognising the financial instruments with level 2 data as the valuation is obtained using MTM market data using the forward curve of the commodity prices. However, there is no readily observable market information for these exact derivative instruments.

The realised and unrealised losses and gains are recognised in other gains and losses in the income statement.

Taxation

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

Changes in accounting policies

Amendments regarding replacement issues in the context of the IBOR reform have been brought in and are effective from 1 January 2021. The amendments to the IBOR reform will not have a significant impact on the financial statements.

4. Critical accounting judgements and estimates

The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these judgements and estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2020 which can be obtained from www.centralasiametals.com.

5. Segmental information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker which is considered to be the Board.

The segment results for the six months ended 30 June 2021 are as follows:

	Unaudited			
	Kounrad	Sasa	Unallocated	Total
	\$'000	\$'000	\$'000	\$'000
Gross revenue	57,287	49,018	-	106,305
Silver stream purchases	-	(3,780)	-	(3,780)
Offtake buyers' fees	(1,149)	(549)	-	(1,698)
Revenue	56,138	44,689	-	100,827
EBITDA	45,774	26,507	(7,899)	64,382
Depreciation and amortisation	(2,003)	(13,006)	(122)	(15,131)
Unrealised loss on financial instrument	-	-	(4,855)	(4,855)
Foreign exchange gain/(loss)	35	(209)	(74)	(248)
Other income/(expense)	93	4	(51)	46
Finance income	10	-	32	42
Finance costs	(79)	(309)	(2,022)	(2,410)
Profit/(loss) before income tax	43,830	12,987	(14,991)	41,826
Income tax				(10,870)
Profit for the period after taxation from continuing operations				30,956
Profit from discontinued operations				9
Profit for the period				30,965

Depreciation and amortisation includes amortisation on the fair value uplift on acquisition of Sasa and Kounrad of \$8.7 million.

The segment results for the six months ended 30 June 2020 are as follows:

	Unaudited			
	Kounrad	Sasa	Unallocated	Total
	\$'000	\$'000	\$'000	\$'000
Gross revenue	36,976	38,440	-	75,416
Silver stream purchases	-	(2,949)	-	(2,949)
Offtake buyers' fees	(1,210)	(450)	-	(1,660)
Revenue	35,766	35,041	-	70,807
EBITDA	27,092	19,501	(4,137)	42,456
Depreciation and amortisation	(2,045)	(12,487)	(118)	(14,650)
Foreign exchange gain/(loss)	80	(434)	(16)	(370)
Other income/(expense)	103	290	(94)	299
Finance income	6	-	77	83
Finance costs	(83)	(158)	(3,231)	(3,472)
Profit/(loss) before income tax	25,153	6,712	(7,519)	24,346
Income tax				(6,065)
Profit for the period after taxation from continuing operations				18,281
Profit from discontinued operations				23
Profit for the period				18,304

Depreciation and amortisation includes amortisation on the fair value uplift on acquisition of Sasa and Kounrad of \$9.2 million.

A reconciliation between profit for the period and EBITDA is presented in the Financial Review section.

Group segmental assets and liabilities as at the 30 June 2021 are as follows:

	Segmental Assets		Non-current Asset additions		Segmental Liabilities	
	30-Jun-21	31-Dec-20	30-Jun-21	30-Jun-20	30-Jun-21	31-Dec-20
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Kounrad	67,650	66,562	1,208	721	(14,870)	(11,142)
Sasa	415,971	435,141	5,364	3,997	(60,689)	(62,792)
Assets held for sale	44	58	-	-	(18)	(25)
Unallocated including corporate	44,678	41,707	13	1	(60,480)	(76,757)
Total	528,343	543,468	6,585	4,719	(136,057)	(150,716)

6. Other gains and losses

	Six months ended	
	30-Jun-21	30-Jun-20
	\$'000	\$'000
Realised losses on financial derivatives	(1,905)	-
Unrealised losses on financial derivatives (note 13)	(4,855)	-
Loss/(profit) on disposal of property, plant and equipment	(11)	296
Other income (net of other expenses);	57	3
	(6,714)	299

The Group entered into derivative financial instruments to manage the Groups commodity price risk during the period and has made a realised loss of during the period of \$1,905,000 (H1 2020: nil) as the actual commodity prices were in excess of the agreed financial instruments.

The derivative financial instruments are classified as FVTPL and at 30 June 2021 the financial instruments are measured at fair value with reference to the forward curve of the commodity prices with an unrealised loss recognised of \$4,855,000 (H1 2020: nil) and the unrealised loss movement recorded through the income statement.

7. Income tax

	Six months ended	
	30-Jun-21	30-Jun-20
	\$'000	\$'000
Current tax on profits for the period	11,517	6,823
Deferred tax credit (note 14)	(647)	(758)
Income tax expense	10,870	6,065

Taxation for each jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

Corporate income tax is calculated at 19% (H1 2020: 19%) of the assessable profit for the period for the UK parent company, 20% for the operating subsidiaries in Kazakhstan (H1 2020: 20%) and 10% (H1 2020: 10%) for the operating subsidiaries in North Macedonia.

Deferred tax assets have not been recognised on tax losses primarily at the parent company and Copper Bay subsidiaries as it remains uncertain whether these entities will have sufficient taxable profits in the future to utilise these losses.

8. Earnings per share

a) Basic

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period excluding ordinary shares purchased by the Company and held as treasury shares.

	Six months ended	
	30-Jun-21	30-Jun-20
	\$'000	\$'000
Profit from continuing operations attributable to owners of the parent	30,953	18,273
Profit from discontinued operations attributable to owners of the parent	9	23
Total	30,962	18,296
Weighted average number of ordinary shares in issue	176,498,266	176,498,266
Earnings per share from continuing and discontinued operations attributable to owners of the parent during the period (expressed in \$ cents per share)	\$ cents	\$ cents
From continuing operations	17.53	10.35
From discontinued operations	0.01	0.01
From profit for the period	17.54	10.36

b) Diluted

The diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding after assuming the conversion of all outstanding granted share options.

	Six months ended	
	30-Jun-21	30-Jun-20
	\$'000	\$'000
Profit from continuing operations attributable to owners of the parent	30,953	18,273
Profit from discontinued operations attributable to owners of the parent	9	23
Total	30,962	18,296
Weighted average number of ordinary shares in issue	176,498,266	176,498,266
Adjusted for:		
- Share Options	4,789,387	4,523,208
Weighted average number of ordinary shares for diluted earnings per share	181,287,653	181,021,474
Diluted earnings per share	\$ cents	\$ cents
From continuing operations	17.07	10.09
From discontinued operations	0.01	0.01
From profit for the period	17.08	10.10

c) Adjusted basic earnings per share

To allow comparability, the Directors believe that the Adjusted EPS provides a more appropriate representation of the underlying earnings of the Group given the temporary nature of the financial instruments arrangements, with an unrealised loss of \$4,855,000 recorded in the income statement. This is not expected to be recurring as these arrangements were put in place to protect a meaningful proportion of revenues during the higher capex period of the Cut and Fill Projects and as the Group continues to rapidly deleverage. The financial instruments also expire at the end of the year, and unrealised losses will be reduced to zero.

The adjusting items are shown in the table below:

	Six months ended	
	30-Jun-21	30-Jun-20
	\$'000	\$'000
Profit from continuing operations attributable to owners of the parent	30,953	18,273
Profit from discontinued operations attributable to owners of the parent	9	23
Total	30,962	18,296
Adjustments:		
Unrealised losses on financial instruments	4,855	-
Adjusted continuing profit for the period	35,817	-
Weighted average number of ordinary shares in issue	176,498,266	176,498,266
Adjusted earnings per share from continuing and discontinued operations attributable to owners of the parent during the period (expressed in \$ cents per share)	\$ cents	\$ cents
From continuing operations	20.28	10.35
From discontinued operations	0.01	0.01
From adjusted profit for the period	20.29	10.36

d) Adjusted diluted earnings per share

	Six months ended	
	30-Jun-21	30-Jun-20
	\$'000	\$'000
Profit from continuing operations attributable to owners of the parent	30,953	18,273
Profit from discontinued operations attributable to owners of the parent	9	23
Total	30,964	18,296
Adjustments:		
Unrealised losses on financial instruments	4,855	-
Adjusted continuing profit for the period	35,817	-
Weighted average number of ordinary shares in issue	176,498,266	176,498,266
Adjusted for:		
- Share Options	4,789,387	4,523,208
Weighted average number of ordinary shares for diluted earnings per share	181,287,653	181,021,474
Adjusted Diluted earnings per share	\$ cents	\$ cents
From continuing operations	19.75	10.09
From discontinued operations	0.01	0.01
From adjusted profit for the period	19.76	10.10

9. Property, plant and equipment

	Construction in progress	Plant and equipment	Mining assets	Motor vehicles and ROU assets	Land	Mineral rights	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost							
At 1 January 2021	4,737	146,799	1,292	2,874	677	369,029	525,408
Additions	6,195	354	-	36	-	-	6,585
Disposals	(10)	(9)	-	-	-	-	(19)
Change in estimate – asset retirement obligation	-	160	-	-	-	-	160
Transfers	(4,125)	4,122	-	3	-	-	-
Exchange differences	(169)	(2,841)	(21)	(24)	(22)	(9,948)	(13,025)
At 30 June 2021	6,628	148,585	1,271	2,889	655	359,081	519,109
Accumulated depreciation							
At 1 January 2021	-	50,266	401	1,532	-	55,164	107,363
Provided during the period	-	6,069	51	192	-	7,985	14,297
Disposals	-	(8)	-	-	-	-	(8)
Exchange differences	-	(439)	(7)	(14)	-	-	(460)
At 30 June 2021	-	55,888	445	1,710	-	63,149	121,192
Net book value at 30 June 2021	6,628	92,697	826	1,179	655	295,932	397,917

The increase in estimate in relation to the asset retirement obligation of \$160,000 is due to adjusting the provision recognised at the net present value of future expected costs using latest assumptions on inflation rates and discount rates.

10. Intangible assets

	Goodwill	Mining licences and permits	Computer software and website	Total
	\$'000	\$'000	\$'000	\$'000
Cost				
At 1 January 2021	31,553	36,160	271	67,984
Transfer from Property, plant and equipment	-	-	55	55
Exchange differences	(765)	(605)	(2)	(1,372)
At 30 June 2021	30,788	35,555	324	66,667
Accumulated amortisation				
At 1 January 2021	-	11,082	262	11,344
Provided during the period	-	927	7	934
Exchange differences	-	(50)	(1)	(51)
At 30 June 2021	-	11,959	268	12,227
Net book value at 30 June 2021	30,788	23,596	56	54,440

Impairment assessment

In accordance with IAS 36 "Impairment of assets" and IAS 38 "Intangible Assets", a review for impairment of goodwill is undertaken annually or at any time an indicator of impairment is considered to exist and in accordance with IAS 16 "Property, plant and equipment", a review for impairment of long-lived assets is undertaken at any time an indicator of impairment is considered to exist. When undertaken, an impairment review is completed for each Cash Generating Unit ('CGU'):

Kounrad project

The Kounrad project located in Kazakhstan has an associated goodwill balance of \$8,020,000 (31 December 2020: \$8,154,000). The movement being due solely to foreign exchange differences.

While assessing the project for impairment the key economic assumptions used in the review were a five-year forecast average nominal copper price of \$8,070 per tonne (2020: \$6,581) and a long-term price of \$7,444 per tonne (2020: \$6,724) and a discount rate of 8% (2020: 8%). Assumptions in relation to operational and capital expenditure are based on the latest budget approved by the Board. The carrying value of the net assets is not currently sensitive to any reasonable changes in key assumptions. Management concluded that the net present value of the asset is significantly in excess of the net book value of assets, and therefore no impairment has been identified.

Sasa project

The Sasa project located in North Macedonia has an associated goodwill balance of \$22,768,000 (31 December 2020: \$23,399,000). The movement being due solely to foreign exchange differences. The business combination in 2017 was accounted for at fair value under IFRS 3 and therefore recoverable value is sensitive to changes in commodity prices, operational performance, treatment charges, future cash costs of production and capital expenditures.

At 30 June 2021, the Group has tested for impairment, using forecasted commodity prices, treatment charges, discount rates, operating and capital expenditure, and the mineral reserves and resources' estimates which concluded that impairment is not necessary. For the purposes of the impairment review a discount rate of 9.54% (2020: 9.13%) was applied to calculate the present value of the CGU. The increase in the discount rate from the 31 December 2020 was supported by a detailed WACC calculation and due to increased risk free rate and an increase in the weighted equity due to higher equity to debt ratio. The key economic assumptions used in the review were a five-year forecast average nominal zinc and lead price of \$2,538 (2020: \$2,391) and \$1,990 (2020: \$2,093) per tonne respectively and a long-term price of \$2,290 (2020: \$2,291) and \$2,035 (2020: \$2,095) per tonne respectively. Zinc and lead treatment charges are forecast to reduce in future periods returning to historic averages by 2022.

Management then performed sensitivity analyses whereby certain parameters were flexed downwards for the CGU to assess whether the recoverable value for the CGU would result in an impairment charge. The following sensitivities when applied in isolation would result in a breakeven position:

Long-term zinc price reduced by 5%
 Long-term lead price reduced by 3%
 Discount rate increased to 10%
 Production decreased by 2.5%
 Treatment charges increased by 15%
 Operational expenditure increased by 4%
 Capital expenditure increased by 24%

This is a simple sensitivity analysis and does not take into account any of management's mitigation factors should these changes occur. The Board considers the base case forecasts to be appropriate and balanced best estimates.

11. Inventories

	30-Jun-21 \$'000	31-Dec-20 \$'000
Raw materials	7,492	6,986
Finished goods	683	844
	8,175	7,830

The Group recognise all inventory at the lower of cost and net realisable value and did not have any slow-moving, obsolete or defective inventory as at 30 June 2021 and therefore there were no write-offs to the Income Statement during the period (H1 2020: nil). The total inventory recognised through the Income Statement was \$3,823,000 (H1 2020: \$2,506,000).

12. Trade and other receivables

	30-Jun-21	31-Dec-20
	\$'000	\$'000
Current receivables		
Trade receivables	1,594	1,928
Prepayments	1,260	1,183
Accrued income	1,433	1,444
VAT receivable	1,636	1,260
Other receivables	1,488	3,130
	7,411	8,945
Non-current receivables		
Prepayments	2,330	760
VAT receivable	3,351	3,082
	5,681	3,842

As of 30 June 2021, the total Group VAT receivable was \$4,987,000 (31 December 2020: \$4,342,000) which included an amount of \$3,787,000 (31 December 2020: \$3,396,000) of VAT owed to the Group by the Kazakhstan authorities. During the period ended 30 June 2021, the Kazakhstan authorities refunded \$245,255. A further \$279,409 was received in August 2021 and this has been classified as current trade and other receivables as at 30 June 2021. The Group is working closely with its advisors to recover the remaining portion. The planned means of recovery will be through a combination of the local sales of copper cathode to offset VAT liabilities and by a continued dialogue with the authorities to receive the remaining portion.

13. Trade and other payables

	30-Jun-21	31-Dec-20
	\$'000	\$'000
Current payables		
Trade and other payables	3,148	4,652
Accruals	2,934	4,569
Derivative financial instruments	4,855	-
Corporation tax, social security and other taxes	8,260	3,674
	19,197	12,895

In January 2021 the Group entered into derivative financial instruments to manage the Groups commodity price risk in line with the Group's risk management strategy. The derivative financial instruments are structured with the objective of maintaining a strong free cash flow figure to repay debt and pay out an interim and final dividend and has been limited to 30% of the Group's 2021 forecast annual metal production.

As the derivative financial instruments are classified as FVTPL at 30 June 2021 the financial instruments are measured at fair value with reference to the forward curve of the commodity prices with an unrealised loss recognised of \$4,855,000 and the unrealised loss movement recorded through the income statement. As the derivatives expire at the end of the year this liability is temporary and the fair value will be reduced to zero at year end.

14. Deferred income tax asset and liability

The movements in the Group's deferred tax asset and liabilities are as follows:

	At 1-Jan-21 \$'000	Currency translation differences \$'000	(Debit) / Credit to income statement \$'000	At 30-Jun-21 \$'000
Other temporary differences	(553)	9	(2)	(546)
Deferred tax liability on fair value adjustment on Kounrad transaction	(5,501)	91	147	(5,263)
Deferred tax liability on fair value adjustment on CMK acquisition	(19,909)	631	502	(18,776)
Deferred tax liability, net	(25,963)	731	647	(24,585)

Reflected in the statement of financial position as:

Deferred tax asset	236	(5)	123	354
Deferred tax liability	(26,199)	736	524	(24,939)

A taxable temporary difference arose as a result of the Kounrad Transaction and CMK Resources Limited acquisition, where the carrying amount of the assets acquired were increased to fair value at the date of acquisition but the tax base remained at cost. The deferred tax liability arising from these taxable temporary differences has been reduced by \$649,000 during the period to reflect the tax consequences of depreciating and amortising the recognised fair values of the assets during the period.

All deferred tax assets are due after 12 months. Where the realisation of deferred tax assets is dependent on future profits, the Group recognises losses carried forward and other deferred tax assets only to the extent that the realisation of the related tax benefit through future taxable profits is probable.

15. Borrowings

	30-Jun-21 \$'000	31-Dec-20 \$'000
<i>Secured: Non-current</i>		
Bank loans	13,796	32,320
<i>Secured: Current</i>		
Bank loans	38,400	38,400
<i>Unsecured: Current</i>		
Bank overdrafts	8,674	9,692
Total current	47,074	48,092
	60,870	80,412

The carrying value of loans approximates fair value:

	30-Jun-21 \$'000	31-Dec-20 \$'000
Traxys bank loan	52,196	70,720
Bank overdrafts	8,674	9,692
	60,870	80,412

The movement on the borrowings can be summarised as follows:

	\$'000
Balance at 1 January 2021	80,412
Repayment of borrowings	(19,200)
Finance charge interest	1,445
Finance charge unwinding of directly attributable fees	675
Interest paid	(1,446)
Repayment of overdraft	(708)
Foreign exchange	(308)
Balance at 30 June 2021	60,870

During the period, \$19,200,000 of the principal amount of corporate debt was repaid as well as \$708,000 repayment of the overdrafts with total interest paid of \$1,446,000. As at 30 June 2021, non-current and current borrowings were \$13,796,000 and \$47,074,000 respectively (31 December 2020: \$32,320,000 and \$38,400,000 respectively).

The Group holds one corporate debt package with Traxys repayable on 4 November 2022. Interest is payable at LIBOR plus 4.00%. Security is provided over the shares in CAML Kazakhstan BV, certain bank accounts and the Kounrad offtake agreement as well as over the Sasa offtake agreement.

The debt is subject to financial covenants which include the monitoring of gearing and leverage ratios and these are all currently complied with.

The overdraft facility agreed with Komercijalna Banka AD Skopje with a fixed interest rate of 2.4% to 2.5% dependent on conditions denominated in Macedonian Denar previously repayable in July 2021 was extended post period end for a further year to 30 July 2022. This overdraft as at 30 June 2021 was \$3,326,000 (31 December 2020: \$4,809,000).

In June 2020 an overdraft facility was agreed with Ohridska Banka A.D. Skopje with a fixed interest rate of 2.5% denominated in Macedonian Denar repayable on 26 June 2021 and this was extended post period end for a further year to 26 June 2022. This overdraft as at 30 June 2021 was fully drawn down amounting to \$5,331,000 (31 December 2020: \$4,883,000).

16. Cash generated from operations

Adjustments for:	Six months ended	
	30-Jun-21 \$'000	30-Jun-20 \$'000
Profit before income tax including discontinued operations	41,835	24,369
Adjustments for:		
Depreciation and amortisation	15,131	14,650
Silver stream commitment	(621)	(1,139)
Loss/(profit) on disposal of property, plant and equipment (note 6)	11	(296)
Foreign exchange loss	248	370
Unrealised losses on financial derivatives	4,855	-
Share based payments	1,106	275
Finance income	(42)	(83)
Finance costs	2,410	3,472
Changes in working capital:		
(Increase) / decrease in inventories	(345)	558
(Increase) in Trade and other receivables	(808)	(4,008)
(Decrease) in Trade and other payables	(2,826)	(4,208)
Provisions for other liabilities and charges	(23)	386
Cash generated from operations	60,931	34,346

17. Dividend per share

An interim dividend of 8 pence per ordinary share (H1 2020: 6 pence) was declared by the CAML Board on the 15 September 2021. In the comparative period the CAML Board of Directors deferred the decision regarding the CAML interim dividend while assessing the financial impact of the TSF4 leakage, later during 2020 a 6 pence dividend was paid.

18. Related party disclosure

The Kounrad Foundation, a charitable foundation through which Kounrad donates to the community, was advanced \$nil (H1 2020: \$62,473) as donations are expected in H2 2021. This is a related party by virtue of common directors.

The Sasa Foundation was set up during the period, a charitable foundation through which Sasa donates to the community, was advanced \$236,000 (H1 2020: \$nil). This is a related party by virtue of common directors.

19. Subsequent events

On 15 July 2021, the Group issued 1,018,871 long-term share awards ("Awards") over ordinary shares in the Company at an exercise price of \$0.01 per share, to Executive Directors and employees of the Company under the Central Asia Metals Employee Share Plan 2011. These share options are on the same basis as the grant in 2020 as they vest after three years depending on a combination of the achievement of the Group of performance target relating to the level of absolute total shareholder return compound annual growth rate of the value of the Company's shares over the performance period of three financial years ending 31 December 2023 relative to the mining index of companies as well as sustainability performance targets.

Post period end, a decision was taken to repay an additional \$10 million of the corporate debt facility during H2 2021.