CENTRAL ASIA METALS PLC

14 September 2022

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

Interim Results for the Six Months Ended 30 June 2022

Central Asia Metals plc (AIM: CAML) is pleased to announce its unaudited interim results for the six months ended 30 June 2022 ('H1 2022' or 'the period').

H1 2022 financial summary

- **Increased dividend**
  - H1 2022 dividend of 10 pence per share (H1 2021: 8 pence), representing 40% of Group free cash flow[1] (FCF)

- **Strong financial performance driven by robust commodity prices**
  - Group gross revenue[1] of $119.5 million (H1 2021: $106.3 million) and Group net revenue of $113.8 million (H1 2021: $100.8 million)
  - Group EBITDA[1] of $74.9 million (H1 2021: $64.4 million) and EBITDA margin[1] of 63% (H1 2021: 61%)
  - Group FCF[1] of $52.1 million (H1 2021: $48.9 million)

- **Strong balance sheet**
  - Cash in the bank as at 30 June 2022 of $57.7 million[2] (31 December 2021: $59.2 million[2])
  - Group net cash[1] as at 30 June 2022 of $38.9 million (31 December 2021: $22.7 million)
  - Corporate debt repayments of $16.0 million (H1 2021: $19.2 million)
  - Post period end, CAML completely repaid its corporate debt facility

H1 2022 sustainability summary

- One Group lost time injury (LTI); Group lost time injury frequency rate (LTIFR) of 0.85
- 2021 Sustainability Report and Climate Change Report published in Q2 2022
- Construction of Kounrad solar power plant to commence in Q4 2022
- Significant pay rises agreed for Sasa and Kounrad employees
- Post period end approval of Sasa Cut and Fill Project Environmental and Social Impact Assessment (ESIA)

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1 See Financial Review section for definition of non-IFRS alternative performance measures
2 The cash balance figure disclosed includes restricted cash
3 The payable lead in concentrate sales is 631 higher than that disclosed in the CAML H1 2022 Operations Update as the final lead concentrate shipment of the prior year was delayed until January 2022 and, under the Free on Board (FOB) terms, this revenue was recognised in the period ended 30 June 2022

H1 2022 operational summary and guidance

- Kounrad copper production of 6,617 tonnes (H1 2021: 6,214 tonnes) and sales of 6,406 tonnes (H1 2021: 6,241 tonnes)
    - 2022 Kounrad copper production guidance increased from 12,500-13,500 tonnes to 13,500-14,000 tonnes
- Sasa zinc in concentrate production of 10,465 tonnes (H1 2021: 11,292 tonnes) and payable zinc sales of 8,761 tonnes (H1 2021: 9,419 tonnes)
- Sasa lead in concentrate production of 13,827 tonnes (H1 2021: 13,807 tonnes) and payable lead sales[3] of 13,608 tonnes (H1 2021: 13,160 tonnes)
    - On track to meet Sasa 2022 production guidance of zinc in concentrate, 20,000-22,000 tonnes, and lead in concentrate, 27,000-29,000 tonnes

Nigel Robinson, Chief Executive Officer, commented:

"It is a great pleasure to report a record interim financial performance for the first half of 2022, with EBITDA up 16% and FCF up 7% period on period. These results reflect increased metal prices to some extent counteracted by inflationary pressures but notwithstanding this, our costs during H1 2022 were well controlled with increases mitigated by weaker operating currencies and a fixed price electricity contract at Sasa. We are therefore delighted to declare an interim dividend of 10 pence per share.

"Post the period end, we made our final repayment of the $187 million debt which we secured to acquire Sasa less than five years ago. These repayments have been made while we remained consistently among the sector leading dividend payers, delivered value for all our stakeholders, and invested in our operations.

"During H1 2022, significant permitting work was undertaken in preparation for the construction phase of the Cut and Fill Project, and I am delighted to say that we gained approval for the project ESIA in August 2022. The Cut and Fill Project is on schedule with the timelines previously advised, and the team continues to expect completion of the paste backfill plant construction in H1 2023 and the dry stack tailings component during H2 2023.

"In H1 2022, we published our third standalone Sustainability Report, covering the 2021 activities at a corporate level and at Sasa and Kounrad. We have committed to specific targets in key areas of climate change, water usage, waste management and diversity, with a view to maintaining momentum in our sustainability achievements for the future. Our first Climate Change Report was published in H1 2022, and we have begun initial reporting towards the Task Force on Climate-Related Financial Disclosures (TCFD). I am pleased to today confirm that construction of the Kounrad solar power project is scheduled to commence in Q4 2022.

"We look forward to the remainder of 2022, expecting strong base metal production and advancing our Sasa Cut and Fill Project with a view to completing construction of the paste backfill plant in H1 2023. We are not immune from global inflationary pressures, in particular energy prices, which are largely outside our control."

Analyst conference call

There will be an analyst conference call today at 09:30 (BST). The call can be accessed by dialling +44 (0)330 165 4012 and quoting the confirmation code '7250199'. Additionally, the presentation can be viewed via a live webcast using the following link https://brrmedia.news/. 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 2022 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 a record interim financial performance in H1 2022, with Group EBITDA of $74.9 million representing an increase of over 16% from the previous corresponding period. CAML's EBITDA margin also improved to 63% (H1 2021: 61%), which demonstrates increased revenue due to stronger commodity prices and the Group's low-cost base, notwithstanding global industry inflationary pressures. Earnings per share (EPS) of 30.25 cents represents an increase of 49% from the previous corresponding period (H1 2021 adjusted: 20.28 cents). To support employees during the current global inflationary environment, all staff at both sites have been given pay rises of at least 15% in local currencies, and the H1 2022 results reflect these intra-period pay adjustments.

CAML's earnings also translated into increased FCF of $52.1 million, which was 7% higher than that generated in the first six months of 2021 (H1 2021: $48.9 million). Given this strong H1 2022 performance, the CAML Board is pleased to declare an interim dividend of 10 pence per ordinary share, which is in line with the Company's stated policy. This will be paid on 21 October 2022 to shareholders registered on 30 September 2022. Post the period end, CAML has repaid all corporate debt that was drawn to acquire Sasa less than five years ago.

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 one lost time injury. While this was not a serious incident, lessons have been learnt and the Company aims for zero harm.

Zinc and lead production at Sasa were 10,465 tonnes and 13,827 tonnes respectively. Payable zinc sales for the period were 8,761 tonnes and, for lead, were 13,608 tonnes, and H1 2022 gross revenue from these metal concentrates was $58.4 million (H1 2021: $49.0 million). This was 19% higher than H1 2021 due to higher commodity prices during the recent period, with the zinc price received being on average 30% higher than the previous corresponding period at $3,679 per tonne (H1 2021: $2,829 per tonne) and the lead price 3% higher at $2,174 per tonne (H1 2021: $2,114 per tonne). Sasa's cost of sales was similar to the previous corresponding period for H1 2022 at $28.0 million (H1 2021: $27.8 million) and the Sasa H1 2022 EBITDA increased to $35.1 million (H1 2021: $26.5 million).

Kounrad produced 6,617 tonnes of copper cathode during the period and sold 6,406 tonnes, generating gross revenue of $61.2 million (H1 2021: $57.3 million) from an average copper price received of $9,557 per tonne, 4% higher than that received in H1 2021 ($9,183 per tonne). Kounrad H1 2022 cost of sales increased by 10% to $12.6 million (H1 2021: $11.5 million), although over half of this increase was a consequence of increased Kazakh Mineral Extraction Tax (MET) due to higher copper prices. Kounrad generated H1 2022 EBITDA of $48.2 million (H1 2021: $45.8 million).

During H1 2022, CAML published its third sustainability report, covering its activities for the year ended 31 December 2021 at Group level and at its two operations. This is the Company's second 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 six UN Sustainable Development Goals (SDGs) to which the Company has the capacity to best contribute.

The Kounrad solar power plant scoping study was provisionally approved by the CAML Board in December 2021. During H1 2022, detailed engineering studies have been undertaken to ascertain more specific details and costs, and Board approval for the project has been reiterated. Construction of the solar power plant is now expected to commence in Q4 2022 and be completed in H2 2023, with total costs expected to be below $5 million. This 4.77MW solar power plant is expected to provide 16-18% of Kounrad's electrical power needs and reduce the operation's greenhouse gas (GHG) emissions by approximately 10% versus 2020.

The Company has made meaningful progress with its Sasa Cut and Fill Project during H1 2022, with significant permitting work undertaken in preparation for the construction phase of the project. Post the period end, the Government has granted approval of the ESIA, a milestone for the Sasa project that should enable the remaining additional permits to be granted in a timely manner. 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. The project is on track and the paste backfill plant is on schedule for construction in H1 2023.

Management's focus on business development has accelerated during the first six months of 2022, with 23 opportunities reviewed. During this time, 10 Non-Disclosure Agreements (NDAs) were signed, and detailed due diligence was undertaken on four opportunities, with external consultants engaged for one of the assets.

Looking ahead to H2 2022 and beyond, CAML is in a strong position despite some recent volatility in commodity prices and continued global inflationary pressures, not least the expectation of considerably higher electricity charges at Sasa during H2 2022, which are outside the Company's control. CAML is now debt free, and this strong balance sheet coupled with its low-cost operations means that the Company remains well-placed to pursue potential acquisition opportunities whilst investing in the business, delivering returns to shareholders, and adding value for its other stakeholders.

Sustainability Review

H1 2022 governance update

Good progress has been made on the governance and stewardship focused sustainability goals for 2022.

A scope of work has been developed for an evaluation of the Company's human rights impacts within its operations and along its supply chains. The human rights assessment was substantially completed at the Sasa operation and the same is scheduled to be conducted at Kounrad, by the end of Q3 2022. There have been no human rights abuses reported at either site during the period.

Since 2021, we have been screening all new suppliers against the Company's social criteria as part of the on-boarding processes using a questionnaire and compliance declaration. This process aims to ensure that those with whom business is conducted maintain the same high standards of corporate governance that CAML expects of itself. The drafting of the scope of work for the internal audit of long-term suppliers is under way and is set to begin at the start of Q4 2022.

H1 2022 health and safety update

Safety statistics
There were no lost time injuries (LTIs) and no total recordable injuries (TRIs) at Kounrad during the reported period.

One LTI was recorded at Sasa during H1 2022, and, while this was not a serious injury, lessons have been learnt and the Company aims for zero harm.

There was also one Restricted Work Case (RWC) at Sasa. A RWC occurs when an employee cannot perform all routine job functions because of a work-related injury or illness but does not need time away from the workplace. This is a new reporting category for CAML, and RWC cases form part of the TRI statistics. There was therefore a total of two TRIs for Sasa.

CAML Group therefore reports one LTI and two TRIs for the six-month period. CAML's H1 2022 lost time injury frequency rate (LTIFR) is 0.85 and the total recordable injury frequency rate (TRIFR) is 1.70.

Safety initiatives underway
At Sasa, the underground Wi-Fi communications project is progressing and is now operational along the 14B, 910 and 990 levels. This will ensure that the whereabouts of underground employees is known in real time. As part of the project, radio trials are being run by the site team as well as with a radio manufacturer to optimise signal reliability.

The installation of protective guarding on the conveyor belts has continued in H1 2022, with all high-risk areas now covered. The remaining areas will be completed in H2 2022.

Basic investigation training has been delivered to the management team at Sasa. During H2 2022, significant incident training will be delivered to 10 managers and supervisors from both Sasa and Kounrad as well as health and safety team members and others from the processing and mining departments.

A successful internal safety audit was undertaken by the CAML Group Health and Safety Manager at Kounrad. Recommendations made as part of this audit, including development of a noise sampling programme, enhanced mobile equipment risk assessments and increased focus on contractor safety will be implemented during H2 2022.

H1 2022 people update

During Q1 2022, a training team was created at Sasa, led by an expatriate who has substantial experience in best-in-class training at various mines throughout the world. Trainers have been recruited for the mechanical and electrical functions and an individual to manage all training efforts. In addition, new training facilities have been established with the transformation of an office in the local town of Makedonska Kamenica. In-person or virtual English language lessons were offered to all employees in North Macedonia, with 72 people taking part so far this year.

Meetings with site focus groups to discuss improvements and initiatives on the topics of diversity and inclusion have continued. At Sasa, during discussions with the 11 participants, various options were proposed to improve the annual medical checks for employees. New uniforms have been trialled for female staff and, at Kounrad, female staff who work in non-hazardous conditions at site have been provided with a more comfortable, lighter uniform.

Following last year's changes in local legislation that now allows women to carry out heavy work/ duties in operations in Kazakhstan, the Kounrad recruitment policy was reviewed, and non-gender specific role advertisements developed.

Four new mentees from the Sasa and Kounrad operations are currently taking part in this year's International Women in Mining (IWiM) Mentor Programme, and three members of the senior management team are acting as mentors.

H1 2022 environmental update

There were no environmental incidents reported at Sasa during H1 2022 and one minor incident was reported at Kounrad during H1 2022.

During H1 2022, Sasa planted 5,000 seedlings in the area surrounding the operation. Sasa continues to work with the 'Public Enterprise National Forests' to identify additional areas for tree planting. Sasa continued with its energy efficiency programme during H1 2022, with the installation of an energy monitoring system throughout the milling process as well as continuing to identify further energy saving measures.

The ESIA Study for the Cut and Fill Project was completed and submitted to the authorities. After the submission, a Public Hearing was held with representatives from the Ministry of Environment and Physical Planning (MoEPP), the local municipality, including the Mayor of Makedonska Kamenica and representatives from the local community. Feedback from the public hearing was positive and Sasa achieved approval of the ESIA post the period end in August 2022.

WSP Golder is currently undertaking the Asset Retirement Obligation (ARO) and site closure plan report for Kounrad having previously completed a similar report for Sasa. The finalised report will be delivered during H2 2022. Kounrad's biodiversity studies are ongoing and, during H1 2022, international consultant, Wardell Armstrong, was engaged to undertake a review of the Phase I biodiversity study that was completed in 2021. The review and advice on the need and development of any further work is due in Q3 2022.

During H1 2022, the detailed engineering design documentation for the Kounrad solar power plant was developed. Construction of this 4.77MW solar power project is expected to commence in Q4 2022 and be completed in H2 2023, with total costs expected to be below $5 million. A site location has been selected close to Kounrad's SX-EW facility and permitting is underway, with final approvals expected in Q4 2022.

H1 2022 community update

There were no community incidents at either operation during H1 2022. In Q1 2022, Sasa opened its new Community Office in Makedonska Kamenica.

During H1 2022, consultants PrimePoint were appointed to further develop the Local Environmental Action Plan (LEAP) and Local Economic Development Plan (LEDP) in conjunction with the local Municipality. During H1 2022, several workshops were organised between PrimePoint, the Municipality and the Sasa Foundation to better assess the needs of the community and to identify sustainable development opportunities for Makedonska Kamenica and adjacent communities.

In addition to the important PrimePoint work that was undertaken, Sasa provided support in terms of logistical assistance with the cleaning of the Kalimanci Lake, funded improvements to the disabled day care centre, donated 2,000 seedlings to the Beekeeping Association and funded 11 university scholarships in mining related subjects (e.g., geology, mining engineering, environmental engineering, and hydraulic engineering).

During the first six months of the year, the Kounrad Foundation contributed to a key new project in local town, Balkhash, for a new Regional Children's Rehabilitation Centre. The Kounrad Foundation also purchased equipment and materials for an automated railway crossing in Kounrad village and continued to support vulnerable and low-income families, as well as children's sporting and cultural activities.

H1 2022 sustainability reporting update

In H1 2022, CAML published its third standalone Sustainability Report, covering the 2021 activities at a corporate level and at Sasa and Kounrad.

This was the Company's second Sustainability Report to be prepared in accordance with Global Reporting Initiative (GRI) standards 'Core option'. It covers CAML's approach to transparent business conduct, maintaining safe operations and healthy working environments, and its efforts to minimise negative environmental or social impacts.

CAML has committed to the following specific 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 2022 Sustainability Report.

Additional targets will be set going forwards as appropriate. Executive director and senior management remuneration will reflect performance against these goals:

Delivering value through stewardship	• Zero human rights abuses
Maintaining health and safety	• Zero fatalities • Improve Group LTIFR versus 2021 (1.69)
Focusing on our people	• Maintain 99% local employment across both operations • 20% female interviewees for each eligible role from 2023 onwards • 25% increase in Group female employees by end 2025
Caring for the environment	• Zero severe or major environmental incidents • 50% reduction in Group GHG emissions by 2030 and net zero by 2050

	• 75% reduction in surface water abstraction at Sasa by end 2026 • 70% of tailings to be stored in a more environmentally responsible manner (paste backfill and dry stack tailings) by end 2026 • Report Scope 3 emissions in 2024 • Report to Global Industry Standard on Tailings Management (GISTM) in 2024
Unlocking value for our communities	• Zero severe or major community-related incidents • Increase level of community support to an annualised average of 0.5% of Group gross revenue (up from 0.25%)

Updated stakeholder engagement-based materiality assessment work commenced during H1 2022 and will be completed during H2 2022. CAML reports to GRI standards and GRI has recently updated its reporting framework to the new Universal Standards. These standards are based on the concept of 'double materiality', which looks at both the impact of the Company on society and the environment, as well as the impact of the material topics on the value of a company. Therefore, CAML's updated materiality assessment considers both materiality aspects and will inform reporting for the Company's 2022 sustainability report.

<u>H1 2022 climate change update</u>

Following on from the development of its climate change strategy in 2021, CAML has during H1 2022 begun its initial reporting towards the TCFD. Commentary on this topic was contained within CAML's 2021 Annual Report, 2021 Sustainability Report and in its inaugural 2021 Climate Change Report, all of which were published in Q2 2022.

Progress has been made in all four of the key TCFD disclosure topic areas of governance, strategy, risk management, and metrics and targets. CAML's climate change strategy was developed in 2021 and reported in Q2 2022, and has five key pillars:

- Producing metals which contribute positively to the energy transition
- Working towards decarbonisation
- Ensuring we are operationally resilient
- Focusing on our strategic and business resilience
- Delivering clear and transparent climate-related reporting and disclosures

For existing assets, Kounrad and Sasa, a target has been set to reduce the Group level Scope 1 and 2 emissions by 50% overall by 2030 as compared to a 2020 base year. Additionally, CAML is committed to achieving net zero by 2050. This commitment will be applied through the business development activities, by ensuring that climate and carbon emissions are embedded in all decision-making processes.

CAML previously disclosed that Sasa had negotiated to acquire solely renewable power from its North Macedonian power provider, EVN, from 1 July 2021. While national auditing of renewable energy consumption and associated GHG emission reduction claims is in its infancy in North Macedonia, Sasa has recently received assurance from EVN's auditor, PwC, that Sasa did purchase 100% renewable power from EVN for the six months ending 31 December 2021. Ongoing assurance will be sought from EVN going forwards to substantiate CAML's GHG emission reduction disclosures.

Next steps

CAML has committed to conducting a scenario planning analysis exercise in 2022 to improve its understanding of the physical and transitional risks posed in several different potential climate futures. Though its Group risk register already contains physical and transition risks, this process will allow the team to better understand and identify additional risks and infer the probability and impact these risks could have in each scenario. This will allow the Company to develop appropriate responses and strategies to ensure its resilience in the face of an unknown climate future. This project has commenced, and scenario development workshops have been held for corporate and site employees, with impact assessment work now underway. CAML has committed to estimating its Scope 3 emissions during 2023, with a view to reporting these in 2024.

Global Industry Standard on Tailings Management (GISTM)

CAML has committed to reporting to the GISTM for all tailings storage facilities (TSFs) by 2024. A working group has been formed, comprising members of the production, tailings, sustainability, and communications teams, overseen by the Group Sustainability Director, to ensure all workstreams are effectively covered. National and international consultants are being used to support the Sasa team where necessary.

During H1 2022, Sasa officially appointed an Engineer of Record (EOR), Independent Tailings Reviewer (ITR) and Responsible Tailings Facility Engineer (RTFE) in line with GISTM. In addition, the EOR updated the Dam Breach Assessment (DBA) in line with requirement 2.4 of the GISTM.

In July 2022, Knight Piésold undertook an audit of all Sasa's TSFs. This audit was to assess the design, operation and monitoring of all facilities and check compliance with local regulations/ guidelines and international tailings standards. This guidance is published by GISTM, ICOLD, ANCOLD, CDA as well as the principals set out in the European Extractive Waste Directive and the associated Best Available Technology (BAT) guidelines. The formal audit report will be submitted to Sasa during Q3 2022; however, the initial feedback is positive, with Knight Piésold and the ITR identifying a small number of improvement opportunities.

Operations Review

Sasa production

In H1 2022, mined and processed ore were 402,208 tonnes and 404,391 tonnes respectively. The average head grades for H1 2022 were 3.07% zinc and 3.66% lead. The average H1 2022 metallurgical recoveries were 84.3% for zinc and 93.5% for lead. Plant availability during H1 2022 was 95%, with throughput averaging 98 tonnes per hour.

Sasa produces a zinc concentrate and a separate lead concentrate. Total H1 2022 production was 20,959 tonnes of zinc concentrate at an average grade of 49.9% and 19,507 tonnes of lead concentrate at an average grade of 70.9%.

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 2022 was 8,788 tonnes of zinc and 13,136 tonnes of lead. Sales were made to European customers via CAML's offtake contract with Traxys. Payable base metal in concentrate sales for the six-month period were 8,761 tonnes of zinc and 13,608 tonnes of lead.

During H1 2022, Sasa sold 164,482 ounces of payable silver to Osisko Gold Royalties, in accordance with its streaming agreement.

	Units	H1 2022	H1 2021
Ore mined	t	402,208	413,987
Plant feed	t	404,391	423,863

Zinc grade	%	3.07	3.14
Zinc recovery	%	84.3	84.9
Lead grade	%	3.66	3.50
Lead recovery	%	93.5	93.2
Zinc concentrate	t (dry)	20,959	22,571
- **Grade**	%	49.9	50.0
- **Contained zinc**	t	10,465	11,292
Lead concentrate	t (dry)	19,507	19,119
- **Grade**	%	70.9	72.2
- **Contained lead**	t	13,827	13,807

Exploration update

During H1 2022, a total of 1,680 metres of drilling from surface was completed, which included three condemnation holes on TSF1 and TSF2 in preparation for the dry-stack tailings facilities. In Q2 2022, surface drilling started at Svinja Reka to test the potential down dip extensions, with three holes planned totalling 2,500 metres. The completion of drilling and assay results are expected in H2 2022.

During H1 2022, a total of 1,882 metres of exploration drilling was completed underground between the 990 and 750 levels testing potential extensions to the orebody and improving confidence levels.

Underground mining

Ore development for the period was 1,677 metres, up 30% compared to H1 2021 and an increase of 34% as a percentage of total ore tonnes mined. Due to this increase in ore development, overall dilution for the period was reduced, resulting in a higher overall lead grade mined. The zinc grade for the period was down as expected, based on block model estimates.

H1 2022 waste development was 1,125 metres. While this was similar to H1 2021, a greater proportion of this development focused on major decline and access development rather than establishing exploration drives and drill platforms.

Development rehabilitation increased by 17% to 211 metres in H1 2022 versus H1 2022, due to continued difficult ground conditions. During H1 2022, a new Senior Geotechnical Engineer was hired, and a full review of geotechnical data was completed. This review will support the ongoing life-of-mine plan optimisation work that is currently underway and assist with planning for transition to the cut and fill mining method.

The availability of Sasa's Epiroc fleet of equipment during the period was 80% for the boomers, 91% for the loaders and 86% for the trucks. During H1 2022, a second Putzmeister SPM 4210 wet shotcrete unit was purchased to aid underground support works.

Cut and Fill Project update

Following the August 2022 ESIA approval, the Cut and Fill Project remains on schedule with the timelines previously advised, and the team continues to expect completion of the paste backfill plant construction in H1 2023 and the dry stack tailings component during H2 2023.

The Central Decline

Development of the Central Decline continues to progress well with 453 metres developed during H1 2022, and 1,132 metres in total. Development of the Central Decline continues from surface and on the 910 level, and the connection between surface and the 910 level is expected in H2 2023.

Paste Backfill Plant and Underground Reticulation

Design studies, necessary for construction permitting approval, have been completed and are ready for submission to local authorities. Once approved, construction of the backfill plant will commence, initially with earthworks expected to be undertaken in September. In addition, construction of a service culvert (carrying piping, electrical and communication cables to the backfill plant) has already begun and will be completed during H2 2022.

All major equipment has been delivered to site and includes the thickener, flocculant plant, continuous mixer, displacement pump and slurry pumps. The disc filter, cement dosage system and emergency flush pump is expected to arrive in Q3 2022. Local North Macedonian contractors for the erection of the building and installation of equipment and services have been identified with outstanding contracts currently being finalised.

The final version of the underground reticulation design was completed and approved in H1 2022. The first batch of reticulation materials, including steel pipes and couplings, is already on site and ready to be installed. Installation commenced in July 2022 and completion of Phase 1, comprising approximately two kilometres of pipeline, is expected during H2 2022. A second batch of materials has been ordered and will be delivered in H2 2022. A new telehandler for pipe installation underground was purchased and delivered to site in Q2 2022.

Basic training for all employees forming the underground backfill team is ongoing. The official onboarding and internal transfer of the team's supervisor was completed in Q2 2022, and final recruitment of all team members is planned for Q3 2022.

Dry Stack Tailings

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

Knight Piésold completed a detailed design for the dry stack landform, and this is currently being adapted to the North Macedonian design format in readiness for submission to authorities for construction approval. Metso Outotec has completed a detailed design for the dry stack processing plant, and this is also being adapted to the North Macedonian design format. Submission of both designs is scheduled for H2 2022.

Most of the process equipment has now been ordered, including the press filter, slurry pumps and tanks. The air compressors (required for filtration) will be ordered in H2 2022.

<u>Kounrad</u>

CAML is pleased to report a period of strong operational performance at Kounrad, with copper cathode production of 6,617 tonnes for the first six months of 2022. The Company is therefore now increasing its 2022 production guidance from 12,500-13,500 tonnes to 13,500-14,000 tonnes.

Copper sales during H1 2022 were 6,406 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.

Following a review of the operational performance during the winter of 2020/2021, where solely the Western Dumps were leached and in which negative changes to solution viscosity were noted, it was decided for the 2021/2022 winter, the team would return to leaching of both the Eastern and Western dumps. The previous viscosity issues were not encountered during the reported period and, consequently, consumption of organic reagents was very much in line with previous winter periods. Work has already commenced preparing the covered winter blocks for the winter of 2022/2023, with 44% complete by the end of H1 2022.

Following completion of Phase 1 of the Intermediate Leach Solution (ILS) in 2021, Kounrad made good progress during H1 2022 with Phase 2 of this project, which entails the installation of the irrigation distribution system enabling separate collection of Western Dump off-flows. All works have been completed except for the installation of a final pump unit, which is currently in transit to Kounrad. This pump is expected to be installed in Q3 2022, after which commissioning and testing of the circuit will be undertaken by the site operations team. The project is on schedule and with a budget saving of around 10% on the planned capital expenditure.

The excavation of an 825 metre trench extension around the eastern edge of the Western Dumps to collect solutions flowing in that direction from Dump 21 has been completed, with HDPE lining of the trench is to be completed during Q3 2022. In addition, an 850 metre trench extension has been excavated along the edge of Dump 16 (blocks 22 to 32), with HDPE lining scheduled during Q4 2022.

During H1 2022, approximately 300,000 tonnes of leachable material located very near the Kazakhmys railway line was relocated to the top of Dump 9-10. Collection of pregnant leach solution (PLS) from this material should be possible from the existing Dump 9-10 solution trench. In addition, this work has provided access to parts of Dump 9-10 which were previously unleached, and this should generate at least 1,500 tonnes of additional copper. The project is expected to cost approximately $0.5 million with irrigation planned to start in Q2 2023.

As part of ongoing efforts to minimise greenhouse gas emissions, a solution temperature discharge control system was installed at the Western Dumps area during the winter period. This proved successful with a 20% reduction in coal consumption of over 700 tonnes versus winter 2020 / 2021 at the 3-unit Western Dumps boiler house. This system will be part of normal winter operations going forward.

Due the potential impact of Russian sanctions, a decision was taken to increase site stocks of key reagents, LIX to 12 months, and Escaid to six months. Two new Escaid storage tanks are presently being installed and will be completed by the end of Q3 2022. It should be noted that, to date, there have been no operational issues experienced due to the Russian sanctions or related to the conflict in Ukraine.

960 anodes are on order for the replacement of old units in the EW2 building, which will be undertaken in Q3 2022. These units are replacing those installed and operated since 2015.

Business Development

CAML has been active with business development efforts during H1 2022 and, during the six-month period, 23 opportunities have been appraised. During this time, 10 NDAs were signed and detailed due diligence undertaken on four opportunities, with external consultants engaged for one of the assets.

While base metal prices generally weakened during the end of the reported period, CAML's low cash costs of production and high margins, despite inflationary pressures, mean that the team is confident to continue appraising business development opportunities despite perceived headwinds. Discussions at Board level have taken place during the reported period regarding CAML's business development strategy. Whilst the team continues to believe business development is and must be opportunistic, some consideration has been given to aspects such as geography, stage of development and commodity, in particular.

Opportunities in the European time zone plus Kazakhstan have been a key area of focus for the business development team during H1 2022. In terms of commodity, while CAML would ideally like to increase exposure to copper, the team is cognisant that there are a limited number of high-quality assets appropriate for the CAML business, therefore a wider focus on predominantly base metals is wise.

During August 2022, CAML made the final repayment of its corporate debt that was borrowed to acquire Sasa. This, combined with robust operational cash flows, means the Company has a very strong balance sheet. This puts the Company in a strengthened position to consider exploration and development assets, as well as long-favoured producing assets. CAML's strong balance sheet and track record of debt management should also mean the Company has material borrowing capacity for the right opportunity.

Financial Review

Overview

H1 2022 was a record first half for the Group, with record gross revenue of $119.5 million (H1 2021: $106.3 million) and record EBITDA of $74.9 million (H1 2021: $64.4 million).

CAML's H1 2022 gross revenue has increased by 12% as market conditions moved favourably during the period and the prices of copper, lead and in particular zinc, reflected the increasing demand for these metals and a shortfall in supply.

The Group EBITDA has increased by 16% from the prior corresponding period primarily due to the increased revenue. The EBITDA margin improved to 63% (H1 2021: 61%), which, despite global inflationary pressures, reflects the Group's ability to maintain relatively low costs across the operations.

EPS from continuing operations was 30.25 cents (H1 2021 adjusted: 20.28 cents) an increase of 49%.

CAML generated record FCF of $52.1 million (H1 2021: $48.9 million). The Group continued to deleverage, having repaid corporate debt of $16.0 million during the period, reporting 30 June 2022 net cash of $38.9 million (31 December 2021: $22.7 million).

Sasa's H1 2022 EBITDA increased to $35.1 million (H1 2021: $26.5 million), with a margin of 60% (H1 2021: 54%) due to higher zinc and lead prices realised during H1 2022. The impact of cost increases has been reduced by a favourable movement in the North Macedonian Denar exchange rate to the US Dollar.

Kounrad's H1 2022 EBITDA was $48.2 million (H1 2021: $45.8 million), with a margin of 79% (H1 2021: 80%). The EBITDA increased due to the improved average copper price received, coupled with increased copper sales. Kounrad's EBITDA reflects an increase in costs due to employee pay rises. The impact of cost increases has been somewhat mitigated by a favourable movement in the Kazakhstan Tenge exchange rate to the US Dollar.

Income statement

Group profit before tax (PBT) from continuing operations increased by 60% to $66.9 million (H1 2021: $41.8 million). In addition to the increase in revenue period on period, this result also reflects a foreign exchange gain of $7.0 million explained below (H1 2021: loss of $0.2 million). Recent global inflation has adversely affected several key costs such as electricity and salaries which have increased the Group cost base.

Revenue

CAML generated H1 2022 gross revenue of $119.5 million (H1 2021: $106.3 million), which is reported after deduction of zinc and lead treatment charges, but before deductions including offtake buyer's fees and silver purchases for the Sasa silver stream. Net revenue after these deductions was $113.8 million (H1 2021: $100.8 million).

Sasa
Overall, Sasa generated H1 2022 gross revenue of $58.4 million (H1 2021: $49.0 million). A total of 8,761 tonnes (H1 2021: 9,419 tonnes) of payable zinc in concentrate and 13,608 tonnes (H1 2021: 13,160 tonnes) of payable lead in concentrate were sold during H1 2022. The payable lead in concentrate sales is 631 tonnes higher than that disclosed in the CAML H1 2022 Operations Update as the final lead concentrate shipment

of the prior year was delayed until January 2022 and, under the Free on Board (FOB) terms, this revenue was recognised in the period ended 30 June 2022.

The zinc price received increased by 30% to an average of $3,679 per tonne (H1 2021: $2,829 per tonne) and, for lead, the price increased by 3% to an average of $2,174 per tonne (H1 2021: $2,114 per tonne), leading to an overall increase in gross revenue generated from the mine.

Treatment charges during the period reduced to $8.4 million (H1 2021: $10.3 million) due to improved negotiated terms for both zinc and lead. During H1 2022, the offtake buyer's fee for Sasa was $0.6 million (H1 2021: $0.5 million).

Zinc and lead concentrate sales agreements have been arranged with Traxys through to 31 March 2023 for 100% of Sasa production.

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 6,332 tonnes (H1 2021: 6,205 tonnes) of copper cathode from Kounrad were sold as part of the Company's offtake arrangement with Traxys which has been fixed through to 31 December 2022. The commitment is for a minimum of 95% of Kounrad's annual production. A further 74 tonnes (H1 2021: 36 tonnes) were sold locally. Total Kounrad H1 2022 copper sales were 6,406 tonnes (H1 2021: 6,241 tonnes).

Gross revenue increased due to the higher sales volumes and higher average copper price received increasing by 4% to an average of $9,557 per tonne (H1 2021: $9,183 per tonne). This generated gross revenue for Kounrad of $61.2 million (H1 2021: $57.3 million). During H1 2022, the offtakers fee for Kounrad increased to $1.3 million (H1 2021: $1.1 million) due to higher transportation costs as a result of the conflict in Ukraine.

Cost of sales

The Group cost of sales for the period was $40.6 million (H1 2021: $39.3 million). This includes depreciation and amortisation charges during the period of $13.7 million (H1 2021: $14.8 million). The increase of $1.3 million includes greater Group royalty costs of $0.9 million versus H1 2021 linked to the higher realised prices for all commodities. Global macro-economic conditions led to an increase in key production cost components such as electricity and salaries. The impact of these cost increases has been mitigated by favourable foreign exchange movements during the period. The Company continues to focus on factors such as disciplined capital investments, working capital initiatives and other cost control measures.

Sasa

Sasa's cost of sales for the period was similar to the previous corresponding period at $28.0 million (H1 2021: $27.8 million). During the period Sasa faced some cost increases due to inflationary pressures including an increase in electricity costs of $0.7 million. Further significant increases to electricity costs at Sasa are expected in H2 2022, as spot energy prices have continued to rise throughout H1 2022 during which time Sasa had a largely fixed price contract that expired in June. The impact of these overall cost increases was mitigated by a weakening in the North Macedonian Denar. The Denar, which is pegged to the Euro, weakened by 9% to an average of 56.37 against the US Dollar versus a H1 2021 average of 51.13.

H1 2022 depreciation decreased by $1.2 million versus H1 2021 due primarily to the weakening of the local currency.

H1 2022 royalties increased against H1 2021 to $1.6 million (H1 2021: $1.4 million). This tax is calculated at the rate of 2% (H1 2021: 2%) on the value of metal recovered during the period and the increase resulted from the rise in metal prices.

Kounrad

Kounrad's H1 2022 cost of sales was $12.6 million (H1 2021: $11.5 million).

MET is a royalty charged by the Kazakhstan authorities at the rate of 5.7% (H1 2021: 5.7%) on the value of metal recovered during the period. MET for the period was $3.7 million (H1 2021: $3.0 million) and increased as a result of the higher sales volumes, coupled with a higher average copper price during the period. From 1 January 2023, the MET rate will increase to 8.55%.

There was also an increase of $1.0 million due to employee pay rises during the period. There was a $0.3 million decrease in reagent costs due to temporary increased consumption in the prior period which occurred due to a metallurgical adjustment arising from solely leaching the Western Dumps during the H1 2021 winter period. The depreciation and amortisation charges during the period reduced to $1.9 million (H1 2021: $2.0 million).

The impact of the above cost increases was mitigated by a 6% weakening in the Kazakhstan Tenge. The Tenge weakened to an average of 448.61 against the US Dollar versus a H1 2021 average of 424.02.

<u>C1 cash cost of production</u>

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 on-site operating costs increased by 6% to $18.3 million (H1 2021: $17.2 million). The on-site unit cost increased by 9% to $45.5 per tonne (H1 2021: $41.6 per tonne) due to the higher costs and a 3% reduction in tonnes of ore mined in H1 2022 versus H1 2021. Sasa's total C1 cash cost base, including realisation costs, decreased to $28.4 million (H1 2021: 29.3 million), however Sasa's C1 zinc equivalent cash cost of production increased to $0.71 per pound (H1 2021: $0.59 per pound). The $0.12 per pound increase in the C1 calculation was due to the decreased production volumes of zinc 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 2022.

Kounrad

Kounrad's H1 2022 C1 cash cost of production was $0.63 per pound (H1 2021: $0.57 per pound) which remains amongst the lowest in the copper industry. The increase in C1 cash cost versus H1 2021 is due primarily to higher costs resulting from employee pay increases.

Group

CAML reports its Group C1 cash cost on a copper equivalent basis incorporating the production costs at Sasa and by also converting lead and zinc production into copper equivalent tonnes. The Group's H1 2022 C1 copper equivalent cash cost was $1.30 per pound (H1 2021: $1.39 per pound). This number is calculated based on Sasa's H1 2022 zinc and lead payable production, which equates to 6,468 copper equivalent tonnes (H1 2021: 5,931 copper equivalent tonnes) added to Kounrad's H1 2022 copper production of 6,617 tonnes (H1 2021: 6,214 tonnes) totalling 13,085 tonnes (H1 2021: 12,145 tonnes). The C1 cash cost reduction on a copper equivalent basis is due to a higher 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 was $1.81 per pound (H1 2021: $1.92 per pound). The decrease is a result of the factors highlighted above which are a result of the relative changes in commodity prices as well as an increase in royalty costs.

Administrative expenses

During the period, administrative expenses increased to $11.2 million (H1 2021: $9.1 million), largely due to an increased non-cash share-based payment charge of $2.4 million (H1 2021: $1.3 million). This increase was due to options exercised at a share price more than the fair value of the options at the date of grant.

There was also an increase in employee related costs due to staff pay increases and new hires as well as an increase in business travel costs.

Other gains and losses

During 2021, the Group entered into commodity price hedge contracts for a portion of its 2021 metal production. As a result of these financial instruments, in the prior period ended 30 June 2021, the Company recognised $1.9 million of realised losses and $4.9 million of unrealised losses. These financial instruments expired at the end of 2021 and therefore there are no hedging gains or losses during the current period. The Group has not put in place any further hedge contracts for 2022.

Foreign exchange gain

The Group incurred a foreign exchange gain of $7.0 million (H1 2021: loss of $0.2 million) resulting from the retranslation of USD denominated monetary assets held by foreign subsidiaries with a local functional currency. The gain was significant due to the weakening of the Kazakhstan Tenge and North Macedonian Denar as mentioned above.

Finance costs

The Group incurred lower finance costs of $1.2 million (H1 2021: $2.4 million) resulting from further scheduled debt repayments during the period.

Taxation

H1 2022 Group corporate income tax increased to $13.5 million (H1 2021: $10.9 million) as a result of higher profits at Kounrad taxed at a corporate income tax rate of 20% and at Sasa taxed 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 $8.0 million (H1 2021: $6.6 million). The additions were a combination of $1.2 million (H1 2021: $1.2 million) Kounrad sustaining capital expenditure, $3.3 million (H1 2021: $2.9 million) Sasa sustaining capital expenditure and $3.5 million (H1 2021: $2.5 million) in relation to the Sasa Cut and Fill Project.

Sasa sustaining capital expenditure includes capitalised mine development of $1.2 million, $0.5 million on flotation equipment and $0.3 million on underground fleet. Kounrad's sustaining capital expenditure included $0.4 million on new anodes and $0.5 million on dripper pipes.

Cut and Fill project

The Group continues to invest significantly at Sasa with the implementation of the Cut and Fill Project, comprising the construction of a Paste Backfill Plant and associated underground reticulation infrastructure, a Dry Stack Tailings Plant and associated landform and the development of the new Central Decline.

During H1 2022, capital expenditure on the Cut and Fill Project totalled $4.1 million of which $3.5 million has been capitalised and $0.6 million prepaid. This includes $1.1 million of Central Decline costs and $1.8 million on the Paste Backfill Plant. There was a further $0.7 million spent on underground reticulation and $0.5 million spent on the Dry Stack Tailings Plant and associated landform.

The Group intends to spend $17-$19 million on its Cut and Fill Project in 2022. Much of this total cost is expected to be incurred during H2 2022, as the ESIA has now been approved and as CAML moves towards construction.

Working capital

As of 30 June 2022, current trade and other receivables were $6.8 million (31 December 2021: $6.2 million), which includes trade receivables from the offtake sales of $0.7 million (31 December 2021: $1.2 million) and $3.0 million in relation to prepayments and accrued income (31 December 2021: $2.5 million).

Non-current trade and other receivables were $7.3 million (31 December 2021: $7.3 million). As at 30 June 2022, a total of $3.1 million (31 December 2021: $3.3 million) of VAT receivable was owed to the Group by the Kazakhstan authorities. Recovery is still expected through a continued dialogue with the authorities for cash recovery and further offsets.

As at 30 June 2022, current trade and other payables were $14.2 million (31 December 2021: $16.1 million).

Cash and borrowings

As of 30 June 2022, the Group had cash in the bank of $57.7 million (31 December 2021: $59.2 million) and current borrowings of $12.1 million (31 December 2021: $33.0 million). Current borrowings comprise $7.6 million in corporate debt through Traxys and $4.5 million of North Macedonian overdraft facilities.

The reduction in current borrowings of $20.9 million reflects corporate debt repaid during the period of $16.0 million, repayments of overdrafts of $4.5 million, a foreign exchange impact of $0.5 million as well as an effective interest rate amount of $0.1 million relating to unwinding directly attributable fees. The June 2022 corporate debt repayment of $3.2 million was collected by the lenders on 1 July and is therefore not reflected in the 30 June 2022 cash and borrowings balances.

The corporate debt facility with Traxys was repaid in full in August 2022 post the period end. The monthly repayment schedule was $3.2 million, and interest was payable at LIBOR plus 4.00%. Security was 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 remained compliant.

The Group holds an overdraft with Sparkasse Bank Makedonija AD Skopje (formerly Ohridska Banka A.D. Skopje) and has a fixed interest rate of 2.5% denominated in Macedonian Denar. At 30 June 2022 this overdraft was fully drawn down amounting to $4.5 million (31 December 2021: $4.9 million). This overdraft was repaid in full in July 2022 post the period end.

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 was repaid in June 2022 and renewed in July 2022.

Cash flows

Increased commodity prices coupled with a robust operational performance resulted in strong cash flows for the Group. Net cash flow generated from operations was $56.6 million (H1 2021: $53.4 million).

During the period, corporate debt repayments of $16.0 million were made (H1 2021: $19.2 million) in relation to the Traxys loan and a further $4.5 million (H1 2021: $0.7 million) of overdraft was repaid. In addition, interest of $0.5 million was paid (H1 2021: $1.5 million).

$1.7 million (H1 2021: $0.1 million) of North Macedonia corporate income tax was paid in cash during the period in addition to a $1.8 million (H1 2021: $2.1 million) non-cash payment offset against VAT and corporate income tax receivable. $10.0 million (H1 2021: $6.0 million) of Kazakhstan corporate income tax was paid during the period.

Considering sustaining capital expenditure, CAML's FCF for H1 2022 was $52.1 million (H1 2021: $48.9 million).

Dividend

The Company's dividend policy is to return to shareholders a target range of between 30% and 50% of FCF, defined as net cash generated from operating activities less sustaining capital expenditure. Dividends will only be paid provided there is sufficient cash remaining in the Group to meet any ongoing contractual debt repayments and that any banking covenants are not breached.

Total dividends paid to shareholders during the period of $27.8 million comprised the final 2021 dividend of 12 pence per Ordinary Share.

In conjunction with CAML's H1 2022 results, the Board has declared an interim dividend for the period of 10 pence per Ordinary Share which represents 40% of FCF in line with this policy. The interim dividend is payable on 21 October 2022 to shareholders registered on 30 September 2022. This latest dividend will increase the amount returned to shareholders in dividends and share buy-backs since the 2010 IPO to $277.3 million.

Going concern

The Group sells and distributes its copper product primarily through an offtake arrangement which is in place until 31 December 2022 whereby Traxys commits to buy 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 March 2023. The Company is confident that new offtake arrangements will be put in place at both Sasa and Kounrad to ensure continuity of sales.

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 of 30 June 2022.

The Board has reviewed forecasts for the period to December 2023 to assess the Group's liquidity which demonstrate substantial headroom. The Board have considered additional sensitivity scenarios in terms of the Group's commodity price forecasts, expected production volumes, operating cost profile and capital expenditure. The Board have assessed the key risks which could impact the prospects of the Group over the going concern period including commodity price outlook, cost inflation and supply chain disruption together with reverse stress testing of the forecasts in line with best practice. Liquidity headroom was demonstrated in each reasonably possible scenario. Accordingly, the Directors continue to adopt the going concern basis in preparing the consolidated financial information.

Outlook

The Directors closely monitor the situation in Ukraine and its impact on the Company's cost base. Given recent cost inflation and also the decline in commodity prices, in particular copper since the beginning of

June, the Company's focus on cost control has been strengthened to maximise value creation and cash flow. However, energy prices are largely outside the Company's control.

The Company remains on track to meet the 2022 production output guidance from Sasa and Kounrad. CAML has a strong balance sheet with the Traxys corporate debt facility fully repaid in August 2022.

Non-IFRS financial measures

The Group uses alternative performance measures, which are not defined by the 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-22	30-Jun-21
	$'000	$'000
Profit for the period	**53,330**	30,965
Plus/(less):		
Income tax expense	**13,537**	10,870
Depreciation and amortisation	**13,971**	15,131
Unrealised loss on financial derivatives	**-**	4,855
Foreign exchange (gain)/loss	**(7,025)**	248
(Profit)/loss on disposal of property, plant, and equipment	**(5)**	11
Other income	**(74)**	(122)
Other expenses	**-**	65
Finance income	**(87)**	(42)
Finance costs	**1,179**	2,410
Loss/(profit) from discontinued operations	**69**	(9)
EBITDA	**74,895**	64,382

Gross revenue

Gross revenue is presented as the total revenue received from sales of all commodities after deducting the directly attributable treatment and refining 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 cash

Net cash 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 plus the cash and cash equivalents held at the end of the period. This balance does not include the restricted cash balance of $6.7 million (31 December

2021: $3.5 million). The June 2022 corporate debt repayment of $3.2 million was collected by the lenders on 1 July, and is therefore not reflected in the 30 June 2022 cash and borrowings balances:

	30-Jun-22 $'000	31-Dec-21 $'000
Borrowings	**(12,130)**	(32,978)
Cash and cash equivalents	**51,010**	55,695
Net cash	**38,880**	22,717

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-22 $'000	30-Jun-21 $'000
Net cash generated from operating activities	**56,619**	53,352
Less: Purchase of sustaining property, plant, and equipment	**(4,513)**	(4,450)
Free cash flow	**52,106**	48,902

The purchase of sustaining property, plant and equipment figure above does not include the $3.5 million (H1 2021: $3.3 million) of capitalised expenditure on the Sasa Cut and Fill Project. 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 2024.

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
13 September 2022

INDEPENDENT REVIEW REPORT TO CENTRAL ASIA METALS PLC

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 2022 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the London Stock Exchange AIM Rules for Companies.

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 2022 which comprises the condensed consolidated interim statement of financial position as at 30 June 2022, 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 and notes to the consolidated interim financial information.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("ISRE (UK) 2410"). 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.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the Directors have inappropriately adopted the going concern basis of accounting or that the Directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410, however future events or conditions may cause the Group to cease to continue as a going concern.

Responsibilities of Directors

The Directors are responsible for preparing the half-yearly financial report in accordance with the London Stock Exchange AIM Rules for Companies 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.

In preparing the half-yearly financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

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 AIM Rules for Companies 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.

Ryan Ferguson

For and on behalf of BDO LLP
Chartered Accountants
London
13 September 2022

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 2022

	Note	Six months ended 30-Jun-22 $'000	30-Jun-21 $'000
Continuing operations			
Revenue		**113,787**	100,827
Presented as:			
Gross revenue[1]		**119,547**	106,305
Less:			
Silver stream purchases		**(3,835)**	(3,781)
Offtake buyers' fees		**(1,925)**	(1,697)
Revenue		**113,787**	100,827
Cost of sales		**(40,621)**	(39,297)
Distribution and selling costs		**(1,026)**	(1,270)
Gross profit		**72,140**	60,260
Administrative expenses		**(11,216)**	(9,104)
Other gains and losses	6	**79**	(6,714)
Foreign exchange gain/(loss)		**7,025**	(248)
Operating profit		**68,028**	44,194
Finance income		**87**	42
Finance costs		**(1,179)**	(2,410)
Profit before income tax		**66,936**	41,826
Income tax	7	**(13,537)**	(10,870)
Profit for the period from continuing operations		**53,399**	30,956
Discontinued operations			
(Loss)/profit for the period from discontinued operations		**(69)**	9
Profit for the period		**53,330**	30,965
Profit attributable to:			
Non-controlling interests		**5**	3
Owners of the parent		**53,325**	30,962
Profit for the period		**53,330**	30,965
Earnings/(loss) per share from continuing and discontinued operations attributable to owners of the parent during the period (expressed in cents per share)		**$ cents**	$ cents
Basic earnings/(loss) per share			
From continuing operations	8	**30.25**	17.53

[1] Gross revenue is a non-IFRS financial measure which is 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.

From discontinued operations		**(0.04)**	0.01
From profit for the period		**30.21**	17.54
Diluted earnings/(loss) per share			
From continuing operations	8	**29.15**	17.07
From discontinued operations		**(0.04)**	0.01
From profit for the period		**29.11**	17.08

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (unaudited)

for the six months period ended 30 June 2022

	Six months ended	
	30-Jun-22	30-Jun-21
	$'000	$'000
Profit for the period	**53,330**	30,965
Other comprehensive expense:		
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences	**(34,543)**	(13,152)
Other comprehensive expense for the period, net of tax	**(34,543)**	(13,152)
Total comprehensive income for the period	**18,787**	17,813
Attributable to:		
- Non-controlling interests	**5**	3
- Owners of the parents	**18,782**	17,810
Total comprehensive income for the period	**18,787**	17,813
Total comprehensive income attributable to equity shareholders arises from:		
- Continuing operations	**18,758**	17,804
- Discontinued operations	**29**	9
	18,787	17,813

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
(unaudited)
as at 30 June 2022

	Note	**Unaudited**	Audited
		30-Jun-22	31-Dec-21
		$'000	$'000
Assets			
Non-current assets			
Property, plant and equipment	9	**353,849**	384,889
Intangible assets	10	**48,449**	52,090
Deferred income tax asset	14	**608**	352
Other non-current receivables	12	**7,329**	7,347
		410,235	444,678
Current assets			
Inventories	11	**12,101**	10,452
Trade and other receivables	12	**6,754**	6,210
Restricted cash		**6,671**	3,516
Cash and cash equivalents		**51,010**	55,695
		76,536	75,873
Assets of the disposal group classified as held for sale		**52**	38
		76,588	75,911
Total assets		**486,823**	520,589
Equity attributable to owners of the parent			
Ordinary shares		**1,765**	1,765
Share premium		**191,997**	191,988
Treasury shares		**(2,336)**	(2,360)
Currency translation reserve		**(139,324)**	(104,781)
Retained earnings		**349,935**	323,951
		402,037	410,563
Non-controlling interests		**(1,311)**	(1,316)
Total equity		**400,726**	409,247
Liabilities			
Non-current liabilities			
Silver streaming commitment		**17,610**	18,220
Deferred income tax liability	14	**21,072**	23,229
Lease liability		**246**	334
Provision for other liabilities and charges		**19,401**	18,917
		58,329	60,700
Current liabilities			
Borrowings	15	**12,130**	32,978

Silver streaming commitment		**1,178**	1,229
Trade and other payables	13	**14,200**	16,056
Lease liability		**207**	302
Provisions for other liabilities and charges		**36**	49
		27,751	50,614
Liabilities of disposal group classified as held for sale		**17**	28
		27,768	50,642
Total liabilities		**86,097**	111,342
Total equity and liabilities		**486,823**	520,589

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (unaudited)
for the six months period ended 30 June 2022

	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 2022	**1,765**	**191,988**	**(2,360)**	**(104,781)**	**323,951**	**410,563**	**(1,316)**	**409,247**
Profit for the period	-	-	-	-	53,325	53,325	5	53,330
Other comprehensive expense– currency translation differences	-	-	-	(34,543)	-	(34,543)	-	(34,543)
Total comprehensive income/(expense)	**-**	**-**	**-**	**(34,543)**	**53,325**	**18,782**	**5**	**18,787**
Transactions with owners								
Share based payments	-	-	-	-	1,741	1,741	-	1,741
Exercise of options	-	9	24	-	(1,263)	(1,230)	-	(1,230)
Dividends	-	-	-	-	(27,819)	(27,819)	-	(27,819)
Total transactions with owners, recognised directly in equity	**-**	**9**	**24**	**-**	**(27,341)**	**(27,308)**	**-**	**(27,308)**
Balance as at 30 June 2022	**1,765**	**191,997**	**(2,336)**	**(139,324)**	**349,935**	**402,037**	**(1,311)**	**400,726**

Attributable to owners of the parent	Ordinary shares $'000	Share premium $'000	Treasury shares $'000	Currency translation reserve $'000	Retained earnings $'000	Total $'000	Non-controlling interest $'000	Total equity $'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**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (unaudited)
for the six months period ended 30 June 2022

		Six months ended	
		30-Jun-22	30-Jun-21
	Note	**$'000**	$'000
Cash flows from operating activities			
Cash generated from operations	16	**68,830**	60,931
Interest paid		**(477)**	(1,488)
Corporate income tax paid		**(11,734)**	(6,091)
Net cash flow generated from operating activities		**56,619**	53,352
Cash flows from investing activities			
Purchases of property, plant, and equipment		**(8,008)**	(7,713)
Proceeds from sale of property, plant, and equipment		**17**	-
Interest received		**87**	42
(Increase)/decrease in restricted cash		**(3,155)**	63
Net cash used in investing activities		**(11,059)**	(7,608)
Cash flows from financing activities			
Repayment of overdraft	15	**(4,473)**	(708)
Repayment of borrowings	15	**(16,000)**	(19,200)
Dividend paid to owners of the parent		**(27,819)**	(19,385)
Cash settlement of share options		**(1,908)**	-
Receipt on exercise of share options		**6**	13
Net cash used in financing activity		**(50,194)**	(39,280)
Effect of foreign exchange (losses)/gain on cash and cash equivalents		**(34)**	35
Net (decrease)/increase in cash and cash equivalents		**(4,668)**	6,499
Cash and cash equivalents at 1 January		**55,731**	44,287
Cash and cash equivalents at 30 June		**51,063**	50,786

Cash and cash equivalents at 30 June 2022 includes cash at bank on hand included in assets held for sale of $53,000 (30 June 2021: $43,000). The consolidated statement of cash flows does not include the restricted cash balance of $6,671,000 (30 June 2021: $3,578,000).

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL INFORMATION
For the six months period ended 30 June 2022

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 2022 and was approved by the Directors for issue on 14 September 2022. 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 2021 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 2021, 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 2021 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 2022 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.

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 2021. Those risks and uncertainties, together with management’s response to them are described in the Principal Risks and Uncertainties section of the 2021 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 2021.

Going concern

The Group sells and distributes its copper product primarily through an offtake arrangement which is in place until 31 December 2022 whereby Traxys commits to buy 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 March 2023. The Company is confident that new offtake arrangements will be put in place at both Sasa and Kounrad to ensure continuity of sales.

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 2022.

The Board has reviewed forecasts for the period to December 2023 to assess the Group’s liquidity which demonstrate substantial headroom. The Board have considered additional sensitivity scenarios in terms of the Group’s commodity price forecasts, expected production volumes, operating cost profile and capital expenditure. The Board have assessed the key risks which could impact the prospects of the Group over the going concern period including commodity price outlook, cost inflation and supply chain disruption together with reverse stress testing of the forecasts in line with best practice. Liquidity 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.

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.

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.

New and amended standards and interpretations adopted by the Group

The Group has adopted the following standards and amendments for the first time for the half-yearly reporting period commencing 1 January 2022:

IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract amending the standard regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.

IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use regarding proceeds from selling items produced while bringing as asset into the location and condition necessary for it to be capable of operating in the manner intended by management.

These amendments are mandatorily effective for periods beginning 1 January 2022 however there is no impact on the current reporting period.

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 2021 which can be obtained from www.centralasiametals.com.

Refer to note 10 for critical judgements and estimates related to the impairment test for the Sasa mining assets.

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 2022 are as follows:

				Unaudited
	Kounrad	**Sasa**	**Unallocated**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Gross revenue	**61,178**	**58,369**	**-**	**119,547**
Silver stream purchases	**-**	**(3,835)**	**-**	**(3,835)**
Offtake buyers' fees	**(1,314)**	**(611)**	**-**	**(1,925)**
Revenue	**59,864**	**53,923**	**-**	**113,787**
EBITDA	**48,188**	**35,050**	**(8,343)**	**74,895**
Depreciation and amortisation	**(1,871)**	**(11,976)**	**(124)**	**(13,971)**
Foreign exchange gain	**4,293**	**2,577**	**155**	**7,025**
Other income	**79**	**-**	**-**	**79**
Finance income	**10**	**-**	**77**	**87**
Finance costs	**(91)**	**(581)**	**(507)**	**(1,179)**
Profit/(loss) before income tax	**50,608**	**25,070**	**(8,742)**	**66,936**
Income tax				**(13,537)**

Profit for the period after taxation from continuing operations	**53,399**
Loss from discontinued operations	**(69)**
Profit for the period	**53,330**

Depreciation and amortisation includes amortisation on the fair value uplift on acquisition of Sasa and Kounrad of $7,694,000.

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 $8,700,000.

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 2022 are as follows:

	Segmental Assets		Non-current Asset additions		Segmental Liabilities	
	30-Jun-22	31-Dec-21	**30-Jun-22**	30-Jun-21	**30-Jun-22**	31-Dec-21
	$'000	$'000	**$'000**	$'000	**$'000**	$'000

Kounrad	**82,532**	70,316	**1,189**	1,208	**(12,053)**	(11,637)
Sasa	**378,639**	405,928	**6,806**	5,364	**(63,588)**	(69,980)
Assets held for sale	**52**	38	**-**	-	**(17)**	(28)
Unallocated including corporate	**25,600**	44,307	**13**	13	**(10,439)**	(29,697)
Total	**486,823**	520,589	**8,008**	6,585	**(86,097)**	(111,342)

6. Other gains and losses

	Six months ended	
	30-Jun-22	30-Jun-21
	$'000	$'000
Realised losses on financial derivatives	**-**	(1,905)
Unrealised losses on financial derivatives	**-**	(4,855)
Profit/(loss) on disposal of property, plant, and equipment	**5**	(11)
Other income	**74**	122
Other expenses	**-**	(65)
	79	(6,714)

During 2021, the Group entered into commodity price hedge contracts for a portion of its 2021 metal production. As a result of these financial instruments, in the prior period ended 30 June 2021, the Company recognised $1.9 million of realised losses and $4.9 million of unrealised losses. These financial instruments expired at the end of 2021 and therefore there are no hedging gains or losses during the current period. The Group has not put in place any further hedge contracts for 2022.

7. Income tax

	Six months ended	
	30-Jun-22	30-Jun-21
	$'000	$'000
Current tax on profits for the period	**15,131**	11,517
Deferred tax credit (note 14)	**(1,594)**	(647)
Income tax expense	**13,537**	10,870

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

Corporate income tax is calculated at 19% (H1 2021: 19%) of the assessable profit for the period for the UK parent company, 20% for the operating subsidiaries in Kazakhstan (H1 2021: 20%) and 10% (H1 2021: 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-22	30-Jun-21
	$'000	$'000
Profit from continuing operations attributable to owners of the parent	**53,394**	30,953
(Loss)/profit from discontinued operations attributable to owners of the parent	**(69)**	9
Total	**53,325**	30,962
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	**30.25**	17.53
From discontinued operations	**(0.04)**	0.01
From profit for the period	**30.21**	17.54

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-22	30-Jun-21
	$'000	$'000
Profit from continuing operations attributable to owners of the parent	**53,394**	30,953
(Loss)/profit from discontinued operations attributable to owners of the parent	**(69)**	9
Total	**53,325**	30,962
Weighted average number of ordinary shares in issue	**176,498,266**	176,498,266
Adjusted for:		
- Share Options	**6,697,437**	4,789,387
Weighted average number of ordinary shares for diluted earnings per share	**183,195,703**	181,287,653
Diluted earnings per share	**$ cents**	$ cents

From continuing operations	**29.15**	17.07
From discontinued operations	**(0.04)**	0.01
From profit for the period	**29.11**	17.08

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 2022	**8,643**	**160,412**	**1,259**	**2,884**	**626**	**345,770**	**519,594**
Additions	7,874	75	-	59	-	-	8,008
Disposals	(7)	(87)	-	(10)	-	-	(104)
Change in estimate – asset retirement obligation	-	160	-	-	-	-	160
Transfers	(4,589)	4,597	-	(8)	-	-	-
Exchange differences	(759)	(6,620)	(90)	(107)	(46)	(19,857)	(27,479)
At 30 June 2022	**11,162**	**158,537**	**1,169**	**2,818**	**580**	**325,913**	**500,179**
Accumulated depreciation							
At 1 January 2022	**-**	**61,782**	**503**	**1,882**	**-**	**70,538**	**134,705**
Provided during the period	-	5,978	61	188	-	6,991	13,218
Disposals	-	(83)	-	(10)	-	-	(93)
Exchange differences	-	(1,396)	(38)	(66)	-	-	(1,500)
At 30 June 2022	**-**	**66,281**	**526**	**1,994**	**-**	**77,529**	**146,330**
Net book value at 1 January 2022	8,643	98,630	756	1,002	626	275,232	384,889
Net book value at 30 June 2022	**11,162**	**92,256**	**643**	**824**	**580**	**248,384**	**353,849**

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 2022	**29,872**	**35,024**	**324**	**65,220**
Exchange differences	(1,832)	(1,170)	(5)	(3,007)
At 30 June 2022	**28,040**	**33,854**	**319**	**62,213**
Accumulated amortisation				
At 1 January 2022	**-**	**12,850**	**280**	**13,130**
Provided during the period	-	866	9	875
Exchange differences	-	(241)	-	(241)
At 30 June 2022	**-**	**13,475**	**289**	**13,764**
Net book value at 1 January 2022	29,872	22,174	44	52,090
Net book value at 30 June 2022	**28,040**	**20,379**	**30**	**48,449**

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 $7,377,000 (31 December 2021: $7,948,000). 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 long-term price of $7,700 per tonne (H1 2021: $7,444) and a discount rate of 8% (H1 2021: 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 $20,663,000 (31 December 2021: $21,924,000). The movement being due solely to foreign exchange differences. The business combination in 2017 was accounted for at fair value under IFRS 3.

At 30 June 2022, the Group has tested for impairment, using a present value calculation sensitive to assumptions in respect of future commodity prices, treatment charges, discount rates, operating and capital expenditure, foreign exchange rates and the mineral reserves and resources' estimates.

An increased discount rate to reflect current market volatility of 11.40% (31 December 2021: 10.21%) was applied to calculate the present value of the CGU. The key economic assumptions used in the review were a five-year forecast average nominal zinc and lead price of $2,875 (31 December 2021: $2,529) and $2,020 (2021: $1,947) per tonne respectively and a long-term real price of $2,395 (31 December 2021: $2,435) and $1,992 (31 December 2021: $2,070) per tonne respectively with such pricing forecasts based on external market data. The financial model calculation also factors in cost increases for energy and wages to reflect significant near-term inflationary pressures facing the Group reflecting the current macroeconomic environment. Finally, indicated and inferred resources from Golema Reka discounted by 50% have been added to the end of life of mine in accordance with the Resources statement in the Competent Person Report published in 2017 which are considered to have a sufficient level of confidence of economic extraction.

At the balance sheet date, the impairment test concluded that an impairment is not necessary. However, headroom is very limited and as such any reasonable possible downside scenario in isolation, would lead to an impairment charge, for example a decline in zinc or lead commodity prices of 2% or more, or an increase in the discount rate to 12%.

At the balance sheet date, the Board considers the base case forecasts to be appropriate and balanced best estimates.

11. Inventories

	30-Jun-22	31-Dec-21
	$'000	$'000
Raw materials	**10,872**	9,208
Finished goods	**1,229**	1,244
	12,101	10,452

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 2022 and therefore there were no write-offs to the Income Statement during the period (H1 2021: nil). The total inventory recognised through the Income Statement was $3,551,000 (H1 2021: $3,823,000).

12. Trade and other receivables

Current receivables	**30-Jun-22 $'000**	31-Dec-21 $'000
Trade receivables	**680**	1,249
Prepayments and accrued income	**2,966**	2,545
VAT receivable	**1,809**	1,322
Other receivables	**1,299**	1,094
	6,754	6,210

Non-current receivables		
Prepayments	**4,250**	4,308
VAT receivable	**3,079**	3,039
	7,329	7,347

As of 30 June 2022, the total Group VAT receivable was $4,888,000 (31 December 2021: $4,361,000) which included an amount of $3,138,000 (31 December 2021: $3,299,000) of VAT owed to the Group by the Kazakhstan authorities. During the period ended 30 June 2022, the Kazakhstan authorities refunded $507,000. 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 for cash recovery and further offsets.

13. Trade and other payables

Current payables	**30-Jun-22 $'000**	31-Dec-21 $'000
Trade and other payables	**3,535**	3,363
Accruals	**3,143**	4,861
Corporation tax, social security and other taxes	**7,522**	7,832
	14,200	16,056

14. Deferred income tax asset and liability

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

	At 1-Jan-22 $'000	Currency translation differences $'000	Credit to income statement $'000	At 30-Jun-22 $'000
Other temporary differences	(349)	18	191	**(140)**
Deferred tax liability on fair value adjustment on Kounrad transaction	(5,069)	360	139	**(4,570)**

Deferred tax liability on fair value adjustment on CMK acquisition	(17,459)	441	1,264	**(15,754)**
Deferred tax liability, net	**(22,877)**	**819**	**1,594**	**(20,464)**

Reflected in the statement of financial position as:

Deferred tax asset	**352**	**(36)**	**292**	**608**
Deferred tax liability	**(23,229)**	**855**	**1,302**	**(21,072)**

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 $1,594,000 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-22	31-Dec-21
	$'000	$'000
Secured: Current		
Bank loans	**7,557**	23,406
Unsecured: Current		
Bank overdrafts	**4,573**	9,572
Total current	**12,130**	32,978

The carrying value of loans approximates fair value:

	30-Jun-22	31-Dec-21
	$'000	$'000
Traxys bank loan	**7,557**	23,406
Bank overdrafts	**4,573**	9,572
	12,130	32,978

The movement on the borrowings can be summarised as follows:

	$'000
Balance at 1 January 2022	**32,978**
Repayment of borrowings	**(16,000)**
Finance charge interest	**446**

Finance charge unwinding of directly attributable fees	**118**
Interest paid	**(414)**
Repayment of overdraft	**(4,473)**
Foreign exchange	**(525)**
Balance at 30 June 2022	**12,130**

During the period, $16,000,000 of the principal amount of corporate debt was repaid as well as $4,473,000 repayment of the overdrafts with total interest paid of $414,000. The June 2022 corporate debt repayment of $3,200,000 was collected by the lenders on 1 July and is therefore not reflected in the 30 June 2022 cash and borrowings balances.

The Group holds one corporate debt package with Traxys. 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 were all complied with. The corporate debt facility was repaid in full in August 2022 post the period end.

The Group holds an overdraft with Sparkasse Bank Makedonija AD Skopje (formerly Ohridska Banka A.D. Skopje) and has a fixed interest rate of 2.5% denominated in Macedonian Denar. As at 30 June 2022 this overdraft was fully drawn down amounting to $4,573,000 (31 December 2021: $4,927,000). This overdraft was repaid in full in July 2022 post the period end.

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 was repaid in June 2022 and renewed in July 2022.

16. Cash generated from operations

	Six months ended	
	30-Jun-22	30-Jun-21
	$'000	$'000
Profit before income tax including discontinued operations	**66,867**	41,835
Adjustments for:		
Depreciation and amortisation	**13,971**	15,131
Silver stream commitment	**(660)**	(621)
(Profit)/loss on disposal of property, plant, and equipment (note 6)	**(5)**	11
Foreign exchange (gain)/loss	**(7,025)**	248
Unrealised losses on financial derivatives	**-**	4,855
Share based payments	**2,418**	1,106
Finance income	**(87)**	(42)
Finance costs	**1,179**	2,410

Changes in working capital:

Increase in inventories	**(1,652)**	(345)
Increase in trade and other receivables	**(2,540)**	(808)
Decrease in trade and other payables	**(3,627)**	(2,826)
Provisions for other liabilities and charges	**(9)**	(23)
Cash generated from operations	**68,830**	60,931

17. Dividend per share

An interim dividend of 10 pence per ordinary share (H1 2021: 8 pence) was declared by the CAML Board on the 14 September 2022.

18. Related party disclosure

The Kounrad Foundation, a charitable foundation through which Kounrad donates to the community, was advanced $nil (H1 2021: $nil) as donations are expected during H2 2022. This is a related party by virtue of common directors.

The Sasa Foundation, a charitable foundation through which Sasa donates to the community, was advanced $96,000 (H1 2021: $236,000) with further donations expected during H2 2022. This is a related party by virtue of common directors.

19. Subsequent events

The corporate debt facility with Traxys was repaid in full in August 2022.