

# CENTRAL ASIA METALS MINEX EURASIA 2016 CONFERENCE

28 November 2016, London

CENTRAL  
ASIA  
METALS  
PLC





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November 2016



## INTRODUCING CENTRAL ASIA METALS (CAML)

- Listed AIM market of London Stock Exchange, IPO in September 2010, raised US\$60m
- Copper producer with assets in Kazakhstan and Chile
- Production from Kounrad dump leach and SX-EW plant
- Kazakhstan JORC resource, 600kt contained copper, c.250kt recoverable
- Lowest cash cost quartile producer, H1 2016 C1 costs \$0.40/lb
- Cash at 30 June 2016 \$30.2m, no debt
- Second self-funded expansion underway (Stage 2 Expansion), 99% complete and 25% under budget
- Dividend paid each year since 2012, distributions now represent 136% of IPO funds
- Framework agreement signed to acquire subsoil use contract to Shuak copper exploration property, Kazakhstan
- 75% interest in Copper Bay, project in Chanaral, northern Chile. DFS on track for Q4 2016

H1 2016 interim dividend

**5.5p**

Represents 26% gross revenue

H1 2016 production

**6,908t**

99.99% Cu

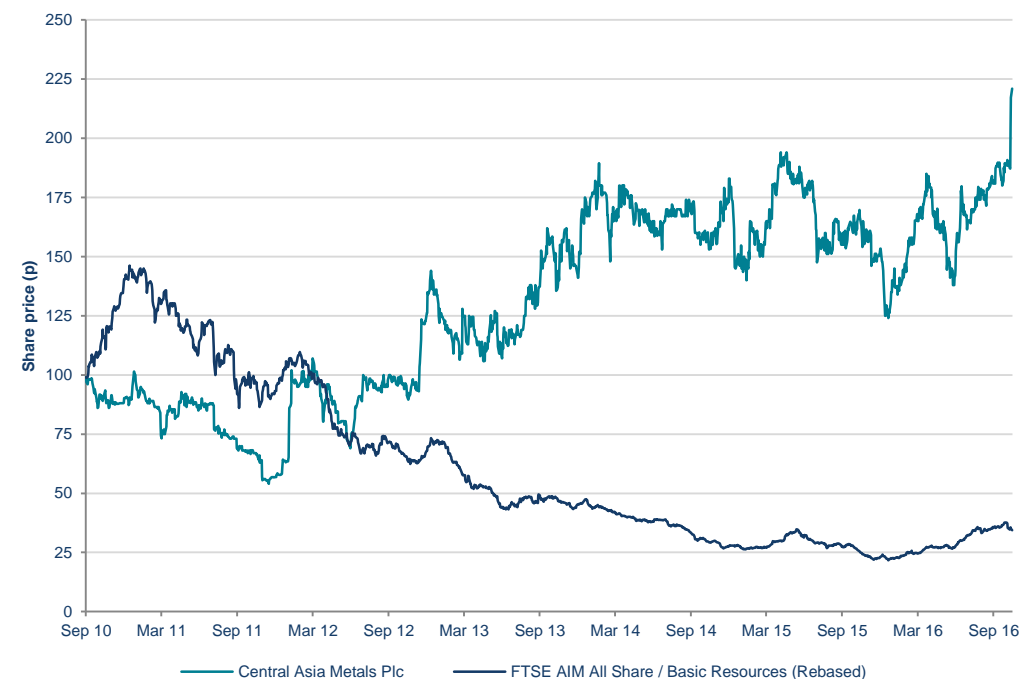
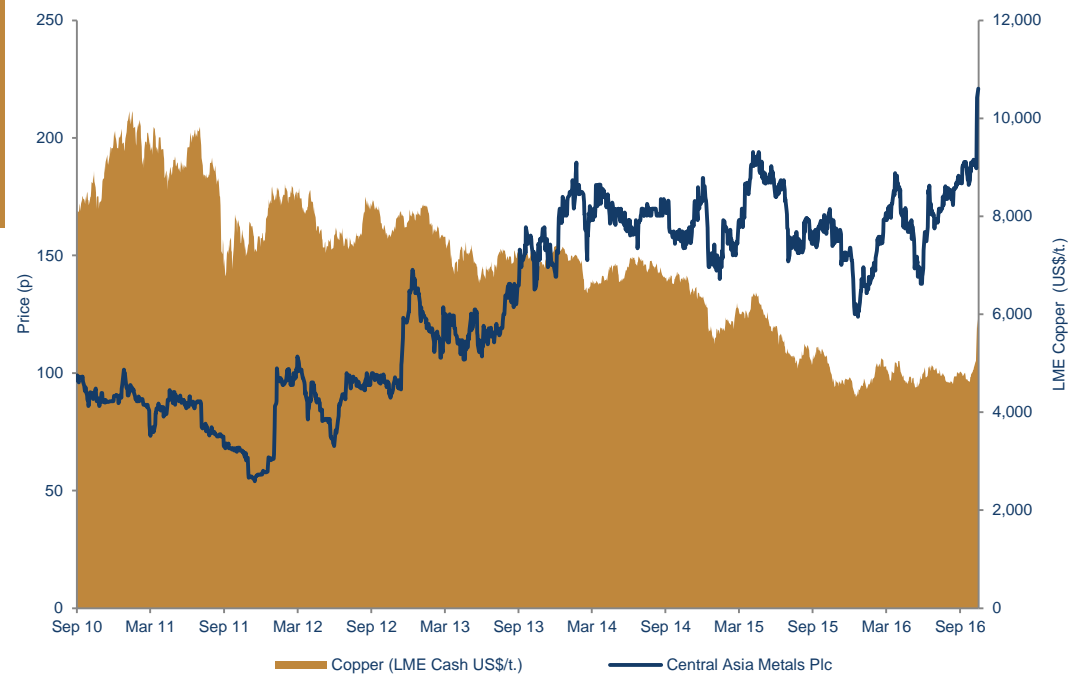
H1 2016 Group EBITDA

**\$17.4m**

EBITDA margin, 56%



# SHARE PRICE PERFORMANCE SINCE IPO



AIM: CAML share price	£2.18*
Market capitalisation	£244m*
Cash at 30 June 2016	\$30.2m
Issued shares	112m

\* As closed on 21 November 2016

**TSR IN 6 YEARS**

**179%#**

# Total shareholder return calculated combining share price appreciation since IPO and dividends

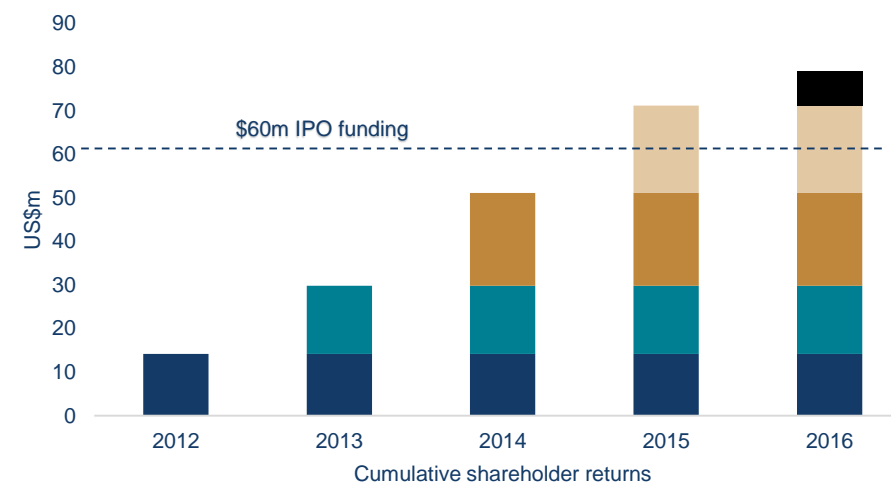


## RETURNS TO SHAREHOLDERS

### Returned \$82m to shareholders

Returns to shareholders	pence	£m	\$m
2012 share buyback (pre-div.)		1.2	2.0
2012 special, annual & interim	10.7	9.0	14.2
2013 interim & final	9.0	9.6	15.6
2014 interim & final	12.5	13.6	21.8
2015 interim & final	12.5	13.7	20.2
2016 interim	5.5	6.0	7.9
<b>Total returned since IPO</b>	<b>50.2</b>	<b>53.1</b>	<b>81.7</b>
Total gross attributable revenue since IPO			<b>259.6</b>
Percentage of gross revenue returned			<b>31%</b>
<b>2016 interim dividend, % of gross revenue</b>			<b>26%</b>

**136% of funds raised at IPO returned to shareholders**



Source: Central Asia Metals plc



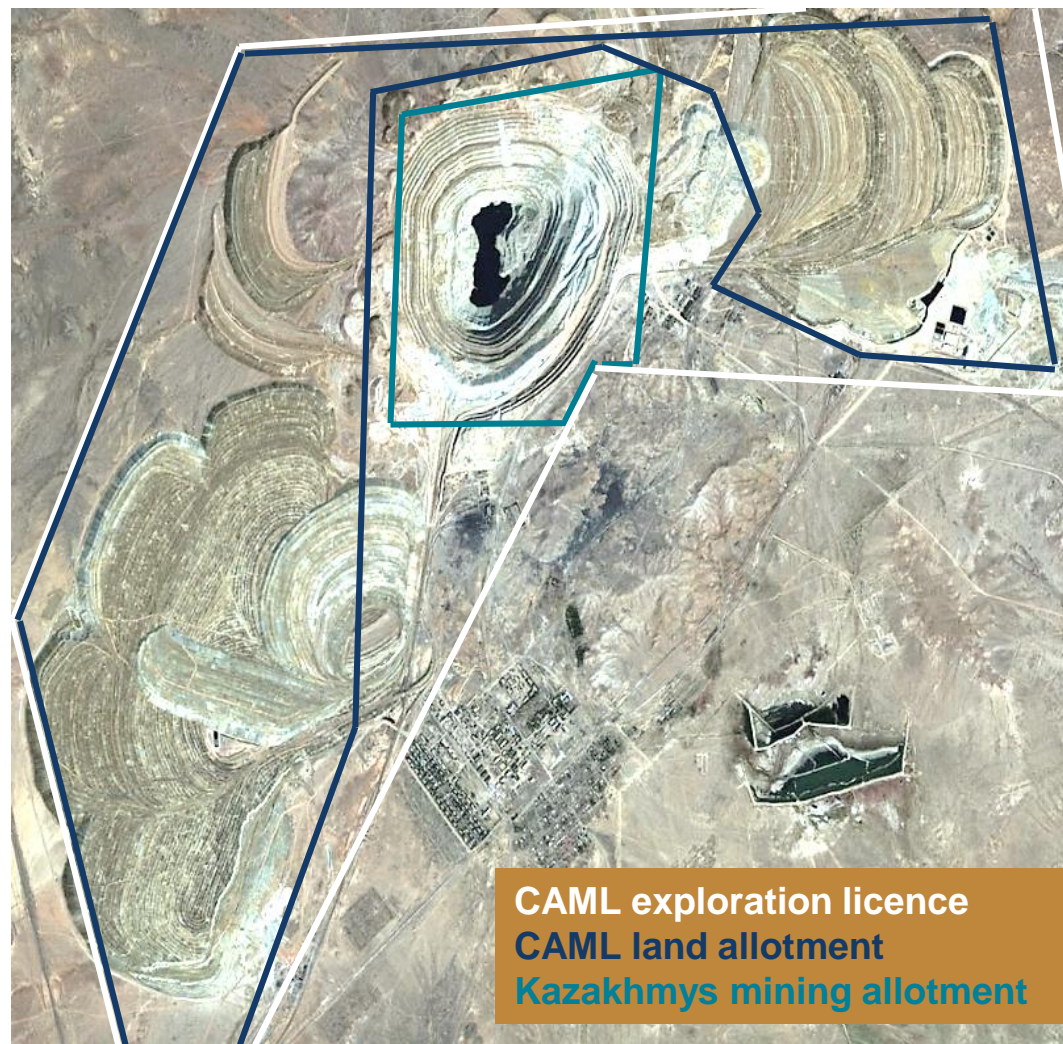
# KOUNRAD RESOURCE

## STATISTICS

- 1,500m-wide and 500m-deep pit
- 1,500Mt of rock extracted over LOM
- 2.9Mt of copper produced
- 650Mt of 'waste' in surface dumps
- 20 to 45m-high dumps cover 22km<sup>2</sup>

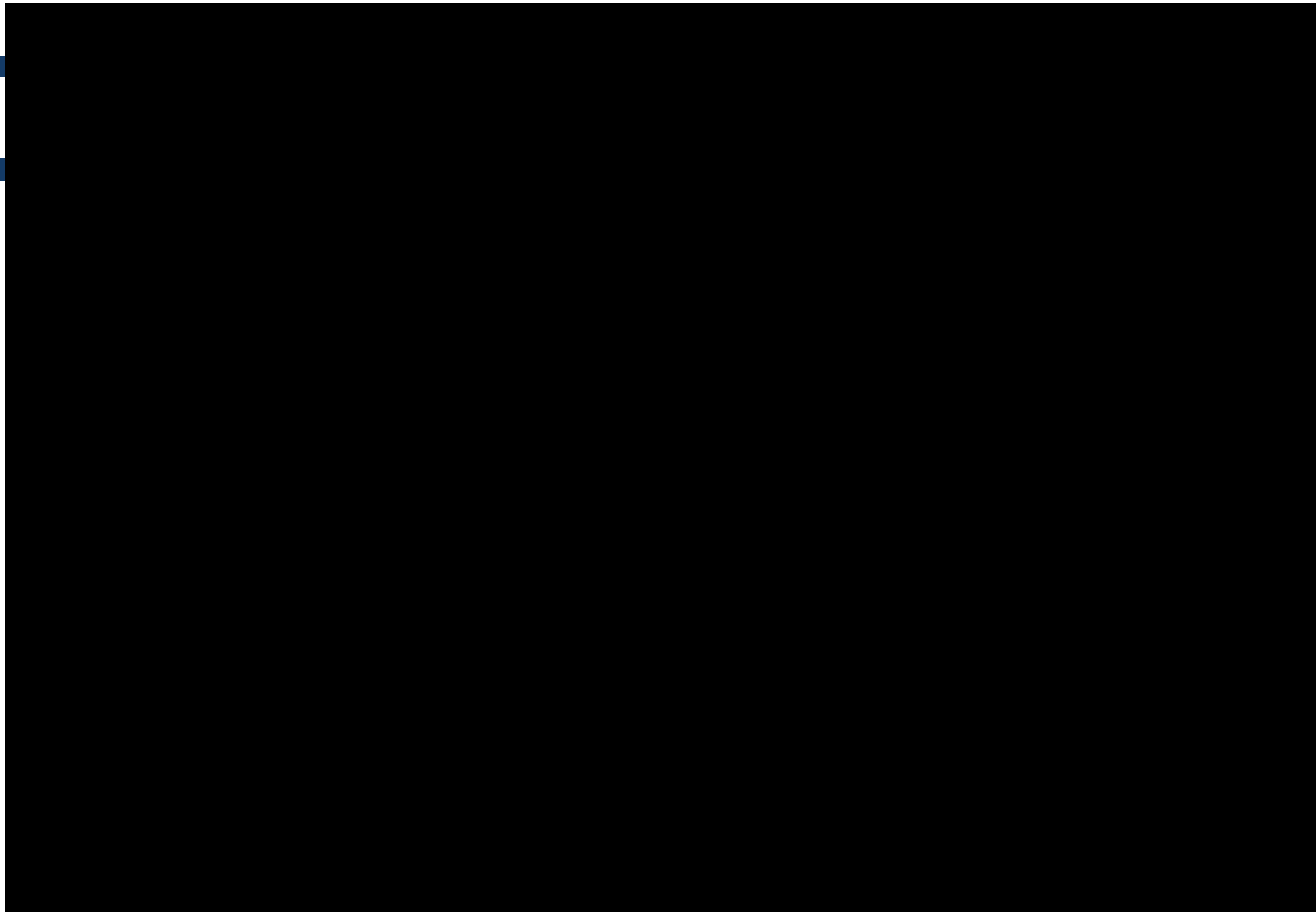
## HISTORY

- 1928 – Kounrad copper deposit discovery
- 1938 – Balkhash smelter starts production
- 1992 – Kazakhmys acquires the mine
- 2005 – Resource is exhausted
- 2007 – CAML acquires the rights to the dumps
- 2010 – CAML raises US\$60m at IPO and commences construction of SX-EW plant and dump irrigation systems, built for US\$9m below budget
- 2011 – Kazakhmys resumes limited mining
- 2012 – CAML produces first copper cathode





## SITE VIDEO





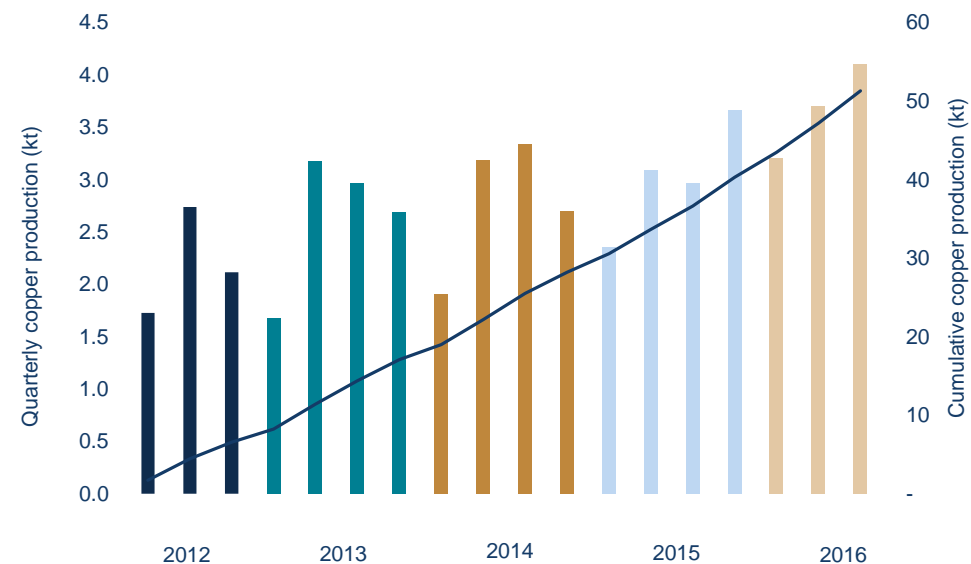
## Q3 2016 PRODUCTION UPDATE AND OUTLOOK

### Q3 2016

- Record quarterly copper production 4,102t (38% increase QoQ)
- At end Q3 total copper production exceeds 51,000t
- 9 month copper cathode sales 10,646t (38% increase on period to 30 September 2015)

### 2016 OUTLOOK

- FY production guidance reiterated 13,000t - 14,000t
- Stage 2 Expansion, project 99% complete
- Stage 2 Expansion, capex approx. 25% under budget
- Leaching to commence in Q2 2017



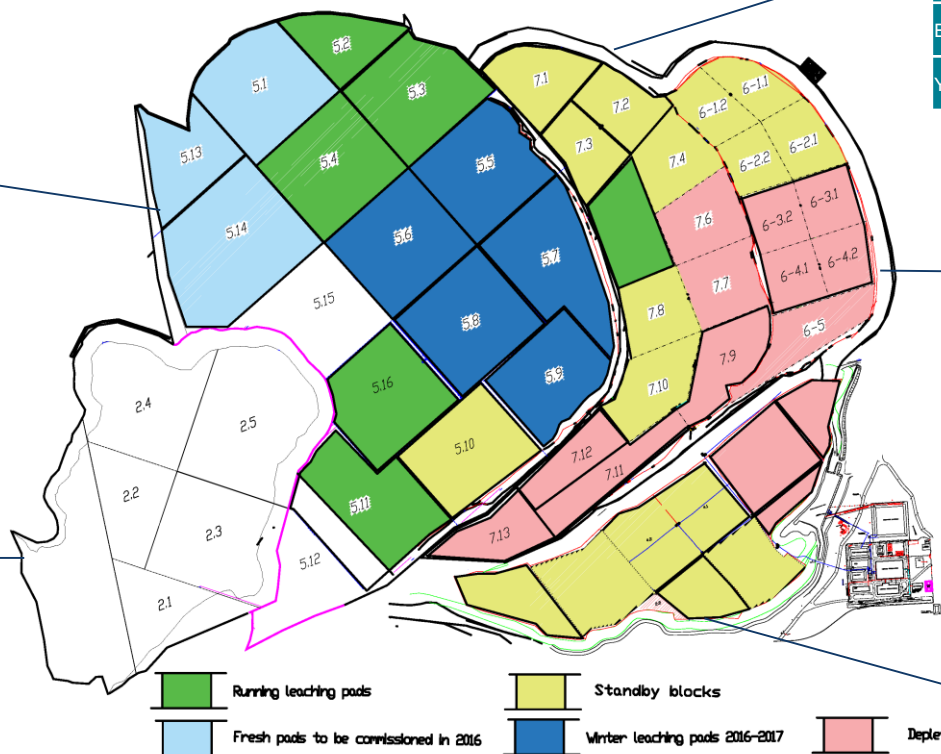


# EASTERN DUMP RESOURCES, 2012-2019

Dump 5	Tonnes
In-situ Copper	60,774
Extracted to H1 2016	9,506
Forecast	17,842
Expected recovery	45%
Year	2016-18

Dump 2	Tonnes
In-situ Copper	25,210
Extracted to H1 2016	-
Forecast	11,344
Expected recovery	45%
Year	2018-19

Eastern dumps leaching layout 2016



Dump 7	Tonnes
In-situ Copper	43,060
Extracted to H1 2016	18,993
Forecast	2,968
Expected recovery	51%
Year	2016-17

Dump 6	Tonnes
In-situ Copper	14,610
Extracted to H1 2016	7,227
Forecast	224
Expected recovery	51%
Year	2016-17

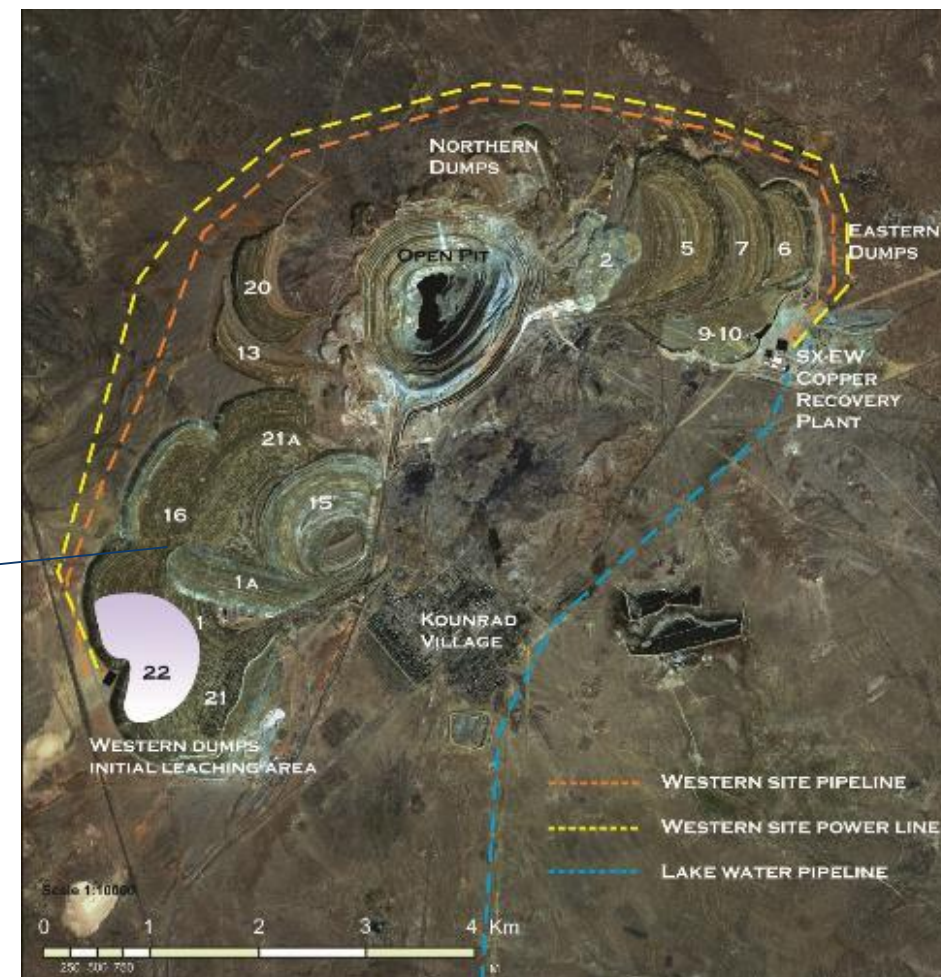
Dump 9-10	Tonnes
In-situ Copper	23,450
Extracted to H1 2016	11,840
Forecast	119
Expected recovery	51%
Year	2016-17



## STAGE 2 EXPANSION INTO WESTERN DUMPS

- c.175,000t recoverable copper
- Expansion into Western Dumps, extends life of Kounrad operation beyond 2030
- Leaching to commence Q2 2017
- Phased increase in copper production from Western Dumps as Eastern Dump production declines
- Majority of annual copper production to come from Western Dumps by 2019

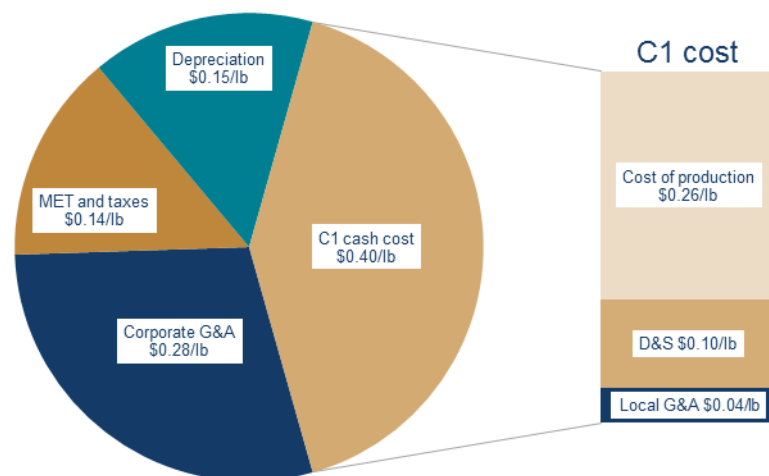
Western Dumps	Tonnes
In-situ Copper	446,700
Extracted to H1 2016	-
Forecast	c.175,000
Expected recovery	39%
Year	2017-30+



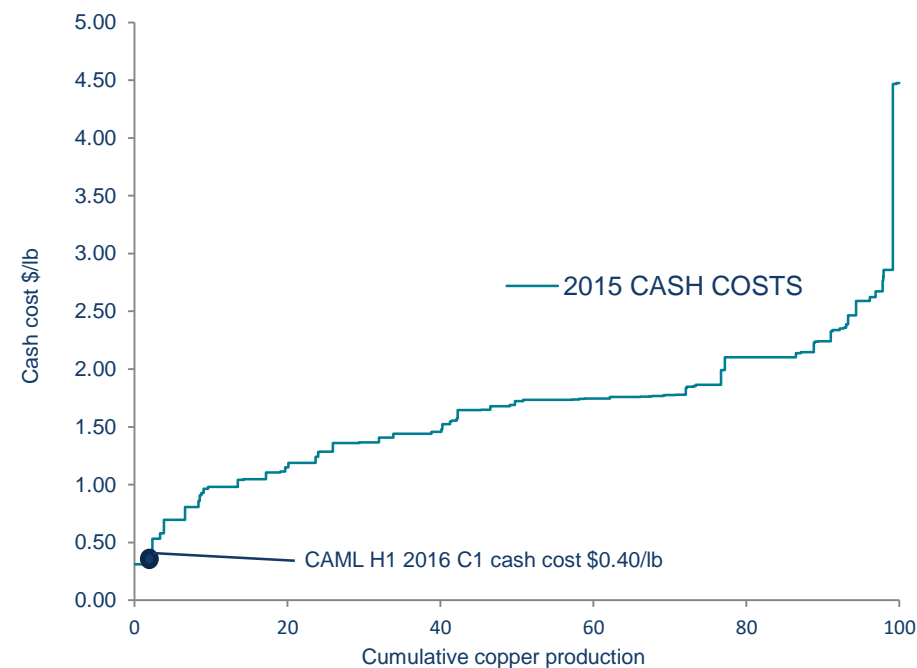


# KOUNRAD – FIRMLY IN THE LOWEST QUARTILE OF THE COST CURVE

FULLY INCLUSIVE COST \$0.97/lb



C1 CASH COST OF PRODUCTION \$0.40/lb



Source: GFMS, Thomson Reuters, Central Asia Metals plc



## KOUNRAD FINANCIAL PERFORMANCE TO DATE

	Total / average 50 months	H1 2016 6 months	2015 12 months	2014 12 months	2013 12 months	2012 8 months*
Sales, Cu tonnes	46,630	6,355	12,040	11,163	10,689	6,383
Production, Cu tonnes	47,210	6,908	12,071	11,136	10,509	6,586
Average sale price, \$/t	6,428	4,903	5,336	6,794	7,114	7,995
Project revenue, \$m	301.9	30.9	67.3	76.6	76.0	51.1
Group EBITDA, \$m	179.5	17.4	34.9	47.3	48.1	31.8
EBITDA margin, %	59.5	56.3	51.9	61.7	63.2	62.2
Dividend & share buy-back, \$m	81.7	7.9	20.2	21.8	15.6	16.2
Tax paid, \$m	74.3	6.6	17.9	24.8	20.1	4.9
C1 cash cost (industry standard), \$/lb	0.58	0.40	0.60	0.62	0.66	0.63
Fully inclusive cost, \$/lb	1.41	0.97	1.58	1.65	1.43	1.44

\*8 months from May 2012



# CORPORATE AND SOCIAL RESPONSIBILITY (CSR)

## HEALTH & SAFETY

- No lost time injuries in H1 2016, total LTI free man hours exceeds 1 million
- Govt. health and safety inspections undertaken in H1 2016

## ENVIRONMENTAL

- Govt. environmental checks undertaken during H1 2016
- Western Dumps environmental programme underway, including geophysics to determine subsurface hydrogeology and drilling of 40 monitoring boreholes

## SOCIAL

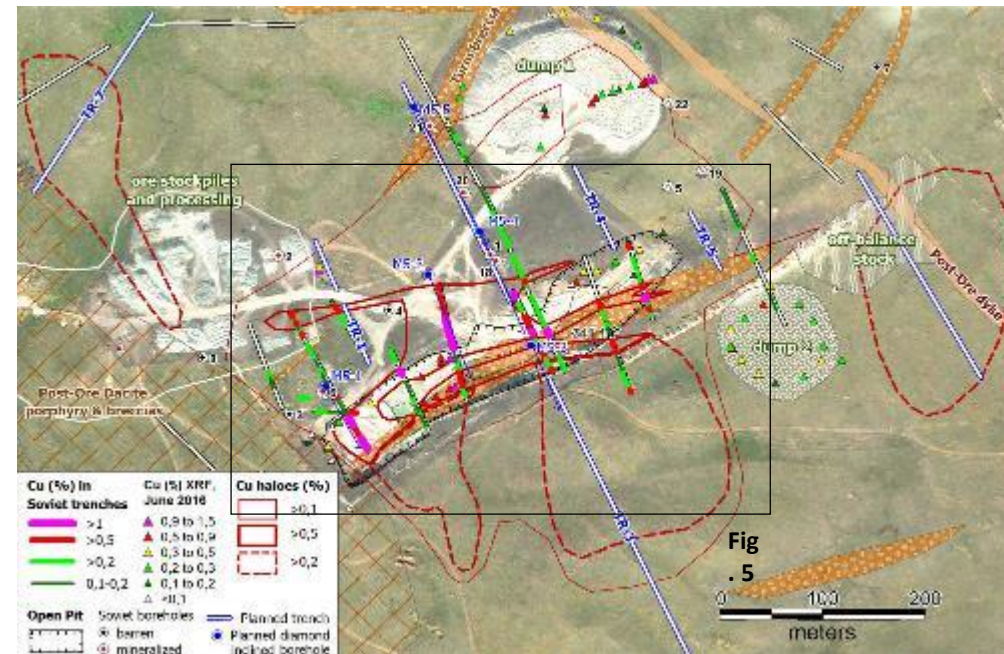
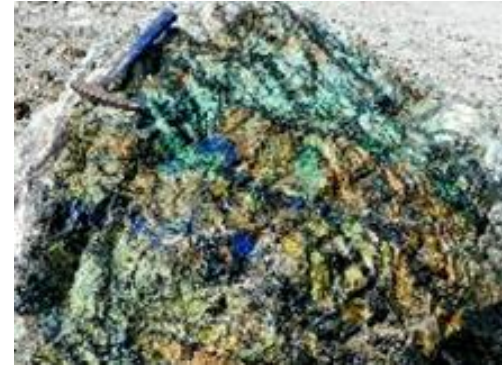
- Strong focus on training staff
- c.\$1m towards local community projects since 2012
- \$74m total tax paid in Kazakhstan since 2012
- 99% of workforce recruited locally
- Community focus remains on health, education and charitable organisations based in Kounrad and Balkhash





## SHUAK, KAZAKHSTAN (CAML 80%)

- CAML signed framework agreement to acquire Shuak copper-gold exploration project in November 2016
- Licence area, 198km<sup>2</sup>
- Shuak extensively explored in Soviet times
- Contains three near term targets, with the priority area being Mongol V
- Pre-GKZ resource, c.327,000 tonnes of contained copper at 0.66%Cu in C2 and P1 categories
- Two mineralisation styles:
  - Near-surface saprolite hosted oxide copper
  - Deeper porphyry copper target
- 2017 exploration budget, c.\$1m, to include 8,000m drilling and 1,800m trenching





# COPPER BAY PROJECT, CHILE (CAML 75%)

## PFS COMPLETED Q2 2015

- JORC compliant indicated and inferred mineral resource estimate of 51.2Mt at 0.24% Cu
- Indicative metallurgical recoveries 72.8%
- NPV \$50m at \$3.00/lb Cu price

## DFS PROGRESS – Q4 2016 TARGET COMPLETION

- Further drilling for resource estimation, geotechnical and hydrogeological studies
- Further metallurgical work to refine flow-sheet design, including lock-cycle and variability test work
- Engineering firms commissioned to undertake
  - Reserve estimation
  - Dredging study
  - Mine design, mine scheduling
  - Process plant design
- Continued environmental and social studies including community engagement





## BUSINESS DEVELOPMENT

- Over 100 opportunities reviewed in the past two years
- Seeking to grow the company through value accretive transactions in base metals and to enhance CAML's ECM profile
- The geographic focus encompasses Kazakhstan and Latin America, with flexibility on other jurisdictions based on project quality
- A range of valuation techniques used to ensure that any transaction benefits CAML's existing shareholders



WELL PLACED FOR GROWTH OPPORTUNITIES



## OUTLOOK

### PROFITABLE BUSINESS

- EBITDA margins >50%
- C1 cash cost of production in lowest quartile

### STRONG BALANCE SHEET

- Cash balance \$30.2m at 30 June 2016
- No debt

### HEALTHY CASHFLOWS

- Maintain dividend policy
- Stage 2 Expansion self-financed and nearing completion
- c.\$2m Kounrad sustaining capex per annum



**2016 PRODUCTION GUIDANCE 13,000t - 14,000t**



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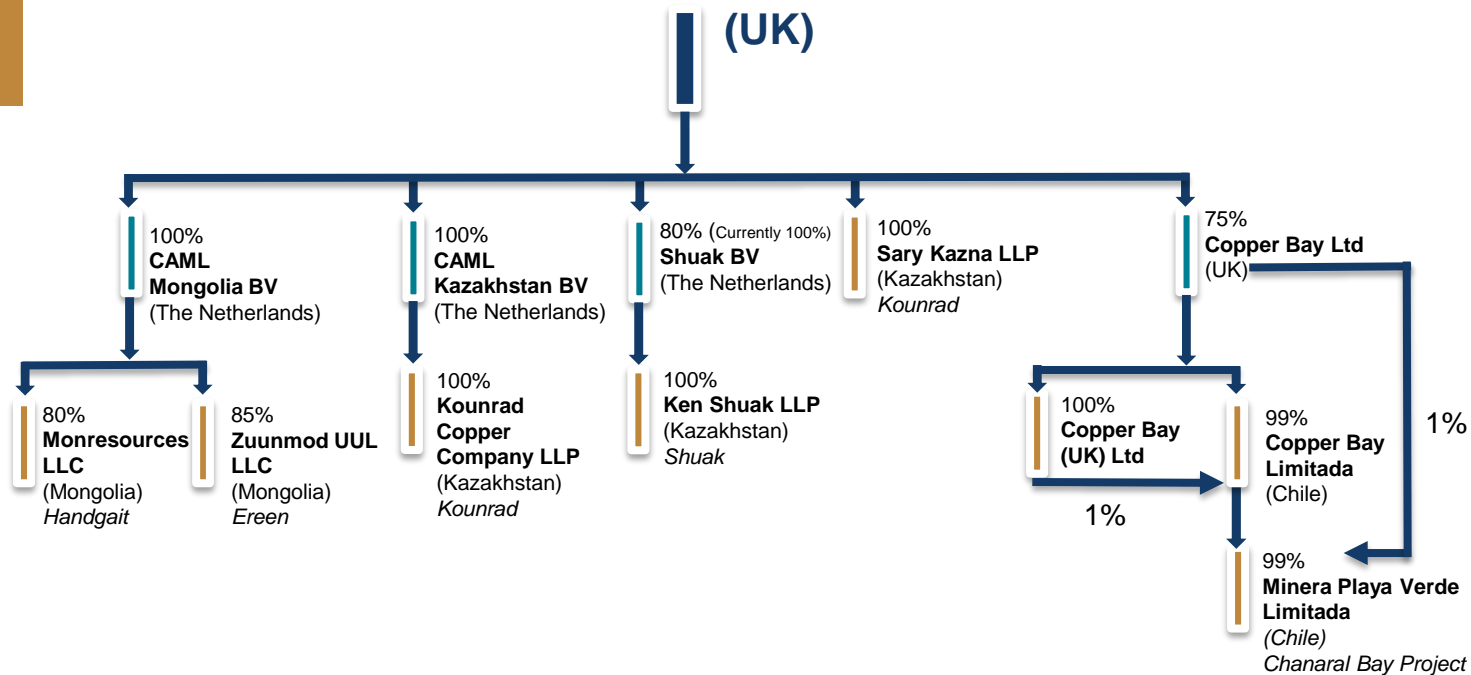
## APPENDICES





# STRUCTURE AND OWNERSHIP

## CENTRAL ASIA METALS PLC (UK)



## MAJOR SHAREHOLDERS AS OF 31 OCTOBER 2016

	No. of shares	% Holding
MR KENGES RAKISHEV	21,211,751	19.01
HARGREAVE HALE	11,515,300	10.32
FIL INVESTMENT INTERNATIONAL	9,601,366	8.61
MAJEDIE ASSET MGT	8,039,355	7.21
D & A INCOME	7,584,147	6.80
COMMONWEALTH AMERICAN PARTNERS	7,389,492	6.62
BLACKROCK INVESTMENT MGT	6,457,457	5.79
CENTRAL ASIA METALS LIMITED SHARE TRUST	4,642,896	4.16
MITON ASSET MGT	4,263,202	3.82

TOTAL VOTING SHARES	111,558,091	
SHARES HELD IN TREASURY	511,647	
TOTAL SHARES OUTSTANDING	112,069,738	



## BOARD OF DIRECTORS



**Robert Cathery**  
Non-Executive Director

**Nick Clarke**  
Executive Chairman

**Nurlan Zhakupov**  
Non-Executive Director

**Roger Davey**  
Non-Executive Director

**Kenges Rakishev**  
Non-Executive Director

**Nigel Hurst-Brown**  
Deputy Chairman

**Gavin Ferrar**  
Business Development Director

**Nigel Robinson**  
Chief Financial Officer

**David Swan**  
Non-Executive Director



# DIRECTORS' BIOGRAPHIES

## Nick Clarke Executive Chairman

Nick has over 40 years of mining experience, including 16 years spent within senior management positions in production and technical services in South Africa, Ghana and Saudi Arabia. Nick served as the managing director of Oriel Resources plc until its acquisition by OAO Mechel for \$1.5 billion in 2008. In addition, Nick was managing director at Wardell Armstrong International Ltd, where he managed numerous multidisciplinary consulting projects in the resource sector. He is a graduate of Camborne School of Mines and a Chartered Engineer. Nick is also a non-executive director of Wolf Minerals Ltd. In 2013, Nick was named CEO of the year at the Mining Journal outstanding achievements awards.

## Nigel Hurst-Brown Deputy Chairman

Nigel is currently chief executive of Hotchkis and Wiley Ltd. Previously he was chairman of Lloyds Investment Managers between 1986 and 1990 before becoming a director of Mercury Asset Management and later a managing director of Merrill Lynch Investment Managers. He is also a director of Borders & Southern Petroleum plc and a Fellow of The Institute of Chartered Accountants in England and Wales.

## Nigel Robinson Chief Financial Officer

Nigel is a member of the Institute of Chartered Accountants in England & Wales and formerly a Royal Naval Officer in the Fleet Air Arm. Upon leaving the Royal Navy, he qualified with KPMG where he stayed for a further three years before leaving to work in commerce. He worked for six years in management with British Airways plc before leaving in 2002 to become more involved with smaller enterprises.

## Gavin Ferrar Business Development Director

Gavin holds post-graduate degrees in geology and finance and has been involved in the mining sector for 21 years. His career in industry began at Anglo American in the New Mining Business Division. He spent 10 years in the investment banking sector focusing on equity and debt financing for junior and major mining clients of Barclays Capital and Investec. Since 2011, he has worked with junior mining companies arranging finance and providing corporate advisory services before joining CAML in June 2014 as Business Development Director.

## Robert Cathery Non-Executive Director

Robert became a member of the London Stock Exchange in 1967 and was managing director and Head of Oil and Gas at Canaccord Europe. During his career in the City he was a director of Vickers da Costa and Schroders Securities and Head of Corporate Sales at SG Securities (London) Limited. He is currently a non-executive director of SOCO International plc. He is a founder shareholder of CAML.

## Nurlan Zhakupov Non-Executive Director

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

## Kenges Rakishev Non-Executive Director

Kenges is a prominent business leader in Kazakhstan. He serves as chairman of the board of directors for a number of large companies including Kazkommertsbank JSC and SAT & Company (KASE: SATC), a diversified industrial holding company. He also serves as chairman of NASDAQ listed Net Element International, Inc. (NETE).

## Roger Davey Non-Executive Director

Roger, a Chartered Mining Engineer, has over 45 years of experience in the international mining industry. He is also a non-executive director of a number of other companies in the mining sector quoted on AIM, namely Atalaya Mining, Orosur Mining and Condor Gold. Until 2010, he was Senior Mining Engineer at N M Rothschild in the Mining and Metals Project Finance Team. Previously, he held senior management and director level roles in mining companies in South America and Africa as well as the UK, covering the financing, development and operation of underground and surface mining operations.

## David Swan Non-Executive Director

David is a chartered accountant with extensive experience across the natural resources sector. He is also a non-executive director of Sunrise Resources Plc and Oriel Resources Ltd. David joined CAML in June 2014.