

# BUILDING THE BUSINESS FOR THE FUTURE

CAML UPDATE – 2023 AGM



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# CAML OPERATIONS

## SASA (100%)

- Underground zinc and lead mine, northeast North Macedonia
- Production commenced in 1960s
- Life of mine to 2039 (reserves and resources)
- 2022 production, 21,473t zinc and 27,354t lead
- 2023 production guidance, 19,000-21,000t zinc and 27,000-29,000t lead

## KAZAKHSTAN

- Population, 19.4 million
- GDP per capita, \$11,229



## NORTH MACEDONIA

- Population, 2.1 million
- GDP per capita, \$5,700



## KOUNRAD (100%)

- In-situ dump leach and SX-EW processing facility, central Kazakhstan
- In production for 10 years
- Life of operation to 2034
- 2022 production, 14,254t copper
- 2023 production guidance, 13,000-14,000t copper cathode

# 2022 RESULTS HIGHLIGHTS

## BUILDING THE BUSINESS FOR THE FUTURE

### - During 2022

- 2021 Sustainability and Climate Change Reports were published
- Construction of the Kounrad Solar Power Plant commenced in Q4

### - Transition to Paste Fill mining method on schedule

- Completion of paste backfill plant construction, H1 2023
- Completion of dry stack tailings plant construction, H2 2023
- Total of 1,544m of the Central Decline developed to end of 2022

### - Q1 2023 production

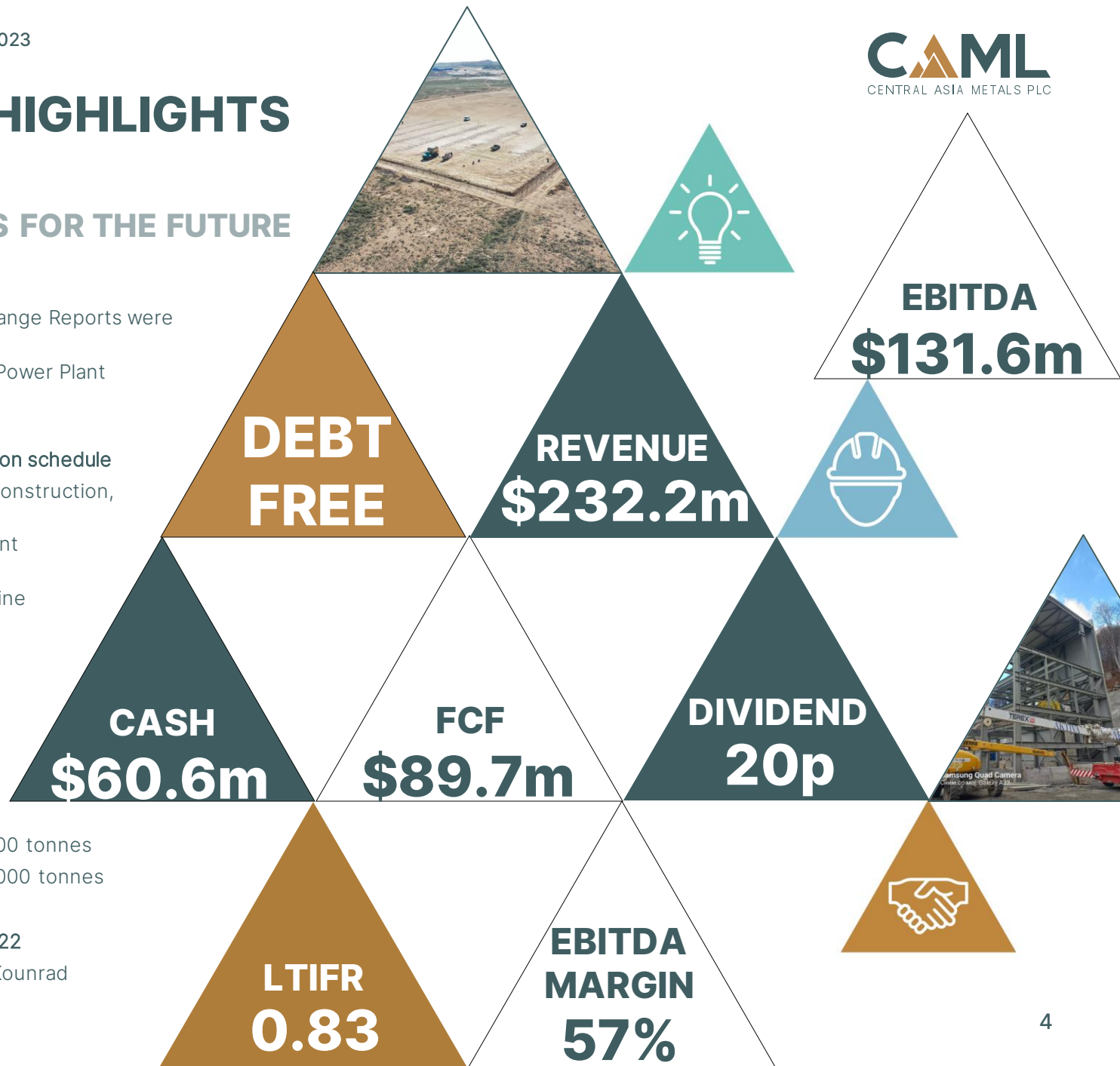
- Cu 3,336t, Zn 4,917t, Pb 6,618t

### - Full year 2023 guidance

- Copper: 13,000 to 14,000 tonnes
- Zinc in concentrate: 19,000 to 21,000 tonnes
- Lead in concentrate: 27,000 to 29,000 tonnes

### - Project anniversaries celebrated in 2022

- 10 year production anniversary at Kounrad
- 5 year ownership of Sasa

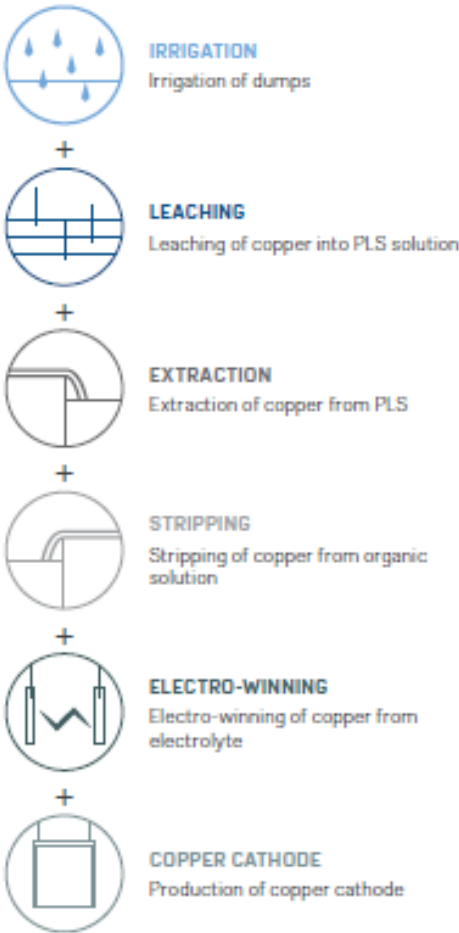




# KOUNRAD COPPER OPERATION



## HOW WE PRODUCE COPPER



# 2022 KOUNRAD C1 COPPER CASH COST

**2022 C1 cash cost \$0.65/lb** (2021: \$0.57/lb)

\$0.08/lb cost increase includes:

- Increase in payroll costs by \$0.06/lb following agreed pay rises which were effective from January 2022
  - supporting staff through inflationary pressures
- Higher realisation costs of \$0.02/lb due to ongoing Ukrainian conflict and transporting concentrate through Caspian route
- Other costs remained stable albeit reflecting weaker Tenge

**KOUNRAD 2022  
EBITDA MARGIN**

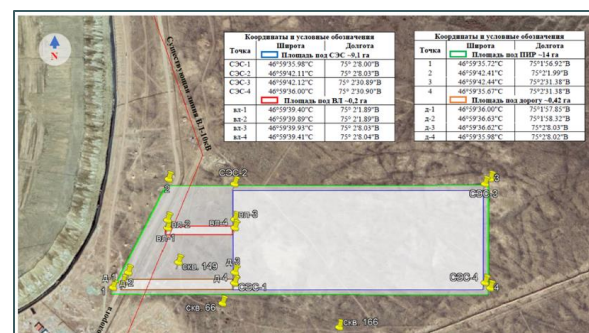
**77%**

Cost	2022 \$m	2021 \$m	2022 \$/lb	2021 \$/lb
Reagents	3.0	3.2	0.09	0.10
Power	2.4	2.6	0.08	0.09
Payroll	6.2	4.4	0.20	0.14
Materials	1.3	1.0	0.04	0.03
Consulting & other	2.1	1.9	0.07	0.06
Processing total	15.0	13.1	0.48	0.42
Realisation	3.1	2.6	0.10	0.08
G&A	2.4	2.2	0.07	0.07
Kounrad C1 costs	20.5	17.9	0.65	0.57

# SOLAR POWER PLANT

## CONSTRUCTION COMMENCED IN Q4 2022

- Scoping study undertaken in 2021, and was approved by the Board
- Detailed engineering work undertaken to firm up approach and costs in H1 2022, Board approval for project reiterated
- Earthworks are underway at site selected close to SX-EW plant
- Project construction expected to be complete in H2 2023
- Construction of a 4.77MW unit will be constructed by Kounrad's engineering team
- Expected to provide c.16-18% of Kounrad's electrical power needs and reduce Kounrad's Scope 1 and 2 GHG emissions by c.10% versus 2020
- Capital cost expected to be below \$5m, with <\$1m committed during 2022



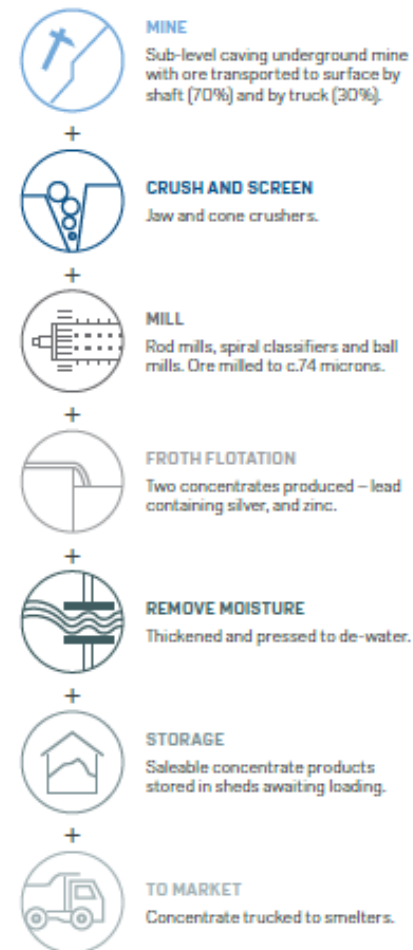


# SASA ZINC AND LEAD MINE



- Skarn hosted deposit in North Macedonia
- Underground mine
  - Sub-level caving operation
  - Transitioning to paste fill mining approach in 2023
- Reserves and resources to 2039

## HOW WE PRODUCE ZINC AND LEAD





# 2022 SASA RUN OF MINE COSTS

**2022 RoM unit cost \$55.6/t** (2021: \$44.1/t)

\$11.5/t increase, includes:

- Increase in electricity costs driven by price rises, \$6.9/t
  - Fixed priced electricity contract throughout H1 2022
- Reduction in RoM ore extracted, \$1.0/t
- Increase in reagents and grinding consumables, \$0.8/t
- Increase in fuel costs, \$0.5/t
- Realisation costs reduced due largely to global treatment charges
- Increased labour costs reflected across site mitigated in some part by Denar devaluation

**SASA 2022  
EBITDA MARGIN**

**52%**

C1 cash cost	2022 \$m	2021 \$m	2022	2021
RoM mine, t			806,069	818,609
Mining	22.2	19.0	\$27.6/t	\$23.1/t
Processing	14.1	10.0	\$17.5/t	\$12.3/t
Local G&A	8.5	7.1	\$10.5/t	\$8.7/t
Total site-based operating costs	44.8	36.1	\$55.6/t	\$44.1/t
Realisation	19.5	22.1		
Sasa C1 costs	64.3	58.2	\$0.78/lb	\$0.63/lb

# THE TRANSITION TO PASTE FILL MINING

## Central Decline development is well advanced

- Development continues from surface and on 910 level
- 1,800m developed to date
- A total of 1,051m was developed during 2022
- Total length of decline, c.4km
- Construction to be undertaken in 3 stages over 4 years:
  - 2021 - 503 metres
  - 2022 - 1,051 metres
  - 2023 - 1,130 metres
  - 2024 - 1,139 metres

## Paste Backfill Plant construction underway

- Preparatory earthworks and service culvert completed
- Installation of reticulation pipes commenced in H2 2022 and is well on track for completion ahead of planned commissioning
- Paste Backfill Plant on track for completion in H1 2023



## Dry Stack Tailings Plant design complete

- Design being adapted into North Macedonian format for submission to authorities
- Major equipment now ordered including filter press, slurry pumps and tanks, and expected on site by September
- Knight Piésold completed detailed design for Dry Stack Landform
- Dry Stack Tailings Plant construction on track for completion H2 2023



# OUR PURPOSE-DRIVEN APPROACH

## OUR STRATEGIC OBJECTIVES



### UNDERPINNED BY OUR VALUES



HEALTH & SAFETY



SUSTAINABILITY



EFFICIENCY & INNOVATION

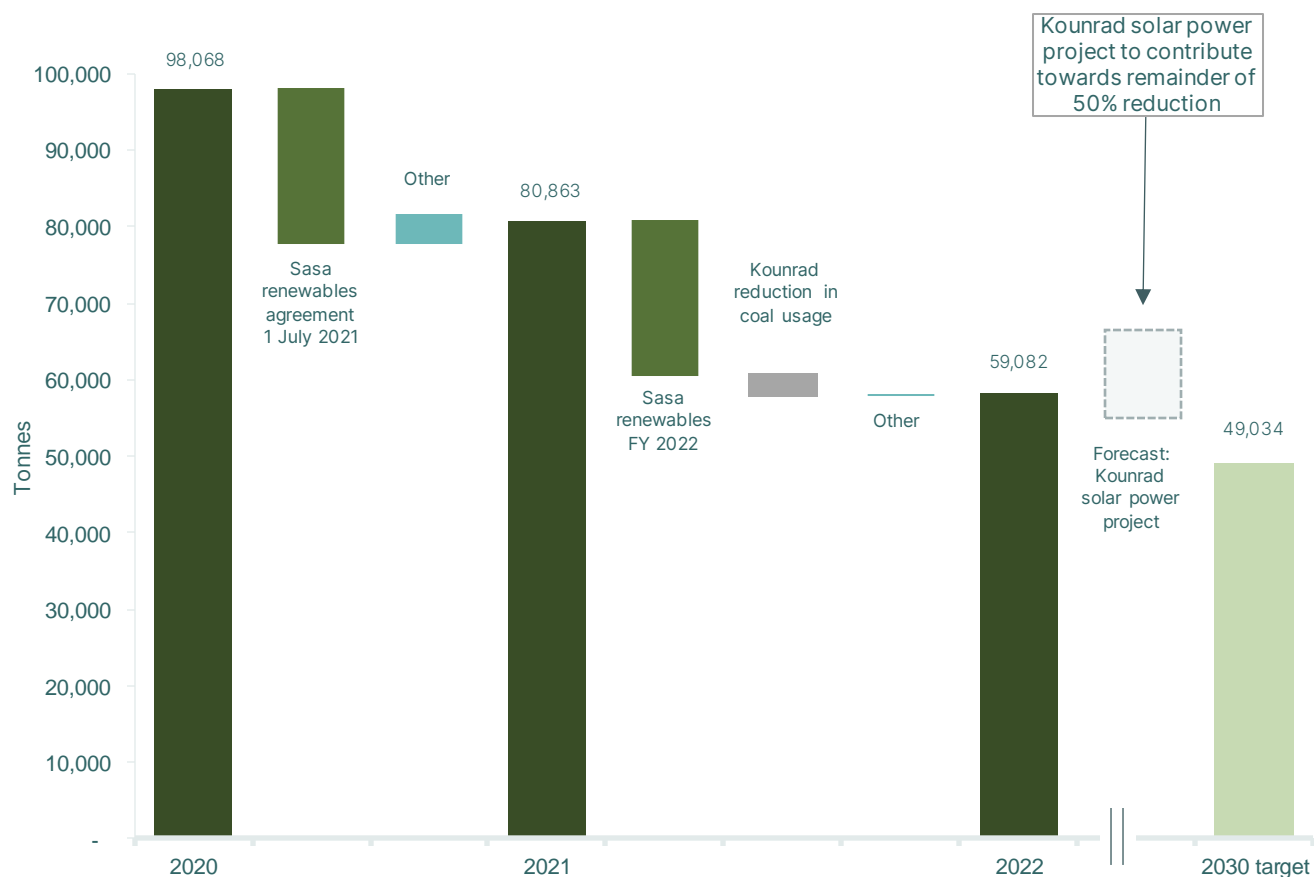


RESPECT & TRUST

# 2022 CLIMATE CHANGE PROGRESS

## TARGET – 50% REDUCTION IN GHG EMISSIONS\* BY 2030 FROM A 2020 BASE

### CAML GHG Emissions - Scope 1 & 2



### Achievements to date

- 2021 agreement to purchase solely renewable power in North Macedonia
- Audit of this power purchase by PwC
- Installation of temperature sensors to enable minimum coal consumption in Kazakhstan
- Groundworks commenced for Kounrad solar power project H2 2022
- Climate change scenario analysis undertaken in 2022

### Future plans

- Scope 3 emissions estimation work to be undertaken 2023
- Recommendations from scenario analysis report to be worked through in 2023
- Kounrad solar power plant construction completion H2 2023

\*Kounrad and Sasa, Scope 1 & 2

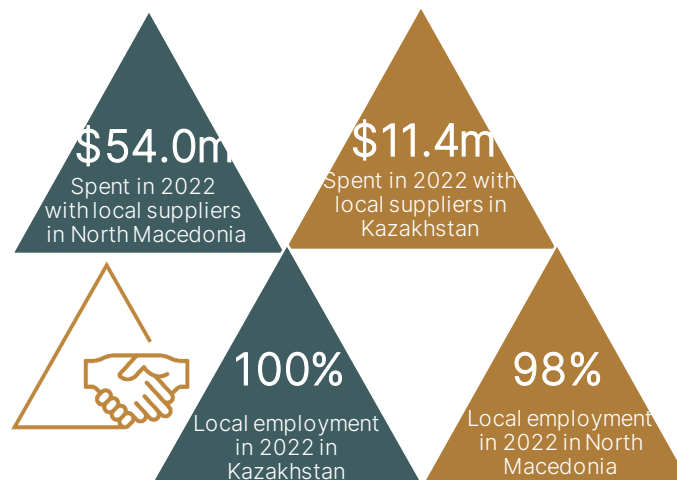


# UNLOCKING VALUE FOR OUR COMMUNITIES

## CAML FUNDED ITS CHARITABLE FOUNDATIONS WITH \$0.5M IN 2022

### Sasa Foundation

- PrimePoint appointed to further develop LEAP and LEDP, workshops organised including Municipality
- Sustainable development opportunities will be identified for Makedonska Kamenica
- Project developed for the renovation of local medical centre in 2023
- Improvements to disabled day care centre



### Kounrad Foundation

- Financial support for the children's rehabilitation center in Balkhash
- Tuition fees for local medical students
- Purchase and installation of bus shelters
- Equipment and materials for automated rail crossing in Kounrad village
- Identified additional projects to support NEET (not in employment, education or training) youth
- Refuge provided to 42 adults and 36 children in the Crisis Centre
- Continued support at the Kind Heart Centre for 105 children with disabilities.
- Continued support at the Centre for the Blind, used by 130 people

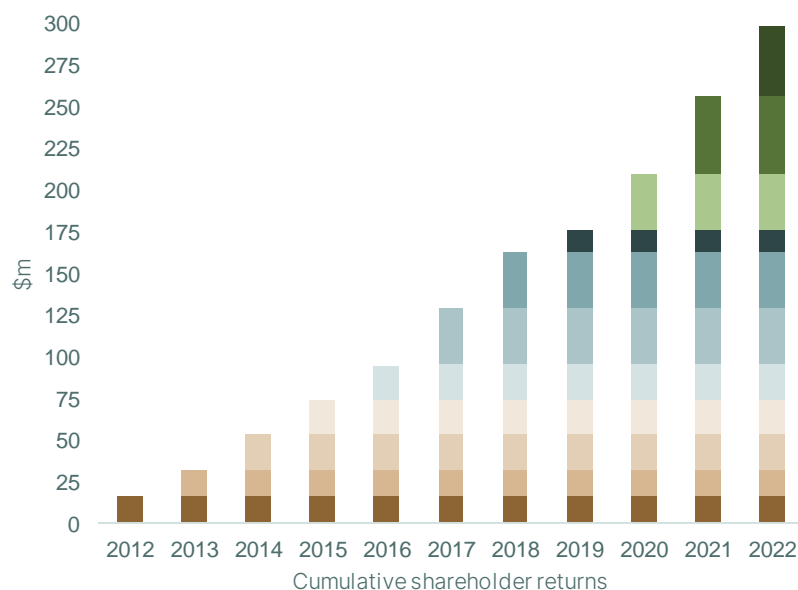
### Long Term Targets

- 0 community incidents
- Increase in community support
- 0.5% Group gross revenue of funding for the two Foundations

# CAPITAL ALLOCATION PRIORITIES

## Returns to shareholders

- 2022 final dividend, 10p
- 2022 full dividend, 20p (2021: 20p)
- 47% of FCF
  - CAML dividend policy, 30-50% FCF
- Total dividends since 2012, \$299.0m or 152p



## 2022 business development activities



## Sustainability aspects inform our thinking

- Country risk WRT governance issues
- Energy usage
- Water usage
- Tailings storage
- Biodiversity
- Community support

## SUPPORTIVE SHAREHOLDER BASE

### SEVEN ANALYSTS ROUTINELY COVER CAML

Shareholders	No. shares	% holding
J O Hambro	14,457,051	7.96%
T. Rowe Price Associates	13,960,919	7.69%
BlackRock	13,504,517	7.44%
T. Rowe Price International	8,806,572	4.85%
Fidelity	8,804,322	4.85%
Polar Capital	7,886,330	4.34%
AXA	7,335,000	4.04%
Bank of New York Mellon	6,733,215	3.71%



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HUNT**



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# BOARD OF DIRECTORS



**Mike Prentis**  
**Senior Independent Director**  
  
NED  
- Capital markets experience  
  
Member  
- Nomination Committee  
- Audit Committee  
- Sustainability Committee  
- Remuneration Committee

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

**Louise Wrathall**  
Executive Director of  
Corporate Development

**Nigel Robinson**  
CEO  
  
Member  
- Sustainability Committee  
- Technical Committee

**Gavin Ferrar**  
CFO

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

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

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

**Dr Mike Armitage**  
  
NED  
- technical experience  
  
Member  
- Sustainability Committee  
- Technical Committee



# SUMMARY AND OUTLOOK

## A strong sustainable business

- Strong operational and financial performance
- Producing the metals essential for modern living safely and sustainably

## Capital allocation priorities

- 2022 dividend, 20p
- Investment in the business
- Looking for growth opportunities

## 2023 outlook

- On track for strong base metals production
- Debt-free
- Completion of:
  - Construction Paste Backfill Plant
  - Construction of Dry Stack Tailings Plant
  - Initial phase of Central Decline
  - Construction of Kounrad Solar Power Plant
- Begin transition to paste fill mining methods



# CONTACT DETAILS

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