The Value of our People

INVESTING FOR THE FUTURE

Annual Report and Accounts 2023

CAML
CENTRAL ASIA METALS PLC

The Value of our People

Our projects are at the heart of the communities in which we operate. We provide employment to many local people as well as help with social funding projects and initiatives. As we explore new opportunities for the future, our focus will remain on delivering true value to our stakeholders.

Central Asia Metals Plc ('CAML') is a resources company focused on low-cost mineral assets in North Macedonia and Kazakhstan.

Our purpose is to produce base metals, essential for modern living, profitably in a safe and sustainable environment for all our stakeholders.

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Click to download the ESG datasheet or scan the QR code to download

ESG Datasheet

2023 A YEAR IN REVIEW

January

Rebrand and new CAML website

CAML CENTRAL ASIA METALS PLC

11 years of production at Kounrad

Central Decline tunnels connected at Sasa

Board trip to Kazakhstan

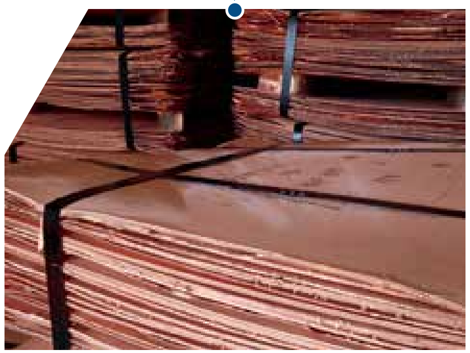
Construction of Paste Backfill Plant complete at Sasa

Kounrad reached over $1 billion in revenue cumulatively

Completed construction of Solar Power Project at Kounrad

Sasa won national Health and Safety Award

December



HIGHLIGHTS

Maintaining a solid platform for growth

Financial highlights

Gross revenue

$207.4m

2022: $232.2m

EBITDA

$96.5m

2022: $131.6m

EBITDA margin

47%

2022: 57%

Dividend

18p

2022: 20p

See page 56 for a definition of non-IFRS alternative financial performance measures.

Safety and operational highlights

Lost-time injuries ('LTIs')

1

2022: 2

Lost-time injury frequency rate ('LTIFR')

0.40

2022: 0.83

Kounrad, Kazakhstan

Copper cathode production

13,816t

2022: 14,254 tonnes

Copper sales

13,687t

2022: 14,342 tonnes

Sasa, North Macedonia

Zinc in concentrate production

20,338t

2022: 21,473 tonnes

Lead in concentrate production

27,794t

2022: 27,354 tonnes

OUR PURPOSE

Delivering on our purpose

Our purpose is to produce base metals, essential for modern living, profitably in a safe and sustainable environment for all our stakeholders.

Our purpose shapes our business model and our strategic decisions. It is underpinned by our values which inform the behaviour and standards expected of all our colleagues in the business.

Together these determine how we identify and deliver our immediate and long-term strategic objectives and generate sustainable, long-term returns for all our stakeholders.

How we measure our success

Measuring success through Key Performance Indicators ('KPIs') and ensuring these are linked to remuneration where appropriate.

Managing our associated risks

Delivering value through robust risk management.

Delivering long-term sustainable value for our stakeholders

- Employees
- Communities
- Investors
- Governments
- Suppliers

Our immediate strategic objectives

Targeting low cost, high margins
This objective is around our focus on low-cost production, which results in high margins

Ensuring prudent capital allocation
This objective focuses on CAML's ability to allocate capital efficiently

Focus on sustainability
This objective ensures that sustainability remains a key priority in everything we do

Our long-term strategic objective

Delivering growth
This objective is a continuous and underlying ambition

Sustainability pillars

- Delivering value through stewardship
- Maintaining health and safety
- Focusing on our people
- Caring for the environment
- Creating value for our communities

Underpinned by our values

Health and safety

The safety of our employees is a core value, and we are passionate about protecting the health and wellbeing of our people. We work hard to monitor, assess and mitigate all the risks that could potentially cause harm to our employees. We strive to ensure that every individual within the Company understands that safety is their responsibility.

Sustainability

Taking responsibility for sustainable development is our core objective, and its importance is considered in each decision we make. We aim to positively affect our employees and local communities, while minimising any adverse impacts on the natural environment.

Efficiency and innovation

We encourage our team to embrace change and commit to continuing to bring technology and innovation together to improve our operations. This approach helps us to use our resources wisely and efficiently in achieving long-term sustainable production.

Respect and trust

We encourage open and constructive communications with team members and value collaborative working. We accomplish transparency through honest, fair and open communication with all key stakeholders built on disclosure, clarity and accuracy. We are open to recognising our faults and improving practices.

INVESTMENT CASE


pg 14

Responsibility

Governance and stewardship play an important role in our strategic framework. It is our responsibility to ensure that our code of conduct has been developed to demonstrate what is expected of our employees, suppliers and stakeholders and to guide them on how to promote the strong principles of our business.

0.40
LTIFR


pg 30

Productivity

Productivity and efficiency have always been at the forefront of our approach to mining. Maintaining our low-cost model means that we can deliver strong returns to shareholders as well as ensuring that we have the financial strength to invest in the future of our operations. In 2023, we again met our production guidance, demonstrating that we can continue to support the many stakeholders that rely on us.

25,452t
copper equivalent production


pg 38

Sustainability

Sustainability is central in our approach to mining and how we do business. For our investors, it is critical that we not only manage our sustainability risks but capture the opportunities that come with being a producer of sustainable metals. This enables us to ensure we have a positive environmental and socio-economic impact on the communities around which we work.

41%
reduction in GHG emissions since 2020


pg 48

Profitability

Whilst we are a relatively young mining business, profitability has been crucial from our inception. For us, this is a core element of being a sustainable business. For the past five years, our EBITDA margins have been at the top end in comparison to key industry peers and, as we continue to seek new opportunities, profitability will remain of vital importance.

47%
EBITDA margin


p 72

Accountability

We take accountability seriously as we recognise that we are answerable to our key stakeholders to ensure we deliver reliable output, to our employees, communities and partners to protect their livelihoods and environments, and to our shareholders to deliver a return on their investment. Overall responsibility for our business lies with our Board of Directors.

99%
local employment


pg 113

Dependability

In an increasingly uncertain world, we pride ourselves on dependability. We are open and honest with all of our stakeholders to ensure that they know what to expect from us and to hold ourselves to account. From committing to Net Zero by 2050 to our dividend policy, which states that we will return between 30-50% FCF to shareholders, we set targets and can be depended upon to meet them.

30-50%
of free cash flow – dividend policy range

CHAIRMAN'S STATEMENT

Nick Clarke,
Non-Executive Chairman

"Leading from the top, the Board is responsible for setting the appropriate culture to drive good governance and ethical behaviour throughout the Company."

2023 revenue

$207.4m

2023 EBITDA

$96.5m

5 QCA **Maintain the board as a well-functioning, balanced team led by the chair**

Introduction

2023 was a good year for us at CAML, and I was pleased that we met our production targets in a safe environment while controlling our cost base in a highly inflationary environment and developing our capital projects at both Sasa and Kounrad.

The CAML Board visited our Kounrad operation in July 2023 to catch-up with the site based team, share our vision on CAML's future and witness the excellent work they undertake daily on site in producing high-quality, low-cost copper. We also took the opportunity to see the progress that was being made on our Solar Power Project. I am pleased to report that this project was completed ahead of schedule and under budget in Q4 2023 and is now generating renewable power for us.

At Sasa, the team significantly advanced our capital projects and transition to paste fill mining and we are looking forward to completing these projects in 2024.

Fulfilling our purpose

Our purpose is to produce base metals, essential for modern living, profitably in a safe and sustainable environment for all our stakeholders and we have fulfilled this purpose during 2023.

Our solid operational performance in 2023 generated earnings before interest, taxes, depreciation and amortisation ('EBITDA') of $96.5 million, earnings per share ('EPS') of 20.51 cents and free cash flow ('FCF') of $57.5 million. Whilst this was significantly less than the prior year due to reduced commodity prices and inflationary cost pressures, it was a strong performance in a difficult market.

"The metals we produce are essential for modern living and a technologically advancing future. They play a key role in transmitting power and transporting people in order to foster economic growth and development."

2023 has been a notable year for several reasons, not least the fact that, in Q3 2023, we reached the milestone of having generated over $1 billion in revenue from our Kounrad project. Operationally, in addition to completing construction of our Solar Power Project in Kazakhstan, we also completed the first part of the development of our Central Decline at Sasa, by joining the two tunnels totalling over two kilometres that had been simultaneously constructed from within the mine and from surface. Also, at Sasa, we completed construction of our Paste Backfill Plant ('PB Plant') and began transitioning to our new paste fill mining methods, while starting construction of the final phase of our capital investment – the Dry Stack Tailings ('DST') project.

In terms of developing our business for the long term, we continue to place much focus on appraising opportunities for future growth. In 2023, we were pleased to have entered into an arrangement with a team of experienced early-stage exploration geologists with international and significant Kazakhstan experience and a proven track record of discovery, and have set up our new exploration subsidiary, CAML Exploration ('CAML X'). The team is reviewing a series of potential target areas using historical data and its advanced database, and applications for several exploration licences in Kazakhstan have been made, with two already granted.

Sustainability

We have continued to advance our sustainability efforts during 2023. In Q2 2023, we published our fourth standalone Sustainability Report. This was the Company's third report drafted in accordance with the Global Reporting Initiative ('GRI') Standards, and the first to GRI's new Universal Standards.

We maintain our focus on minimising our environmental impacts on the areas surrounding our operations while creating value for our local stakeholders and, to that end, we have progressed in several key sustainability areas during 2023. We have established the template to estimate our Scope 3 greenhouse gas ('GHG') emissions and these will be detailed in our forthcoming climate change report for 2023 and also retrospectively for 2022. Our efforts towards conforming with the new Global Industry Standard for Tailings Management ('GISTM') have intensified and we remain confident that we will be able to comprehensively detail our progress and status at the end of H1 2024.

During Q4 2023, we also commenced projects on both biodiversity and occupational health, and we look forward to advancing our work and developing strategies for these two areas in 2024.

Governance

In April 2023, Nurlan Zhakupov left the CAML Board, we thank him for his 11 years of service as a Non-Executive Director.

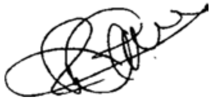
We remain committed to strong corporate governance practices. Aside from Nurlan's departure, our Board and its committees have enjoyed a period of stability. Our Technical Committee visited Sasa twice to see progress and provide guidance to the team delivering the projects that will enable us to complete the transition to paste fill mining methods.

Our Audit Committee continues to oversee the financial aspects of our business as well as placing an increasing importance on risk management. CAML's Remuneration Committee continues to ensure clear and measurable targets for our Executive Directors and senior management team, which always incorporate sustainability-related targets, while our Nomination Committee aims to ensure we retain, develop, and attract the right talent for the future. Our Sustainability Committee has this year advised our charitable foundations regarding a longer-term approach to our community investments and has ensured Board oversight on our climate change initiatives and tailings management in particular.

Acknowledgements

At the end of 2023, Pavel Semenchenko retired as Kounrad's General Director. Pavel has been with us for 17 years, overseeing the construction and the safe and successful operation of Kounrad. My sincere thanks go to Pavel for all that he has done for Kounrad and for CAML and I am delighted that he has agreed to remain with us as our Regional Manager in Kazakhstan. I am confident that his replacements, Raulan Kozgambayev and Vitaliy Logachev, will continue to ensure Kounrad's success for the future.

I would like to thank the Board of Directors, our senior management team and all our employees for their dedication to our business during 2023. Your efforts are noted, and we very much appreciate your hard work. I would like to extend my thanks to our stakeholders for their support.



Nick Clarke
Non-Executive Chairman

24 March 2024

OUR BUSINESS MODEL

How we create value

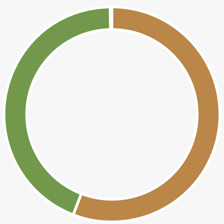
The metals we produce are essential for modern living and a technologically advancing future. They play a key role in transmitting power and transporting people in order to foster economic growth and development.

Who we are

CAML is a base metals producer listed on the AIM market of the London Stock Exchange with copper operations in Kazakhstan and a zinc and lead mine in North Macedonia.

Gross revenue 2023

by geography



Kazakhstan

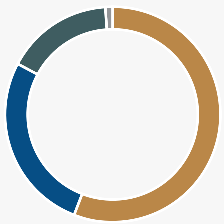
$116.3m

North Macedonia

$91.1m

Gross revenue 2023

by metal



Copper

$116.3m

Lead

$55.9m

Zinc

$33.0m

Silver

$2.2m

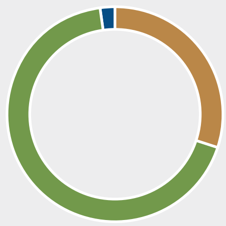
We promote low-cost, sustainable and ethical metal production to benefit our workforce, local communities, host governments and shareholders.

We enrich communities close to our operations with employment opportunities and education, as well as other facilities, while at the same time focusing on the financial sustainability of our operations.

What we rely on

People & skills

We are proud of the experienced and capable teams that we have at Sasa and Kounrad, and now employ over 1,000 people. There are no expatriates at Kounrad, and we currently have 12 (out of 773) at Sasa. We provide wide-ranging training programmes for our operational teams and, in some cases, tertiary education for key talent. We have a strong Board with complementary skills and a London-based senior management team.



Kazakhstan

30%

North Macedonia

68%

UK

2%

For more information, go to page 40

Investment

In order to ensure efficient and optimal operations, we must ensure that Sasa and Kounrad are well funded and that we also invest in developing our employees so that they can operate to the highest standards.

2023 Total capex

$27.8m

For more information, go to page 49

Long-life assets

Kounrad has the recoverable copper resources to support a life of operation to the end of the licence in

2034

Sasa currently has reserves and resources to support a life of mine ('LOM') to

2039

For more information, go to page 31

Relationships

Maintaining strong employee, community and national relationships in our countries of operations are key to us retaining the strong licence to operate that we currently enjoy.

% of local employed staff

99%

For more information, go to page 40

Sustainability

In order to operate more efficiently and responsibly, we ensure that sustainability underpins our business model.

- Delivering value through stewardship
- Maintaining health and safety
- Focusing on our people
- Caring for the environment
- Creating value for our communities

What we do

We own 100% of the Kounrad solvent extraction and electrowinning copper facility in central Kazakhstan and 100% of the Sasa zinc and lead mine in North Macedonia.

In situ-dump leaching and SX-EW

Kounrad

In 2012, CAML completed construction and began producing copper from the Kounrad in-situ dump leach and solvent extraction-electrowinning ('SX-EW') operation close to Balkhash in central Kazakhstan.

Since production commenced, 152,000 tonnes of copper have been produced at Kounrad, at costs that are amongst the lowest in the world.

For more information, go to page 31

Life of operation to

2034

Estimated remaining recoverable copper metal

98,000t

Mining ore and mineral processing

Sasa

Sasa is a zinc, lead and silver mine in North Macedonia, approximately 150 kilometres from the capital city, Skopje.

The operation is an underground mine, with a processing plant using froth flotation to produce a zinc concentrate and a lead concentrate containing silver, which are then delivered to smelters for processing into metals.

In 2023, the mine produced 20,338 tonnes of zinc and 27,794 tonnes of lead in concentrate.

For more information, go to page 34

Life of mine to

2039

Ore reserves

9.0Mt

Exploration for new opportunities

In 2023, CAML entered into an arrangement with a team of experienced exploration geologists with international and significant Kazakhstan experience and have set up a new exploration subsidiary, CAML X. The team is reviewing a series of potential target areas and applications for four exploration licences in Kazakhstan have been made, with two already granted.

For more information, go to page 20

The value we deliver

Outputs

2023 Kounrad

- Production – **13,816t**
- Costs – **$0.74/lb**

2023 Sasa

- Zinc production – **20,338t**
- Lead production – **27,794t**
- Costs – **$0.68/lb Zn Eq**

2023 GHG emissions

- **58,139tCO_2e**

2023 Tailings

- **726,457t**

Outcomes

EPS

20.51c

2022: 19.00c

Dividend full year

18p

2022: 20p

Sasa employees

773

2022: 735

Kounrad employees

347

2022: 337

Tax paid in North Macedonia since 2017

$85.9m

Tax paid in Kazakhstan since 2012

$263.3m

Sasa social contributions since 2017

$2.1m

Kounrad social contributions since 2012

$2.6m

Sasa % in-country procurement

66%

Kounrad % in-country procurement

88%

Stakeholders

Investors

Financial returns and long-term growth opportunities

For more information, go to page 56

Employees

Wide-ranging training programmes, competitive salaries

For more information, go to page 40

Governments

Economic contribution to the countries in which we operate

For more information, go to page 54

Communities

Investment and jobs for our local communities

For more information, go to page 40

Suppliers

Supporting local responsible suppliers

For more information, go to page 27

1 QCA

Establish a strategy and business model that promotes long-term value for shareholders

CHIEF EXECUTIVE OFFICER'S STATEMENT

Nigel Robinson,
Chief Executive Officer

"2023 was a year of development and investment for CAML whilst we maintain our solid platform for growth."

2023 FCF

$57.5m

2022: $90.2m

2023 Full Dividend

18p

2022: 20p

Maintaining a solid platform for growth

2023 has been a year of development and investment for CAML at both operations with $27.8 million of capital expenditure at Kounrad and SASA. At Kounrad we completed the construction of the Solar Power Project at a total cost of $3.1 million and at Sasa we completed the construction of the Paste Backfill Plant, associated reticulation pipework into the mining areas and the initial phase of the new Central Decline at a cost of $14.0 million. We have made these significant capital investments at our operations while delivering on our production guidance in a safe environment.

2023 Financial overview

During 2023 we reported gross revenue of $207.4 million, an EBITDA of $96.5 million, at a margin of 47% and generated free cash flow of $57.5 million. Following this performance, we propose a 9 pence per share final dividend, equating to a total dividend for 2023 of 18 pence. We are delighted to be able to propose this above-policy dividend, underscoring our track record of providing attractive returns to shareholders in the absence of a material business development transaction during the period.

Our Kounrad operations continued to perform well, with production towards the upper end of our guidance range at 13,816 tonnes of copper. Kounrad's C1 cash cost of production remained very low by global standards at $0.74 per pound, despite inflationary pressures.

Meanwhile, at Sasa we produced 20,338 tonnes of zinc in concentrate and 27,794 tonnes of lead in concentrate, which was in the middle of our guidance range, at a C1 zinc equivalent cash cost of production of $0.68 per pound.

Despite the above solid financial and operational performance, CAML's shares performed poorly over the course of the year due to the challenging economic environment.

Kounrad

During the year at Kounrad, leaching operations performed well, as did the SX-EW processing facilities with recorded availability of over 99%.

We continued to develop more of the Western Dumps for future leaching operations, while focusing on maximising copper extraction in the Eastern Dumps, which has already delivered more copper than was originally anticipated.

In July 2023, our Board paid a successful visit to site, viewing both the leaching and SX-EW operations plus the construction progress of the Solar Power Project. The Board also took the opportunity to hold meetings with local management and various stakeholders in the area as well as visiting the Kounrad Foundation projects to see their development.

In Q4 2023, the Solar Power Project construction was completed, and I was delighted to officially open the facility. It is now generating renewable power and anticipated to provide 16-18% of the site's electrical needs on an annualised basis and reduce Kounrad's Scope 1 and 2 emissions by 10% versus 2020. The majority of the installation and other works were conducted in-house, and the project was completed on schedule and under budget at a final cost of $3.1 million.

I would like to join Nick Clarke in thanking Pavel Semenchenko who, after 17 years as General Director, is stepping away from the day-to-day running of the operations at Kounrad.

Sasa

During 2023, significant construction work took place at site as we built the infrastructure necessary for the transition to paste fill mining methods.

The initial development of the Central Decline is complete, and the decline is now operational with the completion of Phase 1 connecting surface to the 910 level in H1 2023. Phase 2 is scheduled to be completed by the end of H1 2024 and will connect 910 level with the 800 level.

Construction of the PB Plant is complete, and the plant is now effectively operational with cemented tailings being placed underground, and the extraction of ore at the 800 level in line with our new paste fill mining methods is underway.

Also during 2023, the final design and review process for the DST Plant was completed, and construction of the plant foundations and clearing of vegetation for the landform started in H2 2023. By the end of the year, the dry stack tailings project will be complete and the placement of dry stacked tailings will be well underway.

Sustainability

To demonstrate our efforts and achievements, we will soon be publishing our fifth Sustainability Report, our fourth to GRI standards and our second to the new GRI 'universal standards'. During 2023, we undertook an internal review process to check the materiality of the topics and their priorities, and the new GRI mining sector standards were taken into account. From this process, we have made the decision to include human rights as an additional material topic. Diversity and inclusion have been identified as a key focus area and also been added as a material topic. Therefore, we have begun to develop a diversity and inclusion strategy that will be built upon in 2024. Additionally, to support employees during the current global inflationary environment, all staff at both sites were given pay rises.

In 2023, we began to estimate our Scope 3 emissions for 2022 and 2023 and have included this data in our forthcoming 2023 Climate Change Report.

LTIs	LTIFR
1	**0.40**
2022: 2	2022: 0.83

Our Health and Safety performance across the Group continues to be strong and we have always maintained a key focus on this aspect of our business. We were disappointed to report one LTI at Sasa during the year but this is a continued improvement on previous years. We recorded zero LTIs at Kounrad and therefore our 2023 total as a Group was one, with a LTIFR of 0.40.

In Q4 2023, Sasa won a top national safety award from the Council of Health and Safety at work in North Macedonia, recognising that our work to implement effective safety training and supervision for our employees is a priority and is crucial to achieving an improving safety record.

We remain committed to reporting to GISTM for our tailings storage facilities ('TSFs') by end of H1 2024. A working group has been formed, comprising members of the production, tailings, sustainability and communications teams, overseen by the Group Sustainability Director and Sasa's General Director, to ensure all workstreams are effectively covered.

In 2023, we reported that we would increase funding to both of our local Foundations from 0.25% from 0.50% of revenue. This is a vital aspect of what we do in the areas close to our operations and, as a result, we enjoy good relations with our neighbours, and we believe we have brought some real, positive change. At Kounrad, the Foundation contributed to equipment for the local hospital, computers for the medical college, educational support for children from low-income families and sports equipment for various youth teams amongst other causes. This year at Sasa, funds were allocated to various projects, including the reconstruction of the medical centre, support of youth sports teams and educational scholarships.

Additionally, funds have been allocated for 2024 to a foetal heart monitoring piece of equipment in Balkhash and an x-ray machine at Sasa to enhance the medical facilities for the local community.

In Kazakhstan, the Kounrad Foundation has engaged the Eurasia Foundation for Central Asia (‘EFCA’) to develop a long-term community investment strategy that will be implemented over the next five years. This plan will create new opportunities for the residents of Balkhash, working with local authorities, the community, and other stakeholders to improve their quality of life and the environment. Representatives from the Kounrad Foundation undertook a tour study of other Foundations in Kazakhstan in H1 2023, and a Strategic Plan has been drafted.

At Sasa, Phase 1 of the Local Economic Development Plan (‘LEDP’) and Local Environment Action Plan (‘LEAP’) activities was completed in 2023, comprising the development of a community-based tourism concept and the establishment of a brand identity for Makedonska Kamenica which was created by the community itself through workshops with community leaders and existing businesses.

Outlook

While we do foresee global challenges, we are confident that CAML will continue to perform robustly and that we have the teams in place to continue to deliver safe, consistent and low-cost production.

At Kounrad, we expect to produce between 13,000 and 14,000 tonnes of copper during 2024. Our production guidance for Sasa is 790,000 to 810,000 tonnes of ore, which should deliver between 19,000 and 21,000 tonnes of zinc in concentrate and between 27,000 and 29,000 tonnes of lead in concentrate. Our focus at Sasa during 2024 will be the completion of DST Project as the final component of our investment in the infrastructure required to transition to the paste fill mining methods. Completion of these projects at Sasa will then enable us to extract the maximum resources in a safer, more sustainable and efficient manner.

In 2024, Sasa expects to spend between $8 million and $9 million in completing the construction of the DST Plant and Landform and completing Phase 2 of the Central Decline. This will bring to an end the major capital investment programme undertaken at Sasa over the past three years. CAML also expects to commit between $14 million and $16 million to sustaining capex across the Group in 2024.

We were extremely active throughout 2023 in terms of business development, having reviewed 37 opportunities, signed NDAs for 17 of them and conducted seven site visits. In December 2023, we were delighted to receive confirmation that one of our new licence applications for our target generation exploration programme in Kazakhstan had been granted and, in Q1 2024, we received confirmation of a second. We look forward to a full exploration season for our new CAML X entity this year.

This business development momentum has continued into 2024 and we remain in a very strong position from which to grow through acquisition, building the business for the future and producing the base metals essential for modern living.

Nigel Robinson
Chief Executive Officer

24 March 2024

Responsibility

What we do

We produce base metals, profitably in a safe, sustainable environment across our long-life Kounrad and Sasa mineral assets. Through our people, relationships and continued investment, we deliver long-term value for all of our stakeholders.

See page 10

Our metals

- Copper
- Zinc
- Lead
- Silver*

See page 50

Our strategic framework

- Targeting low cost, high margins
- Ensuring prudent capital allocation
- Focussed on sustainability
- Delivering growth

See page 23

* Silver revenue is recognised in relation to the silver stream arrangement. Lead revenue includes the silver by-product.

We understand the responsibility and fundamental role we play in supporting our people, their communities and broader society, whilst ensuring that we deliver sustainable returns for our shareholders and tangible value to all stakeholders.

https://www.centralasiametals.com/corporate-governance/

KOUNRAD
COPPER | CAML

Kazakhstan

Kounrad is a low-cost copper production site with leaching operations and a SX-EW plant close to Balkhash in central Kazakhstan. The continued successful generation of copper at this facility allows the Company to unlock value for its stakeholders and implement a responsible and safe culture for all.

See page 16

The Value of our People

SASA
LEAD & ZINC | CAML

North Macedonia

Since 1966, the Sasa mine has been at the heart of the community, processing zinc and lead ores from the mine and providing employment opportunities to local people. The site is currently transitioning its mining method to ensure maximum extraction of resources and incorporate a more environmentally friendly waste and water management solution and safer operation.

See page 18

Ruslan Orazayev
SK – Hydro-metallurgist

Aliya Begdary
PR Specialist

KOUNRAD
COPPER | CAML

KAZAKHSTAN

Kazakhstan is a country with significant natural resources and is strategically located close to major geopolitical areas of influence, namely China, Russia and Western Europe. This makes it an attractive country for foreign investment and supply chain logistics, markets and business centres. It has the sixth largest reserves of natural resources in the world, ranking amongst the world's top producers of chromite, lead, zinc and uranium as well as being a significant producer of oil and gas, copper, gold and iron ore. Kazakhstan's economy is the largest in Central Asia.

Operating within the country, CAML benefits from both the low cost of electrical power and well-developed infrastructure as well as a well-educated workforce.

Strong operational and financial performance

The Kounrad facility has enjoyed another strong operational performance in 2023. The team delivered production at the upper end of guidance producing 13,816 tonnes of copper cathode and reaching the significant milestone of 150,000 tonnes of cathode since production commenced in 2012. The copper cathode from Kounrad has been tested both in-house and independently and consistently achieves a purity of 99.998%.

During 2023, Kounrad began the construction of the Solar Power Project, and it was completed in just under 11 months. In November, CEO Nigel Robinson switched on the facility, which is expected to deliver 8% power to site during the winter months, increasing to an annualised rate of 16-18%.

Kounrad generated revenue of $116.3 million (2022: $123.7 million) as the milestone of over $1 billion cumulative revenue in 11 years of operations was reached. An EBITDA of $82.3 million (2022: $94.9 million) with a margin of 71% (2022: 77%) reflects the ability to control costs.

Gross revenue

$116.3m

Life of operation

2034

Local employment at Kounrad

100%

Taxes Paid in 2023

$40.8m

LTIs

Zero

Kounrad sustainability highlights

Delivering value through stewardship
10% increase in employees trained on the corporate governance training platform

Maintaining health and safety
There were no LTIs reported in 2023

Focusing on our people
Implemented successful succession planning exercise for senior management

Caring for the environment
The construction and commissioning of the Kounrad Solar Power Project

Creating value for our communities
Development of the Kounrad Foundation Strategic Plan

Socio-economic value

CAML is proud of the value that it brings to our host communities and countries of operation, and we look to create meaningful and lasting benefits within our local economies. We aim to support local businesses wherever possible and consider this a crucial way of promoting social economic benefits, leading to more jobs and income, as well as a transfer of skills and technology. In Kazakhstan, 88% of goods and services were purchased in country, and 22% were purchased from suppliers local to the Karaganda region of Kazakhstan, equating to $3.6 million and $10.8 million respectively. In Kazakhstan, we paid $40.8 million in total taxes during 2023.

Phil Jackson
Health & Safety Training Manager

Zoran Vuchkovski
Processing Manager

SASA
LEAD & ZINC | CAML

NORTH MACEDONIA

The Republic of North Macedonia is a landlocked country of the south-central Balkans. It is bordered to the north by Kosovo and Serbia, to the east by Bulgaria, to the south by Greece and to the west by Albania. The capital is Skopje.

North Macedonia has undergone considerable economic reform since its independence and has developed an open economy with trade accounting for more than 90% of GDP in recent years. It is a developing country, ranked 82nd on the Human Development Index, and provides social security, a universal health care system and free primary and secondary education to its citizens. The government has proved successful in its efforts to combat inflation and has implemented policies focused on attracting foreign investment and promoting the development of small and medium-sized enterprises. North Macedonia hosts several natural resources including metals such as gold, silver, copper, zinc and lead. Other major resources include non-metallic minerals, arable land and agricultural products such as tobacco, grapes and vegetables. Lead and zinc are some of the most important and valuable resources in North Macedonia and have been produced at the Sasa mine since 1966.

Strong operational and financial performance

In 2023, Sasa mined 805,621 tonnes of ore and processed 805,819 tonnes of ore. The average head grades for the year were 2.97% zinc and 3.70% lead, and the average 2023 metallurgical recoveries were 85.0% for zinc and 93.1% for lead.

Sasa produces a zinc concentrate and a separate lead concentrate. Total production for 2023 was 40,226 tonnes of zinc concentrate at an average grade of 50.6% and 39,136 tonnes of lead concentrate at an average grade of 71.0%.

Smelters typically pay Sasa approximately 84% of the value of its zinc in concentrate and approximately 95% of the value of its lead in concentrate. Accordingly, total 2023 payable sales were 17,113 tonnes of zinc in concentrate and 26,298 tonnes of lead in concentrate.

During 2023, Sasa delivered 345,805 ounces of payable silver to Osisko gold royalties in accordance with its streaming agreement for which it received gross c.$6 per ounce.

Sasa generated revenue of $91.1 million (2022: $108.5 million) with an EBITDA of $35.7 million (2022: $56.4 million) reflecting lower zinc prices during the year. Capital expenditure of $22.7 million was made as the Company invests in the future including expenditure continuing the transition to paste fill mining.

Sonja Nikolovska
Head of Laboratory

Gross revenue

$91.1m

Life of mine to

2039

Local employment at Sasa

98%

SASA
LEAD & ZINC | CAML

Taxes paid in 2023

$14.8m

LTIs

1

Sasa sustainability highlights

Delivering value through stewardship

97% of new suppliers screened according to the supplier and environmental assessment

Maintaining health and safety

Sasa Mine received a national Health and Safety Award for the best implemented occupational health and safety system at the event marking the European Week for Safety and Health at Work

Focusing on our people

36% of staff hired to work in technical roles in the PB Plant are women

Caring for the environment

Installed new, more efficient air compressors

Creating value for our communities

Completion of Phase I of the LEDP and LEAP projects that promote long-term sustainable community development

Socio-economic value

CAML looks to create meaningful and lasting benefits within the local economies and is proud of the value that it brings to host communities and countries of operation. We aim to support local businesses wherever possible and consider this a crucial way of promoting social economic benefits, leading to more jobs and income, as well as a transfer of skills and technology. At Sasa, we have a policy to give priority to majority-owned North Macedonian businesses and to support companies within the vicinity of the mine wherever possible. Sasa ensures that it does not build new supply capacity at the local or regional level where there are already adequate suppliers. 66% of Sasa's goods and services were purchased from local suppliers in 2023, equating to $39.4 million. In North Macedonia, we paid $14.8 million in total taxes during 2023.

EXPLORING NEW OPPORTUNITIES

Summary

CAML has been very active with its business development efforts during 2023. 37 opportunities have been appraised, 17 NDAs were signed and seven site visits were undertaken. The opportunities CAML has reviewed during 2023 were in line with its business development strategy.

Business development strategy

Following internal discussions with CAML's business development team and Board, the resulting broad strategy has been defined and the team's efforts are focused on these key aspects, whilst acknowledging that business development is and will always be opportunistic.

Type of opportunity

- Earlier stage exploration opportunities largely in existing local jurisdictions
- Larger, more transformational and most likely 'in production' acquisitions to enhance scale and liquidity
- Ad hoc 'overlooked' opportunities

Jurisdiction

- European time zone plus Kazakhstan

Attractive commodity exposure

- The metal focus should fit in with the Company's purpose, which remains to produce base metals essential for modern living

Affordability

- CAML's strong balance sheet with no debt and strong cash generation from existing operations means that the Group has considerable borrowing capacity to enable a strong cash element to any offer
- Good liquidity and strong shareholder support for future deals
- Accretion
- Business development transactions must add value for shareholders

Sustainability

- Acquisition opportunities must not negatively impact the Company's sustainability position for the long term

2023 activities

In 2023, we were pleased to have entered into an arrangement with a team of experienced early-stage exploration geologists with international and significant Kazakhstan experience and a proven track record of discovery, and have set up our new exploration subsidiary, CAML X, which is owned 80% by CAML and 20% by our partners.

Specific geological belts of interest in Kazakhstan have been identified and together we are targeting medium-sized base metal deposits that will be affordable to develop but add meaningfully to CAML's resource inventory and future cash flows.

The team is reviewing a series of potential target areas using historical data and its advanced database, and applications for several exploration licences in Kazakhstan have been made, with two already granted.

In addition to developing CAML X, the CAML business development team were very active during 2023, with seven site visits undertaken during the year, and the group has started 2024 with a strong pipeline of opportunities.

Interview with Graham Greenway

Group Geologist

What have been the key exploration opportunities that you have been focusing on this year?

We initiated a target generation project in Kazakhstan, entering into an arrangement with a team of experienced explorers, and have now formed a subsidiary, CAML X. So far, we have identified base metal targets in four different areas, have applied for several exploration licences and to date, two licences have been granted. Our 2024 programme of work will hone in on drill targets for 2025.

At Sasa, exploration focused on drilling the deposits to the south of the current mining area of Svinja Reka – the down dip extensions of Kozja Reka and Golema Reka. We also investigated an area with limited drilling information between Kozja Reka and Golema Reka, currently called the 'Gap Target' and received some encouraging results.

Have there been any specific deposits or markets that you see as having the most potential?

CAML is focused on base metals contained within medium-sized deposits, although we have also investigated Rare Earth Elements and lithium. Essentially, we see the metals required for the energy transition having the most potential as we consider that the demand for these metals will continue to increase.

"I was very pleased that we formed CAML X during 2023 and am excited to advance our exploration in Kazakhstan in 2024 and consider a broader range of potential deposits."

What are your priorities and focus areas for 2024?

The Kazakhstan exploration project – to continue to narrow the focus in the target areas for drilling.

At Sasa – to explore the northern portion of Kozja Reka, to check whether there is a connection with Svinja Reka so that additional mining areas can be identified and developed for future production. We will also be conducting a structural geology investigation to assist our interpretation as to where additional mineralisation could be present.

To continue to review potential acquisition opportunities – as a key member of the Business Development Team, I have been intensively involved in identifying and reviewing all opportunities that would allow CAML to grow as a company.

OUR STRATEGIC FRAMEWORK

Aligning our strategic objectives to our purpose

Our Annual Report demonstrates how our strategic objectives and our everyday working practices continue to be embedded in the Company to deliver long-term value for our stakeholders.

1 QCA **Establish a strategy and business model which promotes long-term value for shareholders**

Our immediate strategic objectives of sustainability, low costs and high margins and prudent capital allocation are underpinned by our longer-term ambition of growth through acquisition.

We promote low-cost, sustainable and ethical metal production to benefit our workforce, local communities, host governments and shareholders. We enrich communities close to our operations with employment opportunities and education, as well as other facilities, while at the same time focusing on the financial sustainability of our operations.

Find out more in our 2023 Sustainability Report

Our immediate strategic objectives

Targeting low costs, high margins

This objective is around our focus on low-cost production that results in high margins

Ensuring prudent capital allocation

This objective focuses on CAML's ability to allocate capital efficiently

Focus on sustainability

This objective ensures that sustainability remains a key priority in everything we do

Our long-term strategic objective

Delivering growth

This objective is a continuous and underlying ambition

KEY PERFORMANCE INDICATORS

Measuring our performance

We have identified a range of financial and non-financial KPIs aligned to our strategic objectives to measure our performance, many of which are directly related to Executive Director and senior management remuneration.

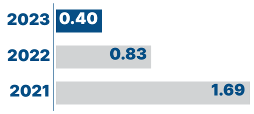
Targeting low costs, high margins	Copper equivalent production	Cash cost, copper equivalent	EBITDA
	25,452t	$1.63/lb	$96.5m
Definition/rationale	CAML aims to meet annual production targets and continue efficient operations to unlock maximum value and ensure a profitable performance.	Maintaining low costs at both of our operations underpins profitability. CAML reports its Group C1 cash cost on a copper equivalent basis incorporating production costs at Sasa. C1 cash cost of production is a standard metric used in the mining industry to allow comparison across the sector. CAML calculates C1 cash cost by including all direct costs of production (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.	EBITDA is a valuable indicator of the Group's underlying profitability and is frequently used in the mining sector by investors and analysts for valuation purposes. It is a non-IFRS financial measure which is reconciled on page 56.
2023 performance	2023 copper production at Kounrad was in upper guidance range. Both 2023 zinc and lead production was within market guidance.	CAML was pleased with overall cost control given global inflationary pressures which have adversely affected the mining sector.	The Group generated 2023 EBITDA of $96.5 million.
Related to remuneration	✓	✓	✗

Our key performance indicators *continued*

Ensuring prudent capital allocation	Capital expenditure	Debt repayments	Net cash/(net debt)	Dependable dividends
	$27.8m	**$1.1m**	**$56.5m**	**18p**
Definition/rationale	Capital expenditure reflects the investment in the operations and includes sustaining capital expenditure at both operations as well as expenditure for Sasa's paste fill mining project, which is due for completion during 2024 and the Solar Power Project at Kounrad, which was completed in Q4 2023.	CAML's focus is on its balance sheet strength and ability to maintain liquidity and service any debt.	Net debt reflects the Group's financial liquidity. Net debt is calculated as the total of its borrowings and bank overdrafts less the cash and cash equivalents held at the end of the year.	CAML has a dividend policy of returning to its shareholders between 30% and 50% of its FCF, defined as net cash generated from operating activities less sustaining capital expenditure.
2023 performance	During the year, Group capital expenditure totalled $27.8 million. In Kounrad, $1.5 million was spent on sustaining capital expenditure and $3.0 million on construction of the Solar Power Project. At Sasa, $8.7 million was spent on sustaining capital expenditure, while $14.0 million was spent related to transition to the paste fill mining method.	Reduction in North Macedonian overdrafts by $1.1 million.	Consistent net cash position maintained without any increases in debt.	Total dividends related to 2023 (interim and final) amounted to 18 pence per share, which equated to 69% of FCF which exceeded our divided policy due to no current material business development activity and no outstanding debt.
Related to remuneration	✓	✗	✗	✗

Our key performance indicators *continued*

	LTIFR	Fatalities	Environmental incidents	Community incidents
Focus on sustainability	**0.40**	**Zero**	**Zero**	**Zero**
Definition/rationale	We aim to provide a safe working environment for our people. LTIFR is calculated as the number of work lost-time injuries, divided by the number of hours worked, multiplied by 1,000,000.	CAML has a target of no fatalities and of zero harm in the workplace and firmly believes that every employee should go home safely to their family at the end of their shift.	CAML strives for zero severe or major environmental incidents as a result of its operations in Kazakhstan and North Macedonia.	CAML strives for zero severe or major community-related incidents and recognises that strong community support is crucial to the Company's effective licence to operate.
2023 performance	CAML's 2023 safety performance was excellent at Kounrad, with zero LTIs. At Sasa, one LTI was recorded.	There were no fatalities due to a workplace safety incident at either operation in 2023. Indeed, there has never been a fatality at a CAML operated site.	There were no severe or major environmental incidents at either operation.	There were zero severe or major community incidents related to CAML's operations during 2023. Since the Company began constructing the Kounrad operation in 2010 and, since it acquired Sasa in 2017, there have been no severe or major community-related incidents.
Related to remuneration	✓	✓	✓	✓



Focus on sustainability	Human rights abuses	Health and safety	Suppliers
	Zero	**Phase I complete** **of occupational health programme undertaken**	**97%** **of new suppliers screened to social assessment criteria**[1] 2023: 97% 2022: 92%
Definition/rationale	Good governance is firmly embedded in CAML's approach to sustainability, and the Company monitors human rights abuses in Kazakhstan and North Macedonia as one barometer of governance.	CAML aims to eliminate occupational health risks brought about by our operations, ensuring a safe workplace for our employees.	As part of our efforts to encourage environmentally responsible practices within our supply chain, we have updated our supplier assessment procedure which takes the form of a questionnaire to enable us to screen potential new suppliers.
2023 performance	There were zero human rights abuses related to CAML's operations during 2023. Since the Company began constructing the Kounrad operation in 2010 and since it acquired Sasa in 2017, there have been no human rights abuses recorded.	During 2023, CAML instructed an independent third party to undertake a desk-based occupational health review, which was completed in Q1 2024. This work will allow us to better understand occupational health risks within our business and contribute to a safe and healthy work environment for our employees.	Out of 34 new suppliers in 2023 with whom we have contracted, 33 have signed, giving us a 97% completion rate of the social assessment exercise.
Related to remuneration	✓	✓	✓

1. At Sasa, only suppliers with a materiality threshold >$5K were screened.

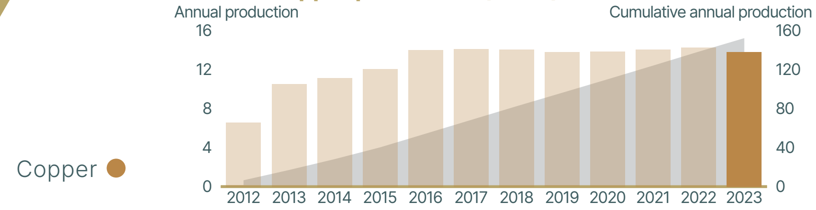
Our key performance indicators *continued*

Focus on sustainability	Diversity and inclusion	Environment	Community
	Initial strategy developed	**100% complete**	**100% complete**
	to work towards our long-term target of 25% increase of female employees, including but not limited to, interviewing 20% females for each eligible position.	**Complete construction of the Kounrad Solar Power Project.**	**Create a document that outlines the sustainable development plans for Kounrad and undertake the actions outlined in the phase 1 step of the LEDP.**
Definition/rationale	CAML endeavours to have a working environment where everyone feels respected and valued because of their difference, no matter their age, gender, disability, race, etc. A place where every employee can be themselves so they can reach their potential and help us achieve our business goals.	CAML is committed to our Climate Change Strategy and reducing our carbon emissions.	At CAML there are a number of ways we look to create meaningful and lasting benefits in our local economies, one way is through local economic development plans. Through these plans, CAML aims to promote local development, through sustaining small and medium-term business, improving infrastructure and utilities, supporting business opportunities and attracting investment.
2023 performance	CAML developed an initial diversity and inclusion strategy. This document will be used to guide the development of new policies. We progressed towards our 20% female interviewees for every role objective by interviewing a minimum of 20% female in 42% of all instances. We have achieved 52% of our 25% increase in female employees compared to 2022.	During 2023, we finalised the construction and commissioning of the 4.7 MW Solar Power Project at Kounrad, which is anticipated to now provide c.16-18% of the site's electrical needs on an annualised basis and reduce Kounrad's Scope 1 and 2 emissions by 10% versus 2020.	A strategic community development plan has been developed by EFCA. We plan to implement aspects of the plan during 2024. At Sasa, we completed Phase I of the LEDP and LEAP and have committed to completing Phase II during 2024.
Related to remuneration	✓	✓	✓

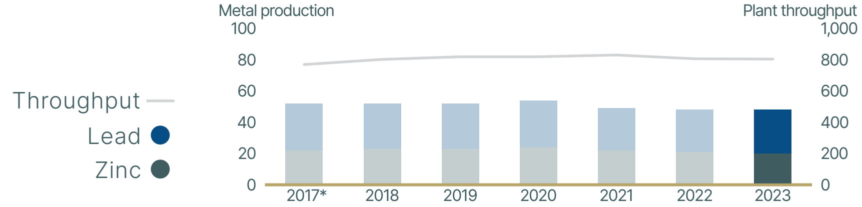
Our key performance indicators *continued*

Delivering growth	Business development opportunities reviewed	NDAs signed	Site visits undertaken
	37	17	7
Definition/rationale	Reviews of potential opportunities for mergers and acquisitions are undertaken as a routine part of our business and CAML has a stated a long-term strategic objective to grow the business by acquisition.	Signing a NDA gives CAML access to company information that is not in the public domain. This greatly improves the level of due diligence that can be undertaken on a potential opportunity.	Senior management undertaking a site visit denotes an advanced level of interest in a business development opportunity.
2023 performance	CAML reviewed 37 opportunities during the course of the year.	17 NDAs were signed in 2023.	Seven site visits were undertaken during the year.
Related to remuneration	✕	✕	✕

Kounrad copper production ('000t)



Sasa zinc and lead production ('000t)



* Includes production pre-CAML ownership in November 2017.

Productivity

Productivity and efficiency have always been at the forefront of our approach to mining. Maintaining our low-cost model means that we can deliver strong returns to shareholders as well as ensure that we have the financial strength to invest in the future of our operations. In 2023, we again met our production guidance, demonstrating that we can continue to support the many stakeholders that rely on us.

https://www.centralasiametals.com/operations/

OPERATIONAL REVIEW

KOUNRAD
COPPER | CAML

Kazakhstan

The Kounrad team was proud to meet its production target during 2023. Most importantly, this copper was produced safely and, to 31 December 2023, there have been 2,054 days since the last LTI at Kounrad.

How we produce copper

- **Irrigation** of dumps
- **Leaching** of copper into pregnant leach solution ('PLS')
- **Extraction** of copper from PLS
- **Stripping** of copper from organic solution
- **Electrowinning** of copper from electrolyte
- **Copper** production of copper cathode

Find about more about how CAML produces copper on this video link

Local employment at Kounrad

100%

2023 donations to our Foundation

$0.6m

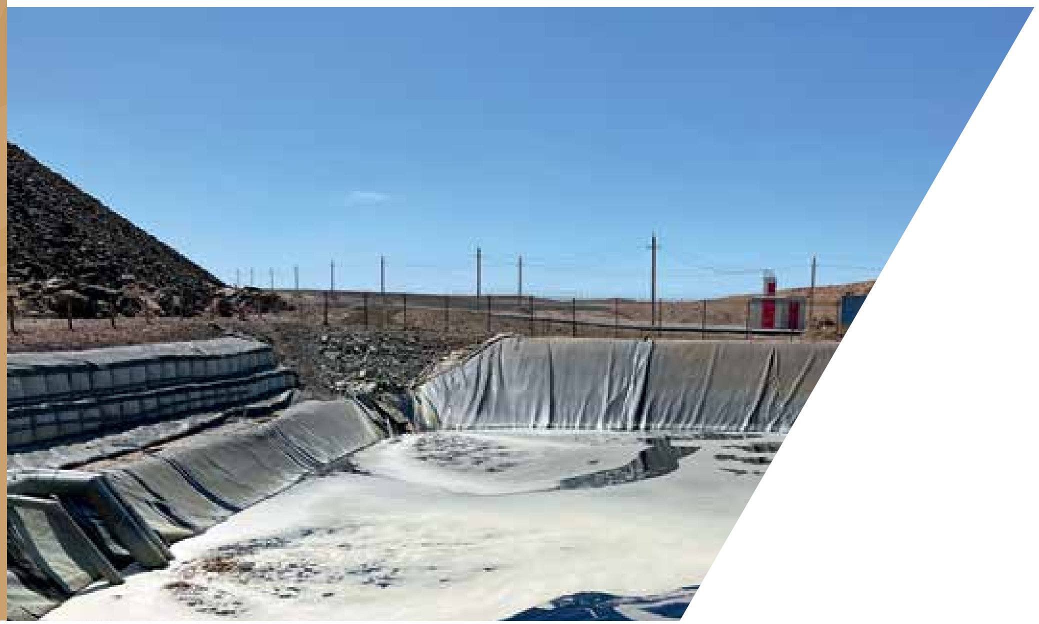
2023 cathode production

The SX-EW plant produced 13,816 tonnes of copper cathode during 2023. Total Kounrad copper production since operations commenced in April 2012 is now 152,211 tonnes.

During 2023, copper was leached from the Eastern and Western Dumps, with both areas performing well.

Tonnes of copper cathode recovered since 2012, over

150,000t



Health and safety

"There were no LTIs at Kounrad during 2023, and there have been 2,054 days to the end of 2023 since the last LTI."

Leaching operations

Both the Eastern and Western Dumps were simultaneously leached during 2023, with the production split being 32% and 68%, respectively.

At the Eastern Dumps, the team focused on irrigating the side slopes of Dump 7 which had been levelled by a bulldozer during 2022. Additionally, commencing in early spring of 2023, the bulldozer was assigned to levelling the side slopes of the Dump 5 perimeter, thus exposing additional resources of previously unleached material. The leaching response from these two side slope areas was excellent, with the Eastern Dumps producing 4,382 tonnes of copper, a contribution last seen in 2020.

In other areas of the dumps, rotational 'rest and rinse' irrigation was continued, which continues to generate economic levels of PLS in the region of 0.5 to 0.7 grammes per litre ('gpl') copper. The late autumn/early winter temperatures were very mild in 2023 and allowed leaching of the uncovered summer blocks to be extended by a month longer than normal, assisting in overall production. The old winter blocks that are still covered with heat retaining high density polyethylene ('HDPE') sheeting, were brought under leach in the first week of December and will be on-line until Spring 2024. It should be noted that winter leaching of the Eastern Dumps will not be conducted after the current season has ended in March 2024, as the economics of placing the HDPE cover materials and the cost of heating the raffinate to this area are not justified. From 2024 onwards, leaching at the Eastern Dumps will be conducted only during the eight/nine warmer months of the year.

2023 production takes the total quantity of copper recovered from the Eastern Dumps, since operations commenced, to over 85,000 tonnes, higher than the quantity forecast at the time of the CAML Initial Public Offering ('IPO') in 2010. Typically, the daily average area under irrigation at the Eastern Dumps during the year was 22 hectares, noting that winter leaching is restricted to an area of around 12 hectares.

The irrigation plan for 2024 is to focus on the 180,000 cubic metres of materials that were relocated from the edge of the railway link and placed atop Dumps 9-10. It is forecast that this material should produce approximately 1,000 tonnes of copper and will be supplemented with continued side slope irrigation of Dumps 5 and 7, together with rotational 'rest and rinse' from older blocks. It has been noted that a typical ore block that has been subjected to over 600 days of irrigation, through several 'rest/rinse' cycles, is still capable of producing economical PLS grades containing 0.6 to 0.7 gpl of copper pick-up.

The continued successful and economic generation of copper from the Eastern Dumps is anticipated to continue at least into 2025 and potentially beyond.

At the Western Dumps, the focus of irrigation remained on parts of Dumps 16, 21, 22 and 1A, from which 9,434 tonnes of copper were recovered, contributing approximately 68% of the total Kounrad copper production. The average daily area under irrigation on the Western Dumps slightly decreased to 34.6 hectares (38.2 hectares in 2022) of both new and previously leached material. This was as a result of the higher production level at the Eastern Dumps, allowing Western ore blocks to be leached for longer whilst still generating economic returns at planned production target levels. The volume of raffinate pumped around the site averaged 1,299 cubic metres per hour ('m^3/hr'), an increase of 5% over 2022 rates. As in previous summer periods, a proportion of the off-flow solutions from the Eastern Dumps were recycled across to the Western Dumps with the aim of maintaining broadly stable PLS grades to the solvent extraction ('SX') plant.

Application rates of solution to the dumps were maintained at a level of 2.44 litres per square metre per hour ('l/m^2/hr') throughout the year, slightly higher than in 2022.

Operational review *continued*

During the course of the year, the 890 metres of trenches excavated northwards around Dump 16 edge in 2022 were fully lined with HDPE and brought into operation. An extension of the trench encircling Dump 21 was undertaken this year, with 900 metres being excavated of which 450 metres were lined with HDPE, the balance to be completed in 2024.

Two bulldozers continued with levelling and shaping earthworks, primarily on the Western Dumps. At the Eastern Dumps, bulldozer work was relatively limited to the preparation of unleached side slope and road access areas.

The new winter irrigation/boiler measurement and control systems, which were designed and prepared in late 2021, continue to operate very effectively. Since 2021, there has been a stable reduction in coal consumption by 13%, with both 2022 and 2023 being within 100 tonnes of each other.

SX-EW plant

The SX-EW plant continued to operate efficiently during 2023 and the overall operational availability throughout the year was 99.4%. This was 0.1% above that of 2022, primarily due to a reduced number of power supply interruptions this year. With the process plant now having passed 10 years of permanent operations, for the first time the number of planned maintenance schedules were increased from two to three in an attempt to minimise unscheduled stoppages due to mechanical or electrical failure.

With the average Western Dumps copper grade of around 0.1% and largely fully leached Eastern Dump materials, the average PLS grade for the year was 2.05 gpl, approximately 0.2 gpl lower than in 2022. Solution flow rates through the SX increased to 1,071 m^3/hr for the year, with rates in Q3 2023 averaging over 1,200 m^3/hr. During the year, each of the four extract settler units were taken off-line to facilitate inspection and undertake any necessary repairs. In addition, a new heat exchanger was installed on the solution line feeding the fourth mixer unit, which now allows it to be run through the winter with the aim of mitigating and optimising organic reagent consumption and therefore production costs through this period.

Operations within the electrowinning ('EW') sections were steady throughout the year, with the operations teams focusing on minimising reagent consumptions in the off gas scrubber units, whilst maintaining high efficiency levels. A further focus was placed on improving ventilation within the EW buildings, through comprehensive checks and renewal of the ventilation piping and increased frequency of atmospheric measurements. To this end, gas sampling equipment was purchased, which allowed more frequent monitoring of this parameter. The EW plating bath units were cleaned of accumulated lead sludge in order to ensure high quality copper cathode quality. In Q4 2023, an order was placed for 1,064 new anode plates, with expected delivery to site being Q3 2024 and installation scheduled for the start of Q4 2024.

During the year, the site management team continued their emphasis on reagent consumptions and controls, particularly imported organic reagents such as LIX, achieving a saving of 7.5% compared to 2022. As a consequence of the lower copper grade entering the SX, levels of transferred iron into the rich electrolyte increased by almost 12% and was ameliorated by a higher level of bleeding and fresh make-up water. As such, consumption levels of cobalt, acid and smoothing agent were slightly higher but assisted in maintaining the electrical power consumed per tonne of copper at a slightly lower level than 2022, at 4,252 kWh per tonne (4,266 kWh in 2022).

Copper sales

Throughout the year, the quality of CAML's copper cathode product has once again been maintained at high levels. Regular in-house and independent metallurgical analyses have consistently reported 2023 copper purity of around 99.998%. The Company continues to sell the majority of its copper production through offtake arrangements with Traxys.

2024 production guidance

The 2024 guidance for Kounrad's copper cathode production is between 13,000 and 14,000 tonnes.

Solar Power Project

Following approvals for the Solar Power Project capital expenditure by the CAML Board, all orders for the associated equipment and materials were placed in 2022, with the majority of items received at site during Q1 2023. Working with the technical oversight of a Kazakh-licensed engineering consultant, TGS, an in-house team of construction and installation engineers were assembled to undertake the site installation works in March 2023 after earthworks associated with levelling the 10 hectare site had been completed in 2022. During Q4 2023, the installation of the 4.77 MW facility, comprising 8,850 solar panels, 24 DC-AC inverters and associated items was essentially completed and the plant commissioned. In November, the facility was officially opened by the CEO in the presence of regional dignitaries. Since then, the facility has generated over 709,000 kWh to year end, equating to 7% of the total site demand and in accordance with winter period forecasts estimated in the feasibility study.

With the vast majority of the installation and other works being conducted in-house, the project was completed under budget at a final cost of $3.1 million.

Operational review
continued

SASA
LEAD & ZINC | CAML

North Macedonia

In 2023, Sasa mined 805,621 tonnes of ore and processed 805,819 tonnes of ore. The average head grades for the year were 2.97% zinc and 3.70% lead and the average 2023 metallurgical recoveries were 85.0% for zinc and 93.1% for lead.

How we produce zinc and lead

- **Mine** methods include sub-level caving transitioning to paste fill mining methods of cut and fill and long hole stoping, using a paste backfill containing tailings
- **Underground** mine with ore transported to surface by shaft and increasingly by the new Central Decline
- **Crush and screen** jaw and cone crushers
- **Mill** rod mills, spiral classifiers and ball mills. Ore milled to 74 microns
- **Froth flotation** two concentrates produced – lead containing silver and zinc
- **Remove moisture** thickened and pressed to de-water
- **Tailings storage** in TSF4 or use in underground paste backfill and in 2024 in new DST facility
- **Storage** saleable concentrate products stored in sheds awaiting loading
- **To market** concentrate trucked or shipped to smelters

98%
2023 local employment at Sasa

$0.5m
2023 donations to our Foundation

Sasa production statistics

	Units	2023	2022	2021
Ore mined	t	**805,621**	806,069	818,609
Plant feed	t	**805,819**	806,653	830,709
Zinc grade	%	**2.97**	3.15	3.14
Zinc recovery	%	**85.0**	84.6	84.9
Lead grade	%	**3.70**	3.63	3.52
Lead recovery	%	**93.1**	93.4	93.1
Zinc concentrate	t (dry)	**40,226**	42,824	44,383
– Grade	%	**50.6**	50.1	49.9
– Contained zinc	t	**20,338**	21,473	22,167
Lead concentrate	t (dry)	**39,136**	38,439	37,893
– Grade	%	**71.0**	71.2	71.8
– Contained lead	t	**27,794**	27,354	27,202

Health and safety

"At Sasa, we continue to improve our health and safety standards reflected in a reduction in our LTIFR to 0.40 in 2023."

Mining

The ore was mined using a combination of sub-level caving and cut and fill mining methods during the year from the 990, 910 and 830 level production areas. The ore and waste from the underground operations is transported to surface via a combination of hoisting via the Golema Reka shaft and trucking via the existing XIVb decline and increasingly the Central Decline using a fleet of 20 tonne Epiroc trucks.

The average combined zinc and lead grade of the ore mined was 6.67%, compared to 6.78% in 2022.

Ore development across the three working areas totalled 6,549 metres, which was broadly in line with last year, included opening the new 830 production area in Q3 2023. Waste development for the year totalled 2,574 metres, approximately 8% above last year, and generated 104,048 tonnes of waste from internal ramp access and crosscuts to the ore body, raise development and the development of the Central Decline. The mine produced a total of 909,669 tonnes of ore and waste during the year, approximately 1% more than last year.

Maintenance

The computerised maintenance management system ('CCMS') for surface and underground equipment is operational and in the process of being updated with additional mobile equipment and fixed plant. As part of the strategy to modernise the procedures, a new underground Wi-Fi communications system was completed across the main areas of the mine and is now in the process of being extended to all working areas.

During the year, certain equipment was purchased to maintain production and improve efficiency:

- an Epiroc Bolting Drill Rig Boltec S, for the safe and efficient installation of support including roof and cable bolts
- a Manitou MHT-X790 Mining, for installation of the underground reticulation system
- a Paus MinCa people transporter
- a CAT 320 excavator
- a Simba S7 long hole drilling machine

Processing

Sasa processed 805,819 tonnes of ore during the year which is consistent with 2022 production, and the plant had an overall availability of 95%.

In addition to the planned maintenance works completed during the year, the process of improving the automated oil lubrication systems and flow meter continues with additional units installed and commissioned during 2023.

The TSF systems at Sasa ran to a high standard and without incident during the year, managed by a designated tailings management team. An internal GISTM review was completed in Q3 and the new system captures all recommendations from the Knight Piésold Technical Reviewer, Independent Technical Reviewer ('ITR') and the Engineer of Record ('EoR') reports. Over the course of the year significant progress has been made towards conformance with GISTM in 2024.

During the year, construction of the TSF4 waste rock toe continued with the placement of 21,000 m^3 waste rock from the underground mine.

A seismic monitoring system and piezometer sensors were installed in 2022 and additional piezometers have been added and commissioned in 2023 to continue the drive to automate and improve the TSF monitoring systems.

The rehabilitation of the TSF3.2 facility continued throughout the year with the placement of waste rock from the underground mine and is now 90% complete, including placement of rock armouring and topsoil of the face of TSF3.2 to reduce dust and comply with environmental legislation.

Drilling

A total of 10,157 metres of exploitation drilling was completed during the year across the three working areas, the 830, 910 and 990 levels, to provide additional information on the grade and thickness of the three orebodies. During H1 2024, an additional production area on the 750 level is planned to come into operation to continue the transition to paste fill mining methods.

A total of 1,615 metres of exploration drilling was completed below the 830+14 metre level to improve the geological understanding of the mineralisation at Svinja Reka at depth.

A total of 3,541 metres of exploration drilling in eight holes was completed from surface at the Golema Reka deposit to improve understanding of the geology at depth below the 700 metre level. One hole intersected three zones of mineralisation down to at least the 580 metre level, demonstrating the extension of the mineralisation at depth to the south-west and adding to the Inferred Mineral Resources.

In Kozja Reka and the Gap target (the area between Golema Reka and Kozja Reka), 4,300 metres of exploration drilling was completed in 2023.

Capital investments

The transition to using paste fill at Sasa will create a safer and more sustainable underground mining operation for the long term and provide the ability to improve the overall recovery of metal from the orebody. Investments have been made in three key areas and consist of a PB Plant and the associated surface and underground reticulation, a DST Plant and associated Landform and the development of a new Central Decline.

PB Plant

Following the ESIA approval for the PB Plant in 2022, a contract was signed with local construction company, Aktiva, and excavation and civil works began shortly after. The PB Plant and associated surface and underground infrastructure is now complete and in operation with extension to the underground reticulation system continuing as the mine opens new production areas.

Central Decline

The development of the Central Decline continues to progress well and is now operational, with phase 1 complete in Q2 2023 connecting the surface to the 910 working level. During 2023, 1,056 metres of development were completed and as at the end of 2023, the Central Decline had been developed for a total of 2,610 metres from surface.

The Central Decline has been equipped with a new paste fill reticulation line and is fully serviced with power, stage pumping and cuddies mined at 200 metre intervals. In Q4 2023, a surface 75kW fan was installed and commissioned, improving mine ventilation by up to 24m^3 per second.

DST Plant

During 2023, the final design and review process for the DST Plant was completed and construction of the plant foundations and clearing of vegetation for the landform started in Q4 2023. In H1 2024, the project is due to be complete and the placement of dry stack tailings will commence.

Tailings management

A key benefit to the transition to paste backfill mining is the improved storage of tailings. Previously, all tailings generated from Sasa's processing plant were stored in TSF4. For the remaining life of the mine, tailings will be stored in the following three locations; underground paste backfill, Dry Stack Tailings Landform and TSF4.

2024 production guidance

The transition to the paste fill mining methods is underway. CAML maintains its ore mined guidance year on year of 790,000 to 810,000 tonnes. Expected metal production in 2024 is between 19,000 to 21,000 tonnes of zinc in concentrate and 27,000 to 29,000 tonnes of lead in concentrate.

Sasa Mineral Resources, Ore Reserves and LOM

During 2023, the technical services team updated Sasa's Mineral Resource Estimate ('MRE') for the Svinja Reka and Golema Reka deposits and the Ore Reserves for the Svinja Reka deposit.

The updated work took into account recent additional drilling, mining depletion and changes to the metal price and transport charges used in the Net Smelter Return ('NSR') calculation. Sasa's MRE and Ore Reserves are shown in the following tables.

Total Svinja Reka Mineral Resources have decreased to 11.5 million tonnes at grades of 4.3% lead and 2.9% zinc (2022: 12.3 million tonnes at grades of 4.2% lead and 2.9% zinc) due to mining depletion.

Total Golema Reka Mineral Resources have increased to 9.3 million tonnes at grades of 3.8% lead and 1.22% zinc (2022: 7.6 million tonnes at grades of 3.6% lead and 1.4%), due to changes in geological reinterpretation based on the results of the 2023 drilling and the use of a NSR cut-off value for reporting.

The Svinja Reka 2023 Ore Reserve is 9.0 million tonnes at grades of 4.0% lead and 2.6% zinc (2022: 8.8 million tonnes at grades of 3.9% lead and 2.6% zinc). Mining depletion of approximately 0.8 million tonnes has been offset by design changes associated with increased metal prices and additional geotechnical data.

Based on the latest Mineral Resources and Ore Reserves, CAML expects Sasa to maintain annual production rates of between 800,000 – 830,000 tonnes per annum for an expected LOM of 15 years until 2039.

Approximately 6,600 metres of exploration drilling is planned at Sasa for 2024, which will focus on underground drilling of the Kozja Reka deposit from the Central Decline to explore for down dip and northern extensions of the previously mined mineralisation. In addition, down dip exploration and infill drilling at Svinja Reka below the 750 level is planned, as well as a structural geology study of the Sasa area to assist with the definition of exploration targets.

Operational review *continued*

Mineral Resource Estimate for Svinja Reka and Golema Reka

Sasa's technical services team has updated the MRE for the Svinja Reka and Golema Reka deposits as of 31 December 2023:

			Grades			Contained metal		
Classification	Deposit	Mt	Pb (%)	Zn (%)	Ag(g/t)	Pb (kt)	Zn (kt)	Ag(koz)
Indicated Mineral Resources	Svinja Reka	9.6	4.6	3.0	34.6	441	286	10,634
	Golema Reka	1.9	4.0	1.3	13.5	77	26	841
	Total Indicated	**11.5**	**4.5**	**2.7**	**31.0**	**518**	**312**	**11,475**
Inferred Mineral Resources	Svinja Reka	2.0	2.5	2.4	19.5	48	47	1,221
	Golema Reka	7.3	3.7	1.2	12.8	274	87	3,021
	Total Inferred	**9.3**	**3.5**	**1.5**	**14.2**	**322**	**135**	**4,242**
Total Indicated and Inferred Resources		**20.8**	**4.0**	**2.1**	**23.5**	**840**	**446**	**15,717**

Notes

- Mineral Resources have an effective date of 31 December 2023.
- The Competent Person for the declaration of Mineral Resources is Graham Greenway, BSc. Honours (Geology), PGeo. Graham Greenway, CAML's Group Geologist, is a Practising Registrant of the Professional Geoscientists of Ontario and has over 35 years' experience in the exploration, definition and mining of precious and base metal Mineral Resources, and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the type of activity which he is undertaking to qualify as a 'Competent Person' as defined by JORC and as required by the June 2009 Edition of the AIM Note for Mining and Oil & Gas Companies. He has reviewed, and consents to, the inclusion in the Annual Report of the matters based on their information in the form and context in which it appears and confirms that this information is accurate and not false or misleading.
- Mineral Resources are reported inclusive of Ore Reserves.
- The Svinja Reka Mineral Resource is reported based on a NSR cut-off of $46 per tonne for Sub-Level Caving and $53 per tonne for cut and fill and long hole stoping and are based on metal price assumptions of $2,933 per tonne for zinc, $2,300 per tonne for lead and $26 per ounce for silver (these being 15% higher than the prices assumed for the Ore Reserve so as to include mineralisation that has "reasonable prospects for eventual economic exploitation" but which is not economic assuming the prices used for reporting the Ore Reserve).
- The Golema Reka Mineral Resource is reported based on a NSR cut-off of $53 per tonne for cut and fill stoping.
- Mineral Resources are reported as undiluted. No mining recovery has been applied in the Statement.
- Tonnages are reported in metric units, grades in percent (%) or grams per tonne (g/t) and the contained metal in metric units or ounces. Tonnages, grades and contained metal totals are rounded appropriately.
- Rounding may result in apparent summation differences between tonnes, grade and contained metal content.

Svinja Reka Ore Reserve statement

The following Ore Reserve Statement has been prepared by Sasa's technical services team based on a LoM plan that includes a transition from the Sub-Level Caving mining method to Cut and Fill as well as Long Hole Stoping with paste backfill. The Ore Reserve Statement considers the updated Indicated Resources constrained within a practical and economic mine design only. NSR cut-off values and design modifying factors for each mining method were applied as follows:

		Grades			Contained metal		
Svinja Reka	Mt	Pb (%)	Zn (%)	Ag(g/t)	Pb (kt)	Zn (kt)	Ag(koz)
Probable	9.0	4.0	2.6	29.8	359	236	8,661
Total	**9.0**	**4.0**	**2.6**	**29.8**	**359**	**236**	**8,661**

Notes

- Ore Reserves have an effective date of 31 December 2023.
- The Competent Person who has reviewed the Ore Reserves is Scott Yelland, C. Eng, FIMMM, MSc, who is a full-time employee and Chief Operating Officer of CAML. He is a mining engineer with over 40 years' experience in the mining and metals industry, including operational experience in underground zinc and lead mines, and as such qualifies as a 'Competent Person' as defined in the JORC Code (2012).
- The Ore Reserve is reported using a NSR cut-off of $46 per tonne for sub-level caving, $53 per tonne for cut and fill and long hole stoping and $37 per tonne for ore development drives that are required to establish stope access and are based on metal price assumptions of $2,550 per tonne for zinc, $2,000 per tonne for lead and $23 per ounce for silver.
- Rounding may result in apparent summation differences between tonnes, grade and contained metal content.
- The Mineral Resources and Ore Reserves are reported in accordance with the guidelines of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code').
- Ore reserves have been estimated utilising 3D-modelling software (Deswik) and are reported within practical mining shapes.

Our sustainability strategy is built upon five pillars:

- Delivering value through stewardship
- Maintaining health and safety
- Focusing on our people
- Caring for the environment
- Creating value for our communities

Sustainability

Sustainability is central in our approach to mining and how we do business. For our investors, it is critical we not only manage our sustainability risks but capture the opportunities that come with being a producer of sustainable metals. This enables us to ensure we have a positive environmental and socio-economic impact on the communities in which we work.

https://www.centralasiametals.com/sustainability/

SUSTAINABILITY SUMMARY

Safety: LTIFR

0.40

2022: 0.83

Donations into our Foundations

$1.1m

2022: $0.5m

Carbon emissions intensity

2.28/ tCuEq

2022: 2.14/tCuEq

Overview

Producing base metals, essential for modern living, profitably in a safe and sustainable environment drives CAML's strategy and business model. In turn, our sustainability strategy is built upon the five pillars shown on page 39. This means protecting the longevity of our operations and working towards an enduring net positive outcome after the end of asset life by upholding strong ethical practices throughout the Company and our supply chain. Additionally, this allows prioritising the safety, health and development of our people, conducting business in an environmentally responsible manner and positively contributing to our communities and countries of operation.

CAML's Board has accountability for risk management, including those relating to the Company's impacts on the economy, environment and people. Our Sustainability Committee has overall responsibility for overseeing these impacts, and its report can be found on page 87.

In our fourth year of reporting in line with GRI standards, we have worked to further improve and develop disclosure. During 2023, we undertook an internal review of our materiality topics and their prioritisation.

CAML's sustainability strategy and practices continue to develop, and we have advanced our approach to contributing to the SDGs in 2023. We recognise that all 17 SDGs are important and that many of them are interconnected; however, for the purposes of our sustainability activities, we believe that it is helpful to prioritise and have therefore identified these primary and supporting SDGs.

CAML's primary SDGs

CAML's supporting SDGs

Delivering value through stewardship

At CAML, we set high standards that are crucial for the effective running of our operations and the long-term sustainability of our business. With a robust framework to promote ethical behaviour and strong corporate governance, we believe we can contribute to a responsible and stable value chain and business environment.

Leading from the top, the Board is responsible for setting the appropriate culture to drive good governance and ethical behaviour throughout the Company. We believe that a robust approach to human rights is vital to fulfilling our corporate responsibilities, not only in respect of our employees but for the workers along our supply chains and within the communities in which we operate.

For more information on Governance, go to page 74

Sustainability *continued*

Maintaining health and safety

Safety has been identified both by the Company and our stakeholders as one of our key material issues and is at the heart of everything we do. Our goal of achieving zero harm in the workplace for all employees, contractors and visitors is laid out in the Company's Sustainability Policy, and we have a clear safety improvement target for the Group.

With fully integrated and robust health and safety management systems at both sites, we aim to ensure the wellbeing of all employees. We strive to implement world-class health and safety practices across our operations. It is important that both management and staff are aware of their responsibilities and accountability, and that they feel empowered to prioritise health and safety in the workplace.

Wherever possible, we look to eliminate occupational health risks and believe that a strong workforce, supported by the appropriate programmes to monitor and promote health, is paramount in achieving high levels of productivity.

Focusing on our people

We recognise core labour and human rights principles and acknowledge workers' freedom of association and the right for our employees to bargain collectively within prescribed laws, communicating issues to management through designated employee representatives.

We believe that by encouraging employee development, we can also foster satisfaction and fulfilment amongst our employees. This involves a targeted approach to training facilitated by comprehensive needs analysis. Succession planning is a key focus for the Group in order to develop our leaders of tomorrow.

CAML attaches importance to diversity, specifically when considering the breadth of thought, approach and opinion that can be fostered by a diverse group. By embracing diversity and fostering inclusion, we believe we can unlock the power of all talent and work collaboratively and effectively. Site-level diversity focus groups have been put in place to identify areas for improvement and we have implemented long-term targets to improve levels of gender diversity in the Group. We do not tolerate discrimination in any form and have mechanisms in place to raise any issues.

Caring for the environment

CAML has robust and comprehensive environmental management systems which aim to substantially reduce (if not avoid) the risk of any potential negative environmental impacts from our operations.

We are mindful of our duty to manage and minimise waste responsibly and are firmly committed to environmental and socially responsible tailings and dump leach management, with safety at the centre of our approach.

We employ water management strategies and aim to minimise freshwater or makeup usage wherever possible. Biodiversity, rehabilitation and closure programmes are in place across our assets to avoid or mitigate any adverse effects of our operations.

Tackling climate change is one of the most important challenges of our time and we believe that every government, community, company and individual has a vital role to play in reducing carbon emissions and safeguarding the future of the planet. We recognise the growing importance of understanding and addressing the impact of climate change on the environment and its potential impact on the business.

We conducted a scenario planning exercise in 2022 to increase our understanding of transition risks that may affect our operations as well as to extend our physical risk analysis to our supply chain. In 2023, we began to implement key recommended actions from the scenario planning exercise, including working on estimating our Scope 3 emissions for 2022 and 2023. Scope 3 emissions for 2023 were 272,123 tCO_2e (2022: 267,921 $tC0_2e$), details of which are in the Climate Change Report.

See our 2023 Climate Change Report on our website www.centralasiametals.com

Creating value for our communities

CAML aims to provide demonstrable benefits to stakeholders in our local communities and host countries. By contributing to the economic security of local workers, the provision of employment opportunities is one of the primary ways the Company can provide a positive impact and CAML therefore prioritises local hiring.

The Company is committed to fostering sustainable development, facilitating socio-economic progress (specifically in the field of community training and education) and helping the youth and most vulnerable members of the community in line with our human rights commitments.

Our economically robust business that underpins our ability to generate profits and dividends for our shareholders also ensures that our successes are shared with other important stakeholders. This aligns with international priorities such as the UN SDGs, in particular SDG 8 'Decent Work and Economic Growth'. We strongly believe that by creating shared value we are ensuring the long-term sustainability of our operations and acting as a good corporate citizen.

CAML is proud of the value that it brings to its host countries, with total taxes of $55.6 million paid to the Governments of North Macedonia and Kazakhstan during the year and $349.2 million paid during our ownership.

Read more in CAML'S 2023 Sustainability Report

CLIMATE-RELATED REPORTING

Advancing our climate change work in 2023

We are committed to transparent disclosure of our climate impacts, risks, and opportunities. We report under TCFD in our Sustainability and Climate Change reports, despite the disbandment of TCFD in October 2023. We believe these standards continue to offer a fitting framework for our disclosures. Currently, we are reviewing the recommendations of the International Sustainability Standards Board (ISSB), particularly IFRS S1 General Requirements for Disclosure of Sustainability-related financial information and IFRS S2 Climate-related Disclosures. The latter aligns closely with the TCFD recommendations, and we aim to adhere to these standards in our reporting moving forward.

We adopted the TCFD framework and recommendations as a guide for our efforts to understand how climate change could impact a broad range of our business drivers. This approach helps us integrate climate considerations into our decision-making processes and allows us to leverage best practices in reporting and disclosure. By building on our existing efforts in this area, we aim to enhance the quality and transparency of our disclosures while continuing our TCFD reporting roadmap. Through these actions, we seek to improve stakeholders' understanding of CAML's operational and business resilience to climate change, as well as our strategies for addressing climate-related risks and opportunities within our business model.

The table on page 42 provides a brief statement on our current activities to understand and begin aligning with the TCFD recommendations. For greater TCFD and climate-related information, please refer to our 2023 Sustainability Report and our 2023 Climate Change Report.

Progress report and next steps

We shared our climate strategy and our medium- and long-term goals which were the result of much internal work undertaken and we felt able to commit to a 50% reduction in our Kounrad and Sasa Scope 1 and Scope 2 emissions by 2030 from a 2020 base, and to being net zero by 2050. To that end, we were delighted to report a 41% reduction in our CAML Group GHG emissions in 2023 versus our base year (2020).

During 2023, we finalised the construction and commissioning of the 4.77 MW Solar Power Project at Kounrad. The facility is anticipated to contribute to 16-18% of Kounrad's total power needs, which equates to a 10% emissions (Scope 1 and Scope 2) reduction at Kounrad. Throughout 2023, we continued to receive solely renewable power for our Sasa operation, as confirmed in North Macedonia by PwC.

In 2021, we undertook a detailed review of fuel sources that could potentially replace coal for generating heat at Kounrad. Though the proposed alternatives were not considered viable due to a combination of limited GHG reduction potential and significant operating and capital cost implications, opportunities to reduce coal consumption were identified. One of which was the installation of temperature sensors on the dripper lines on the Western Dumps during the 2021-2022 and 2022-2023 winter periods. The sensors allow the site team to monitor the temperature of the leaching solution at the end of the dripper lines and fuel the boilers accordingly to ensure the solution is kept at the optimum temperature and not heated unnecessarily.

During 2023, Sasa replaced its old compressors with three new and more efficient air compressors and, in association with this project, four air-water thermal pumps were installed to improve the regulation of heating across the site and to allow the hot water from the compressors to be recycled within the heating system.

In 2023, Sasa planted 1,910 seedlings in the local area and is working with Public Enterprise National Forests to identify other areas for tree planting.

During 2023, we estimated our Scope 3 emissions for both 2022 and 2023, which are fully disclosed and reported in our Climate Change Report and GHG Methodology Report.

2023 Group Scope 1 and 2 GHG emissions

58,139tCO_2e

2022: 59,082tCO_2e

2023 reduction in Group Scope 1 and 2 GHG emissions since 2020

41%

2022: 40%

TCFD SUMMARY TABLE

Recommendation	Disclosure topic	Alignment status
Governance	Board oversight	Our Board receives regular climate-related updates from Committees and Management in most meetings, and these findings shape our strategies and decision-making processes.
	Management's role	We have several committees and management-level positions with climate-related responsibilities, including assessing and managing climate-related risks.
Strategy	Risks and opportunities	Our 2021 climate risk assessment work resulted in us developing a specific risk register and beginning to identify risks and opportunities over the short, medium and long term. In 2023, the team continued to work through the recommendations of the 2022 climate-change scenario work, with a focus on building operational resilience and adaptability to withstand climate-change related shocks.
	Impact on organisation	Our 2021 climate risk assessment work resulted in us developing a specific risk register and beginning to identify risks and opportunities over the short (2022-2040), medium (2041-2070), and long term (2071-2100). These risks include physical risks and transition risks. In 2023, the team continued to work through the recommendations of the 2022 climate-change scenario work, with a focus on building operational resilience and adaptability to withstand climate-change related shocks. See the Climate Change Report risk management section for further information.
	Resilience of strategy	On completion of our scenario analysis, we have been able to understand and test our strategic resilience under three possible climate futures. While our strategic rationale has been broadly confirmed by this work, we have identified a list of recommendations on which to work. This helped to validate our existing strategy and further develop our risk assessments. during the year. Additionally, during the year we have estimated our scope 3 emissions.
Risk management	Risk identification and assessment	We have identified existing and emerging physical and transition climate risks and incorporated these into our Group risk register.
	Risk management	Risk owners are identified, and we have established measures to mitigate, transfer, accept or control the impacts of identified climate-related risks. Risks, and our response, are monitored on a quarterly basis. These risks include: Physical risks – Wildfires and water stress and Transition risks – Policy and regulatory risks, market behaviour, technological shifts and reputation. The physical risks disclosed include those assessed as medium-high or above, in the short-term and medium-term. We have not disclosed long-term physical risk due to the life of our operations. See the Climate Change Report risk management section for further information.
	Integration of risk management	Our identified climate-related risks are included in our Group-level risk register and are integrated into our established risk management practices.
Metrics and targets	Climate-related metrics	We assess emissions and proportion of renewable energy. We have established a shadow carbon price, which can be applied to our financial models to aid decision-making. We will continue to evaluate other relevant metrics as we further analyse the results of the risk assessment and begin to act on our climate change strategy.
	Scope 1,2,3	Having reported Scope 1 and 2 emissions for a number of years, CAML has reported Scope 3 emissions for the first time in 2023.
	Climate-related targets	We are targeting a 50% reduction in Scope 1 and 2 combined GHG emissions by 2030 from a 2020 base. We are also aiming for net zero by 2050. Since our baseline year of 2020, we have achieved a considerable reduction in Scope 1 and 2 emissions of 41%, working well towards our target of a 50% reduction by 2030. We will continue to evaluate other potential targets, such as for Scope 3 or for risk and opportunity management.

STAKEHOLDER ENGAGEMENT AND S172

The Board of Directors has always been mindful of the duties of Directors under s172 of the Companies Act 2006.

2 QCA **Seek to understand and meet shareholder needs and expectations**

3 QCA **Take into account wider stakeholder and social responsibilities and their implications for long-term success**

10 QCA **Communicate how the company is governed and is performing by maintaining dialogue with shareholders and other relevant stakeholders**

Further examples of how the Company has had regard to the matters set out in section 172(1) (a)-(f) when discharging its duties can be found throughout the Strategic Report on pages 43-73.

The table on pages 44-45 sets out our key stakeholder groups and how we engaged with them during the year.

All Directors act in a way they consider, in good faith, to be most likely to promote the success of the Company for the benefit of its stakeholders. In doing so, they each have regard to a range of matters in making decisions for its success over the long term. Key decisions and matters that are of strategic importance to the Company are appropriately influenced by the matters set out in s172.

Our purpose is to produce base metals, essential for modern living, profitably in a safe and sustainable environment for all our stakeholders. This purpose is underpinned by our culture and values which promote the appropriate behaviours and set standards aligned with these. This purpose-driven approach determines how we identify and deliver our immediate and long-term strategic objectives and responsibly generate sustainable, long-term returns for all our stakeholders.

The Board and its Committees are mindful of the potential impact of decisions on relevant stakeholders whilst also having regard to a number of broader factors, including the need to foster the Company's business relationships with suppliers, customers and others. Particular consideration is given to the impact of the Company's operations on the community and environment, ethical business practices and the likely consequences of principal Board decisions in the long term. Examples can be seen in the ongoing long-term planning for the operation of the Group's key assets in Kazakhstan and North Macedonia, ensuring that this continues to take account of the interests and views of all of our stakeholder groups.

Throughout the year we engage, both formally and informally, with our key stakeholders. This enables us to assess and clearly understand their needs, consider their perspectives and expectations and monitor their impact on our strategic ambition. This invaluable engagement helps us to identify factors that should be taken into consideration as part of the Board's decision-making process. When considered appropriate, we also undertake independent stakeholder engagement with external consultants in order to ascertain shareholder views with regard to specific matters.

The importance of good governance has always been recognised in CAML and its role in the management of the Company has been key to building and sustaining value over the long term. Our annual Board evaluation review cycle reinforces the Board's commitment to maintaining our high governance standards while seeking continuous improvement. In doing so, this enables us to safeguard the interests of all of our stakeholders. We utilise the Board evaluation process to develop a measurable plan for understanding areas in which improvements can be made. During 2023, our Board evaluation process covered review of the Board's performance both internally and, for the first time, externally. The introduction of the external review provided us with objective, relevant and actionable insight. This valuable external perspective enabled us to confirm, and where appropriate, enhance consideration of stakeholder interest, including the Group's people. This is critical in ensuring that stakeholder interests are taken properly into account in all Board decisions where appropriate. It has always been the approach of CAML to build such matters into its decision-making although the independent verification of this being done is important to identify any enhancement that may be appropriate. Further details of our external Board review process and outcomes are set out on pages 96-97 of the Nomination Committee Report.

Remuneration is another area in which the Group takes account of the views of its stakeholders, through employees and their representatives and, at a senior level, through the views of investors. The Remuneration Committee of the Board works closely in consultation with the Sustainability and Technical Committees to ensure that the sustainability performance targets included in both its short-term and long-term incentive plans are appropriately stretching, clearly defined and quantitative and that these are linked to the Group's long-term strategy and value creation. It also monitors progress against these measures to ensure that, through our incentive plan performance targets, Executive Director (and senior management) remuneration is aligned with the stakeholder experience. See the Report of the Remuneration Committee on pages 98-109 for further details.

S172 and stakeholder engagement *continued*

Stakeholders	How the Board and Company engage with them	Key topics raised	Outcomes of engagement
Shareholders Our shareholders play an important role in supporting our Company. We recognise the importance of the activities and outcomes of stewardship and regularly engage with investors on our financial performance, strategy, business model and our sustainability performance.	‣ Regular one-on-one meetings with Executive Directors and Director of Corporate Development ‣ Investor presentations (Executive Directors) ‣ AGM (all Directors) ‣ AGM held through Investor Meet Company retail investor platform ‣ Additional Investor Meet Company presentations ‣ In-person and virtual industry conferences (including Executive Directors) ‣ Social media	‣ Capital allocation ‣ Business development ‣ Inflation ‣ Kazakhstan political risk ‣ Climate change ‣ Diversity and inclusion	‣ Views sought on capital allocation from largest shareholders in light of CAML's debt free position ‣ Regular dialogue maintained by Executive Directors on business development strategy with largest shareholders and retail shareholders ‣ Clear communication given to market by Executive Directors on CAML inflation risks ‣ Executive Director discussions with shareholders at results meetings ‣ Created a diversity and inclusion strategy (for further information, see our Sustainability Report)
Employees and contractors Our employees are our most important asset. They want to work in an environment where they are safe and respected and have the opportunity to learn, reach their potential and develop successful careers in a Company they can be proud of.	‣ Newsletters ‣ Email ‣ Briefings ‣ HR discussions ‣ Notice boards and suggestion boxes ‣ Local website at both operations ‣ Union representatives at Sasa and Employee representative group at Kounrad ‣ Video presentations (including Executive Directors) ‣ Social media	‣ Wages with regard to in-country inflation ‣ Job postings ‣ Amendments or introduction of new policies or initiatives ‣ Briefing of Company performance and KPIs ‣ Introduction and onboarding of new hires and contractors on health and safety rules and procedures	‣ Support provided to site pay rises ‣ Found suitable candidates for vacancies at our operations ‣ Employees informed of Company vision and short-term focus areas ‣ New hires and contractors informed about the Company's ethos, Group policies, their colleagues and safety rules, to help them settle into the role quickly ‣ Understanding of company targets ‣ Effective communications of any change management initiatives (for example, the introduction of new initiatives and improvements to facilities i.e the canteen)

S172 and stakeholder engagement *continued*

Stakeholders	How the Board and Company engage with them	Key topics raised	Outcomes of engagement
Governments, NGOs Building trust and partnership with the governments that host our operations is very important to us while minimising any adverse impacts on the natural environment.	‣ Meetings with Company management (including Executive Directors) ‣ National government engagement (including Executive Directors) ‣ Local government officials – meeting with non-Executive Directors and Chair of Sustainability Committee ‣ Site visits by government officials and ministers (including Executive Directors) ‣ Significant technical input by professors of local technical universities	‣ Permitting for the capital projects at Sasa ‣ Inflation ‣ Ensuring a generally positive impact of the mining industry in North Macedonia	‣ Successful compliance with local laws ‣ Receipt of Integrated Pollution Prevention and Control ('IPPC') permit ‣ Strong local relationships maintained ‣ Continued collaborative working with in-country stakeholders
Communities Building trust and partnership with the communities closest to our operations is very important to us while minimising any adverse impacts on the natural environment.	‣ Local media ‣ Drop-in community relations centre at Sasa ‣ Public meetings ‣ Local websites at both operations ‣ Local community events ‣ Communication by telephone and email ‣ Sponsorship of university students ‣ Sasa training centre	‣ Local jobs ‣ Support for local communities ‣ Long-term sustainable development plans (Sasa) ‣ Impacts of change to paste fill mining method ‣ Community health issues in Kounrad/Balkhash	‣ LinkedIn page now live for local recruitment at Sasa ‣ Phase 1 of PrimePoint LEAP and LEDP completed and commenced Phase 2 with Sasa and local municipality ‣ Continued sponsorship of student doctors to go through university at Kounrad ‣ Continued scholarship programme for students undertaking degrees in geology and mining engineering in North Macedonia
Suppliers We have established long-term partnerships that complement our in-house expertise and have built a network of suppliers who share our Company values both on a local and international level.	‣ Preferential local procurement embedded in our Procurement Policy ‣ Communication regarding Company values and policies, which are signed off by the Board, and which cover governance and ethics topics	‣ Environmental assessment criteria added to the Supplier Code of Conduct and rolled out to new suppliers ‣ Addressing and monitoring trade sanctions within supply chains and procurement policies	‣ An internal assessment of responses received as part of the social and environmental questionnaire is planned for 2024 to provide analysis of the results and guide future sustainability-related engagement with our suppliers ‣ Annual compliance training for on-site contractors/ suppliers and dissemination of human rights letters to top suppliers continues

Further examples of how the Company has had regard to the matters set out in section 172(1)(a)-(f) when discharging its duties can be found throughout the Strategic Report.

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

The table below sets out where information relating to non-financial and sustainability matters can be found in our Strategic Report.

Compliance statement

CAML is committed to transparency and accountability in all aspects of its operations, including non-financial and sustainability practices. We comply with the requirements of sections 414CA and 414CB of the Companies Act 2006 by including non-financial information within this report. The table below provides a summary, with details of where relevant disclosure can be found. The information listed is incorporated by cross-reference to the relevant sections.

The climate-related financial disclosures of the Company are within the TCFD section on page 42.

Where Principal Risks have been identified in relation to any of the topics below, details are included on pages 61-72.

Topic	Description	Relevant policies and standards that govern our approach	Report and sections
Environmental matters	As a contributor of GHG emissions, we identify and implement programmes to minimise energy usage, as well as to mitigate and adapt to the impacts of climate change throughout the value chain. We monitor water use and aim to minimise freshwater withdrawal, whilst also carefully managing discharge water quality. We are committed to effectively and responsibly managing TSFs and proactively working to reduce and recycle non-mineral, hazardous and non-hazardous materials waste and preventing or reducing pollution.	‣ Climate Change Policy ‣ Tailings Policy ‣ Sustainability Policy	**Climate Change Report** **Sustainability Report: Caring for our environment**
Employees	We are dedicated to treating all employees fairly, recognising core labour and human rights principles. Our priority is to provide a safe and healthy working environment for our employees, contractors and visitors and work together towards the goal of zero harm in the workplace. We aim to eliminate occupational health risks brought about by our operations and support employee wellbeing whilst monitoring the health of our people and promoting a healthy lifestyle.	‣ Our Code of Conduct ‣ Whistleblowing Policy ‣ Sustainability Policy	**Sustainability Report: Focusing on our People**
Respect for human rights	We believe that a robust approach to human rights is vital to fulfilling our corporate responsibilities, not only in respect of our employees but for the workers along our supply chains and within the communities in which we operate. CAML is fully committed to fundamental human rights, as defined in the International Bill of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.	‣ Human Rights Policy ‣ Modern Slavery Act Statement ‣ Sustainability Policy ‣ Data Privacy Policy	**Sustainability Report: Delivering value through Stewardship**
Social matters	We concentrate on developing positive, constructive and professional relationships with host governments and communities close to our operations. We recognise our responsibility to create shared value for all our stakeholders. By hiring locally and providing fair wages and benefits, we wish to contribute not only to employees' wellbeing, but also to the economic strength of the communities in which we operate. By procuring from local supply chains, paying taxes and royalties, providing education and internship opportunities and local community investment, we aim to contribute to socio-economic development.	‣ Sustainability Policy	**Sustainability Report: Creating value for our communities**
Governance	We have committees and management-level positions with climate-related responsibilities, including assessing and managing climate-related risks.	‣ Sustainability Policy ‣ Climate Change Policy ‣ Climate-related Governance	**Climate Change Report: Page 10**

Non-Financial and Sustainability Information Statement *continued*

Topic	Description	Relevant policies and standards that govern our approach	Report and sections
Anti-bribery and corruption	CAML has a zero tolerance for any form of bribery or corruption and is committed to complying with all applicable anti-bribery and anti-corruption laws. Mandatory compliance with our Anti-bribery Policy is required from all of our stakeholders	‣ Anti-bribery Policy ‣ Trade Sanctions Policy	**Sustainability report: Delivering value through stewardship**
Stakeholders	CAML actively engages with stakeholders with ongoing dialogue and collaboration to understand their concerns, incorporate their feedback, and jointly pursue sustainable practices and solutions.	‣ Stakeholder Engagement	**Sustainability report: Creating value for our communities**
Biodiversity considerations	The Company assesses and addresses potential impacts on biodiversity, implementing measures to protect and enhance biodiversity. Collaboration with local conservation initiatives and implementation of biodiversity-friendly practices. We aim to protect and promote biodiversity and will ensure a responsible approach to rehabilitation and closure planning to ensure a sustainable legacy, recognising the potential for an operation to impact on the environment and local society after the end life of the asset.	‣ N/A	**Sustainability report: Caring for the environment**
Additional disclosure	**Description of our business model** **Business model – p9** **Description of non-financial KPIs** **Key Performance Indicators – p24** **Description of principal risks and impact of business activity** **Principle risks – p66** **Climate-related financial disclosures** **TCFD Report – p42** **Climate Change Report – p9**		

All the Company's policies can be found on the website here: https://www.centralasiametals.com/corporate-governance/company-policies/

Our immediate strategic objectives

Our long-term strategic objective

Targeting low costs, high margins

Ensuring prudent capital allocation

Focus on sustainability

Delivering growth

Profitability

Whilst we are a relatively young mining business, profitability has been crucial from our inception. For us, this is a core element of being a sustainable business. For the past five years, our EBITDA margins have been ahead of key industry peers and, as we continue to seek new opportunities, profitability will remain of vital importance.

https://www.centralasiametals.com/investors/

FINANCIAL REVIEW

Gavin Ferrar,
Chief Financial Officer

"CAML continues to plan for the future with significant capital investment whilst ensuring a robust dividend payout to its shareholders."

CAML continues to plan for the future with significant capital investment in 2023 of $27.8 million across the Group including $14.0 million on the transition to paste fill mining at Sasa and $3.0 million on finalising the Solar Power Project at Kounrad.

CAML's strong operational performance during 2023 is reflected in our achieved EBITDA of $96.5 million, underscoring our reliable production and ability to control costs in an inflationary environment and despite the decline in the prices of our metals. We continue to provide returns to our shareholders with a final dividend announced of 9 pence equating to 18 pence for 2023.

We remain effectively debt free and have a strong balance sheet, ending 2023 with cash in the bank of $57.2 million.

YOY Copper price movement

-2%

Commodity market $/t average

$8,486/t

YOY Zinc price movement

-24%

Commodity market average

2,650/t

YOY Lead price movement

-1%

Commodity market average

$2,136/t

Market overview

In 2023, the CAML share price fluctuated between £1.57 and £2.93, closing the year at £1.81 reflecting the challenging trading conditions and geopolitical uncertainties experienced throughout the year.

Macroeconomic environment

Commodity prices

The prices of our base metals copper, zinc and lead are highly dependent on global economic conditions, including supply and demand dynamics. The fluctuation in prices directly affects our profitability, which has an impact on our share price.

Inflation

2023 inflation rates of 9.8% in Kazakhstan and 9.4% in North Macedonia have significantly impacted the cost of living for our local employees. As a result, we have made appropriate pay rises to ensure our remuneration remains competitive. Global inflationary rates have impacted the prices we pay for inputs into our mining processes including electricity, reagents and spare parts, which directly affect our profitability margins.

Currency fluctuations

Our operations' functional currencies are the North Macedonian Denar ('MKD') for Sasa and the Kazakhstan Tenge ('KZT') for Kounrad and therefore fluctuations in these currency exchange rates impact our financial results. During the year, the MKD and the KZT strengthened against the US dollar ('USD') by 3% and 2% respectively, and this led to an increased cost base. Historically, currencies have typically depreciated in value against the USD.

Kazakhstan inflation

9.8%

North Macedonian inflation

9.4%

Copper

In 2023, copper prices peaked at $9,331 per tonne in January but stabilised around $8,000 per tonne for most of the year, before rising to $8,500 per tonne in December.

There was strong demand for copper in China, driven by its use in Lithium-ion batteries for renewable energy projects. In terms of supply, there were constraints driven by operational disruptions, labour strikes and regulatory hurdles in major copper-producing regions like Chile, Indonesia and Peru.

Zinc

Zinc ended 2023 at elevated levels, reaching prices above $2,600 per tonne after hitting lows of $2,200 per tonne in May. However, current prices remain below the levels of $3,508 per tonne reached in the early part of 2023.

Overall, 2023 was a volatile year for zinc, which at one point fell by approximately 36% from its year high. The weak pricing environment placed renewed focus on mines' operating costs and margins, in turn leading to multiple mine closures over the course of the year, including Boliden's Tara mine in Ireland and Nyrstar's Gordonsville and Cumberland mines in Tennessee, USA.

Lead

The lead price began 2023 at the $2,337 per tonne mark and remained relatively stable throughout the year, trading around $2,100 per tonne. Despite recording the best price performance of the year amongst base metals, lead ended 2023 on the weaker side, slipping to around S$2,000 per tonne in early December.

Lead held up generally well in 2023, despite the headwinds facing base metals markets. This can be attributed to strong auto sales and demand from China for use in lead-acid batteries and relatively consistent demand from battery replacement.

Geopolitical landscape

We continue to monitor the ongoing challenges of the geopolitical landscape and uncertain global economic situation. The recent energy crisis, Ukraine conflict and expanding sanctions regime, historically high inflation and potential economic recession and their impact on our operations are matters under close review.

Kazakhstan's proximity to Russia has a direct impact on its economy and has put pressure on its treasury. The impact has led to two tax changes, which translate to lower FCF from Kounrad. Effective from 1 January 2023, dividends paid from our Kazakhstan entities to our parent company are subject to withholding tax at a rate of 10%. Further to this, there was an increase in the Mineral Extraction Tax ('MET') rate in Kazakhstan from 5.7% to 8.55%. The tax is applied to the copper that we produce.

The conflict in Ukraine has had an impact on global inflation as there have been increases in the cost of living and in the electricity prices in North Macedonia in particular. The route to market for our copper has been altered to divert away from Russia.

The Israel/Hamas War and tensions in the Middle East present challenges in terms of transportation and, although the direct impact on global maritime logistics is expected to be minimal, we have taken steps to ensure our supply chain remains unaffected.

We continue to be proactive in managing our working capital by constantly reviewing our supply chain to ensure sufficient levels of inventory and stock are held on site to continue to operate without interruption.

How our metals support the drive to Net Zero and environmental sustainability

Copper

Copper demand continues to grow with the ongoing transition to a low-carbon global economy and a global shift towards renewable energy sources, such as wind and solar power. Copper is a vital component in renewable energy technologies, including photovoltaic cells, wind turbines and electric vehicle batteries. As countries commit to reducing carbon emissions and increasing renewable energy capacity, the demand for copper in the renewable energy sector increases.

Copper itself is an essential component of the mass electrification at the heart of this transition, as it is used in wiring, electric motors, wind turbines and many other technologies. This is due to its unique properties with high conductivity, ductility, efficiency and recyclability.

The metal will continue to maintain a significant role in the transition towards a green economy, powered by renewable power, and accompanied by an expectation of increased governmental incentives and subsidies that will steadily increase the uptake of copper-intensive clean technologies.

Zinc

Zinc will have a crucial role in the clean energy transition due to its versatile properties. It offers natural corrosion resistance, forming protective layers, and readily forms alloys with other metals, enhancing versatility. Zinc is utilised in various battery technologies, such as zinc-air batteries, contributing to energy storage solutions in the shift towards cleaner energy sources. Furthermore, its high recyclability promotes sustainability and aligns with the principles of a circular economy, supporting efficient material production and use.

It can be applied to battery technology, solar energy, galvanisation for corrosion protection, water purification and wind turbines.

Zinc demand is closely related to its uses in the manufacturing and construction sectors. Its importance, in particular from the sustainability perspective, is its anti corrosion properties that prolong the useful life of steel products, thereby limiting the use for those raw materials.

Lead

Lead remains essential in lead-acid batteries and also in many healthcare applications, such as equipment for radiologists.

The market for lead is dependent on lead acid batteries which account of over 80% of its usage. There is potential for an increase in demand for lead for static battery storage systems. As the world transitions toward electric vehicles that are powered by technologies such as Lithium-ion batteries, we are reminded that electric vehicles also require a smaller lead acid battery. Therefore, we see an important use and maintained demand for lead into the future.

Find out more in our 2023 Sustainability Report

2024 Outlook

Copper

The outlook for 2024 is improved, with analysts reducing their forecasts of potential inventory build-ups, mostly due to a combination of limited new copper projects along with existing assets falling short of production targets. Hence, the small deficit experienced in 2023 is likely to carry over to 2024, as supply side challenges continue to mount amidst a backdrop of strong demand coming out of China.

Zinc

With multiple mine closures in 2023 and a major fire at the Ozernoe mine, global output is expected to fall, at least in the early part of 2024. This would help buoy short-term zinc prices. Longer term, supply of both concentrate and refined zinc is expected to rise, with increased mine production coming from new projects and mine life extensions to coincide with steadily growing demand.

Lead

In 2024, a modest market surplus is to be expected, while high energy costs and supply chain disruptions continue to affect lead production. Demand for lead is well positioned in the long term with the transition towards the green economy, as lead-acid batteries continue to be used in electric vehicles and energy storage potentially becomes a major demand driver.

Performance overview

CAML's 2023 gross revenue was down 11% versus 2022 to $207.4 million (2022: $232.2 million). The decrease was primarily driven by lower commodity prices for all base metals, especially the zinc price, which declined by 24% compared to the prior year.

The Group generated 2023 EBITDA of $96.5 million (2022: $131.6 million), at an EBITDA margin of 47% (2022: 57%) reflecting the lower revenue as well as an increase in our cost base. This increase was driven by higher MET rates introduced in 2023 in Kazakhstan and increased salaries across the Group in response to local inflationary pressures.

Group profit before tax from continuing operations increased by 19% versus 2022 to $65.1 million (2022: $54.6 million) primarily due to a non-cash impairment charge in the prior year. There was a foreign exchange loss of $3.4 million (2022: gain of $6.8 million) caused by the weakening of the US dollar against our local currencies.

EPS from continuing operations was higher than the previous year at 20.54 cents (2022: EPS of 19.10 cents). CAML generated free cash flow of $57.5 million (2022: $90.2 million), with a healthy net cash balance of $56.5 million (2022: $58.9 million), allowing the Board to propose a final 9 pence dividend.

Kounrad's 2023 EBITDA was $82.3 million (2022: $94.9 million), with a margin of 71% (2022: 77%). Kounrad's reduced EBITDA margin reflects lower gross revenue and an increase in costs due to higher MET rate, increased payroll and reagent prices.

Sasa's 2023 EBITDA was $35.7 million (2022: $56.4 million), with a margin of 39% (2022: 52%). The margin declined predominantly due to the average zinc price received, which decreased by 24% compared to 2022. Zinc treatment charges increased from April 2023 onwards due to reduced European smelter capacity resulting from the energy price crisis at the time of price negotiations. During the year, Sasa increased its headcount, and salaries were increased; however, the impact of cost increases has been largely mitigated by the 40% reduction in electricity prices.

Income statement

Revenue

CAML generated 2023 gross revenue of $207.4 million (2022: $232.2 million), reported after deduction of treatment charges but before deductions of offtake buyers' fees and silver purchases related to the Sasa silver stream. Net revenue after these additional deductions was $195.3 million (2022: $220.9 million).

Kounrad

Total Kounrad copper sales were 13,687 tonnes in 2023 (2022: 14,342 tonnes). The offtake arrangement with Traxys has been extended from 1 January 2023 on a one-year rolling basis. The commitment is for a minimum of 95% of Kounrad's annual production.

Gross revenue decreased due to lower production than in 2022, a minor increase in copper inventory during 2023 and a 2% decrease in the copper price received to an average of $8,466 per tonne (2022: $8,625 per tonne). This generated gross revenue for Kounrad of $116.3 million (2022: $123.7 million). During 2023, the offtaker's fee for Kounrad decreased to $3.0 million (2022: $3.1 million) due to lower sales made during the year.

Sasa

Overall, Sasa generated 2023 gross revenue of $91.1 million (2022: $108.5 million). A total of 17,113 tonnes (2022: 17,862 tonnes) of payable zinc in concentrate and 26,298 tonnes (2022: 26,320 tonnes) of payable lead in concentrate were sold during 2023.

The zinc price received decreased by 24% to an average of $2,552 per tonne (2022: $3,358 per tonne), and for lead, the price decreased by 1% to an average of $2,085 per tonne (2022: $2,113 per tonne), resulting in an overall decrease in gross revenue generated from the mine.

Treatment charges during the year increased to $17.6 million (2022: $16.2 million) due to reduced European smelters' capacity resulting from the energy price crisis at the time of price negotiations. Going forward, Lead treatment charges have been negotiated at a reduced rate for the period from April 2024 to April 2025.

During 2023, the offtake buyers' fee for Sasa, was $1.0 million (2022: $1.2 million). Zinc and lead concentrate sales agreements have been extended with Traxys on a one-year rolling basis for 100% of Sasa production.

Under a silver streaming agreement with Osisko Gold Royalties, Sasa receives approximately $6 per ounce for its silver production for the life of the mine.

Cost of sales

The Group cost of sales for the year was $92.9 million (2022: $87.3 million). This includes depreciation and amortisation charges of $27.4 million (2022: $26.7 million). The increase in cost of sales is due to higher MET rates in Kazakhstan and wages as the Group responded to local inflationary pressures by ensuring employee remuneration remains competitive. The Company continues to focus on factors such as disciplined capital investments, working capital initiatives, and other cost control measures.

Kounrad

Kounrad's 2023 cost of sales increased to $31.2 million (2022: $26.5 million). The main factor behind this was outside our control with a significant increase in the MET rate to 8.55% (2022: 5.7%). This led to an increase of $3.0 million with the total MET reaching $10.2 million (2022: $7.2 million).

Additionally, there was a $1.0 million salary increase, $0.4 million increase in reagent prices for Escaid and sulphuric acid and $0.2 million increase in power costs due to higher electricity rates.

Financial review *continued*

Sasa

Sasa's cost of sales for the year increased only marginally by 1% compared to the previous year, reaching $61.7 million (2022: $60.8 million). Sasa faced some cost increases partially offset by a 40% decrease in electricity prices to an average of 11c/kWh.

Concession fees for 2023 were reduced to $2.5 million (2020: $2.9 million) due to lower zinc sales resulting from lower zinc production and the lower actual realised price, down 24%. This tax is calculated at the rate of 2% (2022: 2%) on the value of metal recovered during the year.

Distribution and selling costs

There was an increase in distribution and selling costs to $2.8 million (2022: $2.2 million) due to additional freight and forwarding costs incurred while shipping our lead concentrate further afield as we continue to diversify our customer base. The increase in costs was partly offset by some savings in zinc treatment charges with new customers which had decreased since April negotiations during the energy crisis.

C1 cash cost of production

C1 cash cost of production is a standard metric used in the mining industry to allow comparison across the sector. In line with the industry standard, CAML calculates C1 cash cost by including all direct costs of production at Kounrad and Sasa (reagents, power, production labour and materials, as well as realisation charges such as freight and treatment charges), in addition to local administrative expenses. Royalties, depreciation, and amortisation charges are not included in the calculation of the C1 cash cost.

Kounrad

Kounrad's C1 cash cost of copper production in 2023 was $0.74 per pound (2022: $0.65 per pound) remaining among the lowest in the copper industry. The increase in C1 cash cost compared to 2022 is primarily due to higher costs resulting from employee pay increases, higher reagent costs, higher electricity prices and lower production.

Sasa

Sasa's on-site operating costs increased by 5% to $47.2 million (2022: $44.8 million). The on-site unit cost increased by 5% to $58.6 per tonne (2022: $55.6 per tonne) due to the higher costs of salaries and increased spare parts expenditure while the total tonnes of ore mined remained consistent year on year.

Sasa's total C1 cash cost base, including realisation costs, increased to $68.6 million (2022: $64.3 million), and Sasa's C1 zinc equivalent cash cost of production decreased to $0.68 per pound (2022: $0.78 per pound). The $0.10 per pound decrease in the C1 calculation was primarily due to the change in pro-rata calculation of zinc sales.

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 C1 copper equivalent cash cost in 2023 was $1.63 per pound (2022: $1.39 per pound). This figure is calculated based on Sasa's zinc and lead payable production in 2023, equivalent to 11,636 copper equivalent tonnes (2022: 13,402 copper equivalent tonnes), added to Kounrad's copper production in 2023 of 13,816 tonnes (2022: 14,254 tonnes). The C1 cash cost increase on a copper equivalent basis is due to the higher C1 cost base at both Sasa and Kounrad as well as lower copper equivalent tonnes produced.

CAML also reports a fully inclusive cost that encompasses sustaining capital expenditure, local taxes (including MET and concession fees), 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 year was $2.25 per pound (2022: $1.92 per pound).

Administrative expenses

During the year, administrative expenses increased to $31.2 million (2022: $27.1 million). The increase reflects our business development activities, including due diligence on new projects and work related to obtaining exploration licenses in Kazakhstan. Additionally, we committed to an increase in our annual contributions to our charitable foundations to 0.5% of revenue, with further focus on initiatives to promote sustainable development. Finally, there was also an increase in employee-related costs due to pay rises and appointments of senior technical staff overseeing the capital projects.

Foreign exchange loss

The Group incurred a non-cash foreign exchange loss of $3.4 million in 2023 (2022: gain $6.8 million). This loss resulted from the re-translation of USD-denominated monetary assets held by foreign subsidiaries with a local functional currency. The loss was due to the strengthening of the Kazakhstan Tenge and North Macedonian Denar versus the US dollar during the year.

Finance costs

The Group incurred finance costs of $1.9 million (2022: $2.1 million) which in 2023 primarily relate to non-cash unwinding charges of Group asset retirement obligations. The costs have lowered compared to last year resulting from reduced overdraft balances compared to prior year.

Taxation

In 2023, the Group's income tax rose to $27.7 million (2022: $20.6 million). This increase was primarily driven by the introduction of a 10% withholding tax on intercompany dividend distributions from Kazakhstan to the UK, effective from 1 January 2023, resulting in an additional charge to $7.5 million (2022: $nil). Additionally, the adoption of IAS 12 led to an increase in deferred tax liability on our asset retirement provisions and a $1.0 million non-cash increase in income tax (2022: decrease of $4.6 million)

However, the actual corporate income tax charge was reduced to $19.2 million (2022: $25.1 million), mainly due to lower profits at Kounrad, where taxes are levied at a corporate income tax rate of 20%, and at Sasa, taxed at a 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 year, there were additions to property, plant, and equipment of $27.8 million (2022: $17.4 million).

Kounrad

The capital expenditure additions were a combination of $1.5 million (2022: $2.5 million) sustaining capital expenditure and $3.0 million on the construction of the Solar Power Project.

Kounrad's sustaining capital expenditure includes $0.5 million on a new irrigation system, $0.2 million down payment on new anodes and $0.2 million on dripper pipes. The $3.0 million on the Solar Power Project is an investment in our future working towards decarbonisation and will replace approximately 16-18% of the project's energy consumption with renewable energy.

Sasa

At Sasa, there was a total of $8.7 million (2022: $7.7 million) spent on sustaining capital and $14.0 million (2022: $7.2 million) in relation to the transition to paste fill mining.

Sasa's sustaining capital expenditure included capitalised mine development of $2.8 million, $1.7 million on flotation equipment and $2.8 million on mining equipment including underground fleet.

Transition to paste fill mining

The Group continues to invest significantly at Sasa with the continued transition to paste fill mining. During the year the PB Plant construction was completed with capital expenditure of $2.4 million in 2023 and is now operational. At year end, the total expenditure on this plant of $10.3 million was transferred from construction in progress to plant, property and equipment. The associated underground reticulation infrastructure expenditure amounted to $0.9 million in 2023.

The Dry Stack Tailings Plant and associated landform expenditure totalled $7.5 million in 2023 for the construction of the plant, equipment including the conveyor, and electrical installations.

The development of the Central Decline and equipment totalled $2.8 million in 2023 and it is now operational.

Exploration

During the year, CAML developed an arrangement with a team of experienced explorers and formed a new subsidiary, CAML X. Potential target areas have been reviewed and remain under review, and currently two exploration licences have been granted, with others in application. No significant expenditure has yet been incurred; however, the Company expects to spend between $2 million and $3 million during 2024 on continuing its target generation work in Kazakhstan and those post-licence exploration costs will be capitalised as intangible assets.

2024

CAML expects 2024 capital expenditure of between $22 million and $24 million, of which between $14 million and $16 million is expected to be committed to sustaining capex. CAML expects transition to paste fill mining capital expenditure in the order of between $8 and $9 million in 2024. This will be largely related to completion of the DST plant and landform, as well as further advancing the Central Decline.

Working capital

As at 31 December 2023, current trade and other receivables were $12.2 million (31 December 2022: $8.7 million). This increase from the prior year is mainly due to an overpaid Group corporate income tax balance of $6.8 million (31 December 2022: $1.1 million) which will be offset against corporate income tax liabilities arising in the same entities in the next financial year. Additionally, this balance also includes trade receivables from the offtake sales of $1.4 million (31 December 2022: $2.4 million) and $2.3 million in relation to prepayments and accrued income (31 December 2022: $3.0 million).

Non-current trade and other receivables were $13.8 million (31 December 2022: $11.5 million). This balance includes advances for plant, property and equipment amounting to $9.3 million (31 December 2022: $8.2 million) as our capital investment programme continues. As of 31 December 2023, a total of $4.5 million (31 December 2022: $3.4 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 31 December 2023, current trade and other payables were $17.3 million (31 December 2022: $16.6 million).

Cash and borrowings

As at 31 December 2023, the Group had cash in the bank of $57.2 million (31 December 2022: $60.6 million) and current borrowings of $0.3 million (31 December 2022: $1.4 million) which is our North Macedonian overdraft facilities.

Cash flows

Net cash flow generated from operations was $66.4 million (2022: $99.8 million).

In 2023, corporate income tax payments to governments totalled $27.5 million (2022: $22.2 million). This included $19.2 million (2022: $20.5 million) of Kazakhstan corporate income tax and the newly introduced Kazakhstan WHT of 10% on dividends amounting to $7.5 million (2022: nil) paid during the year. In North Macedonia $0.6 million (2022: $1.7 million) of corporate income tax was paid in cash in addition to a $5.5 million (2022: $4.5 million) non-cash payment offset against VAT and corporate income tax receivable. As a result, there was overpaid Group income tax of $6.8 million (31 December 2022: $1.1 million) which will be offset against corporate income tax liabilities arising in the same entities in the next financial year.

Taking into consideration the sustaining capital expenditure of $10.8 million, which excludes project capex of $17.0 million, CAML's free cash flow for 2023 was $57.5 million (2022: $90.2 million).

Dividend

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

During the year, the Company paid $41.5 million (2022: $48.2 million) which consisted of a 2023 interim dividend of 9 pence per share and 2022 final dividend of 10 pence per share (2022: 2022 interim dividend of 10 pence per share and 2021 final dividend of 12 pence per share).

In conjunction with CAML's 2023 annual results, the Board proposes a final 2023 dividend of 9 pence per Ordinary Share. This brings total dividends (proposed and declared) for the year to 18 pence (2022: 20 pence) which represents 69% of free cash flow. The final dividend is payable on 22 May 2024 to shareholders registered on 26 April 2024. This latest dividend will increase the amount returned to shareholders in dividends since the 2010 IPO listing to 170p per share or $339.0 million.

Going concern

The Group sells and distributes its copper cathode product primarily through an annual rolling offtake arrangement with Traxys Europe S.A. with a minimum of 95% of the Kounrad SX-EW plant's forecasted output committed under this contract. The Group sells Sasa's zinc and lead concentrate product through an annual rolling offtake arrangement with Traxys. The commitment is for 100% of the Sasa concentrate production.

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 31 December 2023.

The Board has reviewed forecasts for the period to December 2026 to assess the Group's liquidity which demonstrate substantial headroom. The Board has considered additional sensitivity scenarios in terms of the Group's commodity price forecasts, expected production volumes, operating cost profile and capital expenditure. The Board has 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 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 statements.

Non-IFRS financial measures

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

Earnings before interest, tax, depreciation and amortisation

EBITDA 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::

	2023 $'000	2022 $'000
Profit for the year	**37,382**	33,805
Plus/(less):		
Income tax expense	**27,703**	20,588
Depreciation and amortisation	**28,192**	27,285
Impairment of non-current assets	**–**	55,116
Foreign exchange loss/(gain)	**3,378**	(6,829)
Other income	**(75)**	(86)
Finance income	**(1,992)**	(515)
Finance costs	**1,852**	2,060
Loss from discontinued operations	**63**	187
EBITDA	**96,503**	131,611

Gross revenue

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

Financial review *continued*

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 plus the cash and cash equivalents held at the end of the year. This balance does not include the restricted cash balance of $0.3 million (31 December 2022: $0.3 million):

	31-Dec-23 $'000	31-Dec-22 $'000
Borrowings	**(326)**	(1,390)
Cash and cash equivalents excluding restricted cash	**56,832**	60,298
Net cash	**56,506**	58,908

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 plus interest received and is presented as follows:

	2023 $'000	2022 $'000
Net cash generated from operating activities	**66,410**	99,845
Less: Purchase of property, plant and equipment	**(10,726)**	(10,124)
Less: Purchase of intangible assets	**(54)**	(68)
Add: Interest received	**1,916**	515
Free cash flow	**57,546**	90,168

The purchase of sustaining property, plant and equipment figure above does not include the $17.0 million (2022: $7.2 million) of capitalised expenditure on the transition to Sasa paste fill mining and Solar Power Project. These costs are not considered sustaining capital expenditure as they are expansionary development costs required for the transition to the paste fill mining techniques and our net zero commitment. The definition of FCF was updated to include interest received which changed the 2022 FCF to $90.2 million.

Sustainability reporting standards

Sustainability is at the core of our business values, and we have reported in accordance with GRI Standards for the period 1 January 2023 to 31 December 2023. We have an economically robust business that underpins our ability to generate profits and dividends for our shareholders and ensures that our successes are also felt by other important stakeholders. We strongly believe that by creating shared value we are ensuring the long-term sustainability of our operations and acting as a good corporate citizen. The table below highlights the economic value that has been distributed amongst CAML stakeholders during 2023.

	Stakeholder	**2023 $'m**	2022 $'m
Direct economic value generated		**207.4**	232.2
Economic value distributed:			
Operating expenses	Suppliers & contractors	**53.7**	57.8
Wages and other payments	Employees	**39.9**	35.8
Dividend payments	Shareholders	**41.5**	48.2
Payment to creditors: Interest payments on loans	Lenders	**–**	0.5
Payments of tax[1]	Government	**39.8**	35.5
Community investments	Local communities	**1.1**	0.5
Economic value distributed		**176.0**	178.4
Economic value retained (generated – distributed)		**31.4**	53.8

1. The tax disclosed is the total corporate income tax recognised in the income statement, MET, concession fees and property taxes. The figure excludes the payroll taxes and additional cash payments made on corporate income tax during the year.

On behalf of the Board

GAVIN FERRAR
Chief Financial Officer

24 March 2024

Risk management

IDENTIFYING AND MANAGING RISKS

In 2023, we continued to prioritise and enhance our risk management processes, building upon our progress of previous years and ensuring continuous engagement at all levels of management and at Board level for a resilient future.

The Board is ultimately responsible for CAML's Risk Management and Internal Control systems and for reviewing their effectiveness in operation. CAML's Group Internal Controls and Risk Manager is responsible for coordinating the risk management processes both corporately and at our operations, and for facilitating reporting on principal risks to the Group Risk Committee ('GRC') and the Board's Audit Committee.

Risk management is led by the Executive Directors and senior management. On a quarterly basis, risk coordinators facilitate the site-level risk review process by engaging relevant on-site management as well as on-site risk and sustainability committees, and reporting findings to the Group Internal Controls and Risk Manager for consolidation into one risk register at Group level. From this database, principal risks are identified based on their risk severity from the Company perspective. The quarterly principal risks are presented to the GRC by risk owners to obtain further feedback on the relevance of risk mitigation plans and identification of any top-down emerging risks. At least once annually, the Chair of the GRC meets the Audit Committee and reports on the material risks to the business and what is being done to mitigate them.

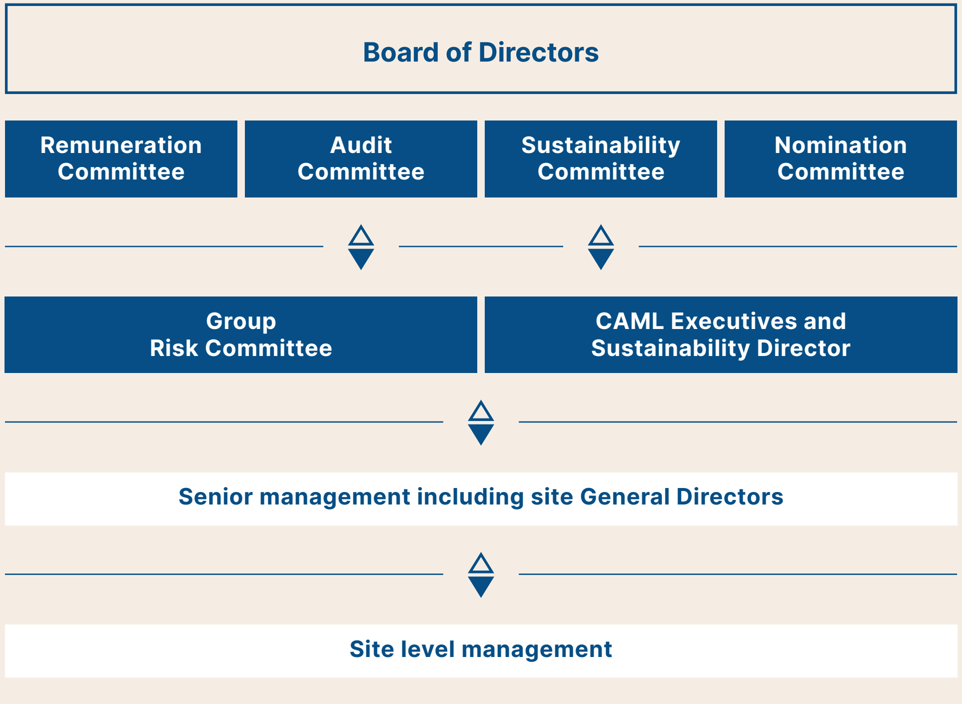
In 2023, our progress has been significant, focusing on various key initiatives. We have continued our commitment to engaging different levels of management in robust risk management efforts. As an example, Sasa's local leadership has introduced KPIs to measure and enhance employee participation in various risk management sessions and introduced a Sasa-wide risk dashboard. At Group level, our quarterly reporting to the GRC and regular reporting to the Board have played a pivotal role in ensuring that principal risks and their mitigations are consistently discussed and form a vital part of the agenda.

We revisited CAML's Group Risk Management procedure in early 2024. As part of the updated procedure rollout, we are planning to conduct risk management workshops in H1 2024, with the aim of raising awareness and ultimately achieving better buy-in throughout the organisation. These efforts collectively reflect our dedication to advancing risk management practices and fostering a culture of proactive risk awareness and mitigation.

Insurance is a risk management tool that we employ to minimise financial impact to the Company. The independent survey reports we receive from insurance groups provide useful insight into risks and typically help us identify areas that might require further mitigation. While insurance markets are typically becoming more expensive, we were pleased to be able to keep our Company 2023 insurance rates at levels similar to previous years and maintain the required level of coverage.

4 QCA **Embed effective risk management, considering both opportunities and threats, throughout the organisation**

Management's role in assessing and managing risks and opportunities



Embed effective risk management, considering both opportunities and threats, throughout the organisation.

Emerging risks

The identification of emerging risks is integrated into ongoing risk management discussions at both operational and corporate level. In 2023, we continued with the practice of discussing emerging risks as part of the quarterly GRC meetings.

In the Principal Risks and Uncertainties section, we have also renamed the principal 'Cut and Fill project' risk as 'Sasa capital project' risk (Risk #11) to accurately reflect that it includes also risks associated with construction of DST Plant and DST Landform projects.

Communication and consultation

There is continual consultation with the relevant parties throughout the process to ensure consistency and appropriate decision-making across the Company towards risk management.

Establishing context

The 'establishing context' step is essential for aligning risk management efforts with the organisation's strategic objectives. This involves defining risk appetite, risk tolerance and risk matrix criteria, providing a foundation for effective risk identification and assessment.

Identification

Risks are identified by all levels of management, along with their teams, across the Company. The Group Internal Controls and Risk Manager and site-based risk coordinators facilitate risk management processes, including providing guidance in the risk identification process.

Analysis

For identified risks, further analysis is conducted to understand root causes of each risk and an estimate of the likelihood of risk occurrence and its potential consequences, including financial and non-financial impacts to the Company. Subsequent risk analysis is performed as part of ongoing risk monitoring and review processes.

Evaluation

The results of risk analysis are used to determine the overall level of the risk, its significance to the Company and whether risk mitigation plans need to be implemented to reduce the risk to an acceptable level. The risk assessment criteria and risk appetite are determined by the Board of Directors.

Mitigation

An agreed risk treatment plan is put in place to reduce the risk's likelihood of occurrence and to manage consequences of the risk's occurrence. This should result in a decrease of the overall risk level to an acceptable degree as determined by the Company's risk appetite.

Monitoring and review

Regular supervision and observation are conducted to monitor changes in risk attributes, such as likelihood and potential consequence and effectiveness of current risk treatment plans to ensure that the risk level is maintained within an acceptable level. If necessary, risk treatment plans are modified to address identified gaps.

Risk management process

Communication and consultation

Risk Assessment

Establish context → Identification → Analysis → Evaluation → Mitigation

Monitoring and review

Risk appetite

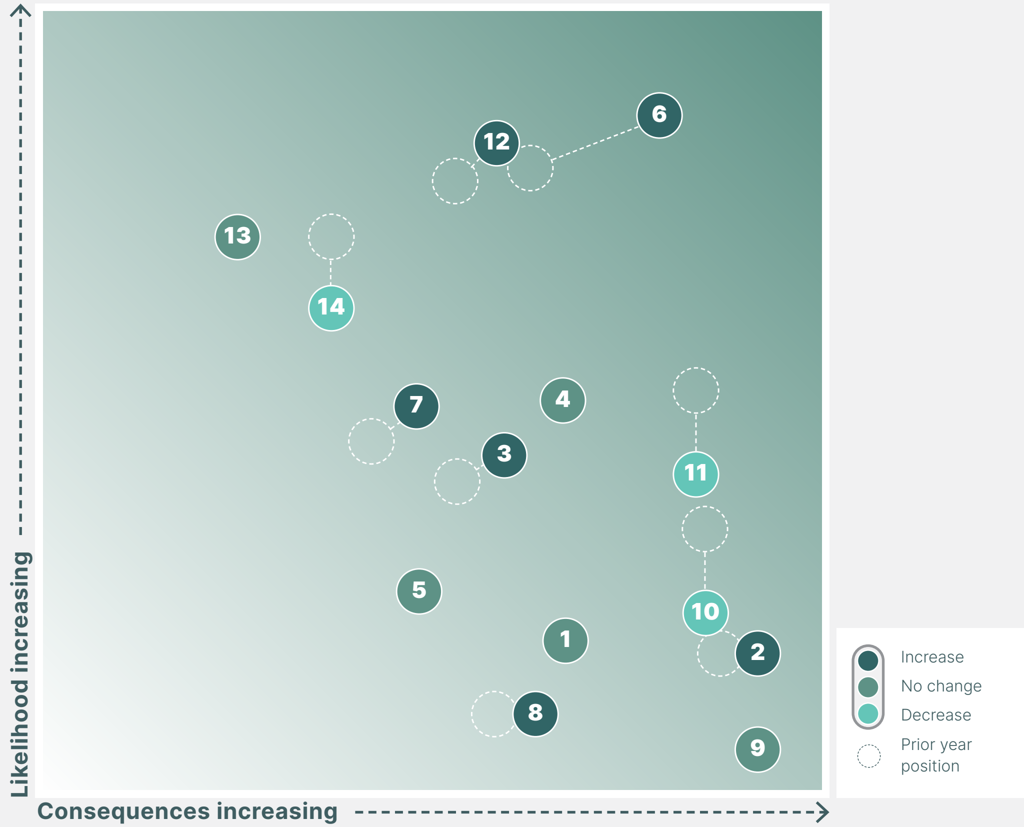
In early 2024, we engaged in discussions with the Board and the Audit Committee regarding our risk appetite and reconfirmed that the Company's risk appetite remains consistent with the previously defined parameters. We continue to focus on health and safety as an area where there is little risk appetite. The Company also has very limited risk appetite for other areas of sustainability, such as the environment, community, employee risks, and governance. The Company's appetite for financial risk is more forgiving as we have low-cost operations and, can therefore withstand certain unfavourable pricing and cost developments.

In 2024, we aim to enhance our risk reporting processes to have a clearer link between reported principal risks and the Company's risk appetite.

Legend

1	Environment – leaching
2	TSFs failure
3	Governance and compliance
4	Health and safety
5	Climate change
6	Political and geopolitical
7	People
8	Leaching operations
9	Fire
10	TSF capacity
11	Sasa capital projects
12	Tax
13	Commodity markets
14	Inflation and cost pressures

Our risk heat map



PRINCIPAL RISKS AND UNCERTAINTIES

Operating in the mining sector brings with it inherent risk in the extraction and processing of natural resources. This section sets out principal risks and uncertainties identified by CAML that could adversely impact the Company's ability to meet its strategic objectives. This section also includes a description of the actions that have been undertaken by management in response to these risks.

Increase
No change
Decrease

Sustainability risks

Risk	Risk and impact	Mitigation	Risk movement
1 **Environment – leaching** **Responsibility** ▸ Sustainability Director ▸ General Director at Sary Kazna ▸ Technical Director	▸ At Kounrad the most significant environmental risk is the potential pollution of groundwater from operating an in situ dump leach project.	▸ Management put in place a groundwater monitoring programme, which covers new leaching blocks at the Western Dumps as well as long-term monitoring of blocks at the Eastern Dumps. ▸ Management regularly samples water quality and groundwater levels in Sanitary Protection Zones boreholes. To date, no exceedances of metal in water have been noted in boreholes. If excess concentration is detected, repeat sampling will be conducted. If the repeat analysis confirms these elevated concentrations, management will develop and agree upon a corrective action plan to reduce the concentration, which may include ceasing operations around that particular area, if necessary.	No change During 2023, the risk profile remained the same. The leaching operations at Kounrad have been predominately at the Western Dumps with fewer blocks still operated at the Eastern Dumps. Regular water sampling and monitoring of Sanitary Protection Zones boreholes shows no abnormal values and does not confirm a discernible impact on quality of groundwater above the baseline. However, the risk remains high and has to be closely monitored going forward.

Principal risks and uncertainties *continued*

Increase
No change
Decrease

Risk	Risk and impact	Mitigation	Risk movement
2 **TSFs failure** **Responsibility** ‣ Sustainability Director ‣ COO ‣ General Director at Sasa	‣ TSFs that are not constructed or managed correctly can fail, leading to potentially significant damage to people, property, the environment and the Company's reputation.	‣ All of Sasa's TSFs are of a 'downstream' construction type, which is generally regarded as the safest option. ‣ Ongoing mitigation measures are focused on monitoring, prediction and prevention of an incident. Regular internal monitoring is undertaken for all aspects of the TSFs operations, including movement and water levels. In 2023, an internal automated monitoring system was introduced that allows monitoring of those indicators in 'real-time'. Monthly site walkovers of the TSFs are undertaken by the EoR and independent technical specialists to check the performance of the TSFs against design criteria. A monthly report on the performance of the TSFs is produced and reviewed by management in the Monthly TSFs Meeting. In addition, the collected data is regularly reviewed by external parties. ‣ Knight Pièsold conducts an annual audit of the Company's TSFs, and management implements action plans for recommendations made. Additionally, an ITR conducted a TSFs review in 2022. In 2023, substantial progress was made in addressing recommendations from both Knight Pièsold and the ITR. ‣ The implementation of an audio alarm system for the local community in the event of a failure is currently in progress and is expected to be commissioned in H2 2024. ‣ CAML has committed to reporting to the GISTM for its TSFs in 2024. A conformance audit will be undertaken by Knight Pièsold in H1 2024. ‣ Further details of the TSFs safety and monitoring related initiatives undertaken in 2023 are set out in the 2023 Sustainability Report.	Increase In 2023, the risk consequence level increased following the Dam Breach Assessment ('DBA'). A DBA was undertaken in 2023. The assessment looked at the consequences in the unlikely event of a TSFs failure on the downstream population and environment. Based on this assessment in accordance with GISTM, the TSFs have been classified as 'Extreme'.

Principal risks and uncertainties *continued*

Increase
No change
Decrease

Risk	Risk and impact	Mitigation	Risk movement
3 **Governance and compliance** **Responsibility** ‣ CEO ‣ General Counsel	‣ There are multiple governance-based risks that may have an impact on the business. The Company operates within a complex regulatory environment that focuses on accountability. Failure to comply with regulations, including sanctions regimes as well as applicable licences required for continuous operations, or failure to follow expected social and business conduct, could cause potential interruption or stoppage of operations, potential financial loss and reputational damage.	‣ The Company maintains strong principles of corporate governance supported by a capable and experienced Board and reinforced by several committees supporting the Board in its role. ‣ The Company has implemented governance policies and procedures. The effective implementation of policies is further supported by annual compliance training of employees and contractors across the Company that are facilitated via an online training platform and on-site training workshops. ‣ During 2023, the Company worked on implementation of a number of additional measures to further improve governance processes and mitigate risks associated with legal and regulatory compliance across the Company. ‣ Management's focus is to ensure full compliance and proactively monitor any changes in sanctions legislation. To ensure compliance with sanctions legislation, rigorous control measures are in place, including mandatory sanctions checks using a dedicated platform, regular reviews of sanction checks to confirm adherence to procedures, and maintaining a uniform stance across the Company in relation to suppliers from high-risk jurisdictions. ‣ In 2023, supplier due diligence procedures were further improved to align processes across various operations and incorporate environmental criteria in social assessment questionnaires and the supplier charter/code of conduct are requested from suppliers as part of due diligence. ‣ The Company continues its engagement with local authorities and communities to follow good governance. ‣ Further details of governance initiatives undertaken are set out in the 2023 Sustainability Report.	During 2023, this risk profile has increased. This is primarily due to the continuation of the conflict in Ukraine resulting in continuous expansions of sanctions across various jurisdictions. The complexity and expanding nature of sanctions creates persistent challenges to adapt control mechanisms to ensure compliance, and the overall potential impact to the Company's reputation in case of non-compliance could be significant. In addition, there is an increased emphasis from the EU and US on preventing sanction evasion and implementing secondary sanctions. Given geographical proximity and historical ties with Russia, Kazakhstan is under heightened scrutiny.

Principal risks and uncertainties *continued*

Increase
No change
Decrease

Risk	Risk and impact	Mitigation	Risk movement
4 **Health and safety** **Responsibility** ‣ Sustainability Director ‣ COO ‣ General Director at Kounrad Copper Company ‣ General Director at Sary Kazna ‣ General Director at Sasa	‣ Mining operations by their very nature are dangerous working environments. In particular, working underground presents significant challenges which, if not managed, could lead to serious injuries and a loss of life. ‣ In addition, the safe extraction of Ore Reserves at Sasa presented challenges that have led the Board to approve the transition to the paste fill mining methods of cut and fill and long-hole stoping. While both methods are expected to create a safer operating environment for the long term, the initial introduction of these new methods may temporarily increase the risk whilst employees adapt.	‣ The health and safety of our employees is our top priority. Significant capital is deployed to ensure that our employees have all the necessary personal protective equipment ('PPE'). The dedicated health and safety teams conduct regular training for employees on the appropriate use of PPE, as well as performing their duties in line with safe operating procedures. Managers and supervisors are responsible for ensuring employees always adhere to all safety procedures. ‣ In 2023, the primary focus was to strengthen the safety culture across all operational levels. This involved the establishment of 'Golden Rules' for Sasa operations, communicated through daily and monthly safety sessions. Continuous monitoring of the safe execution of work, coupled with regular inspections, assessed adherence to safety procedures throughout the organisation. Results and lessons learned are consistently reported, aiming to embed these insights and identify any gaps necessitating additional attention. ‣ Policies and procedures are in place to identify and mitigate risks and provide clear guidance on conducting operational processes appropriately and safely. ‣ As underground mines present safety challenges, there are specific procedures of working in high-risk zones providing guidance on identifying and assessing 'red' zones and performing works in those zones. The underground fleet upgrade with remote operating capabilities has further assisted in reducing the risk of potential miners' injuries. ‣ Throughout 2023, safe operating procedures ('SOPs') for the new mining methods at Sasa were developed, and employees received comprehensive training on them. The phased commissioning of capital project elements facilitated gradual team training. Additionally, in 2023, the Sasa team, including the health and safety team, conducted numerous visits to other operational mines utilising cut and fill mining or long-hole stoping, and equipped with PB Plant and DST facilities. An occupational health desk-based study is currently in progress to ensure CAML fully understands any health risks posed by its operations. ‣ Further details of the Company's health and safety initiatives and health and safety performance is set out in the 2023 Sustainability Report.	Despite significant improvements in health and safety processes and performance, as indicated in mitigation column, during 2023 the risk profile has remained the same. This is due to the inherently higher risks associated with capital project construction and commissioning and employee readiness for new operational processes.

Principal risks and uncertainties *continued*

Increase
No change
Decrease

Risk	Risk and impact	Mitigation	Risk movement
5 **Climate change** **Responsibility** • CEO • Sustainability Director • Executive Director of Corporate Development	• The Company's operations may be affected by the physical risks identified and caused by climate change, which might lead to a disruption in operations. • The Company may face additional transition risks due to policy and regulatory changes. Regulators are increasingly integrating climate risk considerations into financial regulations and disclosures, while countries are also moving towards incentivising or penalising companies to drive change and reduce GHG emissions in line with decarbonisation targets.	• CAML's climate change strategy was approved by the Board in 2021. The strategy sets out key elements of the Company's approach to the climate change agenda, including targets and a timeline for reduction of its GHG emissions. In 2023, CAML released its Climate Change Report for 2022. This report provides a comprehensive expansion of our climate change strategy, outlining its five pillars and offering detailed insights into the results obtained through scenario planning. During 2023, CAML became an official TCFD 'supporter' and throughout the year the team continued addressing recommendations from climate change scenario planning with focus on building operational resilience and adaptability to withstand climate change-related shocks. • Sasa continues to purchase 100% renewable energy. The Kounrad Solar Power Project was successfully commissioned in Q4 2023, contributing to CAML's decarbonisation efforts, and reducing GHG emissions. The estimations for Scope 3 emissions for the year 2023, along with comparative figures from 2022, are anticipated to be reported in Q1 2024. • In-country teams are monitoring local policies and regulations in relation to GHG emissions, including limits, mandatory reporting and required disclosures. • Progress with respect to climate change mitigation and decarbonisation is also being driven by the investment communities and CAML's Executive Director of Corporate Development maintains a dialogue with key investors to understand their aspirations for the companies in which they invest. • Further details of the Company's climate change initiatives are set out in the 2023 Sustainability Report.	The risk profile in 2023 remains the same. While management has made notable strides in addressing climate change risks by reducing GHG emissions and enhancing associated reporting, the risk profile in 2023 has remained unchanged. This is mainly due to persistent challenges in advancing decarbonisation efforts, proactively adapting to regulatory changes and preparing for potential operational impacts stemming from physical risks. In the coming years, GHG emissions may materially impact CAML's cost of capital and value if carbon pricing legislation is introduced and adequate progress in reducing emissions is not made.

Principal risks and uncertainties *continued*

Increase
No change
Decrease

Risk	Risk and impact	Mitigation	Risk movement
6 **Political and geopolitical** **Responsibility** • CEO • CFO • General Director at Kounrad Copper Company • General Director at Sary Kazna • General Director at Sasa	• The Company's operations and overall financial performance could be adversely impacted by any new regulations that are introduced by the governments of the countries where we operate, such as revisions of mining law, restrictions on foreign ownership of assets, the remittance of funds or rates of taxation. • In addition, any increased requirements relating to regulatory, environmental and social approvals in the countries in which we operate could result in significant delays in obtaining necessary approvals for capital projects. This would ultimately have an adverse impact on enhancement of existing operations and the financial results of the Company. • For a company operating across diverse jurisdictions with an international network of customers and suppliers, international conflicts can give rise to geopolitical challenges. These challenges may manifest as disrupted supply chains, heightened costs, increased compliance burdens, and a surge in political instability.	• Senior management at the Company's operations have built relationships with local authorities and government ministries. • Through these relationships and a proactive approach to engagement, management aims to anticipate changes to legislation and plan accordingly. • Due to the conflict in Ukraine and the sanctions regime impacting availability of insurance for transportation through conflict territories, CAML, together with its offtaker, adjusted its route for copper cathode transportation to maintain appropriate insurance coverage in case of potential losses. In addition, CAML's management has reviewed supply chains to identify alternative suppliers in case of further expansion of the sanction regime.	The risk has increased in 2023 due to heightened political and geopolitical factors associated with this. Recent tax rate hikes and the development of a new tax code in Kazakhstan for 2025 has introduced a level of uncertainty into the operating environment for businesses in the country. As the war in Ukraine continues, Kazakhstan's physical proximity to Russia may lead to change in the political stance. Management closely monitors the local situation. As part of the Sasa capital projects, CAML is required to obtain approvals for licences and permits for various project stages from government ministries or institutions. IPPC permit amendment approval was received in February 2024. There may be further approvals required as part of the DST Plant and DST Landform construction.

Principal risks and uncertainties *continued*

Increase
No change
Decrease

Risk	Risk and impact	Mitigation	Risk movement
7 **People** **Responsibility** ‣ CEO ‣ Group People Manager	‣ CAML's growth and future success depends on its ability to attract, retain and motivate employees and key members of management. Failure to adequately maintain the quality of the Company's talent could have an adverse impact on operations and, therefore, CAML's reputation. The location of our operations might provide further challenges in candidate recruitment or retention. Additionally, there is a scarcity in technically skilled mining expertise. ‣ Failure to appropriately train employees as well as secure their support for the transition or ensure their readiness might undermine the success of a safe transition.	‣ The Company is committed to the recruitment of experienced staff across all our locations of London, Kazakhstan and North Macedonia. The Human Resources ('HR') team actively monitors the labour market across the Company's operating locations to ensure that remuneration packages remain competitive. ‣ In 2023, the HR team partnered with local unions and representatives to address inflationary pressures and granted pay increases for local workforces. Additionally, benchmarking studies were conducted at the Group level to evaluate the competitiveness of remuneration. ‣ During 2023, the HR team worked with the site leadership teams to identify key positions for all of our Company's operations and subsequently developed succession plans. Succession plans for senior leadership have been reviewed and agreed by the Board. ‣ Throughout 2023, the HR team collaborated closely with Sasa management, implementing a variety of initiatives to assess and prepare Sasa's workforce for the transition to the new mining method and the commissioning of the PB Plant. Key initiatives included the preparation of skill matrices, training plans, dashboards and knowledge acquisition trips to other companies' operations. This ongoing effort is set to continue in 2024, ensuring a seamless transition and sustained workforce readiness. ‣ Additionally, management and leadership training programmes were also developed to support staff in managing people through times of change. ‣ Further details of the Company's HR initiatives are set out in the 2023 Sustainability Report.	During 2023 the risk has increased. The increased risk profile is primarily attributed to the significance and interconnection of employee-related factors in the successful completion of the Sasa capital projects. It is essential that the workforce is appropriately trained and ready for the commissioning and the safe adoption of new mining methods.

Principal risks and uncertainties *continued*

Increase
No change
Decrease

Risk	Risk and impact	Mitigation	Risk movement
8 **Leaching operations** **Responsibility** ‣ Technical Director ‣ COO ‣ General Director at Kounrad Copper Company	‣ The nature of in situ leaching means that grades and flows of copper-bearing solution from dumps is dependent upon the geology of the dump material and the hydrogeology of the underlying formations. Should the flow rates and/or grade drop, this could lead to a reduction in copper cathode produced. ‣ The in situ leaching process is inherently dependent on a continuous and reliable supply of fresh water. Potential water shortages pose a risk of operational disruptions.	‣ Extensive studies have been completed at Kounrad to Kazakh and international standards to ascertain the characteristics of copper mineralisation within the dumps. The results of operations for over 11 years have shown a good correlation to the initial study work undertaken, which gives management confidence for future operations. ‣ Should solutions be lost to the ground, there is an extensive array of boreholes surrounding the dumps to identify issues. ‣ Management has identified emerging concerns related to the declining water level in Lake Balkhash, which serves as one of the two main sources of water supply for operations. There are no immediate impacts on operations, and management continues to closely monitor the situation.	The risk profile marginally increased in 2023 due to emerging concerns related to declining water levels in Lake Balkhash. There are no immediate impacts on operations, but there is a potential risk of adverse publicity. In terms of operations, in 2023 the production of PLS was in line with technical expectations, and there was no significant deviation or deterioration noted in grades.

Principal risks and uncertainties *continued*

Increase
No change
Decrease

Risk	Risk and impact	Mitigation	Risk movement
9 **Fire** **Responsibility** ‣ COO ‣ Technical Director ‣ General Director at Kounrad Copper Company ‣ General Director at Sary Kazna ‣ General Director at Sasa	‣ A significant fire at one of our sites constitutes the single biggest potential impact on our operations. The SX facility at Kounrad contains highly flammable solutions which, if set alight, would be difficult to extinguish. At Sasa, a fire in the processing facility would have a prolonged impact on our ability to operate.	‣ Fire suppression systems have been installed in the SX facility and in other key installations at the sites, both at Kounrad and Sasa. ‣ In the SX plant, measures have been implemented to minimise the conditions and probability of fire. These measures include an automatic Tungus powder extinguishing system, a gas analyser system, antistatic rings, stationary sensors for static electricity, equipment grounding, spark-proof radios, and a prohibition on the use of mobile phones. Additionally, there is a site-based fire brigade, and regular fire drills are conducted with employees and fire brigade. In 2023, additional Tungus powder modules were installed in the SX facility. An independent audit of the SX facility fire prevention and liquidation procedures is conducted annually to ensure compliance with applicable legislation. ‣ In 2023, Sasa continued to enhance its fire protection systems across site. The hydrant system installed throughout the site, including the explosives storage area and other facilities, enables the site-based rescue team to address fires within the facilities and, if necessary, combat forest fires. Regular training sessions are conducted with employees to familiarise them with the use of fire hydrants and fire extinguishers. Moreover, during the design and construction of the PB Plant, essential fire prevention and suppression systems were incorporated in accordance with industry standards. ‣ The financial impact to the Company in the eventuality of a fire is covered by the Property Damage and Business Interruption ('PDBI') policy currently in place. Risk engineers appointed by insurers conduct annual risk assessment reviews for the PDBI policy.	No change The fire risks discussed are considered stable but remain high given perceived challenges in extinguishing a fire in the Kounrad processing facility. Mitigation measures currently in place at Kounrad and Sasa are considered adequate by management.

Principal risks and uncertainties *continued*

Increase
No change
Decrease

Risk	Risk and impact	Mitigation	Risk movement
10 **TSF capacity** **Responsibility** • COO • General Director at Sasa	• Failure to identify long-term storage capacity for tailings could result in an inability to process mined ore.	• The transition of Sasa's mining method to incorporate paste backfill, developed in part from tailings, as well as the proposed DST, will provide alternative storage solutions for Sasa plant tailings and extend the life of TSF4 to support the LOM. • In 2023, Sasa made substantial progress in delivering the Sasa capital projects. The PB Plant was completed in late December 2023, with the paste successfully placed underground as part of the commissioning process. In 2024, the prioritised tailings deposition method will be paste fill to underground based on available voids. • The DST Plant and Landform are expected to be commissioned in the second half of 2024, offering an additional method for tailings deposition and further alleviating the pressure on TSF4 capacity.	Decrease. The risk profile reduced in 2023 due to advancements in the Sasa capital project. The completion of the PB Plant and the commencement of tailings deposition underground have alleviated pressures on TSF4.
11 **Sasa capital projects** **Responsibility** • CEO • COO • General Director at Sasa	• The development of the capital projects for the transition of paste fill mining may prove to be more complex or technically difficult than originally envisaged, resulting in delays and higher project costs. • Local permits are required for these projects and if these approvals take longer than anticipated, this may also result in delays to the project timeline. Delays in this transition of mining method might potentially have an adverse impact on production and tailings volumes into the current TSF4.	• A dedicated project management team has been assigned to oversee delivery of the project. A detailed project timeline has been developed and project performance is reviewed against milestones and budgets on a regular basis. Periodic updates on the project implementation are provided to the Board. • External engineering specialists were engaged to assist with development of detailed designs and will be assisting throughout the project implementation stage. The project team was also strengthened by experienced new recruits dedicated to the transition plan development. • Third-party contractors were engaged to assist with the construction phase of the project, and the work is closely monitored and overseen by the engineering specialists and the project team. • During 2023, the Central Decline and the PB Plant became operational the DST Plant and the DST Landform are planned to be commissioned in 2024. • Strong relationships are maintained with local and national stakeholders, which should ensure that permitting processes are as prompt as possible. The collaborative effort resulted in the Ministry of Environment and Physical Planning issuing Sasa a 'special dispensation' that allowed Sasa to proceed with testing and commissioning while formal approval for IPPC permit amendment was obtained in February 2024.	Decrease. The risk profile reduced in 2023 due to advancements in the Sasa capital projects, which encompassed the successful completion of the PB Plant and Central Decline, as well as progress made on the DST Plant and the DST Landform. The consequences of the risk remain very high due to its importance for Sasa's long-term operations, in particular the TSF4 capacity. As the project's various elements reached completion, the increasing significance of workforce-related matters was acknowledged and addressed through the incorporation of those relevant aspects under Risk 7 'People'.

Principal risks and uncertainties *continued*

Increase
No change
Decrease

Risk	Risk and impact	Mitigation	Risk movement
12 **Tax** **Responsibility** ‣ CFO	‣ The Company is subject to taxation in its jurisdictions of operation. There are inherent risks associated with the complexities of tax legislation, differences in interpretation of the applicable legislation and there can be changes in tax laws and regimes that might increase the tax burden of the Company. Increased scrutiny of taxation measures or revisiting interpretations on prior taxation decisions by the governments in our countries of operation may lead to the Company paying increased taxes for current or prior periods, or adversely impact recoverability of tax receivable balances.	‣ Management is committed to ensuring compliance with tax requirements in every jurisdiction where the Company operates, and to both minimising and managing risks associated with taxation. ‣ We focus on understanding developments in tax legislation, as well as building and maintaining good and constructive working relationships with all relevant tax authorities. ‣ Although we have strong in-house specialists, we also seek the advice of independent tax consultants where necessary.	The risk profile has increased in 2023. Heightened uncertainty around planned changes and a continuous rise in the overall tax burden contributed to the increased risk profile in 2023. In 2023, the Company experienced an increase in tax payments in Kazakhstan attributed to a higher MET rate and the imposition of a 10% WHT on dividends. The 2024 Kazakhstan Tax Code introduced additional tax burdens for the Company with the introduction of a 1.5% Employer Pension Contribution ('EPC'). A new 2025 Kazakhstan Tax code is currently in development, expected to take effect on 1 January 2025. Further details on the proposed changes are anticipated to be made public in the first half of 2024.

Principal risks and uncertainties *continued*

Increase
No change
Decrease

Risk	Risk and impact	Mitigation	Risk movement
13 **Commodity markets** **Responsibility** CFO	• A significant decrease in copper, zinc or lead commodity prices would negatively impact Company revenues. • In addition, decrease in demand for zinc and lead concentrates or increase in availability of concentrates might cause adverse movement in zinc and/or lead TCs, which could have an impact on Sasa's profitability.	• As a low-cost producer of metals, we are able to withstand depressed commodity prices for a period of time. • The team works hard to ensure that the cathode copper produced in Kounrad and the zinc and lead concentrates produced in Sasa are as marketable and attractive as possible. • In 2023, Sasa has continued working with its established regional and international smelters. Small volumes of production are occasionally allocated to new customers for diversification purposes. • CAML has historically used hedging agreements for a portion of its production to allow the Company to lock in some certainty of commodity prices and may elect to hedge its exposure again in the future.	No change During 2023 the risk profile remained the same. In 2023, commodity prices exhibited volatility. Lead and zinc prices experienced declines of 12.9% and 12.1%, respectively. However, the copper price rebounded, recovering its losses and returning to the same level as at the start of the year. The fluctuations in commodity prices throughout 2023 were driven by a combination of factors, including a general decline in economic performance, reduced demand in China, escalating recessionary risks, an unstable geopolitical situation, and an increased availability of refined metals. The outlook, based on broker consensus prices, indicates a weakening market in 2024 for zinc and lead but improving market for copper.
14 **Inflation and cost pressures** **Responsibility** CFO	• The Company's cost base is highly susceptible to inflationary pressures. Rising costs, which could be triggered by higher inflation and other factors, have a direct impact on the Company's profitability. In addition, inflationary pressures have an impact on capital expenditure, including the Sasa capital projects.	• The main mitigation actions include placing orders earlier, achieving lower prices, signing long-term contracts with fixed prices and establishing strategic relationships with key suppliers.	Decrease This risk has decreased in 2023 but remains a principal uncertainty for CAML. In 2023, global inflation slowed down following the introduction of higher interest rates and lower forecasted economic growth worldwide. Nevertheless, it is anticipated to persist at a higher level in the countries of operation, particularly in the Republic of Kazakhstan. This is expected to result in increased cost and payroll pressures.

CAML's Board structure

Board of Directors

Sustainability	Audit	Nomination	Remuneration

Accountability

We take accountability seriously. We recognise that we are answerable to our key stakeholders to ensure we deliver reliable output, to our employees, communities and partners to protect their livelihoods and environments, and to our shareholders to deliver a return on their investment. Overall responsibility for our business lies with our Board of Directors.

https://www.centralasiametals.com/corporate-governance/committees/

INTRODUCTION TO CORPORATE GOVERNANCE

Nick Clarke,
Non-Executive Chairman

Letter from the Chairman

"Maximising the value of CAML's current assets and appraising opportunities for future growth have always been key long-term aims of the Group. Key decisions regarding these are taken by the Board. Along with its Committees, the Board also monitors, implements, encourages and, where appropriate, challenges, their implementation. The Board and its Committees view this accountability, and the corporate governance structures within which these matters are handled, as key parts of building and sustaining value and shareholder and other stakeholder interests over the long term."

5
QCA

Maintain the board as a well-functioning, balanced team led by the chair.

Dear shareholder,

Strong corporate governance has always been a cornerstone of the way CAML operates. This has been developed over a period of years and continues to be enhanced as opportunities arise to do so. We comply with the Quoted Companies Alliance ('QCA') Code. It has been our underlying commitment to do the right thing that has driven our focus on this area even before the QCA Code applied. This underlying commitment extends across the way CAML operates. It helps us to protect and build shareholder value and stakeholder interests over the long term. It assists us in determining strategy, monitoring its implementation, and reporting transparently on our work, and it ensures we hold ourselves accountable for this.

This section of the annual report focuses on our work in these areas. It includes details on each of our Directors, a summary of the work of our Board and comment from the Chairs of four of our Committees.

Introduction to corporate governance *continued*

Before those more detailed reports, in this introduction, there are 10 particular areas I would like to highlight:

1. Following its trip to Sasa the previous year, in 2023, the Board visited Kounrad over the course of a week, meeting with staff, touring the site and its facilities including the new Solar Power Project, and reviewing the production, processing and sustainability aspects of the operations.

   The majority of Directors had visited the site previously and this visit provided an update on Kounrad's continued successful operation and development. For the more recently appointed Directors, this visit brought to life the briefings from both the Group and local management they had received since joining the Board.

   The Board plans to visit Sasa again later this year.

2. In addition to the visit of the Board as a whole to Kounrad in July, our Technical Committee visited Sasa in April and November to review its operations and the work on its capital projects during the year. Our Technical Committee inputs its views both to management and to the Board. It continues to act in an advisory capacity, with management and the Board able to draw on the extensive experience of its members.

3. As agreed in our Board evaluation in the prior year, all our Committees have been working more closely on matters of common interest. This has included the Remuneration Committee drawing on the expertise of the Technical and Sustainability Committees in terms of setting and measuring incentive targets. It has also included the Audit Committee drawing on expertise of the Technical Committee in terms of financial reporting judgements relating to the Group's operations.

4. Following the internally facilitated Board evaluations we have conducted in past years, we engaged Better Boards to handle our first externally facilitated Board evaluation towards the end of last year. This process included both the completion by each Director and the Company Secretary of bespoke digital, highly analytical questionnaires prepared by Better Boards, followed by one-on-one interviews conducted by Dr Sabine Dembkowski of Better Boards.

5. The in-depth analytical approach of this evaluation provided reports with objective, relevant and actionable insights both in relation to CAML and in comparison with benchmark data. We were able to draw valuable conclusions from these reports as well as encouragement that our approach to corporate governance compared favourably to the benchmarks. Our Nomination Committee Report on page 97 sets out further details of this evaluation.

6. Even before the Better Boards evaluation, we had refocused our Board discussions even more on business development and strategy more generally. These have always been key topics for discussion at each main Board meeting and this renewed emphasis now redoubles the discussions at every such meeting in addition to our specific strategy meetings during the year.

7. As well as strategy, risk appetite has been discussed further including in the context of business development opportunities. Where any risks in such opportunities can be mitigated or managed, we continue to pursue these as part of our strategy. If, though, such opportunities present unacceptable risks, we will not progress them, and instead will keep them under review for if, and when, their risk profiles might change.

8. To ensure additional time for all items being considered at meetings, we now hold our Board and Committee meetings over a period of two days, normally with a working dinner on the evening between. This allows discussions, deliberations, and debates to be within a forum that allows extended consideration of topics where this could be beneficial.

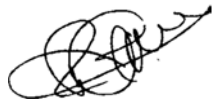
9. Succession planning is another key area for the Board, and indeed our Nomination Committee. As is typical in the resources sector, CAML's projects are sought, developed and implemented over long timescales. In this context, long-tenure Directors help preserve valuable knowledge and experience on the Board and its Committees.

   The planning for progressive refreshment of the Board pursued by CAML over recent years nonetheless continues. Nurlan Zhakupov stepped down from the Board during the year, and we are grateful to Nurlan for his 11 years of service as a Non-Executive Director. We are also grateful that David Swan, the Chairman of our Audit Committee, has agreed to remain on the Board while we continue the succession planning in relation to that role. The Board has reconfirmed the unflinching ongoing independence with which David continues to perform his role.

10. We have begun our preparations to report against the revised QCA Code published in November 2023 when it comes into effect for CAML in 2025. This will include the annual re-election of all Directors and votes on Director Remuneration at the 2025 Annual General Meeting ('AGM).

The following reports by the Board and its Committees provide further details of areas set out above and of other key matters. My thanks to my fellow Committee Chairs for their valuable work. The coming year will be another of development for the Board and Committees as well as the ongoing management and development of the Group's business. In next year's annual report, we will report for the first time in relation to the revised QCA Code applying in 2025.

I look forward to reporting on this then, along with further developments in areas set out above.



Nick Clarke
Non-Executive Chairman

24 March 2024

THE QCA CORPORATE GOVERNANCE CODE

CAML complies with the Quoted Companies Alliance Corporate Governance Code for small and mid-sized companies and has incorporated a set of robust principles based on its guidelines into our corporate governance procedures.

The Directors believe this reinforces the strong corporate governance systems and processes that are vital in building a successful business, maximising value and maintaining the high standards that we set for ourselves. Our QCA Code disclosures within this Annual Report are summarised in the table to the right.

In addition, details of how we have applied each of the 10 principles of the QCA Code can be found on our website at:

https://www.centralasiametals.com/corporate-governance.

	1 QCA	2 QCA	3 QCA	4 QCA
Principle	Establish a strategy and business model which promotes long-term value for shareholders	Seek to understand and meet shareholder needs and expectations	Take into account wider stakeholder and social responsibilities and their implications for long-term success	Embed effective risk management, considering both opportunities and threats, throughout the organisation
Disclosure within this report	**see pages 9 to 10, 23 to 29, 81**	**see pages 43 to 45, 85 to 86**	**see pages 43 to 45, 83 to 90**	**see pages 58 to 72, 93**

	5 QCA	6 QCA	7 QCA	8 QCA
Principle	Maintain the board as a well-functioning, balanced team led by the chair	Ensure that, between them, the Directors have the necessary up-to-date experience, skills and capabilities	Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement	Promote a corporate culture that is based on ethical values and behaviours
Disclosure within this report	**see pages 7, 74 to 75**	**see pages 77 to 78, 81 to 82**	**see pages 96 to 97**	**see pages 5, 83 to 84, 87 to 90**

	9 QCA	10 QCA
Principle	Maintain governance structures and processes that are fit-for-purpose and support good decision-making by the Board	Communicate how the company is governed and is performing by maintaining dialogue with shareholders and other relevant stakeholders
Disclosure within this report	**see pages 79 to 80**	**see pages 43 to 45, 85 to 86**

BOARD OF DIRECTORS

Nick Clarke

Non-Executive Chairman

Committees: **N** / **T**

Appointed: April 2009

Education/qualifications/memberships

Nick graduated in 1974 from the Camborne School of Mines, ACSM. He is a Chartered Engineer and a Member of the Institute of Materials, Minerals and Mining, IOM3.

Skills and experience

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 managing director of Oriel Resources until its acquisition by OAO Mechel for $1.5 billion in 2008. In addition, Nick was managing director at Wardell Armstrong International, where he managed numerous multidisciplinary consulting projects in the resource sector. In 2013, Nick was named CEO of the year at the Mining Journal outstanding achievements awards. He joined CAML in 2009 as Chief Executive Officer prior to the Company's IPO in 2010, and assumed the role of Chairman in June 2016.

External appointments

Nick joined the board of Caledonia Mining as a non-executive director in September 2019.

Nigel Robinson

Chief Executive Officer

Committees: **S** / **T**

Appointed: April 2009

Education/qualifications/memberships

Nigel has an engineering degree from Lancaster University and is a member of the Institute of Chartered Accountants in England & Wales.

Skills and experience

Nigel started his career as a Royal Naval Officer in the Fleet Air Arm where he served an eight-year short career commission. Upon leaving the Royal Navy, he qualified as a Chartered Accountant with KPMG in the North West of England, where he stayed for a further three years before leaving the profession to work in commerce.
He initially joined one of KPMG's clients, British Aerospace, working in the internal audit department before relocating to London where he worked for six years in management with British Airways.
In 2002, he left to become more involved in smaller enterprises and joined CAML in 2007 as Group Financial Controller. Prior to his appointment as CEO in April 2018, he had been the CFO of the Group since he joined the Board in April 2009 and was instrumental in growing the business.

External appointments

Treasurer (pro bono) of the Fleet Air Arm Officer's Association.

Gavin Ferrar

Chief Financial Officer

Appointed: June 2016

Education/qualifications/memberships

Gavin holds post-graduate degrees in geology from the University of the Witwatersrand, Johannesburg and from the University of Natal. He also holds an MBA in finance from Imperial College, London.

Skills and experience

Gavin has been involved in the mining sector for over 25 years. His career in the industry began with Anglo American in its New Mining Business Division where he worked in a target generation and due diligence team and subsequently managed projects from greenfields exploration through to a feasibility study on a gold project. He then spent 11 years in the London investment banking sector focusing on debt and derivative financing for mining clients of Barclays Capital and equity and debt investments for Investec.

After leaving the banking sector, he advised a variety of private mining investors and junior companies on project development and funding before joining the Company in June 2014 as Business Development Director. He was appointed CFO on 16 April 2018, and Gavin continues to serve as the Business Development Director for the Company.

Louise Wrathall

Director of Corporate Development

Appointed: May 2022

Education/qualifications/memberships

Louise has a degree in geology from the University of Liverpool and a Master's degree in mining geology from the Camborne School of Mines, University of Exeter.

Skills and experience

Louise has over 20 years' experience in the mining sector. Following a two-year period working in the UK quarrying industry, Louise spent much of her early career, working for almost 10 years, as a mining equity analyst focused on London-listed companies. Most recently in this role, she worked as part of the research team at Investec covering a wide range of companies including those in the FTSE 100 Index, as well as junior miners, and explorers.

Louise joined CAML in 2015, initially responsible for Investor Relations. In 2022, business development was also incorporated into her role and Louise's primary focus is now assessing growth opportunities for CAML.

Louise was appointed to the CAML Board of Directors in May 2022.

Committee legend

A – Audit Committee
N – Nomination Committee
R – Remuneration Committee
S – Sustainability Committee
T – Technical Committee

C – *Chair of Committee*

Board of Directors *continued*

Dr Mike Armitage
Non-Executive Director

Committees: A / N / S / T

Appointed: January 2022

Education/qualifications/memberships
Mike holds a BSc (Hons) in Mineral Exploitation from the University of Cardiff and a PhD in Mineral Resource Estimation from the University of Bristol. He is also a Chartered Geologist and Fellow of the Geological Society and a Chartered Engineer and a Member of the Institute of Materials, Minerals and Mining, IOM3.

Skills and experience
Mike has some 40 years' experience in the mining industry. He spent his early career working underground as a geologist in South Africa and then completed his PhD assessing alternative methods of reserve estimation at the Renco Mine in Zimbabwe. He then joined SRK Consulting in 1991 and over the next 30 years held various technical and management roles before leaving in early 2022. These roles included being managing director and chairman of SRK's UK practice and chairman of SRK's Russia and Kazakhstan practices as well as SRK Exploration Services. He also spent six years as chairman of SRK Global.

External appointments
Mike currently serves as a non-executive director of Tertiary Minerals, which is listed on AIM, and is a founder and managing director of Sarn Helen Gold, a private company exploring for gold in Wales and Scotland.

Roger Davey
Non-Executive Director

Committees: T / N / R / S

Appointed: December 2015

Education/qualifications/memberships
Roger holds a Master of Science in Mineral Production Management from the Royal School of Mines, Imperial College, London and a Master of Science in Water Resource Management and Water Environment from Bournemouth University. He is an Associate of the Camborne School of Mines ('ACSM'), a Chartered Engineer, a European Engineer and a Member of the Institute of Materials, Minerals and Mining, IOM3.

Skills and experience
Roger has over 40 years' operational experience at senior management and director level in the international mining industry covering feasibility studies, financing, construction, development, commissioning and operational management of both underground and surface mining operations in gold and base metals. Previous positions include senior mining engineer at NM Rothschild (London) in the Mining and Metals project finance team (1997 to 2010); director, vice-president and general manager of Minorco (AngloGold) subsidiaries in Argentina (1994 to 1997), for the development of the Cerro Vanguardia, open pit gold-silver mine in Patagonia; operations director of Greenwich Resources plc, London (1984 to 1992); production manager for Blue Circle Industries in Chile (1979 to 1984); and various production roles from graduate trainee to mine manager, in Gold Fields of South Africa (1971 to 1978).

External appointments
Roger is also a non-executive director of Atalaya Mining, where he serves as chairman, and of Tharisa and Highfield Resources.

Dr Gillian Davidson
Non-Executive Director

Committees: S / A / N

Appointed: December 2019

Education/qualifications/memberships
Gillian holds an MA (Hons) in Geography from the University of Glasgow, a PhD in Development Economics and Economic Geography from the University of Liverpool and is an alumnus of the Governor General's Canadian Leadership Conference.

Skills and experience
Gillian has over 25 years of sustainability experience in the extractives and natural resources sectors. Gillian was, until 2017, Head of Mining & Metals at the World Economic Forum, leading global and regional initiatives for responsible and sustainable development. Prior to this, she was director of social responsibility at Teck Resources. Gillian previously served on the board of Lydian International Limited and has held senior roles in mining companies, government, academia and consultancy.

External appointments
Gillian is an independent sustainability adviser and currently serves as a non-executive director on the board of Horizonte Minerals plc, New Gold Inc. and Lundin Gold. She is also chair of the Global Battery Alliance, co-chair of WEF Global Futures Council on Responsible Resource Use and Head of Sustainability for Regeneration, a re-mining start-up.

Mike Prentis
Non-Executive Director and Senior Independent Director

Committees: R / A / N

Appointed: March 2021

Education/qualifications/memberships
Mike holds an MA in Geography from the University of Cambridge, where he was at Trinity College. He is an Associate of the Institute of Chartered Accountants in England & Wales.

Skills and experience
Mike has 33 years of investment management experience, most recently at BlackRock where he was a managing director and fund manager. For many years he managed funds investing in listed UK small and mid-cap companies. These funds included BlackRock Smaller Companies Trust plc (2002 to 2019) and BlackRock Throgmorton Trust plc (2008 to 2018), both now FTSE 250 constituents.

He was Head of the BlackRock UK Small and Mid-Cap Equities Team (2015 to 2017). Previously, he worked in private equity, mainly helping to put together management buyouts; he was a local director for 3i Group plc. Mike qualified as a Chartered Accountant with Peat Marwick Mitchell (now KPMG) prior to commencing his investment management career.

External appointments
Mike is senior independent director and chair of the management engagement committee of Invesco Perpetual UK Smaller Companies Investment Trust plc. He is also a Governor of MidKent College and a member of its Group Risk and Audit and Finance and Resources Committees.

David Swan
Non-Executive Director

Committees: A / N / R

Appointed: June 2014

Education/qualifications/memberships
David holds a Bachelor of Commerce from the University of WA and is a Fellow of the Institute of Chartered Accountants in Australia and New Zealand ('ICAANZ') and of the Institute of Chartered Accountants in England and Wales ('ICAEW').

David is an active member of the Audit Committee Chair Independent Forum and is a stakeholder member of the Financial Reporting Council.

Skills and experience
David has extensive commercial experience across the natural resources sector internationally in Australia, Europe, Central Asia, Africa, US and Russia. He has had experience as a director of companies listed on the Australian, Canadian and UK stock exchanges. David has been involved with numerous corporate transactions, including IPOs, RTOs, mergers and acquisitions and project funding. Company experience has included exploration, mine start-up, open cast and underground mining operations.

Committee legend
A – Audit Committee
N – Nomination Committee
R – Remuneration Committee
S – Sustainability Committee
T – Technical Committee

C – *Chair of Committee*

OUR APPROACH TO GOVERNANCE

9 QCA **Maintain governance structures and processes that are fit-for-purpose and support good decision-making by the Board.**

In structuring its governance framework, CAML takes guidance from the principles of the QCA Code. These robust governance arrangements are aligned with, and supportive of, CAML's purpose to produce base metals essential for modern living, profitably in a safe and sustainable environment for all our stakeholders.

The Board and our governance framework

- As well as our highly experienced Chairman and Executive Directors, we have a strong independent representation on the Board with five independent Non-Executive Directors.
- The Board leads the Company in making key decisions about strategy, financial planning, its operations, development of the Group's culture, purpose and values. It is supported by the five standing Committees, specifically the Sustainability, Audit, Nomination, Remuneration and Technical Committees.
- The standing Committees focus on five areas of the Group's operation that the Board views as having key importance to the Company's shareholders and other stakeholders.
- These Committees support the Board in ensuring the relevant level of focus on their specific areas of responsibility and each have their own terms of reference, which provide the necessary authorities for them to operate as they consider appropriate.
- Each Committee reports to the Board through its respective Chair, providing invaluable contributions to the Board's effectiveness through their work.
- Management in the Group also benefits particularly from the expertise and guidance provided by our Technical Committee, established in 2022. The Technical Committee assists in the review of major projects. It also works with the other Committees such as the Sustainability and Remuneration Committees where its expertise is beneficial.
- The Group also has an Advisory Committee through the Board can access historical knowledge and the perspectives of former Directors who have retired from the Group.

These arrangements form part of our ongoing commitment to create value for all our stakeholders through the long-term success of the business.

Further details of our Sustainability, Audit, Nomination and Remuneration Committees are shown on the following page, with specific reports from each later in this report.

CAML Board

Sustainability Committee

Although not a QCA Code requirement, we have a long-established Sustainability Committee, chaired by Dr Gillian Davidson as this is an area the Board views as critically important to the way CAML operates.

This Committee comprises Executive and Non-Executive Directors and closely involves members of the senior management team, including our Sustainability Director.

The Sustainability Committee enables us to maintain our strong focus on our people, their health and safety, environmental matters, and the local communities in which we operate.

The Committee is responsible for the Group's corporate environmental, social and governance performance, in particular in relation to governance.

See the report of the Sustainability Committee on pages 87 to 90 for further details

Audit Committee

Our Audit Committee, consisting of four independent Non-Executive Directors, is led by David Swan as its Chairman.

The Audit Committee assists the Board in its oversight of the Company's financial reporting, regulatory compliance and internal control.

The Committee also oversees risk management and is supported in this by the work of the Group Risk Committee comprised of senior executive management. The Committee's oversight of risk matters includes receiving reports from management on key business, operational and sustainability risks.

In addition, the Audit Committee reviews, on a regular basis, the independence, objectivity, and effectiveness of the external Auditors.

See the report of the Audit Committee on pages 91 to 93 for further details

Nomination Committee

Our Nomination Committee is chaired by Nick Clarke. The members of this Committee are our other five Non-Executive Directors.

The Nomination Committee leads the process and makes recommendations to the Board in relation to Director appointments.

It also reviews the composition and structure of the Board with regard to Director independence, and evaluates the balance of skills, strengths, diversity, knowledge, experience and tenure of the Directors.

The Committee reports on the annual review process for evaluating the Board's performance and effectiveness and assists the Board with its progressive refreshment and ongoing succession planning.

See the report of the Nomination Committee on pages 94 to 97 for further details

Remuneration Committee

Our Remuneration Committee, led by Mike Prentis, is comprised solely of independent Non-Executive Directors.

The Remuneration Committee determines the remuneration of our Executive Directors, oversees the remuneration of our senior management and approves awards under the Company's Long-Term Incentive Plan.

In doing so, it ensures that both our remuneration policy and practice and our incentive schemes encourage and drive efficient, long-term growth of shareholder value in line with our strategic and sustainability priorities.

See the report of the Remuneration Committee on pages 98 to 109 for further details

BOARD REPORT

1 QCA **Establish a strategy and business model which promotes long-term value for shareholders.**

6 QCA **Ensure that, between them, the Directors have the necessary up-to-date experience, skills and capabilities.**

The Board is comprised of a diverse group of experienced Directors, both from the UK and abroad, each with a wealth of expertise and a depth of knowledge. Many have worked across a variety of jurisdictions and have extensive business and financial experience in the sector in which the Group operates. This ensures that each member of the Board is able to contribute fully to the effectiveness of the Board as a whole. In doing so, all Directors have collective responsibility for promotion of the interests of the Company, participation in its decision-making and the setting of its governance arrangements. This helps us maximise long-term performance, sustainable growth and value in the business for shareholders and other stakeholders in the long term.

Key strengths

The table below shows the range of our Board's key strengths. In addition, further detailed biographies of each of our Directors are shown on pages 77 to 78:

Name	Natural Resources	Sustainability	Financial Governance, Risk and Controls	People	Strategy	International	Capital Markets
Nick Clarke	●	●		●	●	●	●
Nigel Robinson		●	●	●	●	●	●
Gavin Ferrar	●		●	●	●	●	●
Louise Wrathall	●	●		●	●	●	●
Dr Mike Armitage	●	●	●	●	●	●	
Roger Davey	●	●	●	●	●	●	●
Dr Gillian Davidson	●	●		●	●	●	
Mike Prentis		●	●		●	●	●
David Swan	●		●	●	●	●	

The role of our Board

In leading the Company, the Board defines the purpose of the Group and determines the appropriate strategy to deliver this. The Board is also responsible for making key decisions in relation to financial planning, review of financial performance and operational matters, setting the cultural tone for the Group and ensuring its values are upheld. The Board is also responsible for the Company's governance framework, investments and Director appointments. In undertaking these responsibilities, the Board draws on each Director's unique skill set, socio-economic and educational backgrounds, diverse personal attributes and perspectives. It also benefits from their wide range of experience in the mining industry, financial and operational aspects of businesses, public markets and of different geographies around the world.

Our Board meets at least five times a year and at other times where required to consider specific matters as they arise. Scheduled Board meetings are held in person with video meetings utilised when additional or short-notice Board meetings are required. The video-meeting format has been increasingly helpful to the Company in recent years with improvements in technology allowing efficient meetings to take place this way. Although this cannot fully replace in-person interactions, the ability to increase meeting frequency, particularly in dealing with urgent matters, has been beneficial to the Board's effectiveness. All Directors devote ample time in order to discharge their duties both at and outside of Board meetings. They make themselves available in accordance with our annual meeting schedule and also at short notice as far as is practicable. See page 82 below for our Board and Committee meeting attendance during 2023.

As well as the Executive Directors, other members of senior management are invited to attend and present at meetings of the Board and its Committees where appropriate. Our senior management team support the Board by ensuring the successful day-to-day running of the business and their attendance at these meetings is of great benefit to all attendees.

Board report *continued*

Board and Committee meetings generally take place over the course of two days. At these meetings, strategy-specific matters in the Group are a Board priority and include in-depth presentations, discussions, and updates. In addition, every year, one of our five scheduled Board meetings is devoted entirely to strategic matters. During 2023, we held a two-day strategy meeting to ensure growth and business development matters could be fully considered. In addition, as part of this meeting, we conducted a deep dive on sustainability matters with all Directors in attendance at the meeting of the Sustainability Committee.

Board and Committee meetings are also attended by local operational management as appropriate. In addition, Non-Executive as well as Executive Directors visit both of the Group's operations when opportunities to do so arise. In July 2023, the Board, along with members of senior management, were able to visit our operations in Kazakhstan. In addition to their participation in the overall Board visit in July, members of the Technical Committee also visited our operations in North Macedonia twice during the year. Further site visits are planned for the both the Board and Technical Committee in 2024.

The Board is well briefed in advance of meetings through high-quality, comprehensive reports to ensure matters can be given thorough consideration. Particular areas of focus receive enhanced reporting at Board meetings, both in terms of the content of papers received in advance and management presentations at meetings. If deemed appropriate, items covering particular areas of focus can be included for ongoing review as standing agenda items at each main Board meeting. Matters identified for particular emphasis in Board and Committee deliberations in the coming year as part of the 2023 Board evaluation process are set out on pages 96 to 97 of the Nomination Committee Report.

The members of the Board share collective responsibility for its effectiveness. There is an appropriate balance of influence within the Board which, as a result, is not dominated by any one person or group of individuals. The Independent Non-Executive Directors, constructively challenge the Executive Directors and the resulting Board debates are always robust and sometimes lively. This open and direct forum for discussions during meetings ensures appropriate decisions are reached by the Board in alignment with the core values of the Company.

Attendance at Board meetings

The attendance of current Board and Committee members at the scheduled meetings and calls, as compared with the number of meetings held during 2023, is shown below.

Director[1]	Board (5 meetings)	Audit (3 meetings)	Nomination (4 meetings)	Remuneration (3 meetings)	Sustainability (4 meetings)
Nick Clarke	● ● ● ● ●[2]	◍ ◍	● ● ● ●[2]		◍
Nigel Robinson	● ● ● ● ●				● ● ● ●
Gavin Ferrar	● ● ● ● ●	◍ ◍ ◍		◍ ◍ ◍	◍ ◍ ◍
Louise Wrathall	● ● ● ● ●				◍ ◍
Dr Mike Armitage[3]	● ● ● ● ●	● ●	● ● ● ●		● ● ● ●
Roger Davey	● ● ● ● ●		● ● ● ●	● ● ●	● ● ● ●
Dr Gillian Davidson	● ● ● ● ●	● ● ●	● ● ● ●		● ● ● ●[2]
Mike Prentis	● ● ● ● ●	● ● ●	● ● ● ●	● ● ●[2]	
David Swan	● ● ● ● ●	● ● ●[2]	● ● ● ●	● ● ●	

● Meetings attended

○ Board or Committee member not present

◍ Non-committee member invited to attend some or all of a meeting

1. Nurlan Zhakupov attended one meeting of the Board prior to him stepping down as a Director on 3 April 2023.
2. Denotes Chairman status.
3. Became a member of the Audit Committee on 23 March 2023.

Directors do not participate in meetings (or parts of meetings) of the Remuneration Committee when the Committee is deciding matters specifically in relation to such Directors' Remuneration.

All Directors on the Board at that time attended the AGM.

Board composition

We have a well-balanced Board, constituted as follows:

Non-Executive Chairman:

- Nick Clarke

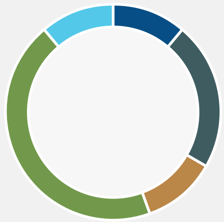
Three Executive Directors:

- Nigel Robinson
- Gavin Ferrar
- Louise Wrathall

Five Non-Executive Directors (in addition to the Chairman):

All are considered fully independent:

- Dr Mike Armitage
- Roger Davey
- Dr Gillian Davidson
- Mike Prentis
- David Swan



Key

- Non-Executive Chairman **1**
- Executive Director (male) **2**
- Executive Director (female) **1**
- Independent Non-Executive Director (male) **4**
- Independent Non-Executive Director (female) **1**

Board independence

In line with the QCA Code, the Board is mindful of ensuring that the appropriate level of independence within its members is maintained. Our current Board composition is shown on page 82. During the year, the Board has assessed the independence of each Non-Executive Directors, with regard to the factors that may impede this. Consideration was given to their character, judgement, length of tenure, and any business and other relationships that could significantly interfere with their ability to effectively discharge their duties. After taking full and careful account of all of these factors, the Board believes Dr Mike Armitage, Roger Davey, Dr Gillian Davidson and Mike Prentis remain staunchly independent and continue to act clearly in the interests of all shareholders and other stakeholders. In addition, the Board has carefully assessed the ongoing independence of David Swan in the context of his tenure and remains fully satisfied that David continues to fulfil his duties in an unflinchingly independent manner. Our former non-independent Non-Executive Director, Nurlan Zhakupov, stepped down from the Board in April 2023 in light of his external commitments in Kazakhstan.

The Board believes that the combination of independent Non-Executive Board members together with our highly experienced Chairman and Executive Directors, ensures a good balance of views, personal qualities, a wide range of skills, and a great depth of experience within the Board.

Support to Directors

All Directors on the Board have access to, and the support of, the Company Secretary who acts as secretary to the Board and its Committees. He reports directly to their Chairs, advising on, and assisting on compliance with relevant governance regulations and procedures. In addition, all Directors have unrestricted access to the Company's external advisers and Group senior management. Resources and training for their own personal development are accessible to Directors on an ongoing basis ensuring they maintain the necessary knowledge and skills to fulfil their roles effectively. And, of course, the Executive team is always available to ensure the Board is fully informed on relevant matters.

The role of the Company's Auditors is explained in more detail in the Audit Committee Report which can be found on pages 91 to 93.

The Board and culture

Of course, commitment to good corporate governance in the boardroom is a key part of setting and maintaining an appropriate culture to advance our purpose and achieve our strategic goals. This culture supports our sound ethical values and promotes behaviours aligned with these. The Board and its Committees lead by example and set the tone for, and promote, a healthy culture of openness, honesty, engagement, inclusiveness and respect throughout the Group and with all of its stakeholders. The Board welcomes an open dialogue with all stakeholders, be they investors, employees, governmental authorities or local communities. Decisions made by the Board collectively, supported by management, are taken in the context of this shared sense of purpose, reinforced by the emphasis on culture throughout the entire organisation. Some particular areas of focus are shown below.

Communication

We highlight the importance of communication and the flow of information throughout the Group, for example to ensure consistency in our procedures. Our Group People Manager regularly undertakes exercises on-site to revisit the Company's values ensuring these align with our Group commitment.

Local community

Mining companies have a historic role in the communities in North Macedonia and Kazakhstan where our operations are based. As a Company, we are sensitive to, and educate ourselves on, the cultural norms of our local communities with whom we have strong relationships. We listen and interact effectively and provide strategic and long-term support to these communities where we can. Care is taken to train, develop and hire local talent and to ensure our employees are treated fairly.

For further details and examples, please see our s172 and stakeholder engagement statement on pages 43 to 45.

Site visits

One of the most effective ways the Board can monitor culture throughout the Group is to visit site and interact with members of the workforce and local community. Our annual Board visits to site are immersive and take place over the course of a week. As part of the itinerary, Directors attend both more formal meetings and more informal social events with local employees.

How the Board engages with its stakeholders

Board visit to Kounrad in July 2023

Technical Committee site visit to Sasa in November 2023

Chair of the Sustainability Committee, Dr Gillian Davidson, visit to the Rehabilitation Centre in Kounrad – July 2023

Visit to the Rehabilitation Centre in Kounrad – July 2023

Visits to the community to celebrate New Year

Open Day at Sasa Training Centre for local children from Kamenica Primary School

Visits typically include:

- The Board attending briefings and presentations by Executive Directors and local management;
- Site and operations tours given by local employees;
- Attendance at Board and relevant Committee meetings (held on site) by local management;
- Attendance at social events to provide the opportunity for interaction between the Board and local team members outside of the business environment; and
- Attendance at local community events.

Company policies

We also maintain strong internal policies established to provide guidelines and best practices for the Group, including those relating to anti-bribery, share-dealing, trade sanctions, modern slavery act, human rights, our code of conduct and whistleblowing. These policies facilitate transparency and responsibility and are implemented by our teams and regularly reviewed. The Board promotes and monitors the corporate culture of the Group with the support of the Sustainability Committee and the Group People Manager.

10 QCA **Communicate how the company is governed and is performing by maintaining dialogue with shareholders and other relevant stakeholders.**

Shareholder engagement

As mentioned previously, we have embedded into our culture that maintaining regular, open and active dialogue with our stakeholders plays an essential part in building a mutual understanding of views and ensuring the long-term success of the Company. One example of this is our engagement with our shareholders.

Whilst most engagement with the Company's institutional investors is through the Executive Directors, feedback from shareholders is also communicated to, and discussed with, the other Board members. It is, therefore, important that our shareholders and other stakeholders have clear points of contact when seeking to engage with the Company. In recent years, we have strengthened our shareholder liaisons with the introduction of new roles to enhance this area. These roles include our Senior Independent Director, Mike Prentis, who is available as an additional point of contact for shareholders. Given his background and substantial experience as an investor, Mike is ideal for this position. In addition, we established a new role, Group Investor Relations Manager, to support the Director of Corporate Development, responsible for Investor Relations and external communications.

The Board as a whole recognises that the views of our investors should be considered as an important part of the Board's deliberations and decision-making processes. This helps the Board in its duty to safeguard the interests of all shareholders and, indeed, other stakeholders. As well as the shareholder liaison contacts mentioned above, all Directors are also available to meet with investors where requested and all shareholders also have the opportunity to attend and ask questions in relation to matters at the Company's AGM either in person or to view the proceedings online. The Board welcomes the ongoing feedback from our shareholders and other stakeholders as this plays an important part in ensuring our long-term success.

Details of our stakeholder engagement activities during 2023 are set out in the calendar below and in our s172 and stakeholder engagement statement on pages 43 to 45.

Annual general meeting

As well as the opportunity to attend and ask questions in person at our AGM, we are pleased to utilise the technology available to us to offer investors who are unable to travel or attend in person, the opportunity to view the proceedings of the meeting via video. Shareholders and others are able to watch the proceedings of the AGM via the online platform Investor Meet Company and, immediately following the AGM, a management presentation on the Group and its business is also broadcast. Questions submitted in relation to this presentation and the business generally are then answered following the presentation.

Recognising that the AGM is an important event for shareholders in the corporate calendar, we are committed to ensuring that all shareholders can exercise their right to vote and ask questions in connection with the business of the AGM in advance of the meeting itself, with responses provided by email as appropriate. A circular will be sent to shareholders and published on the Company's website regarding the Company's 2024 AGM, which we expect to follow the same format as in 2023 as described above.

Where appropriate, we also engage with our key shareholders on specific governance matters. The Board appreciates the opportunity to develop an understanding of the needs and expectations of shareholders as well as the reasons behind any particular voting decisions.

Material information in relation to the Company is made publicly available via the London Stock Exchange's Regulatory News Service ('RNS'). Presentations on our full year and interim results are given to analysts and investors shortly after publication and these are also published on our website.

Board report *continued*

Stakeholder engagement activities

2
QCA

Seek to understand and meet shareholder needs and expectations.

Q1

- 2022 Operations Update (10 January 2023)
- Preparations for 2022 Annual Report, presentation of annual results and 2023 AGM
- Providing updates to attending and local shareholders and investors at Indaba (February 2023)
- CEO, CFO and Director of Corporate Development attendance at BMO Global Metals and Mining Conference (March 2023)
- 2022 results announcement (29 March 2023) and 2022 results roadshow attended by Executive Directors
- Analyst webinar with Executive Team for 2022 results (29 March 2023)
- Investor Meet presentation for 2022 results (29 March 2023)
- Proactive Investor presentation with CEO (30 March 2023)

Q2

- Q1 2023 Operations Update (12 April 2023)
- Executive Directors presentations to private/retail shareholders on Investor Meet Company platform
- Annual Report publication (20 April 2023)
- Engagement with proxy advisers in connection with publication of 2022 Annual Report and Notice of 2023 AGM
- Sustainability Report publication (28 April 2023)
- Publication of Climate Change Report (28 April 2023)
- Annual General Meeting immediately followed by presentation by Executive Directors to private/retail shareholders on Investor Meet Company platform (18 May 2023)

Q3

- H1 2023 Operations Update (11 July 2023)
- CEO participation in interview hosted by the London Stock Exchange's SparkLive platform (12 July 2023)
- Board visit to Kounrad, including meetings with local stakeholders and visiting Foundation projects (July 2023)
- 2023 interim results announcement (13 September 2023) and presentation attended by Executive Directors
- CEO interview on BlytheRay News discussing the H1 2023 results (13 September 2023)
- Executive Directors present to private/retail shareholders on Investor Meet Company platform (13 September 2023)

Q4

- Q3 2023 Operations Update (10 October 2023)
- Technical Committee site visit to Sasa (November 2023)
- CEO meeting with local mayor at Sasa (November 2023)
- CEO interview with Proactive Investors (29 November 2023)
- Participation in Resourcing Tomorrow conference (CEO, CFO and Director of Corporate Development) (28-30 November 2023)
- CEO opened the Kounrad Solar Power Project and met with local dignitaries (November 2023)
- Sasa wins national Health & Safety Award (December 2023)

SUSTAINABILITY COMMITTEE REPORT

One of our core values has always been our responsibility for sustainable development and this continues to be of great importance in the decision-making process at every level of the business.

3 QCA **Take into account wider stakeholder and social responsibilities and their implications for long-term success.**

8 QCA **Promote a corporate culture that is based on ethical values and behaviours.**

Sustainability Committee members

- **Dr Gillian Davidson**
- Dr Mike Armitage
- Roger Davey
- Nigel Robinson

Delivering value through stewardship | **Maintaining health & safety** | **Focusing on our people** | **Caring for our environment'** | **Creating value for our communities**

Achievements in 2023

- Continued to develop reporting on sustainability matters, building further on the enhancements to disclosures made during 2022.
- Worked with the Remuneration Committee in setting appropriate annual bonus and Long-Term Incentive Plan ('LTIP') performance measures, focused on key areas and quantifiable sustainability objectives.
- Further developed CAML's sustainability strategy and targets.
- Continued work towards diversity and inclusion strategy and initiatives.
- Continued implementation of the GISTM action plan, working towards a conformance audit in 2024.
- Working with the Board, established a Tailings Management Policy.
- Held a Board deep-dive session on sustainability matters.
- Conducted a review of the governance of the Sasa and Kounrad Foundations.
- Continued to amend the Group human rights policy in line with internationally recognised standards.

Objectives for 2024

- Continue to work with the Remuneration and Technical Committees to further develop KPIs and 2024 LTIP award targets focused on a key areas and quantifiable sustainability objectives.
- Work towards embedding climate into our decision-making and apply best practice in reporting and disclosures.
- Commence application process towards membership in a transparency-focused voluntary initiative.
- Develop a Group biodiversity strategy and policy.
- Conduct an internal assessment of Group health and safety culture.
- Undertake a GISTM conformance audit.
- Work through recommendations from the climate change scenario report.
- Implement actions related to the diversity and inclusion strategy.
- Prepare for International Sustainability Standards Board ('ISSB') and Transition Plan Taskforce ('TPT') reporting.

Dear shareholder

As a Company, one of our core values is our responsibility for sustainable development, and this is of great importance in the decision-making process at every level of the business. With this clear purpose, our aim is to positively affect our employees and local communities, while minimising any adverse impacts on the natural environment. Our sustainability strategy is built on the five pillars within which are the material topics we have identified as high priority. These five pillars include: delivering value through responsible stewardship; maintaining health, safety and wellbeing; focusing on our people; caring for the environment; and creating value for our communities. We endeavour to ensure these areas are fully integrated within our operations.

During the year we have progressed our work on sustainability matters throughout the Group, and I am pleased to report that we have enhanced our reporting and disclosures, implemented and introduced new initiatives, maintained our shareholder engagement and continued our work in community development and support. The strong focus on the ongoing development of these key areas will ensure the long-term success of the business, building and retaining value for all our stakeholders.

Whilst sustainability activity within CAML is first and foremost focused on its operational sites at Sasa and Kounrad, the management team, with the guidance of the Committee, aims to ensure that the high sustainability standards that we set for ourselves are observed and prioritised throughout the Group.

Role of our Sustainability Committee

The Sustainability Committee, tasked with overseeing sustainability matters in the Group, has been in place since 2012. The Committee (which was formerly known as the CSR Committee) was established in recognition of the significance of activities in this area that form a core part of the Company's strategy and values. The Committee also plays an important role in ensuring our business and sustainability priorities are integrated and aligned. CAML's long-standing commitment in this area supports our view that we consider, as an international and expanding Company, these areas to be fundamental in the operation of an ethical and sustainable business.

Committee function

The Committee's membership comprises both Executive and Non-Executive Directors. This ensures a full breadth of perspectives are brought to the Committee's important and varied activities.

The Committee met three times during 2023. In addition, regular update meetings were held between the formal meetings to oversee various matters as they arose.

The Committee also works closely with the other standing Committees of the Board on specific matters as required. This interaction ensures the Committee benefits from technical, auditing and financial perspectives in its decision-making processes and reporting. The Committee is equally available to reciprocate when its guidance is sought.

At every main meeting, the Committee:

- Reviews minutes of previous meetings and matters arising from these.
- Reviews and considers regular reports on the following key areas of importance in line with our sustainability strategy: health and safety, environmental matters, local community projects/social matters, people and governance.
- Within governance matters, considers the following specific areas:
  - Reviews compliance with legal and regulatory requirements and applicable industry standards.
  - Reviews and approves implementation of relevant Group sustainability policies and initiatives.
  - Considers specific sustainability aspects of the Group's operation as they arise, determining appropriate action.

A summary of each meeting and the Committee's recent activities is reported to the Board at its next main meeting.

The Sustainability Committee provides guidance on integrating both business and sustainability priorities so that the Company can thrive. Our environmental, health and safety, community, people and governance strategies are key components of our sustainability strategy. Our Committee focuses on and oversees the work to support and develop these strategies.

The Committee oversees the work of our charitable Foundations for both Sasa and Kounrad and reviews and makes recommendations in relation to the Group's local community projects. We place a strong focus on community, health, education and training, and long-term socio-economic development in such projects in partnership with local organisations.

The Committee receives presentations from members of operational management as appropriate. We liaise closely with Nick Shirley, our Group Sustainability Director, who coordinates all site-based health and safety, environment and social activities. We ensure that the Board is updated on key matters from our meetings.

During the year, we have been developing our strategy focused on diversity and inclusion and the importance of having an equitable workplace. We will use this to help guide our work when establishing new Group policies. See page 40 for further details on our work in this important area.

Sustainability Committee report *continued*

Annual effectiveness review

The effectiveness of the Committee was also considered in the Board's externally facilitated Effectiveness Review, which is detailed on pages 96 to 97.

Scope and terms of reference

We have adopted formal terms of reference defining the scope and responsibilities of the Sustainability Committee. These have been closely aligned with that of the Audit Committee to ensure both Committees are able to operate together as efficiently as possible, each covering their relevant areas of responsibility to minimise overlap in their duties. This enables the Sustainability Committee to focus on the health and safety, environmental, employee, diversity, social and corresponding governance and compliance aspects of its remit. The Committee's terms of reference can be found on the Group's website together with the Group's Sustainability Policy.

Task Force on Climate-related Financial Disclosures and climate change

The necessity to move towards a decarbonised global economy becomes increasingly evident in the emerging scientific data. As an organisation, we remain committed to exploring and understanding the impacts of climate change on the environment in which we operate and its potential effects on our business.

We also recognise our role as a mining company with regard to producing base metals, which are essential for the future decarbonised economy. We strive to ensure our business is run in an environmentally responsible manner that is safe and sustainable for all of our stakeholders.

As mentioned in last year's report, one of the most important advances for CAML in recent years has been the development of our Group Climate Change Strategy. This sets out our targets to reduce our Scope 1 and scope 2 emissions at Sasa and Kounrad by 50% by 2030 and to reach net zero by 2050. The strategy is based on five pillars comprising: producing metals that contribute positively to the energy transition; working towards decarbonisation; ensuring we are operationally resilient; focusing on our strategic and business resilience; and delivering clear and transparent climate-related reporting and disclosures.

We have also established a standalone Group Climate Change Policy and strategy for decarbonisation and energy efficiency for its operations. In 2023, we published our second Climate Change Report, which is available on our website www.centralasiametals.com.

The Sustainability Committee is responsible for overseeing progress in relation to climate change initiatives and compliance with the policy, and reports regularly on this to the Board of Directors.

During 2022, we undertook a climate scenario analysis to deepen our understanding of climate related risks and opportunities. During 2023, we commenced implementation of the key findings from this which have further informed our climate change strategy. We also carried out work on estimating our Scope 3 emissions for 2022 and 2023.

CAML is fully supportive of, and reports in line with, the recommendations of the TCFD. The TCFD's objectives have been established to improve and increase reporting of climate-related financial information to ensure investors are well informed about the actions companies are taking are to mitigate the risks of climate change. They also provide increased clarity on the way in which they are governed.

Following the disbandment of the TCFD in 2023, CAML remains committed to transparent disclosure of its climate impacts, and associated risks and opportunities. We are currently reviewing the recommendations of the International Sustainability Standards Board (ISSB), specifically IFRS S1 General Requirements for Disclosure of Sustainability related financial information and IFRS S2 Climate-related Disclosures, which broadly align with the recommendations of TCFD.

Core elements of recommended climate-related financial disclosures

Governance
The organisation's governance around climate-related risks and opportunities.

Strategy
The actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.

Risk Management
The processes used by the organisation to identify, assess, and manage climate-related risks.

Metrics & Targets
The metrics and targets used to assess and manage relevant climate-related risks and opportunities.

Sustainability Committee report *continued*

TCFD's recommendations cover governance, strategy, risk management and metrics and targets. As a Group, we have adopted this framework to guide the development of our enhanced disclosures of actual and potential impacts of climate-related risks related to these areas. Further details of this are set out on pages 40 to 42.

Future reporting developments

During 2024, we will be working towards readiness for the Taskforce on Nature-related Financial Disclosures ('TNFD') in line with their recommendations and guidance that encourages and enables businesses to assess, report and act on their nature-related dependencies, impacts, risks and opportunities.

We will also be preparing for the ISSB and TPT reporting.

Sustainability Report

In Q2 2023, we published our annual standalone 2022 Sustainability Report. Our 2023 Sustainability Report will be published in Q2 2024 and reports in accordance with Global Reporting Initiative ('GRI') Universal Standards and the GRI Mining Sector Standards. Additionally, we have for the first time mapped our reporting to the Sustainability Accounting Standards Board ('SASB') for the metals and mining industry.

This provides a comprehensive overview of our ongoing sustainability approach and took into account the findings of the materiality assessment of sustainability topics for both of the Group's operations conducted the previous year through an independent stakeholder engagement process.

In addition, in Q1 2024, we attained a B- CDP climate change score, having submitted to CDP for the first time. This achievement not only surpasses the global average but also aligns with the performances of other companies within our industry.

As a Group, our achievements, in terms of corporate social responsibility, particularly in relation to our ongoing partnership with the communities in which we work, is something we are proud of. We strongly believe that the health and safety of our employees and contractors, preserving the environment, and supporting vibrant and sustainable communities are extremely important.

A more detailed summary of sustainability matters in the Group is given in on pages 39 to 47 and, as mentioned above, in our separate Sustainability Report.

Stakeholder engagement

The Sustainability Committee supports the Board as it seeks to build good relationships through ongoing dialogue with stakeholders including workforce, local communities, investors, suppliers and customers, NGOs and governments and continuously aims to understand their needs, interests and expectations. Where appropriate we implement the findings of this invaluable engagement and take feedback into consideration in our decision-making process.

The Directors meet with shareholders and stakeholders, including workforce representatives, community leaders and government officials where appropriate. Details of stakeholder engagement activities during the year are set out in the calendar on page 86 and in the s172 statement on pages 43 to 45.

Sustainability targets

During 2023, the Sustainability Committee continued to work closely with the Remuneration Committee to consider, set and monitor sustainability performance targets in the Group's long- and short-term incentive plans. It also liaised with the Technical Committee where appropriate to ensure their technical guidance was considered in the decision-making process.

The ongoing integration of these measures confirms that Executive Director and senior management remuneration is intrinsically linked to sustainability performance and aligned with the Group's long-term strategy and purpose. The first set of LTIP awards including sustainability performance targets vested in Q1 2023, and the Committee assisted the Remuneration Committee in assessing the out-turn of performance against these objectives. This process will again be followed for the 2021 LTIP awards due to vest in Q1 2024. Further details are included in the report of the Remuneration Committee on pages 98 to 109.

Coming year

I look forward to reporting to you next year on our activities during 2024.

Dr Gillian Davidson
Chair of the Sustainability Committee

24 March 2024

Environmental impact

As part of CAML's commitment to reducing the impact of its activities on the environment, shareholders can help us by choosing to receive future communications in electronic format by visiting our Registrar Computershare's website at www.investorcentre.co.uk/ecomms and providing an email address.

AUDIT COMMITTEE REPORT

Our Committee oversees risk management, internal controls, regulatory compliance and effective financial reporting to assist the Board in these important areas.

Audit Committee members

- **Chairman – David Swan**
- Dr Mike Armitage
- Dr Gillian Davidson
- Mike Prentis

4 QCA **Embed effective risk management, considering both opportunities and threats, throughout the organisation.**

Achievements in 2023

- Welcomed Mike Armitage onto the Committee, who adds broad commercial acumen and technical knowledge.
- Continued work with the Sustainability Committee progressing reporting disclosures in line with regulatory changes and requirements.
- Developed a three-year risk and internal control review plan to best utilise the work and oversight of the Board, Committees and external consultants for various tasks and assurance.
- Monitored, in particular, emerging risks to ensure they are being appropriately identified, acted upon and mitigated.
- Conducted a review of HR processes at Kounrad.
- Followed up on implementation of actions from previously conducted procurement and supplier payment reviews at Kounrad and Sasa.
- Met with Auditors and with management to agree items for the audit of the financial statements including: preliminary planning report, final audit plan, review of audit scope and materiality.
- Reviewed and agreed with management's periodic assessment of impairment, going concern and asset retirement obligations.

Objectives for 2024

- Review and recommendation to the Board for approval of the Group's half year and annual results, including the report from the CFO and from the Auditors.
- Enhance risk reporting processes to show a clearer link between reported principal risks and the Company's risk appetite for example, as to levels of risk mitigation to be applied in order to effectively maintain the risk within the Group's desired range of risk appetite.
- Conduct an internal evaluation of our risk appetite across key risk areas to validate our risk appetite framework.
- Conduct reviews in accordance with the three year risk and internal control plan.
- Working with Sustainability Committee on ongoing enhancement of sustainability reporting.
- Continue to monitor existing new and emerging risks.
- Continue working with the Technical Committee on financial judgements relating to the Group's operations and asset-carrying obligations.

Dear shareholder

The Audit Committee's main function is to assist the Board in the fulfilment of its responsibilities by overseeing key areas such as financial reporting and regulatory compliance, risk management, and the internal control environment. The Audit Committee's essential work reviews the effectiveness of the Group's internal controls and the integrity of its financial statements. The Audit Committee has the responsibility of overseeing management's Group Risk Committee ('GRC'), which reports into it on principal and emerging risks including financial, operational and sustainability risks.

Throughout the past year we have responded to the continuing challenges of the uncertain global economic macro environment. The Audit Committee has monitored the ongoing Ukraine conflict and expanding sanctions regime and continued to keep under close review geopolitical developments, historically high inflation, and the potential for economic recession. These matters, which are particularly relevant to the regions in which the Group operates, continue to be assessed to identify and mitigate any impacts on the Group's business.

Significant issues considered by the Committee in relation to the 2023 financial statements

- The Committee assessed management's determination of cash-generating units and review of impairment and reversal of impairment indicators at Kounrad and Sasa as at 31 December 2023. The Committee considered the key judgements made by management in relation to discount rates, commodity price forecasts, operating and capital expenditure, and the Mineral Resource and Ore Reserve estimates. The Committee reviewed the relevant disclosures and the appropriateness of sensitivity rates in note 19 of the financial statements.
- The Committee considered the key judgements made in relation to the asset retirement obligations at Kounrad and Sasa in relation to the estimate of future expected costs, discount rates and life of mine and reviewed disclosures in note 31 of the financial statements.
- The Committee reviewed management's going concern assessment by reviewing the cash flow forecasts to the end of December 2025, considering the potential risks to the Group, and being aware of the stress tests and the underlying assumptions which have been approved by the Board. The Committee also reviewed disclosures related to the going concern basis of preparation of the financial statements in note 2.

Financial reporting

The Audit Committee monitors the accuracy and completeness of the financial statements by reviewing them for consistency and appropriate disclosures and ensuring that they are understandable to shareholders as well as compliant with regulatory requirements. In doing so, it maintains a high level of engagement with management to ensure a comprehensive assessment is performed. Throughout the year and alongside ordinary business, the Audit Committee considered issues relating to the appropriateness of key accounting policies and key judgements and estimates.

Committee function

All Audit Committee members are independent Non-Executive Directors who between them have the appropriate experience and skill sets to support the Company's governance systems, oversee internal controls, and review the presentation of the financial statements. The Committee's membership was set as part of an overall governance review to ensure the expertise and experience of each of the Directors is utilised in the most effective way. I am a qualified chartered accountant bringing financial and accounting expertise to the role and Mike Prentis has extensive fund management and capital markets experience. Dr Gillian Davidson is an experienced company director and industry leader in sustainability, with over 20 years of experience in the extractives and natural resources sectors and is particularly focused on our risk management processes and reporting on non-financial information. Dr Mike Armitage, who was appointed to the Committee during the year, brings technical expertise and commercial experience.

Terms of reference

We have adopted formal terms of reference defining the scope and responsibilities of the Audit Committee. These have been closely aligned with that of the Sustainability Committee to ensure both Committees are able to operate together as efficiently as possible, each covering their relevant areas of responsibility to minimise overlap in their duties. This enables the Audit Committee to focus on the relevant aspects of its remit. The Committee's terms of reference can be found on the Group's website.

Independence of the auditors

The Audit Committee reviewed, as it does on an annual basis, the independence, objectivity and effectiveness of the external Auditors. BDO LLP who will again be recommended for reappointment by shareholders at the forthcoming 2024 AGM.

To safeguard the independence and objectivity of the external Auditors on an ongoing basis, we have in place a policy for non-audit services to mitigate any risks threatening, or appearing to threaten, the external audit firm's independence and objectivity arising through the provision of non-audit services.

Annual effectiveness review

The effectiveness of the Audit Committee, as for all the Board's Committees, was considered in the Board's externally facilitated effectiveness review, which is detailed on pages 96 to 97.

Internal control

The Committee is responsible for oversight of the effectiveness of the Company's systems of internal controls as set out in the table on the following page. We consider the Committee's oversight in these areas to be key to the long-term sustainability of the Group, supporting its ongoing success in the delivery of business objectives and the safeguarding of the Group's assets for the generation of value for our shareholders and other stakeholders over the long term.

Audit Committee report *continued*

Key areas of the Company's systems of internal control monitored and reviewed by the Audit Committee include:

Budgeting and long-term forecasts	As part of the Committee's review of management's going concern and impairment assessments, reviews the adequacy of both the budgeting and long-term forecasting processes and procedures.
Management reporting	On a monthly basis, monitors the Group's financial performance and strength against the budget or latest forecast and reports to the Board formally once a quarter.
Internal audit	The Group does not have an internal audit function. For the size of the Group, the Committee believes that the existing internal controls and work conducted by our Group Risk and Internal Control Manager are adequate in the circumstances.
Monitoring	Regularly monitors internal controls through external audit and reviews conducted by the Group Risk and Internal Control Manager as well as third-party assurance work.

Risk and internal control three-year plan

During the year, we developed a three-year risk and internal control review plan to best utilise the work and oversight of the Board, Committees and external consultants for various tasks and assurance. The plan encompasses reviews across various processes, including operational and supporting processes, governance and compliance, capital project and business development activities.

Risk management

The Audit Committee has responsibility for monitoring the Group's risk management on behalf of the Board, including the GRC. The Committee met three times during the year and periodically holds additional meetings as required. As well as its regular meetings, during 2023, one of the three meetings held by the Audit Committee focused specifically on risk. At this risk-specific meeting, the Committee conducted an in-depth review of the Group's principal risks and progress of risk mitigation measures, including new and emerging risks.

The Committee is supported in its work by the GRC comprising senior executive management. The GRC is responsible for managing risk within the Group for the Audit Committee, and meets regularly, at least four times a year. Our Group Risk and Internal Control Manager organises the meetings of the GRC and the risk-specific meetings of the Audit Committee to ensure continuity between the work of the GRC and the Audit Committee. The Group Risk and Internal Control Manager and other GRC members report on progress to the Audit Committee towards an efficient and effective management of the risks that are relevant to the Group's business.

At its regular meetings, the GRC ensures that risk management is addressed in an orderly and systematic way and that key risks identified are brought to the attention of the Audit Committee. The Audit Committee actively reviews the risk register and assesses the actions being taken by senior management to monitor and mitigate the risks. Management is responsible for bringing significant risks, as appropriate, to the Board, which are then considered under a standing agenda item at each main Board meeting.

How we identify and manage risks is set out on pages 58 to 72. This includes CAML's risk management process and its framework, our risk appetite, updates on principal risks and uncertainties as well as emerging risks.

Risk appetite

During the year, risk appetite was an area of increased focus with discussions at both Board and Committee meetings. With respect to business development opportunities the level of risk appetite would be applied to matters including financial, political, environmental, and technical. Consideration would be given to whether those levels of risk could be appropriately mitigated and managed. Where such opportunities present unacceptable risks, we would not continue to pursue them, unless their risk profile might change.

In early 2024, as part of our ongoing commitment to enhancing our risk governance, we conducted an internal review and assessment of our risk appetite.

Whistleblowing

In addition to internal grievance mechanisms, the Group continues to maintain an independently managed external whistleblowing system, which extends to all employees across each site, providing them with the facility to confidentially express any concerns. The system is tested on a monthly basis and is also open to suppliers and contractors. We believe that such efforts to ensure open channels of communication cultivate a truly sustainable business with sound principles and robust corporate governance practices. Our Whistleblowing Policy can be found on the CAML website: https://www.centralasiametals.com/corporate-governance/company-policies/.

Coming year

I look forward to reporting to you again next year on our ongoing activities we intend to carry out during 2024.

David Swan
Chairman of the Audit Committee

24 March 2024

NOMINATION COMMITTEE REPORT

The Committee believes that appointing the appropriate Directors and having comprehensive succession plans in place for the Board and senior management is critical in ensuring that the success of the Company can be sustained in the long term.

Nomination Committee members

- **Chairman Nick Clarke**
- Dr Mike Armitage
- Roger Davey
- Dr Gillian Davidson
- Mike Prentis
- David Swan

7 QCA **Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.**

Achievements in 2023

- Continued to progress plans for the ongoing succession planning for the Board over the coming years and into the longer term.
- Reviewed ongoing succession plans for key senior management roles below Board level in the Group.
- Implemented outstanding actions arising from the review of the 2022 Board evaluation process.
- Working with the Group People Manager, continued to focus on enhancement of talent development and management processes in the Group.
- Ongoing focus on diversity.
- Conducted our first external Board evaluation working with Better Boards to facilitate this.

Objectives for 2024

- Continue succession planning for progressive refreshment of the Board including advancement of plans for each key role.
- Ongoing development of Group culture with messaging across the business.
- Continued focus on diversity and inclusion initiatives in the Group.
- Implementation of actions arising from the external Board evaluation conducted in 2023.
- Increased focus on people in the Group.

Dear shareholder

The Nomination Committee is responsible for the review of the composition and balance of the Board and its Committees and for succession planning within the Board.

In carrying out these duties, the Committee makes recommendations to the Board in relation to the appointment of Directors when appropriate and the proactive succession planning for the Board.

Board balance

The Nomination Committee keeps the balance of skills, strengths, diversity, experience, independence and tenure of the Board under review. Maintaining this balance and ensuring we consistently have a range of high-calibre individuals on the Board is a key objective of the Committee. Over the past year, this has been an area of continued focus in the context of succession plans for the coming years and into the longer term. This is to ensure the continued effectiveness of the Board, and to avoid substantial changes to, its composition taking place over a short period of time.

Biographies of our current Board members can be found on pages 77 to 78, and the composition and key strengths of its members are set out on pages 81 to 82. In addition, our Committee memberships are also detailed in our Director biographies as referenced above. The Committee, as part of its periodic review, has determined that these memberships are appropriate to utilise the experience and skills of each of our Directors, maximising their contributions to the operation of the Board and its Committees.

Board diversity

In making recommendations for appointment, the Nomination Committee considers suitably qualified, high calibre candidates of any nationality, cultural, professional or educational background or gender. It aims to have a diversity of personal attributes as well as skills on the Board and this is another important factor when selecting potential candidates. Roles are awarded on merit using objective criteria. On the Board, we have Directors from three continents with a gender mix.

This inclusive approach, not just at Board level, but at all levels of the organisation, enables us to retain the appropriate balance of skills. In particular, with regard to emerging trends and key areas of focus in the sector and geographies in which we operate, this is reflected in both the recruitment processes for new employees and developmental opportunities for existing employees. As our Board membership continues to change over time, diversity will remain a priority for the Nomination Committee, including in future appointments to the Board, further building on its existing diversity.

Further information on diversity initiatives in the Group can be found on page 40.

Succession planning

The Nomination Committee assesses the developing needs of the Company, both in relation to the continuous proactive refreshment of the Board for the medium term, and also to ensure contingency plans are in place for unexpected changes in the short term. This is in addition to succession planning for the longer term, both at, and below, Board level. Having completed our first phase of plans in relation to the longer-serving independent Non-Executive Directors in 2022, there was one further change to our Board membership in 2023. This was Nurlan Zhakupov stepping down in April after 11 years on the Board in light of his increased external commitments in Kazakhstan.

During the year, the Nomination Committee continued its in-depth planning and developmental discussions in relation to the Board and its long-term succession planning. These discussions focused on both continuity and progression and how these can be maintained over the coming years and into the longer term. This is to ensure the appropriate balance between these two key aspects of succession planning. Other key areas of focus for the Committee during the year were the ongoing succession planning for existing resource, internal talent development and capability. This increased emphasis on our employees recognises that the Group's people are crucial to the continued long-term success of the business.

Reappointment of Directors

In accordance with the Company's Articles of Association, at every AGM, any Director who has been a Director at each of the two last AGMs and was not appointed or reappointed at either of those meetings, is required to retire and is eligible for reappointment. In 2023, Nigel Robinson, Gavin Ferrar, Dr Gillian Davidson, Louise Wrathall and myself offered ourselves for reappointment in this manner and were all duly reappointed by shareholders whose support we appreciate.

There are two Directors due for reappointment at the 2024 AGM, David Swan and Mike Prentis. We are pleased that David has agreed to continue as Chairman of the Audit Committee while we continue the succession planning in relation to that role. The Board remains fully satisfied with regard to David's ongoing and unflinching independence in fulfilling his duties as a Director and in his performance in the role of Chairman of the Audit Committee. Given the importance of this position within the governance structure of the Company, and the long business and project cycles within which the Group operates and reports on, this is a particularly key role for which succession planning continues.

We are also pleased that Mike Prentis has agreed to continue in his role as Remuneration Committee Chairman. The Committee is fully satisfied with the continued effectiveness and independence of Mike Prentis as well.

The other members of the Committee and Board accordingly recommend each of their reappointments as a Director for shareholder approval at the 2024 AGM.

Induction and ongoing support and development

After a new Director is recruited, they receive an induction to familiarise themselves with the Company and its business. In addition, all Directors have unrestricted access to, and receive regular updates from, management to keep them abreast of the latest developments. Each of the Directors also has access to the Company Secretary to provide such support as appropriate. Directors also have ongoing access to resources as appropriate for the update of their skills and knowledge.

Conflicts of interest

It is a principle of law (enshrined in the Companies Act 2006) that a Director should avoid a situation in which his or her duty to the Company conflicts with his or her other duties or interests. Such conflicts may arise as a result of other involvements with significant shareholders, suppliers or customers of the Group or otherwise. This is distinct from transactions or arrangements between the Company and the Director.

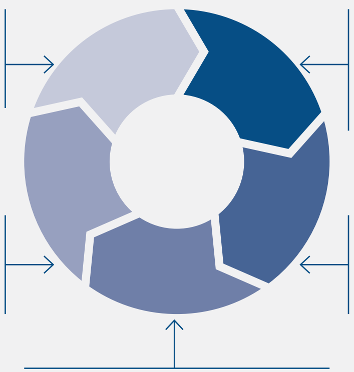
The Company's Articles of Association permit the Directors to give authorisations in respect of any matter or circumstance that gives rise to, or may give rise to, a conflict. Any such conflicts or changes would be notified by the relevant Director before they arise in order that they can be considered and, if appropriate, approved by the Board.

Annual effectiveness review

We carry out an annual effectiveness review of the Board overseen by the Committee, led by myself as Chairman. This considers the effectiveness of the Board as a unit, its Committees and of the individual Directors. In doing so, we also ensure we have taken into account the outcomes and outstanding actions from previous years' reviews. We believe the evaluation process should continue to evolve and as implementation of actions resulting from this process can often span more than one year, this cycle varies as appropriate to accommodate this. Following this pattern also ensures the process remains fresh and effective.

The diagram below shows the cycle of our internal effectiveness review.

Review cycle



At the beginning of 2023, we followed up on the remaining actions from our previously conducted review of progress against actions arising from our last Board self-evaluation. This ensured we were able to track actions taken in areas identified for improvement through to their conclusion. The actions taken in response to these are shown in the table below.

Areas of focus arising from previous evaluation	Action in 2023 in response to outstanding actions
Continued focus on and development of long-term strategy	Two-day strategy-focused meeting held in September 2023.
Succession planning for the Board over the coming years	The focus on this key area continued with Board succession planning and talent development considered by the Nomination Committee at its meetings during the year.
Ongoing Technical Committee activities	Members of the Technical Committee visited Kounrad (as part of a full Board visit) in July and Sasa in April and November. Further site visits are planned for 2024.
Increased Committee reporting	In addition to the Committee reports at main Board meetings, a deep dive on sustainability matters was carried out at the September two-day Board and strategy meeting with all Directors attending the Sustainability Committee meeting. Deep-dive sessions for our other Committees will be planned as appropriate.
Continued Director development	The Board visited Kounrad in July and a further trip to Sasa is planned for 2024. Additional areas for development were identified in the 2023 external Board evaluation as set out on the following page.

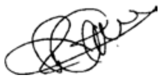
Nomination Committee report *continued*

As I mentioned in my Chairman's letter on page 75, our annual Board effectiveness review in 2023 was externally facilitated. Following a selection process led by myself as Chairman with the support of the Company Secretary, and consideration by the Board, Better Boards was selected to conduct this Board evaluation. The analytical review process was structured to include a combination of bespoke digital questionnaires completed by Directors and the Company Secretary via the Better Boards evaluation platform; and in-depth one-on-one interviews with each Director, conducted by Dr Sabine Dembkowski of Better Boards. I would like to thank Dr Dembkowski for her work on this.

Full details of the process and conclusions are set out in the table to the right. In line with the QCA Code, the Board's review of performance was based on clear and relevant objectives, seeking continuous improvement. The outcomes of this review has enabled us to set objectives and identify areas for continued focus in the coming year.

Coming year

I look forward to reporting to you again next year on the ongoing activities during 2024.



Nick Clarke
Chairman of the Nomination Committee

24 March 2024

External Board Evaluation Process

Chairman and Company Secretary working session with Better Boards to plan process and customised interview guide.

Interviews scheduled and access to the Better Boards platform set up.

Confidential interviews between Better Boards and individual Directors

- Interviews start with Chairman.
- Interviews last around 45 minutes.
- Feedback from these interviews confidentially noted by Better Boards.

Interviews covered the following areas:

- Key Issues
- Board Dynamics
- Structure and Organisation of the Work of the Board
- Committees
- Strategy
- Culture
- Relationships with Stakeholders

Directors and Company Secretary completed a confidential questionnaire

- Bespoke digital questionnaire completed via the Better Boards platform.
- Results provide additional, objective, and actionable insights and comparisons to other Boards using benchmark analysis.

The insights provided included the following areas:

- The strength of all members
- The composition of the Board
- The clarity of roles and responsibilities
- Individuals' alignment to a joint vision
- The ability to resolve debates between the Board and management
- The structure and organisation of the work of the Board
- Review and reflection on the work of the Board
- Leadership behaviours

Results of the interviews and questionnaires

- The results of the interviews and questionnaires were presented in report form and discussed at a Board meeting/feedback session on an unattributable basis.
- Based on these results and discussions, the Board drew conclusions, and agreed actions.

Individual Director feedback

- The results of the assessment of each individual Director based on the questionnaires was fed back to them confidentially following presentation of the overall Board assessment.
- This feedback will help the individual Directors understand what they can do to be more impactful in the boardroom and what they as individuals can do to contribute to overall Board effectiveness and performance.

Areas of focus arising from outcomes of 2023 evaluation

- Ongoing enhancement of already comprehensive management reporting.
- Continued focus on development of long-term strategy.
- Continued development of Group culture with increased messaging across the business.
- Ongoing focus on diversity and inclusion initiatives.
- Continued focus on risk assessment, mitigation and management.
- Increased focus on people in the Group in addition to the current work of the Sustainability Committee.

REMUNERATION COMMITTEE REPORT

We continue to keep our remuneration policy, practice, and incentive plans under review to ensure our Executive remuneration aligns with CAML's values and purpose, strategic and sustainability priorities.

Remuneration Committee members

- **Chairman Mike Prentis**
- Roger Davey
- David Swan

Achievements in 2023

- Ensured levels and structure of remuneration continued to be appropriate at a Board level.
- Reviewed pension arrangements across the Group.
- Continued to take account of investors' views on remuneration.
- Following the calculation of the vesting level of the sustainability and relative Total Shareholder Return ('TSR') proportions of the first awards under our LTIP granted in 2020 to include this additional sustainability metric, considered whether any changes were appropriate in relation to future LTIP grants.
- Monitored progress against targets for our 2021 LTIP awards, including the sustainability targets, due to vest this year.
- Continued to work with the Technical and Sustainability Committees on setting appropriate annual bonus and LTIP targets appropriate to the economic environment.
- Continued to ensure the balance between short and long-term incentives encourage and drive efficient long-term shareholder value and are aligned with the Group's overall strategy.

Objectives for 2024

- Continue to increase focus on people in the Group with presentations as appropriate to Committee meetings and continued communication of, for example, the incentive plans and pension arrangements.
- Review market trends and peer incentive plan structures to ensure the ongoing appropriateness of our LTIP awards, with particular regard to performance conditions.
- Continue to work closely with the Technical and Sustainability Committees on the setting of appropriate performance measures under both our short and long-term incentive plans.
- Ongoing investor engagement, taking into account feedback received on remuneration matters.
- Ensure levels and structure of remuneration at Board level continue to be appropriate for the roles and responsibilities.
- Moving to reporting under new QCA Code remuneration requirements.

Dear shareholder

2023 was a productive year for the Committee. In this report, I take the opportunity to inform our shareholders and other stakeholders about the considerations of the Remuneration Committee during this period, and to explain the reasons for the resulting decisions by way of disclosures throughout this report.

The role of the Committee is to decide the remuneration of the Executive Directors and the Chairman, to oversee wider remuneration in the Group, including the development and operation of the Group's LTIP and to determine participation and award levels under this. With the Committee's focus on development of our current LTIP structure over the past few years, we are confident that the LTIP arrangements in place were appropriately fair and robust and have not made any changes to this structure for the awards granted during the year. We intend to continue with this structure and similar targets in 2024.

In this report, I aim to give you an insight into our activities in the year, which are driven by our aim to incentivise management in the interests of our shareholders and other stakeholders over the long term.

I cover three key areas of our work:

- The ongoing operation of our LTIP.
- The annual bonus out-turn for 2023 and plans for 2024.
- Other elements of the remuneration of our Executive Directors.

Long-Term Incentive Plan

Background

The Committee has been operating the LTIP since 2011. The LTIP has helped incentivise the Executive Directors and senior managers and we believe that this has been reflected in the TSR, which combines share price changes, and dividends. Since 2020, the LTIP has also incorporated sustainability targets.

Key terms for LTIP awards in 2020 onwards

The terms of LTIP awards for Executive Directors are substantially unchanged since 2020:

- The awards are granted over shares with the face value of 150% of salary.
- The awards do not vest until the third year after the date of grant (on 31 March to ensure consistent vesting dates for each award).
- Awards vest only to the extent that performance targets measured over three years are achieved.
- Targets are in relation to the following performance conditions:

Proportion of award	Performance measure
75%	**The 'TSR Performance Target'** Relative TSR measured over a period of three calendar years relative to the constituents of the AIM Basic Resources Index. Vesting is on the following basis: ‣ For below median performance, no part of this portion of the award will vest; ‣ For median performance, 25% of this portion of the award will vest; ‣ For between median and upper quartile performance, between 25% and 100% of this portion of the award will vest (on a straight-line scale); and ‣ On achievement of upper quartile performance or above, 100% of this portion of the award will vest.
25%	**The 'Sustainability Performance Target'** The sustainability targets are based on the Remuneration Committee's assessment, taking account of the views of the Sustainability Committee, of the Group's overall performance against targets in the following specific areas: ‣ Health and Safety – nil fatalities and improvement on the five-year LTIFR average for each of the three financial years ending with 31 December 2023, 2024 and 2025. ‣ Environment – nil severe or major environmental incidents at either site. ‣ Community – nil severe or major community incidents at either site. ‣ Nil severe or major human rights incidents. ‣ Report to GTISM by 2024 (2022 and 2023 awards). ‣ Maintain community support at levels set by the Board (2022 and 2023 awards).

LTIP awards granted under the LTIP Rules approved by the Board and Committee in 2022 include malus and clawback provisions in line with current good practice on AIM. These provisions apply to LTIP awards granted from 2022 onwards.

The 2024 LTIP targets are intended to follow a similar structure to that set out in the table above and will be set out in full in next year's Remuneration Committee Report.

In connection with our LTIP, following grants of awards, recipients who may be unfamiliar with such awards are invited to participate in a briefing by the Company Secretary on the operation of the plan and what the awards mean for them in practice. In 2023, we also developed a detailed Q&A document designed to address any potential queries they may have. This is particularly relevant for our overseas staff who may be less familiar with UK incentive plans. We feel this approach ensures that employees are appropriately incentivised by clearly communicating and explaining this critical link between good performance and rewards.

Annual bonus

Our Executive Directors' annual bonuses for 2023 were linked to production, cost and sustainability targets and personal objectives similar to those in the prior year and those for the coming year. The maximum bonus potential for Executive Directors is 100% of salary. As detailed in the table on page 103, the out-turn for Executive Directors for 2023 was a payment of 90% for Nigel Robinson and Gavin Ferrar and 95% for Louise Wrathall. The maximum possible 2024 bonus for Executive Directors remains at the same level as 2023, at 100% of salary.

The annual bonuses of other corporate team members are linked to the same or similar targets with amounts adjusted as appropriate to the role within the organisation. Annual bonuses for senior management in the Group's operations are similar though linked to performance of the relevant site at which they are employed.

Other elements of remuneration

As well as deciding to maintain the same level and similar structure of LTIP awards, we have considered the other elements of the remuneration of the Executive Directors.

In the context of current inflation levels, Nigel Robinson, Gavin Ferrar and Louise Wrathall were each awarded a 5% salary uplift effective from 1 January 2024 in line with the standard increase of UK based staff. As a result, Nigel Robinson's salary as CEO is now £424,462 per annum, Gavin Ferrar's salary as CFO is £347,287 per annum and Louise Wrathall's salary as Director of Corporate Development is £288,750 per annum.

Non-Executive Director Remuneration

The remuneration of the Non-Executive Directors is determined by the Chairman of the Board and the Executive Directors. The Remuneration Committee plays no part in this. The fees of Non-Executive Directors were last reviewed as at January 2023. The Board has determined that these fees remain appropriate taking account of the responsibilities of the Chairs of each of the Committees, as well as the ongoing time commitments of all Non-Executive Directors, for example in relation to overseas site visits. Therefore, no changes are proposed to these fees for 2024.

Remuneration in the Group more widely

Our overall remuneration structure as set out in the policy table on pages 106 to 109 applies to Executive Directors but also senior management where appropriate. The levels of remuneration stated in the policy table relate only to the Executive Directors. Remuneration in the Group generally is considered as part of the Remuneration Committee's work in deciding on Executive Remuneration. The Committee periodically conducts benchmarking reviews for our Executive Directors and other corporate team members to ensure salaries are set at appropriate levels.

Pensions

During the year, the Committee continued its in-depth review of pension arrangements in the Group with particular focus on the corporate contribution levels and local contexts in each of the Group's jurisdictions, noting that local requirements are quite specific in Kazakhstan and North Macedonia. As with our incentive plan, communication of our pension plans to employees is considered to be an important aspect of their operation. Given the importance placed on ensuring greater understanding of how these arrangements can benefit individuals in each country, during 2024 we will be confirming appropriate communications for each site to provide them with any additional information the participants may find beneficial.

The pension contributions of our Executive Directors remain consistent with the rest of the UK team.

Investor feedback

We are grateful for the feedback from shareholders received during the course of 2023. This has been shared both with the Remuneration Committee and, where appropriate, the Board and has helped inform our work. We continue to welcome investor feedback and take this into account in our deliberations. Investors with any questions regarding our remuneration are encouraged to contact me as Chairman of the Committee. I can be reached through contact with the Company Secretary or the Executive Director of Corporate Development, Louise Wrathall.

Annual effectiveness review

The effectiveness of the Committee was also considered in the Board's externally facilitated effectiveness review, which is detailed on pages 96 to 97.

Transparency in reporting

Our report aims to give shareholders insight into our considerations and reasoning in arriving at the current remuneration structure. We believe this to be appropriate, both in terms of transparency, and to enable shareholders to form their own views on the actions we take.

Following this letter is a report summarising implementation of our remuneration policy in both 2022 and 2023. After that implementation report follows a table summarising the remuneration policy itself. Whilst variations can be made to allow for flexibility where considered appropriate, there have been no changes to our implementation of the policy since 2019. We intend to continue within this policy going forward, unless the Remuneration Committee considers variations are justified, in which case we will explain the variations, and reasons for these.

Conclusion

I look forward to reporting to you next year on our activities during 2024.

Mike Prentis
Chairman of the Remuneration Committee

24 March 2024

Implementation report

As an AIM-quoted company following the QCA Code, CAML is not required to have a binding remuneration policy for its Directors. Nonetheless, both the Board and the Remuneration Committee believe that transparency of the policy under which Directors' remuneration is structured is beneficial to shareholders. The report below summarises implementation of our remuneration policy in 2022 and 2023. This is followed by a table summarising the remuneration policy itself.

Directors' remuneration

The table below sets out the total remuneration in respect of qualifying services for both Executive and Non-Executive Directors for the financial year 2023:

	2023 Basic salary/ fees $'000	2023 Annual bonus $'000	2023 Pension $'000	2023 Benefits in kind $'000	2023 Total $'000	2022 Total $'000
Executive Directors:						
Nigel Robinson	531	449	–	12	992	924
Gavin Ferrar	424	367	11	6	808	746
Louise Wrathall	359	323	2	6	690	307
Non-Executive Directors:						
Nick Clarke	217	–	–	–	217	217
Dr Mike Armitage	93	–	–	–	93	93
Roger Davey	106	–	–	–	106	98
Dr Gillian Davidson	106	–	–	–	106	99
Mike Prentis	107	–	–	–	107	101
David Swan	106	–	–	–	106	99
Nurlan Zhakupov[1]	23	–	–	–	23	93
Robert Cathery[2]	–	–	–	–	–	44
Directors' aggregate emoluments	**2,072**	**1,139**	**13**	**24**	**3,248**	**2,821**

1. Stepped down from the Board on 3 April 2023.
2. Stepped down from the Board on 26 May 2022.

The benefits receivable by Executive Directors include private medical and dental insurance and travel allowance.

The aggregate emoluments of the highest paid Director totalled $992,000 (2022: $924,000). No Director has a service agreement with the Company that is terminable on more than six months' notice. Details of Executive Director service agreements are set out on page 108.

During the year, Gavin Ferrar exercised 203,442 shares for a total share option gain of $505,000. See the Directors' option awards table on page 104.

Salaries for Executive Directors for 2024

The Executive Directors have each signed a service agreement with the Company. Under the terms of these service agreements, the Executive Directors are entitled to a salary (which is denominated in pounds sterling) as set out below.

	2024 Salary £'000	2023 Salary £'000
Nigel Robinson (Chief Executive Officer)	**424**	404
Gavin Ferrar (Chief Financial Officer)	**347**	331
Louise Wrathall (Director of Corporate Development)	**289**	275

Executive Directors can earn up to a maximum bonus potential of 100% of salary based on the measures set out above.

Annual bonus measures

The table below sets out the performance measures and weightings between these:

Metric	2024 Weighting	2023 Weighting
Production across all operations	**40%**	40%
Financial/operational C1 cash cost and unit cost of mined ore	**20%**	20%
Sustainability Health and Safety; Environmental; Community; People; and Governance	**20%**	20%
Personal performance Individual assessment	**20%**	20%

Executive Directors can earn up to a maximum bonus potential of 100% of salary based on the measures set out above.

Annual bonus out-turn

Details of the Executive Director bonus out-turn for 2023 are included in the table below:

Metric	% of total bonus potential originally available for this metric	Achievement	Target/range	% of total bonus potential earned for this metric
Copper production	20%	13,816 tonnes	12,150–13,500 tonnes[1]	20%
Lead production	10%	27,794 tonnes	25,920–28,800 tonnes[1]	7%
Zinc production	10%	20,338 tonnes	17,640–19,600 tonnes[1]	10%
Kounrad C1 cost base	10%	$22.60m	$23.30m–$25.63m[2]	10%
Sasa ROM cost base	10%	$48.20m[2]	$51.08m–$56.54m[2]	10%
Subtotal of financial/operational targets	60%			**57%**
Sustainability	20%	Governance, health and safety, people, environment and community targets		**18%**
Personal objectives for the Executive Directors are summarised below:				
Chief Executive Officer	20%	• Management and leadership of business development process.* • Commissioning of the Backfill Plant and successful construction of the Dry Stack Tailings project. • Develop strategic plan for process control across all primary mining equipment at Sasa. • Completion of the Kounrad Solar Power Project. • Develop Sasa water management strategy. • Sustainable development plans for Kounrad. • Long-Term Economic Development at Sasa. • Develop CAML's Senior Management team. • Sasa staff training for the transition to cut and fill mining. • Attract and train the next generation into the mining industry.		15%
Total overall bonus out-turn Chief Executive Officer	100%			**90%**
Chief Financial Officer	20%	• Management and leadership of business development process.* • Complete the risk and internal control 3-year plan. • Sustainability data reporting and assurance. • Career plans for the Group finance team, including Sasa and Kounrad.		15%
Total overall bonus out-turn Chief Financial Officer	100%			**90%**
Director of Corporate Development	20%	• Management and leadership of business development process.* • Process for Scope 3 emissions for next Sustainability Report. • Preparation for Global Industry Standard for Tailings Management reporting. • Implement Kounrad community-focused engagement strategy. • Development plan for Investor Relations Manager.		20%
Total bonus out-turn Director of Corporate Development	100%			**95%**

* Joint objective shared by Executive Directors,

1. These targets were subject to an overriding discretion of the Remuneration Committee to adjust the formulaic out-turn (including downwards) where this did not fairly reflect the overall performance of the Company. No such discretion has been exercised in respect of the 2023 outcomes.
2. Due to the nature of their calculation and the number of factors that can affect the out-turns, these targets were subject to an overriding discretion of the Remuneration Committee to adjust the formulaic out-turn including where there had been an anomalous result due to factors not considered in the calculation of the original target. The actual Sasa ROM target cost base has been adjusted up by $1m to account for deferred cost in operating expense related to the Backfill Plant, which arose as a result of a deferral on the project from H2 2023 to 2024 and, therefore, zero of budgeted operating expense occurred during the year.

Directors' option awards

The options in the table below have been granted to the Directors under the Central Asia Metals Employee Share Plan 2011, the Central Asia Metals Non-Executive Director Share Plan 2012 and the Central Asia Metals Long-Term Incentive Plan 2022:

	As at 1 Jan 2023 Number[1]	Granted/ awarded Number[2]	Dividends Number	Lapsed Number[1,3]	Exercised Number[1]	As at 31 Dec 2023 Number[1]	Exercisable at 31 Dec 2023 Number[1]
Nick Clarke	1,979,813	–	204,868	–	–	2,184,681	2,184,681
Nigel Robinson	1,577,813	261,594	174,123	(61,906)	–	1,951,624	1,103,861
Gavin Ferrar	663,622	214,031	71,355	(50,882)	(203,442)	694,684	–
Louise Wrathall	281,864	177,955	43,646	(14,246)	–	489,219	57,349
Nurlan Zhakupov[4]	265,497	–		–		–	–
Total	**4,768,609**	**653,580**	**493,992**	**(127,034)**	**(203,442)**	**5,320,208**	**3,345,891**

1. This includes the number of shares covered by such awards increased in terms of the relevant plan rules by the value of dividends as if these were reinvested in Company shares at the dates of payment.
2. Before any adjustments for accrued dividends.
3. Represents shares that lapsed on 31 March 2023 having not met the performance targets for the 2020 awards in full.
4. Stepped down from the Board on 3 April 2023.

- Options granted from 2020 onwards are subject to two performance targets. Of each Award, 75% was to be subject to a performance target relating to the performance of the Company's total shareholder return relative to the constituents of the AIM Basic Resources Index over a period of three years (the 'TSR Performance Target'). The other 25% of each Award was to be subject to a sustainability target, (the 'Sustainability Performance Target'). Awards do not vest until 31 March in the third year from the year of grant. Further details of the TSR and Sustainability Performance Targets are set out on page 99.
- The performance targets for the options granted in 2021 were met to the extent of 100% for the TSR target (which represents 75% of the overall award) and 100% of the sustainability target (which represents 25% of the overall award) and will, therefore, vest at an overall level of 100% on 31 March 2024.

Directors' interests

The Directors of the Company who were in office during the year and up to the date of signing the financial statements and their interest in the issued share capital of the Company during the year were as follows:

	Shares held as at 31 Dec 2023	Shares held as at 31 Dec 2022
Nick Clarke (Chairman)[1]	**1,379,644**	1,379,644
Nigel Robinson (Chief Executive Officer)[1]	**646,715**	646,715
Gavin Ferrar (Chief Financial Officer)	**9,928**	–
Louise Wrathall (Director of Corporate Development)	**9,280**	9,280
Dr Mike Armitage	**24,490**	16,156
Roger Davey	**–**	–
Dr Gillian Davidson	**10,119**	–
Mike Prentis	**18,080**	13,080
David Swan	**8,000**	3,000
Nurlan Zhakupov[2]	**N/A**	–
Total Directors' interests	**2,106,256**	2,067,875

1. Of these shares, the numbers set out below are held jointly with the Company's EBT under a joint share ownership plan. All share awards were made prior to the 2010 IPO and vested upon its successful completion.
   - Nick Clarke: 1,342,887
   - Nigel Robinson: 646,715
2. Stepped down from the Board on 3 April 2023. Mr Zhakupov is not required to disclose his shareholding after that date.

2024 LTIP KPIs

The performance measures for the LTIP awards planned to be granted in 2024 will follow a similar structure to the 2023 awards, as set out in the table on page 99.

Non-Executive Director remuneration

The Non-Executive Directors, including the Chairman, have each signed a letter of appointment. Under the terms of these letters, the Non-Executive Directors are entitled to an annual fee as set out below (which is denominated in pounds Sterling) and paid on a quarterly basis. Base and Committee Chair fee levels remain unchanged since January 2023.

	2024 Fee £'000*[1]
Nick Clarke (Non-Executive Chairman)	**175**
Dr Mike Armitage	**75**
Roger Davey[2]	**85**
Dr Gillian Davidson[3]	**85**
Mike Prentis[4]	**90**
David Swan[5]	**85**

* The amounts as set out in the table above are paid in £ and reported in $ on page 102.
1. All Non-Executive Directors (with the exception of the Chairman) receive a base fee of £75,000 per annum.
2. This also includes a Committee Chair fee for the role of Chairman of the Technical Committee of £10,000.
3. This also includes a Committee Chair fee for the role of Chair of the Sustainability Committee of £10,000.
4. This also includes a £5,000 fee for the role of Senior Independent Director and a Committee Chair fee for the role of Chairman of the Remuneration Committee of £10,000.
5. This also includes a Committee Chair fee for the role of Chairman of the Audit Committee of £10,000.

Further details on the Non-Executive Director and Non-Executive Chairman letters of appointment are set out under 'Service contracts' on page 108.

Directors' Remuneration Policy

The Remuneration Policy is set out in the table below. It is subject to variation where the Remuneration Committee considers appropriate. No variations were made in 2023 and none are intended in 2024.

Remuneration Policy table

Element and purpose	
Base salary	
This is the core element of pay and reflects the individual's role and responsibilities within the Group with some adjustment to reflect their capability and contribution.	
Policy and operation	Base salaries are determined each year by the Committee. Salary levels can be reviewed by reference to public companies in the sector of a similar size and complexity. The Committee also has regard to other relevant factors including corporate and individual performance and any changes in an individual's role and responsibilities. Base salary is paid monthly in cash. Changes to base salaries normally take effect from 1 January.
Level	The Remuneration Committee will apply the factors set out in the section above in considering any salary adjustments during the duration of this policy. Increases in base salaries for Executive Directors will be generally guided by any increases for the broader employee population, but on occasion may need to recognise, for example, an increase in the scale, scope or responsibility of the role. No increase will be made if it would take an Executive Director's salary above the level the Committee considers is justified by these factors.
Performance measures	N/A

Element and purpose	
Benefits	
To provide benefits valued by recipients.	
Policy and operation	The Group provides benefits to all employees, including the Executive Directors. The Executive Directors receive private medical cover and insurance benefits. The Remuneration Committee reserves discretion to introduce new benefits where it concludes that it is in the interests of CAML to do so, having regard to the particular circumstances and market practice. Where appropriate, the Company may meet certain costs relating to Executive Director relocations and (if appropriate) expatriate benefits.
Level	The Remuneration Committee sets such benefits within overall market practice and ensures that the overall costs do not increase by more than the Remuneration Committee considers to be appropriate in all the circumstances.
Performance measures	N/A

Element and purpose	
Pension	
To provide retirement benefits.	
Policy and operation	Executive Directors receive pension contributions to Company or personal pension arrangements, or an amount can be paid as a cash supplement in lieu of pension contributions (reduced for the impact of employers' National Insurance contributions).
Level	The amount of employer's contribution is approximately 6% of base salary per annum, which is aligned with other employees.
Performance measures	N/A

Element and purpose	
Annual Bonus Plan	
To motivate employees and incentivise delivery of performance over a one-year operating cycle, focusing on the short/medium-term elements of our strategic aims.	
Policy and operation	Annual Bonus Plan levels and the appropriateness of measures are reviewed annually to ensure they continue to support the Group's strategy. Annual Bonus Plan outcomes are calculated following the determination of achievement against performance measures and targets.
Level	The normal maximum of Annual Bonus Plan outcome for an Executive Director is 100% of base salary per annum although this may be increased up to 150% of salary where the Committee determines this to be appropriate.
Performance measures	The performance measures applied may be financial or non-financial, corporate, divisional or individual and in such proportions as the Remuneration Committee considers appropriate. They are typically a blend of corporate targets such as production, cost control and sustainability achievements as well as individual KPIs. Once set, performance measures and targets will generally remain unchanged for the year, except to reflect events (such as major transactions) where the Committee considers it necessary in its judgement to make appropriate adjustments to the targets applying before such event. The Annual Bonus Plan remains a discretionary arrangement and the Remuneration Committee retains a standard power to apply its judgement to adjust the outcome of the Annual Bonus Plan for any performance measure (from zero to any cap) should it consider that to be appropriate.

Element and purpose	
Long-term incentives	
To motivate and incentivise delivery of sustained performance over the long term, and to promote alignment with shareholders' interests, the Group operates an LTIP.	
Policy and operation	Awards under the LTIP are typically granted as options that vest to the extent that performance conditions are satisfied over a period of at least three years. Awards are normally granted at nominal cost ($0.01) per share although can be granted at nil-cost under the rules. Under the LTIP rules, vested awards may also be settled in cash (if decided appropriate by the Committee or Board in particular circumstances). If appropriate, dividend entitlements will accrue until the end of the holding period in respect of performance-vested shares and be delivered as additional vesting shares.
Level	The normal level under the LTIP for an Executive Director is for awards over shares worth 150% of base salary in a financial year. This excludes any dividend equivalent accruals although this may be increased up to 200% of salary in exceptional circumstances.
Performance measures	The Remuneration Committee may set such performance measures on LTIP awards as it considers appropriate (whether financial or non-financial, and whether corporate, divisional or individual). Once set, performance measures and targets will generally remain unaltered unless events occur which, in the Remuneration Committee's opinion, make it appropriate to alter the performance conditions in such manner as the Committee thinks fit. Performance conditions would normally only be altered this way for factors that could not be foreseen at the time of grant of the awards and significantly distort the operation of the intended performance conditions (positively or negatively). Performance may be measured over such periods as the Remuneration Committee selects at grant, which will not normally be less than, but may be more than, three financial years. The structure of the performance measures for the LTIP awards intended to be granted in 2024 are summarised in the table on page 99.

Element and purpose	
Chairman and other Non-Executive Director fees	
To enable the Company to recruit and retain a Chairman and Non-Executive Directors of the highest calibre, at the appropriate cost.	
Policy and operation	The fees paid to the Chairman and the fees of the other Non-Executive Directors aim to be competitive with other listed companies of equivalent size and complexity, and to take account of the time commitment of the Directors. The fees payable to the Non-Executive Directors are determined by the Board. The fees payable to the Chairman are determined by the Remuneration Committee. All fees will be subject to periodic review. For Non-Executive Directors, the fee structures may involve separate fees for chairing, for membership of Board Committees or for acting as Deputy Chairman or Senior Independent Director, or for performing specific services. No benefits are normally envisaged for the Non-Executive Directors, but the Company reserves the right to provide benefits (including travel and office support). Fees are paid monthly in cash.
Level	The Chairman and Non-Executive Directors are paid fees comparable in relation to other companies taking account of their respective roles, responsibilities and time commitment. Any increases made will be appropriately disclosed.
Share awards	Share awards will not normally be granted to Non-Executive Directors. If exceptional share awards are granted to Non-Executive Directors, those Non-Executive Directors shall not normally be counted amongst the independent Directors under the QCA Code.
Performance measures	N/A

Service contracts

Executive Directors

The Committee's policy is that each Executive Director's service agreement should be of indefinite duration, subject to termination by the Company or the individual on six months' notice, although this may be increased up to 12 months' notice if the Committee determines appropriate. The service agreements of the Executive Directors comply with that policy. In addition, the Company has the discretion to pay them in lieu of their notice period or to place them on gardening leave. In the event of a change of control of the Company as defined in the service agreements, the Executive Directors shall be entitled to receive a compensation payment of 12 months' basic salary.

Other fixed elements of the Executive Directors' remuneration comprise private medical insurance and Company pension contributions. The service agreements also contain customary post-termination restrictions.

The date of each Executive Director's service agreement is:

Name	Date of service contract
Nigel Robinson	24 September 2010
Gavin Ferrar	4 December 2017
Louise Wrathall	26 May 2022

The service agreements of the Executive Directors are available for inspection at the Company's registered office during normal business hours and at the Company's AGM, including the 15 minutes preceding the meeting.

Chairman and Non-Executive Directors

Each Non-Executive Director appointment is subject to periodic renewal, in terms of the Company's Articles of Association, at the AGM. For Non-Executive Directors, other than the Chairman, current engagements can be terminated by either party on one month's notice, although this may be increased up to three months' notice if considered appropriate. For the Chairman, the appointment is subject to termination by the Company or the individual on six months' notice.

The Chairman and Non-Executive Directors are not entitled to any pension benefits and are not entitled to any payment in compensation for early termination of their appointment beyond the notice periods referred to above.

The letters of appointment of the Non-Executive Directors are available for inspection at the Company's registered office during normal business hours and at the Company's AGM, including the 15 minutes preceding the meeting.

Termination policy summary

It is appropriate for the Committee to consider treatment on a termination having regard for all of the relevant facts and circumstances available at that time. This policy applies both to any negotiations linked to notice periods on a termination (see 'Service contracts' above) and any treatments that the Committee may choose to apply under the discretions available to it under the terms of the Annual Bonus Plan and the LTIP.

The potential treatments on termination under these plans are summarised in the table below.

Incentives	If a leaver is deemed to be a 'good leaver', e.g. leaving through disability or otherwise at the discretion of the Committee	If a leaver is leaving for other reasons	Other exceptional cases, e.g. change in control
Annual Bonus Plan	As the Committee may determine appropriate.	No awards made.	The Committee has the discretion to determine the annual bonus.
LTIP	Receive a prorated award subject to the application of the performance conditions at the end of the normal vesting period. The Committee retains discretions to vary time prorating, release any holding period, or accelerate vesting to the date of cessation for a good leaver where it considers this appropriate.	All awards will normally lapse.	Receive a prorated award subject to the application of the performance conditions at the date of the event, subject to standard Committee discretions to vary time prorating.

The Company has the power to enter into settlement agreements with Directors and to pay compensation to settle potential legal claims. In addition, and consistent with market practice, in the event of the termination of an Executive Director, the Company may pay a contribution towards that individual's legal fees and fees for outplacement services as part of a negotiated settlement. Any such fees will be disclosed as part of the detail of termination arrangements. For the avoidance of doubt, the policy does not include an explicit cap on the cost of termination payments.

External appointments

The Company's policy is to permit an Executive Director to serve as a Non-Executive Director elsewhere when this does not conflict with the individual's duties to the Company and, where an Executive Director takes such a role, they will normally be entitled to retain any fees which they earn from that appointment at the Committee's discretion.

Pre-existing agreements and awards

Historic agreements, awards, terms and conditions, together with discretions in relation to these, can be honoured even if these are beyond the terms of the current Directors' Remuneration Policy, provided these were in compliance with any policy in existence at the time they were entered into.

Statement of consideration of employment conditions elsewhere in the Group

Pay and employment conditions generally in the Group are taken into account when setting Executive Directors' remuneration.

The Committee receives regular updates on overall pay and conditions in the Group.

The same reward principles guide reward decisions for all Group employees, including Executive Directors, although remuneration packages differ to take into account appropriate factors in different areas of the business:

- **Annual bonus** – the majority of Group employees participate in an Annual Bonus Plan, although the quantum and balance of corporate to individual objectives varies by level.
- **LTIP** – key Group employees participate in the LTIP currently based on the same performance conditions as those for Executive Directors, although the Committee reserves the discretion to vary the performance conditions for awards made to employees below Board level.

Consideration of shareholders' views

The Remuneration Committee takes into account the approval levels of remuneration-related matters at our AGM in determining that the current Directors' Remuneration Policy remains appropriate for the Company, and considers any specific representations made by our shareholders on pay matters.

The Remuneration Committee also seeks to build an active and productive dialogue with investors on developments on the remuneration aspects of corporate governance generally and any changes to the Company's Executive pay arrangements in particular.

DIRECTORS' REPORT

The Directors present their report and the audited consolidated financial statements for the year ended 31 December 2023.

Principal activities

CAML is the holding Company for a group of companies. CAML owns 100% of the Sasa zinc-lead mine in North Macedonia and 100% of the Kounrad SX-EW copper project in central Kazakhstan.

CAML is domiciled and incorporated in the UK with the registration number 5559627 and the registered office is: Masters House, 107 Hammersmith Road, London, W14 0QH.

Review of business

A review of the current and future development of the Group's business is given in the Strategic Report on pages 6 to 72 which forms part of, and by reference is incorporated in, this Directors' Report.

Financial risk management has been assessed within note 3 to the financial statements.

Dividends

The Company's dividend policy is to return to shareholders a range of between 30% and 50% of free cash flow, defined as net cash generated from operating activities less sustaining capital expenditure.

The final 2022 dividend of 10 pence per Ordinary Share of $0.01 each ('Share') was paid on 23 May 2023 and a 2023 interim dividend of 9 pence per Share was paid on 20 October 2023.

The Directors recommend a final dividend for the year ended 31 December 2023 of 9 pence per Share payable, subject to the approval of shareholders, on 22 May 2024, to those shareholders on the Company's register on 26 April 2024. This will take the total dividend for 2023 to 18 pence per Share.

Events after the reporting period

During the year, CAML incorporated CAML Exploration Limited, in the Astana International Finance Centre ('AIFC'), initially owned 100% by CAML. In February 2024, CAML transferred a 20% ownership to a team of experienced explorers, Thaler Minerals LLP, a company organised by Terra Associates. The activity of CAML Exploration Limited is to look for exploration opportunities in Kazakhstan.

On the 24 March 2024, a Subscription Agreement was signed in respect of a conditional subscription for CAML to subscribe for 28.7% shareholding in Aberdeen Minerals Limited for £3.0 million. The investment is a subscription of 35,294,117 new ordinary shares at a price of 8.5 pence per ordinary share. In addition, CAML will receive warrants to invest an additional £2 million at a price of 11 pence per share, which would increase CAML's ownership of Aberdeen to 37.8%, assuming no further changes to Aberdeen's issued share capital.

Directors and Directors' interests

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were as follows:

- Nick Clarke (Non-Executive Chairman)
- Nigel Robinson (Chief Executive Officer)
- Gavin Ferrar (Chief Financial Officer)
- Louise Wrathall (Director of Corporate Development)
- Dr Mike Armitage
- Roger Davey
- Dr Gillian Davidson
- Mike Prentis
- David Swan
- Nurlan Zhakupov (stepped down on 3 April 2023)

Biographical details of the current Directors are set out on pages 77 to 78. The Directors' interests in the Ordinary Share capital of the Company and any interests known to the Company of their connected persons are set out in the Report of the Remuneration Committee which commences on page 98.

At every AGM, any Director who has been a Director at each of the two last AGMs and was not appointed or reappointed at either of those meetings, is required to retire and is eligible for reappointment. This year, Mike Prentis and David Swan are required to retire and be reappointed in this manner. Their proposed reappointments are commented on in the Report of the Nomination Committee on page 95.

Directors' indemnity insurance

During the year, Directors' and Officers' liability insurance was maintained for Directors and other Officers of the Group.

Substantial shareholdings

At the date of this report, the Company has been notified or is aware of the following interests in the Shares of the Company of 3% or more of the Company's total issued share capital (excluding treasury shares).

	No. of shares	% of voting rights[1]
FIL Investment International	21,928,332	12.05
JO Hambro Capital Management Limited	14,084,115	7.74
BlackRock Investment Management (UK) Limited	13,144,502	7.23
Polar Capital LLP	8,107,683	4.46
Allan Gray Proprietary Limited	6,918,567	3.80
GLG Partners LP	6,464,736	3.55
JPMorgan Asset Management (UK) Limited	6,106,102	3.36

1. At 24 March 2024, the total voting rights attached to the issued share capital of the Company comprised 181,904,941 Shares each of $0.01 nominal value, being the 182,098,266 Shares in issue, less 193,325 Shares currently held in treasury.
2. As at 31 December 2023: FIL Investment International held 13,394,744 Shares representing 7.36% of the voting rights in the Company at that time.

The Company received no notifications of interests indicating a different whole percentage holding at 31 December 2023 other than as shown in the footnotes to the substantial shareholder table above.

Changes in share capital

On 2 May 2023, 278,322 Shares were moved out of treasury to satisfy the exercise of options under the Company's share option schemes.

As at 31 December 2023, 182,098,266 Shares were in issue including the 193,325 Shares held in treasury pending their cancellation or possible use in the Company's share option schemes.

AGM notice

A separate communication will be sent to shareholders and published on the Company's website regarding the Company's 2024 AGM.

Streamlined energy and carbon reporting ('SECR') for businesses

SECR regulations came into effect on 1 April 2019. CAML is classified as a large, unquoted company given it has more than 250 employees, annual turnover greater than £36 million and a balance sheet larger than £18 million. This classification means that a company must report its UK energy consumption and resultant carbon emissions as well as a suitable intensity ratio if it has UK energy usage above 40 megawatt hours ('MWh').

CAML's UK operations comprise solely a London-based head office and electricity usage is significantly below 20MWh. Therefore, CAML is classified as a 'low energy user' and as such, SECR disclosures have not been included in these financial statements.

However, the Group does disclose in its annual Sustainability Reports the energy consumption, as well as Scope 1, Scope 2 and Scope 3 emissions and an intensity calculated on a per tonne of copper equivalent basis, for its operations in Kazakhstan and North Macedonia. The 2023 Sustainability Report containing the most up-to-date information will be published in Q2 2024.

Section 172 statement

A statement of how the Board has performed its duties under section 172 of the Companies Act 2006 ('the Act') can be found on pages 43 to 45 of the Strategic Report.

Auditors and disclosure of information to auditors

Each Director in office at the date of approval of this report has confirmed that:

- So far as he or she is aware, there is no relevant audit information of which the Company's Auditors are unaware; and
- He or she has taken all reasonable steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

The Group's Auditors, BDO LLP, have indicated their willingness to continue in office and, on the recommendation of the Audit Committee and in accordance with section 489 of the Act, a resolution for their reappointment will be put to the 2024 AGM.

Political donations

During the year the Group did not make any political donations.

Corporate governance

The Governance Report can be found on pages 74 to 109.

The Governance Report forms part of this Directors' Report and is incorporated by cross reference.

Approved by the Board of Directors and signed on its behalf

Gavin Ferrar
Chief Financial Officer

24 March 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK adopted International Financial Reporting Standards ('IFRS') and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on AIM. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK adopted IFRS have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

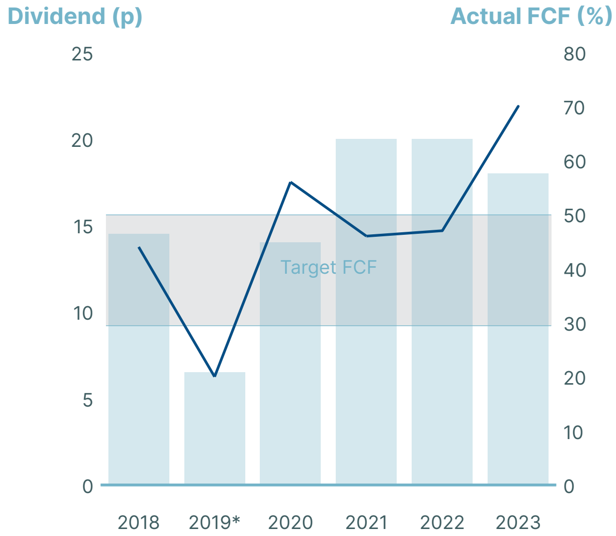
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

Gavin Ferrar
Chief Financial Officer

24 March 2024



* 2019 data influenced by the COVID-19 pandemic.

Dependability

We are open and honest with all of our stakeholders to ensure that they know what to expect from us and to hold ourselves to account. From committing to Net Zero by 2050 to our dividend policy which states that we will return between 30-50% FCF to shareholders, we set targets and can be depended upon to meet them.

https://www.centralasiametals.com/investors/

INDEPENDENT AUDITORS' REPORT
to the members of Central Asia Metals Plc

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2023 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted International Accounting Standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Central Asia Metals Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2023 which comprise the Consolidated Income Statement, the Consolidated statement of comprehensive income, the Consolidated and Company statements of financial position, the Consolidated statement of changes in equity, the Company statement of changes in equity, the Consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- We evaluated the Directors' base case cash flow, assessed the integrity and accuracy of the cash flow forecast and critically assessed the key assumptions including production, commodity pricing, treatment charges, operating costs and capital expenditure. In doing so, we evaluated performance against budget in FY2023, assessed future plans and compared assumptions to market data where possible.
- We compared forecast commodity prices to spot prices together with consideration of broker consensus pricing ranges. We compared forecast refinery treatment charges to third party agreements.
- We obtained the Directors' reverse stress testing analysis which was performed to determine the point at which liquidity breaks and considered whether such scenarios, including significant reductions in commodity prices and production were reasonably possible. This included consideration of the Group's trading to date and the extent and likelihood of production or pricing disruption required to break liquidity.
- We assessed the Group's cash resources post year end against the approved budget.
- We reviewed the adequacy and consistency of going concern related disclosures in the financial statements with reference to the Directors' going concern assessment.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Coverage[1]	98% (2022: 98%) of Group profit before tax 100% (2022: 100%) of Group revenue 98% (2022: 98%) of Group total assets		
Key audit matters		**2023**	2022
	Carrying value of Sasa mining assets	✓	✓
Materiality	Group financial statements as a whole $3.3m (2022: $5.5m) based on 5% of Profit before tax (2022: 5%) of Profit before tax excluding impairment). Parent Company standalone financial statements $2.1m (2022: $3.1m) based on 3.4% (2022: 5%) of Parent Company Profit before tax.		

1. These are areas which have been subject to a full scope audit by the group engagement team and specified audit procedures performed by the group engagement team and the component auditor teams.

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

We determined that there were five significant components and four of these were subject to a full scope audit (one in North Macedonia, two in Kazakhstan and the Parent Company) and the fifth component subject to specific audit procedures in respect of a North Macedonian significant component.

The audits of the North Macedonian and Kazakhstan significant components were performed in North Macedonia and Kazakhstan respectively, by local BDO network member firms. The audits of the parent company and the Group consolidation were performed in the United Kingdom by the Group audit team. The Group audit team performed additional procedures in respect of certain significant risk areas including that which represented a Key Audit Matter in addition to procedures performed by the component auditor.

The remaining components of the Group were considered non-significant and these components were principally subject to analytical review procedures performed by the Group audit team.

Our involvement with component auditors

For the work performed by component auditors, we determined the level of involvement needed in order to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the Group financial statements as a whole. Our involvement with component auditors included the following:

The Group audit team was actively involved in the direction and supervision of the audits performed by the component auditors along with the consideration of findings and determination of conclusions drawn.

As part of our audit strategy, we issued detailed group audit instructions to component auditors detailing the audit procedures to be performed; senior members of the audit team visited the mine sites; we held physical and virtual meetings with local management and the component auditors during the planning and execution phases of the audit; and we performed a detailed review of the component audit files.

Climate change

Our work on the assessment of potential impacts of climate-related risks on the Group's operations and financial statements included:

- Enquiries and challenge of management and those charged with governance to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the annual report;
- Our own qualitative risk assessment taking into consideration the sector in which the Group operates and how climate change may affect this particular sector;
- Review of the minutes of Board, Audit and Sustainability Committee meetings and other papers related to climate change and performed a risk assessment as to how the impact of the Group's commitment as set out in the Parent Company's website may affect the financial statements and our audit.

We challenged the extent to which climate-related considerations, including the expected cash flows from the initiatives and commitments have been reflected, where appropriate, in management's judgements and estimates in relation to cashflow forecasts.

We also assessed the consistency of management's disclosures included as Other Information in the annual report with the financial statements and with our knowledge obtained from the audit.

Based on our risk assessment procedures, we did not identify there to be any Key Audit Matters materially impacted by climate-related risks and related commitments.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key audit matter</th><th></th><th>How the scope of our audit addressed the key audit matter</th></tr>
<tr><td>Carrying value of Sasa mining assets (Note 19)</td><td>The Group holds property, plant and equipment and intangibles related to the Sasa mine cash generating unit ("CGU"). Management are required to evaluate potential impairment indicators and where indicators are identified perform an impairment test.

Management identified potential impairment indicators and prepared a discounted cash flow valuation model based on the Life of the Mine, the details of which are disclosed in note 19.

Management concluded that no additional impairment or reversal of previously recorded impairments was required.

The appropriateness of judgments and estimates applied in the determination of the recoverable amount represented a significant focus area for our audit, including forecast commodity prices, refinery treatment costs, production and discount rates, together with forecast operating and capital costs given the ongoing transition from a sub level caving mining method to cut and fill mining. Given the estimation and judgment required to be applied by Management and the appropriateness of disclosures and sensitivities associated with alternative potential inputs into the model this represented a key audit matter</td><td>We evaluated management's impairment model against the Board approved life of mine plan and our understanding of the operations.

We critically challenged the key estimates and assumptions used by management, including commodity pricing, treatment charges, cost pricing, production, operational and capital expenditure and the discount rate.

Our specific procedures included the following:

‣ We compared the 2023 performance for key metrics against budget to assess the quality and accuracy of management's forecasting. Where significant variances were identified, we obtained an understanding of the causes, evaluated mitigating actions and assessed the extent to which the forecasts incorporated relevant risks of the factors recurring.
‣ We compared the forecast pricing assumptions to 2023 actuals and independently sourced broker consensus data and spot prices.
‣ We compared the forecasted treatment charges in the short term to agreements with the Group's refineries, evaluated the recent trends in treatment charges and considered management's longer term forecast reduction in treatment charges and sensitivity analysis.
‣ We compared the forecast production to the updated internal Competent Person's Reserves and Resources Statement, met with the Group's geologists to assess areas such as resource to reserve conversion against empirical data such as updated drilling results and previous conversion trends and reviewed the reconciliation of movements in ore reserves and resources against the previous Reserves and Resources Statement.
‣ In placing reliance on management's experts we performed procedures to evaluate their competence, objectivity and independence.
‣ We assessed the appropriateness of the forecasted operating costs and capital expenditure associated with the cut and fill mining method and future production. In doing so we compared forecast costs to recent actuals and performance against budget, compared assumptions to market data where possible and critically evaluated cost reductions.
‣ We used our internal valuation experts to evaluate the appropriateness of the discount rate used by management and considered market data on key inputs.</td></tr>
</table>

Independent Auditors' report *continued*

Key audit matter	How the scope of our audit addressed the key audit matter
Carrying value of Sasa mining assets (Note 19)	‣ We reviewed management's sensitivity analysis and performed our own sensitivity analysis over individual key inputs including pricing, treatment charges, production, expenditure and discount rate. ‣ We discussed management's conclusion that no additional impairment was required and no reversal of previous impairments was required with the Audit Committee, together with the key judgments and estimates. ‣ We evaluated the adequacy of the disclosures given in Note 19 regarding assumptions and sensitivities. **Key observations:** ‣ We found management's conclusion to be appropriate and that the Board's assessment appropriately considered the estimates and judgements in respect of its assessment of the carrying value of the Sasa mine. ‣ We found the disclosures in the consolidated financial statements to be appropriate.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2023 $m	2022 $m	**2023 $m**	2022 $m
Materiality	**3.3**	5.5	**2.1**	3.1
Basis for determining materiality	5% of profit before tax	5% of profit before tax excluding impairment	Materiality has been set at 3.4% of Parent Company profit before tax.	5% of Parent Company profit before tax
Rationale for the benchmark applied	Profit before tax was determined an appropriate basis as the Group is profit oriented and as such this is the financial metric of most interest to the users of the financial statements. Impairment charges were excluded to reflect the underlying trading of the Group in 2022. No such charges arose in 2023.		Profit before tax was determined an appropriate basis as the Parent Company is dividend paying and as such this is the financial metric of most interest to the users of the financial statements. In the current year the applied percentage was reduced to ensure that Parent Company materiality remained suitably below Group materiality.	
Performance materiality	**2.3**	**3.8**	**1.4**	2.2
Basis for determining performance materiality	Performance materiality was set at 70% of the above materiality level.		Performance materiality was set at 70% in line with group considerations.	
Rationale for the percentage applied for performance materiality	In line with the BDO UK audit methodology and manual, performance materiality was calculated at 70%, higher range of the overall materiality value.			

Component materiality

For the purposes of our Group audit opinion, we set materiality for each significant component of the Group, apart from the Parent Company whose materiality is set out above, based on a percentage of between 20% and 74% (2022: 20% and 80%) of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from $1m to $2.4m (2022: $1.1m to $3.6m). In the audit of each component, we further applied performance materiality levels of 70% (2022: 70%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of $66,000 (2022: $110,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and accounts other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: ‣ the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and ‣ the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: ‣ adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or ‣ the Parent Company financial statements are not in agreement with the accounting records and returns; or ‣ certain disclosures of Directors' remuneration specified by law are not made; or ‣ we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

We obtained an understanding of the legal and regulatory framework applicable to the Group. We considered the associated mining, environmental and taxation laws and regulations of North Macedonia and Kazakhstan to be the most relevant to the audit given the Geographical areas of focus of the Group.

We assessed compliance with these laws and regulations through:

- Discussion with the management and those charged with governance;
- Inquiries of local management regarding new taxation legislation issued or enacted during the year and compliance with relevant laws and regulations;
- We involved tax specialists from our local BDO network member firms in Kazakhstan and North Macedonia to evaluate the Group's compliance with relevant tax legislation considered of most significance to the Group's operations;
- We involved tax specialists from the UK to assess the overall UK tax position and group tax risks.
- Testing the financial statement disclosures to supporting documentation;
- Review of permits obtained in respect of the cut and fill project in North Macedonia.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud.

Our procedures included:

- In respect of the risk of fraud in revenue recognition our procedures included searches for manual general ledger revenue journal entries, cut-off procedures which included testing sales made close to year end, vouching these to appropriate supporting documents to verify the date on which revenue is to be contractually recognised, a review of credit notes raised post year end to determine whether these had any impact on revenue recognised for the current year and obtaining third party confirmations of revenue from the Group's offtakers;
- Obtaining an understanding of the Group's procurement procedures and testing a sample of expenditure to evaluate compliance with the tender policies.
- Engaging internal BDO specialists to support the fraud risk assessment process;
- In addressing the risk of management override of controls, performing targeted journal entry testing based on identified characteristics the audit team considered could be indicative of fraud, for example unusual journal entries to revenue, unusual account combinations as well as entries with certain narrative descriptions;
- Issuing fraud questionnaires to a sample of employees to understand the overall fraud risk environment as well as any incidents that had occurred during the year;
- Issuing fraud questionnaires to a sample of employees who are involved in the financial reporting process and those who are not, e.g. General Counsel;
- Critically assessing areas of the Financial Statements which include judgment and estimates, as set out in note 4 to the financial statements and in the key audit matters noted above;
- Testing consolidation entries to confirm their validity;
- Reviewing the group's whistleblowing hotline register;
- Performing enquiries of non-finance personnel regarding their knowledge of any alleged or actual fraud.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including component engagement teams who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. For component engagement teams, we also reviewed the result of their work performed in this regard.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ryan Ferguson
(Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

London, UK

24 March 2024

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

CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2023

	Note	Group 2023 $'000	Group 2022 $'000
Continuing operations			
Revenue	6	**195,280**	220,855
Presented as:			
Gross revenue[1]	6	**207,416**	232,206
Less:			
Silver stream purchases	6	**(8,181)**	(7,080)
Offtake buyers' fees	6	**(3,955)**	(4,271)
Revenue		**195,280**	220,855
Cost of sales	7	**(92,894)**	(87,271)
Distribution and selling costs	8	**(2,844)**	(2,166)
Gross profit		**99,542**	131,418
Administrative expenses	9	**(31,231)**	(27,092)
Impairment of non-current assets	18,19	**–**	(55,116)
Other income	10	**75**	86
Foreign exchange (loss)/gain		**(3,378)**	6,829
Operating profit		**65,008**	56,125
Finance income	14	**1,992**	515
Finance costs	15	**(1,852)**	(2,060)
Profit before income tax		**65,148**	54,580
Income tax	16	**(27,703)**	(20,588)
Profit for the year from continuing operations		**37,445**	33,992
Discontinued operations			
Loss for the year from discontinued operations	21	**(63)**	(187)
Profit for the year		**37,382**	33,805

	Note	Group 2023 $'000	Group 2022 $'000
Profit attributable to:			
Non-controlling interests	20	**68**	(6)
Owners of the parent		**37,314**	33,811
Profit for the year		**37,382**	33,805
Earnings/(loss) per share from continuing and discontinued operations attributable to owners of the parent during the year (expressed in cents per share)		**$ cents**	$ cents
Basic earnings/(loss) per share			
From continuing operations	17	**20.54**	19.10
From discontinued operations		**(0.03)**	(0.10)
From profit for the year		**20.51**	19.00
Diluted earnings/(loss) per share			
From continuing operations	17	**19.64**	18.39
From discontinued operations		**(0.03)**	(0.10)
From profit for the year		**19.61**	18.29

1. Gross revenue is a non-IFRS financial measure that 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.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2023

	Note	Group 2023 $'000	Group 2022 $'000
Profit for the year		**37,382**	33,805
Other comprehensive income/(expense):			
Items that may be subsequently reclassified to profit or loss:			
Currency translation differences	26	**12,925**	(29,311)
Other comprehensive income/(expense) for the year, net of tax		**12,925**	(29,311)
Total comprehensive income for the year		**50,307**	4,494
Attributable to:			
Non-controlling interests		**68**	(6)
Owners of the parent		**50,239**	4,500
Total comprehensive income for the year		**50,307**	4,494
Total comprehensive income/(expense) attributable to equity shareholders arises from:			
Continuing operations		**50,370**	4,681
Discontinued operations		**(63)**	(187)
		50,307	4,494

STATEMENTS OF FINANCIAL POSITION
as at 31 December 2023

Registered no. 5559627

	Note	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Assets					
Non-current assets					
Property, plant and equipment	18	**338,121**	322,197	**1,851**	184
Intangible assets	19	**25,425**	26,552	**–**	–
Deferred income tax asset	36	**512**	328	**–**	–
Investments	20	**–**	–	**5,107**	5,107
Other non-current receivables	22	**13,801**	11,478	**282,244**	268,750
		377,859	360,555	**289,202**	274,041
Current assets					
Inventories	23	**14,879**	13,149	**–**	–
Trade and other receivables	22	**12,224**	8,715	**11,515**	19,577
Restricted cash	24	**318**	264	**–**	–
Cash and cash equivalents	24	**56,832**	60,298	**45,326**	35,812
		84,253	82,426	**56,841**	55,389
Assets of disposal group classified as held for sale	21	**76**	64	**–**	–
		84,329	82,490	**56,841**	55,389
Total assets		**462,188**	443,045	**346,043**	329,430
Equity attributable to owners of the parent					
Ordinary shares	25	**1,821**	1,821	**1,821**	1,821
Share premium	25	**205,725**	205,437	**205,725**	205,437
Treasury shares	25	**(15,413)**	(15,831)	**(15,413)**	(15,831)
Currency translation reserve	26	**(121,167)**	(134,092)	**–**	–
Retained earnings		**310,345**	312,107	**117,365**	94,354
		381,311	369,442	**309,498**	285,781
Non-controlling interests	20	**(1,254)**	(1,322)	**–**	–
Total equity		**380,057**	368,120	**309,498**	285,781

	Note	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Liabilities					
Non-current liabilities					
Silver streaming commitment	29	**16,042**	17,085	**–**	–
Deferred income tax liability	36	**18,983**	17,286	**–**	–
Lease liability		**1,325**	10	**1,197**	–
Provisions for other liabilities and charges	31	**26,801**	20,744	**94**	–
		63,151	55,125	**1,291**	–
Current liabilities					
Borrowings	30	**326**	1,390	**–**	–
Silver streaming commitment	29	**1,002**	1,095	**–**	–
Trade and other payables	28	**17,327**	16,643	**35,116**	43,471
Lease liability		**176**	295	**138**	178
Provisions for other liabilities and charges	31	**55**	333	**–**	–
		18,886	19,756	**35,254**	43,649
Liabilities of disposal group classified as held for sale	21	**94**	44	**–**	–
		18,980	19,800	**35,254**	43,649
Total liabilities		**82,131**	74,925	**36,545**	43,649
Total equity and liabilities		**462,188**	443,045	**346,043**	329,430

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent company income statement or statement of comprehensive income. The profit for the parent company for the year was $62,087,000 (2022: $62,066,000).

The financial statements on pages 121 to 155 were authorised for issue by the Board of Directors on 24 March 2024 and were signed on its behalf by Gavin Ferrar.

Gavin Ferrar
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2023

Attributable to owners of the parent	Note	Ordinary shares $'000	Share premium $'000	Treasury shares $'000	Currency translation reserve $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance as at 1 January 2022		1,765	191,988	(2,360)	(104,781)	323,951	410,563	(1,316)	409,247
Profit/(loss) for the year		–	–	–	–	33,811	33,811	(6)	33,805
Other comprehensive expense – currency translation differences	26	–	–	–	(29,311)	–	(29,311)	–	(29,311)
Total comprehensive income/(expense)		–	–	–	(29,311)	33,811	4,500	(6)	4,494
Transactions with owners									
Shares issued	25	56	13,440	(13,496)	–	–	–	–	–
Share-based payments	27	–	–	–	–	3,818	3,818	–	3,818
Exercise of options	27	–	9	25	–	(1,263)	(1,229)	–	(1,229)
Dividends	34	–	–	–	–	(48,210)	(48,210)	–	(48,210)
Total transactions with owners, recognised directly in equity		56	13,449	(13,471)	–	(45,655)	(45,621)	–	(45,621)
Balance as at 31 December 2022		**1,821**	**205,437**	**(15,831)**	**(134,092)**	**312,107**	**369,442**	**(1,322)**	**368,120**
Profit for the year		**–**	**–**	**–**	**–**	**37,314**	**37,314**	**68**	**37,382**
Other comprehensive income – currency translation differences	26	**–**	**–**	**–**	**12,925**	**–**	**12,925**	**–**	**12,925**
Total comprehensive income		**–**	**–**	**–**	**12,925**	**37,314**	**50,239**	**68**	**50,307**
Transactions with owners									
Share-based payments	27	**–**	**–**	**–**	**–**	**4,540**	**4,540**	**–**	**4,540**
Exercise of options	27	**–**	**288**	**418**	**–**	**(2,091)**	**(1,385)**	**–**	**(1,385)**
Dividends	34	**–**	**–**	**–**	**–**	**(41,525)**	**(41,525)**	**–**	**(41,525)**
Total transactions with owners, recognised directly in equity		**–**	**288**	**418**	**–**	**(39,076)**	**(38,370)**	**–**	**(38,370)**
Balance as at 31 December 2023		**1,821**	**205,725**	**(15,413)**	**(121,167)**	**310,345**	**381,311**	**(1,254)**	**380,057**

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2023

Company	Note	Ordinary Shares $'000	Share premium $'000	Treasury shares $'000	Retained earnings $'000	Total equity $'000
Balance as at 1 January 2022		1,765	191,988	(2,360)	77,943	269,336
Profit for the year		–	–	–	62,066	62,066
Total comprehensive income		–	–	–	62,066	62,066
Transactions with owners						
Shares issued	25	56	13,440	(13,496)	–	–
Share-based payments	27	–	–	–	3,818	3,818
Exercise of options	27	–	9	25	(1,263)	(1,229)
Dividends	34	–	–	–	(48,210)	(48,210)
Total transactions with owners, recognised directly in equity		56	13,449	(13,471)	(45,655)	(45,621)
Balance as at 31 December 2022		**1,821**	**205,437**	**(15,831)**	**94,354**	**285,781**
Profit for the year		**–**	**–**	**–**	**62,087**	**62,087**
Total comprehensive income		**–**	**–**	**–**	**62,087**	**62,087**
Transactions with owners						
Share-based payments	27	**–**	**–**	**–**	**4,540**	**4,540**
Exercise of options	27	**–**	**288**	**418**	**(2,091)**	**(1,385)**
Dividends	34	**–**	**–**	**–**	**(41,525)**	**(41,525)**
Total transactions with owners, recognised directly in equity		**–**	**288**	**418**	**(39,076)**	**(38,370)**
Balance as at 31 December 2023		**1,821**	**205,725**	**(15,413)**	**117,365**	**309,498**

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2023

	Note	2023 $'000	2022 $'000
Cash flows from operating activities			
Cash generated from operations	32	**93,985**	122,565
Interest paid		**(94)**	(554)
Corporate income tax paid		**(27,481)**	(22,166)
Net cash flow generated from operating activities		**66,410**	99,845
Cash flows from investing activities			
Purchase of property, plant and equipment		**(27,807)**	(17,396)
Proceeds from sale of property, plant and equipment		**27**	7
Purchase of intangible assets		**(54)**	(68)
Interest received		**1,916**	515
(Increase)/decrease in restricted cash		**(50)**	3,252
Net cash used in investing activities		**(25,968)**	(13,690)
Cash flows from financing activities			
Repayment of overdraft	30	**(1,090)**	(7,531)
Repayment of borrowings	30	**–**	(23,820)
Dividends paid to owners of the parent	34	**(41,525)**	(48,210)
Cash settlement of share options		**(1,394)**	(1,939)
Receipt on exercise of share options	27	**7**	6
Net cash used in financing activities		**(44,002)**	(81,494)
Effect of foreign exchange gain/(loss) on cash and cash equivalents		**105**	(31)
Net (decrease)/increase in cash and cash equivalents		**(3,455)**	4,630
Cash and cash equivalents at the beginning of the year	24	**60,361**	55,731
Cash and cash equivalents at the end of the year	24	**56,906**	60,361

Cash and cash equivalents at 31 December 2023 includes cash at bank and on hand included in assets held for sale of $74,000 (31 December 2022: $63,000) (Note 21). The consolidated statement of cash flows does not include the restricted cash balance of $318,000 (2022: $264,000) (Note 24).

Corporate income tax paid includes $7,547,000 (2022: nil) of Kazakhstan withholding tax paid on intercompany dividend distributions.

The notes below are an integral part of the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

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 cathode 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 76% equity interest in Copper Bay Limited, which is currently held for sale. See Note 21 for details.

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.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation of the financial statements

The Group's consolidated financial statements have been prepared in accordance with international accounting standards as adopted in the United Kingdom and the Companies Act 2006. The consolidated financial statements have been prepared under the historical cost convention with the exception of assets held for sale that have been held at fair value. The accounting policies that follow set out those policies that apply in preparing the financial statements for the year ended 31 December 2023. The Group financial statements are presented in US dollars ($) and rounded to the nearest thousand.

The parent company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. The parent company financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council. As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, fair value measurements, capital management, presentation of a cash flow statement, new standards not yet effective, impairment of assets and related party transactions. Where relevant, equivalent disclosures have been given in the Group financial statements of CAML.

The preparation of the Group financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are explained in Note 4.

Going concern

The Group sells and distributes its Kounrad copper cathode product primarily through an annual rolling offtake arrangement with Traxys Europe S.A. ('Traxys') with a minimum of 95% of the SX-EW plant's forecasted output committed as sales. The Group sells Sasa's zinc and lead concentrate product through an annual rolling offtake arrangement with Traxys. The commitment is for 100% of the Sasa concentrate production.

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 31 December 2023.

The Board has reviewed forecasts for the period to December 2026 to assess the Group's liquidity, which demonstrates substantial headroom. The Board has considered additional sensitivity scenarios in terms of the Group's commodity price forecasts, expected production volumes, operating cost profile and capital expenditure. The Board has assessed the key risks that could impact the prospects of the Group over the going concern period including commodity price outlook, cost inflation and supply chain disruption 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 statements.

Please refer to Notes 6, 24 and 28 for information on the Group's revenues, cash balances and trade and other payables.

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 annual reporting period commencing 1 January 2023. The following have no impact on the current reporting period as they are either not relevant to the Group's activities or require accounting that is consistent with the Group's current accounting policies:

- IFRS 17 Insurance Contracts;
- Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors);
- International Tax Reform – Pillar Two Model Rules (Amendment to IAS 12 Income Taxes);
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes);

In May 2021, the IASB issued amendments to IAS 12, which clarify whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognised simultaneously (e.g. a lease in the scope of IFRS 16). The amendments introduce an additional criterion for the initial recognition exemption, whereby the exemption does not apply to the initial recognition of an asset or liability that at the time of the transaction, gives rise to equal taxable and deductible temporary differences.

2. Summary of significant accounting policies *continued*

An entity applying these amendments shall also, at the beginning of the earliest comparative period presented i.e. 1 January 2022:

a. recognise a deferred tax asset to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all deductible and taxable temporary differences associated with:
   i. right-of-use assets and lease liabilities; and
   ii. decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset; and

b. recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings at that date.

The application of this amendment for the first time in the current year resulted in an increase in Group deferred tax assets of $514,000, an increase in deferred tax liabilities of $2,075,000 and a net increase in the income tax expense of $1,561,000. There was no material impact on the comparative year consolidated financial statements. There was no significant impact on the Company financial statements.

New standards, interpretations, and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations that have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2024:

- Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases);
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 Presentation of Financial Statements);
- Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements); and
- Supplier Finance Arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures).

The following amendment is effective for the period beginning 1 January 2025:

- Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates).

These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Basis of consolidation

The Group financial statements consolidate the financial statements of CAML and the entities it controls drawn up to 31 December 2023.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised losses/gains on transactions between Group companies are eliminated with unrealised losses/gains eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and reported within other expenses.

Goodwill

The excess of the consideration transferred of a business combination, the amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase. Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated statement of comprehensive income.

Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the consolidated statement of comprehensive income on the acquisition date.

After initial recognition, goodwill is stated at cost less any accumulated impairment losses, with the carrying value being reviewed for impairment, at least annually and whenever events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill is allocated to the cash-generating unit (CGU) expected to benefit from the business combination in which the goodwill arose. See Note 19 for managements determination of CGUs. Where the recoverable amount is less than the carrying amount, including goodwill, an impairment loss is recognised in the income statement. The carrying amount of goodwill allocated to an entity is taken into account when determining the gain or loss on disposal of the unit.

2. Summary of significant accounting policies *continued*

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries that are not held by the Group and are presented separately within equity in the consolidated statement of financial position distinct from parent shareholder's equity. Non-controlling interests were held at year end by third parties in relation to Copper Bay Limited, Copper Bay (UK) Limited, Copper Bay Chile Limitada and Minera Playa Verde Limitada (see Note 20).

Where losses are incurred by a partially owned subsidiary, they are consolidated such that the non-controlling interests' share in the losses is apportioned in the same way as profits.

Where profits are then made in future periods, such profits are then allocated to the parent company until all unrecognised losses attributable to the non-controlling interests but absorbed by the parent are recovered, at which point, profits are allocated as normal.

Segment reporting

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 Group's segmental reporting reflects the operational focus of the Group. The Group has been organised into geographical and business units based on its principal business activities of mining production, having two reportable segments as follows:

- Kounrad (production of copper cathode) in Kazakhstan
- Sasa (production of lead, zinc and silver) in North Macedonia

Included within the unallocated segment are corporate costs for Central Asia Metals Plc and other companies within the Group that are not separately reported to the Board.

Foreign currency translation

The functional currency for each entity in the Group is determined as the currency of the primary economic environment in which it operates. The consolidated financial statements are presented in US dollars, which is the Group and Company presentation currency. The functional currency of the Company is US dollars.

Transactions in currencies other than the currency of the primary economic environment in which they operate are initially recorded at the rate ruling at the date of the transaction. Foreign currency monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

Exchange gains and losses arising on the retranslation of monetary financial assets are treated as a separate component of the change in fair value and recognised in profit or loss. Exchange gains and losses on non-monetary other comprehensive income ('OCI') financial assets form part of the overall gain or loss in OCI recognised in respect of that financial instrument.

On consolidation, the results of overseas operations are translated into US dollar at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rates are recognised in OCI and accumulated in the foreign exchange reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated statement of comprehensive income as part of the profit or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

The cost of the item also includes the cost of decommissioning any buildings or plant and equipment and making good the site, where a present obligation exists to undertake the rehabilitation work.

Development costs relating to specific mining properties are capitalised once management determines a property will be developed. A development decision is made based upon consideration of project economics, including future metal prices, reserves and resources, and estimated operating and capital costs. Capitalisation of costs incurred and proceeds received during the development phase ceases when the property is capable of operating at levels intended by management and is considered commercially viable.

Costs incurred during the production phase to increase future output by providing access to additional reserves, are deferred and depreciated on a units-of-production basis over the component of the reserves to which they relate. Ore reserves may be declared for an undeveloped mining project before its commercial viability has been fully determined.

Development costs incurred after the commencement of production are capitalised to the extent they are expected to give rise to a future economic benefit. Development costs are not depreciated until such time as the areas under development enter production.

2. Summary of significant accounting policies *continued*

Depreciation is provided on all property, plant and equipment on a straight-line basis over its total expected useful life. As at 31 December 2023, the remaining useful lives were as follows:

- Construction in progress – not depreciated
- Land – not depreciated
- Plant and equipment – over 5 to 15 years
- Mining assets – over 2 to 15 years
- Motor vehicles – over 2 to 10 years
- Office equipment – over 2 to 10 years
- Right-of-use assets – term of lease agreement

Mineral rights are depreciated on a Unit of Production basis ('UoP'), in proportion to the volume of ore mined in the year compared with total proven and probable reserves as well as measured, indicated and certain inferred resources that are considered to have a sufficiently high certainty of commercial extraction at the beginning of the year. Assets within operations for which production is not expected to fluctuate significantly from one year to another or which have a physical life shorter than the related mine are depreciated on a straight-line basis.

Construction in progress is not depreciated until transferred to other classes of property, plant and equipment.

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying values may not be recoverable and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and, where adjustments are required, these are made prospectively.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset is included in the income statement.

Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable and variable payments based on index or rate;
- amounts expected to be payable by the Group under residual value guarantees; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The Group leases offices and equipment. Rental contracts are typically made for fixed periods of six months to five years and have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Intangible assets

a) Exploration and evaluation expenditure

Capitalised costs include costs directly related to any Group exploration and evaluation activities in areas of interest for which there is a high degree of confidence in the feasibility of the project. Exploration and evaluation expenditure capitalised includes acquisition of rights to explore, topographical, geological, geochemical and geophysical studies, exploration drilling, trenching, sampling and activities in relation to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource.

Exploration and evaluation assets are measured at cost less amortisation and provision for impairment, where required.

b) Mining licences, permits and computer software

The historical cost model is applied, with intangible assets being carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with a finite life have no residual value and are amortised on a straight-line basis over their expected useful lives with charges included in either cost of sales or administrative expenses:

Computer software – over 2 to 5 years
Mining licences and permits – over the duration of the legal agreement

The carrying value of intangible assets is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

Impairment of non-financial assets

The Group carries out impairment testing on all assets when there exists an indication of an impairment. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell or its value in use.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the income statement.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

2. Summary of significant accounting policies *continued*

The best evidence of an asset's fair value is the value obtained from an active market or binding sale agreement. Where neither exists, fair value less costs to sell is based on the best available information to reflect the amount the Group could receive for the CGU in an arm's length sale. In some cases, this is estimated using a discounted cash flow analysis on a post-tax basis.

A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a reversal of the conditions that originally resulted in the impairment. This reversal is recognised in the income statement and is limited to the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised in prior years.

Goodwill is also reviewed annually, as well as whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Non-financial assets other than goodwill that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

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. Revenue is net of treatment charges, as the cost of smelting and refining is borne by the customer and the transaction price is agreed to be net of these charges. 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 Group 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 offtaker fees and silver purchases under the Silver Stream (Note 6). Offtaker fees and silver purchases are deducted from revenue as they represent a reduction in the amount of net revenue received by the company rather than a direct cost of sale being incurred.

Inventory

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method.

The cost of finished goods and work in progress comprises raw materials, direct labour and all other direct costs associated with mining the ore and processing it to a saleable product.

Net realisable value is the estimated selling price in the ordinary course of business, less any further costs expected to be incurred to completion. Provision is made, if necessary, for slow-moving, obsolete and defective inventory.

Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of comprehensive income.

2. Summary of significant accounting policies *continued*

Current and deferred income tax

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the reporting date in the countries where the Group's subsidiaries operate and generate taxable income.

Deferred income tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries and joint arrangements where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised. The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered). When there is uncertainty concerning the Group's filing position regarding the tax bases of assets or liabilities, the taxability of certain transactions or other tax-related assumptions, then the Group:

- considers whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution;
- determines if it is probable that the tax authorities will accept the uncertain tax treatment; and
- if it is not probable that the uncertain tax treatment will be accepted, measures the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty. This measurement is required to be based on the assumption that each of the tax authorities will examine amounts they have a right to examine and have full knowledge of all related information when making those examinations.

Deferred income tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable group company; or
- different group entities that intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Restricted cash

Restricted cash is cash with banks that is not available for immediate use by the Group. Restricted cash is shown separately from cash and cash equivalents on the statement of financial position.

Investments

Investments in subsidiaries are recorded at cost less provision for impairment.

Share capital

Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Treasury shares

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such Ordinary Shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

Share-based compensation

Where equity-settled share options are awarded to employees the fair value of the options at the date of grant is charged to the consolidated statement of comprehensive income over the vesting period. Additionally, the fair value of the options includes considerations of dividends employees are entitled to over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market-vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market-vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market-vesting condition or where a non-vesting condition is not satisfied. An option pricing model is used to measure the fair value of the options.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated statement of comprehensive income over the remaining vesting period.

The Company may in limited circumstances have no choice but to settle in cash. The cash payment is accounted for as the repurchase of an equity interest, i.e. as a deduction from equity.

2. Summary of significant accounting policies *continued*

Trade and other receivables

Trade and other receivables are accounted for under IFRS 9 using the expected credit loss model and are initially recognised at fair value and subsequently measured at amortised cost less any allowance for expected credit losses.

Impairment of financial assets

Impairment provisions for current and non-current trade receivables are recognised based on the 'simplified approach' within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables.

For trade receivables, that are reported net, such provisions are recorded in a separate provision account with the loss being recognised in profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from subsidiaries and loans to subsidiaries are recognised based on the 'general approach' within IFRS 9. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset with the assessment also taking into account the ability of the subsidiary to repay the receivable or loan in the event that it was called due. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve months of expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the loan whereas twelve-month expected credit losses are a portion of lifetime expected credit losses that represent the expected credit losses that result from default events that are possible within twelve months of the reporting date.

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate, and any resulting difference to the carrying value is recognised in the consolidated statement of comprehensive income (operating profit).

Trade and other payables

Trade and other payables are not interest bearing and are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Silver stream commitment

The silver stream arrangement has been accounted for as a commitment as the Group has obligations to deliver silver to a third party at a price below market value. On acquisition, following completion of the business combination, the silver stream commitment was identified as an unfavourable contract and recorded at fair value. Payments received under the arrangement prior to the acquisition by the Group were not considered to be a transaction with a customer. Management has determined that the agreement is not a derivative as it will be satisfied through the delivery of non-financial items (i.e. silver commodity from the Company's production), rather than cash or financial assets. Subsequent to initial recognition, the silver stream commitment is not revalued and is amortised on a UoP basis to cost of sales.

The fair value of consideration received for delivered silver under the agreement is recorded as revenue. In addition, silver produced in conjunction with the Group's lead and zinc production and sold under the offtake agreement is recorded in gross revenue with a corresponding deduction for silver purchased to deliver under the silver stream recorded in arriving at net revenue.

Leases

Lease liabilities are recognised in non-current and current liabilities. On inception, the lease liability is recognised as the present value of the expected future lease payments, calculated using a discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured if there is a change to the forecast lease payments. When the lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2. Summary of significant accounting policies *continued*

Derivative financial instruments

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

The different levels have been defined as follows:

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

For the derivative contracts held, the Group are recognising the financial instruments with level 2 data as the valuation is obtained using MTM market data using the forward curve of the commodity prices. However, there is no readily observable market information for these exact derivative instruments. The realised losses/gains are recognised in other gains and losses in the income statement.

Provisions

The Group has recognised provisions for liabilities of uncertain timing or amount including those for leasehold dilapidations, legal disputes and the following:

a) Asset retirement obligation

Provisions for environmental restoration of mining operations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the cash flows incorporate assessments of risk. The increase in the provision due to passage of time is recognised as an interest expense.

b) Employee benefits – pension

The Group, in the normal course of business, makes payments on behalf of its employees for pensions, healthcare, employment and personnel tax, which are calculated based on gross salaries and wages according to legislation. The cost of these payments is charged to the consolidated statement of comprehensive income in the same period as the related salary cost.

c) Employee benefits – retirement benefits and jubilee awards

Pursuant to the labour law prevailing in the North Macedonian subsidiaries, the Group is obliged to pay retirement benefits to employees for an amount equal to two average monthly salaries, at their retirement date. According to the collective labour agreement, the Group is also obliged to pay jubilee anniversary awards for each ten years of continuous service of the employee. Due to the long-term nature of these plans, such estimates are subject to uncertainty.

Retirement benefit obligations arising on severance pay are stated at the present value of expected future cash payments towards the qualifying employees. These benefits have been calculated by an independent actuary in accordance with the prevailing rules of actuarial mathematics and recognised as a liability with no pension plan assets (Note 31). Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit and loss over the employees' expected average remaining working lives.

3. Financial instruments – risk management

The Group's activities expose it to a variety of financial risks: market price risk (including foreign currency exchange risk, commodity price risk and interest rate risk), liquidity risk, capital risk and credit risk. These risks are mitigated wherever possible by the Group's financial management policies and practices described below. The Group's risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board. Group Treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units.

Foreign currency exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. The primary Group currency requirements are US dollar, British Pound, Kazakhstan tenge, Euro and North Macedonian denar.

The following table highlights the major currencies the Group operates in and the movements against the US dollar during the course of the year:

	Average rate			Reporting date spot rate		
	2023	2022	Movement	**2023**	2022	Movement
Kazakhstan tenge	**456.18**	460.15	-1%	**454.56**	462.65	-2%
Macedonian denar	**56.85**	58.36	-3%	**55.65**	57.65	-3%
British pound	**0.81**	0.80	+1%	**0.79**	0.83	-5%

Foreign exchange risk does not arise from financial instruments that are non-monetary items or financial instruments denominated in the functional currency. Kazakhstan tenge and North Macedonian denar denominated monetary items are therefore not reported in the tables below, as the functional currency of the Group's Kazakhstan-based and North Macedonian-based subsidiaries is the tenge and denar respectively.

3. Financial instruments – risk management *continued*

The Group's exposure to foreign currency risk based on US dollar equivalent carrying amounts at the reported date:

	Group		
	2023		
In $'000 equivalent	USD	EUR	GBP
Cash and cash equivalents	**3,942**	**226**	**505**
Trade and other receivables	**109**	**–**	**10**
Trade and other payables	**–**	**(268)**	**(3,516)**
Net exposure	**4,051**	**(42)**	**(3,001)**

	Group		
	2022		
In $'000 equivalent	USD	EUR	GBP
Cash and cash equivalents	20,055	556	886
Trade and other receivables	–	2	167
Trade and other payables	(20)	(333)	(3,268)
Net exposure	20,035	225	(2,215)

Trade and other receivables excludes prepayments and tax receivable, and trade and other payables excludes corporation tax, social security and other taxes as they are not considered financial instruments.

At 31 December 2023, if the foreign currencies had weakened/strengthened by 10% against the US dollar, post-tax Group profit for the year would have been $101,000 lower/higher (2022: $1,804,000 lower/higher).

Commodity price risk

The Group has a hedging policy in place to manage commodity price risk; however, the Directors elected not to hedge during the year and the prior year.

The offtake agreement at Kounrad and Sasa provides for the option of 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. This could result in fluctuations of revenue recognised ultimately. The Group may mitigate commodity price risk by fixing the price in advance for its copper cathode sales with the offtake partner; however, this option was not utilised during the year and the prior year.

The following table details the Group's sensitivity to a 10% increase and decrease in the copper, zinc and lead price against the invoiced price. 10% is the sensitivity used when reporting commodity price internally to management and represents management's assessment of the possible change in price. A positive number below indicates an increase in profit for the year and other equity where the price increases.

	Estimated effect on earnings and equity	
	2023 $'000	2022 $'000
10% increase in copper, zinc and lead price	**21,437**	23,931
10% decrease in copper, zinc and lead price	**(21,437)**	(23,931)

Liquidity risk

Liquidity risk relates to the ability of the Group to meet future obligations and financial liabilities as and when they fall due. The Group currently has sufficient cash resources and a material income stream from the Kounrad and Sasa projects.

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities.

	Group	
Future expected payments:	**31 Dec 23 $'000**	31 Dec 22 $'000
Trade and other payables within one year	**13,101**	12,751
Borrowings payable within one year (Note 30)	**326**	1,390
Lease liability payable within one year	**248**	295
Lease liability payable later than one year but not later than five years	**1,487**	10
	15,162	14,446

Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal structure to reduce the cost of capital.

The Group manages its capital in order to provide sufficient funds for the Group's activities. Future capital requirements are regularly assessed and Board decisions taken as to the most appropriate source for obtaining the required funds, be it through internal revenue streams, external fund raising, issuing new shares or selling assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

3. Financial instruments – risk management *continued*

Consistent with others in the industry, the Group monitors capital on the basis of the following gearing ratio:

Net cash

	Note	2023 $'000	2022 $'000
Cash and cash equivalents excluding restricted cash	24	**56,832**	60,298
Bank overdraft	30	**(326)**	(1,390)
Net cash		**56,506**	58,908
Total equity		**380,057**	368,120
Net cash to equity ratio		**15%**	16%

Changes in liabilities arising from financing activities

The total borrowings as at 1 January 2023 were $1,390,000 (1 January 2022: $32,978,000). During the year, there were repayments on unsecured overdrafts of $1,090,000 (2022: $7,531,000). The corporate debt package was repaid in August 2022 (2022: $23,820,000). Other changes amounted to an increase of $26,000 (2022: reduction of $237,000) leading to a closing debt balance of $326,000 (2022: $1,390,000). See note 30 for more details.

The cash and cash equivalents including cash at bank and on hand in assets held for sale brought forward were $60,361,000 (2022: $55,731,000) with a net $3,455,000 outflow (2022: $4,630,000 inflow) during the year and, therefore, a closing balance of $56,906,000 (2022: $60,361,000).

Credit risk

Credit risk refers to the risk that the Group's financial assets will be impaired by the default of a third party. The Group is exposed to credit risk primarily on its cash and cash equivalents as set out in note 24 and on its trade and other receivables as set out in note 22. The Group sells a minimum of 95% of Kounrad's copper cathode production to the offtake partner, which pays on the day of dispatch and, during the year, 100% of Sasa's zinc and lead concentrate was sold to Traxys which assumes the credit risk.

For banks and financial institutions, only parties with a minimum rating of BBB- are accepted. 92% of the Group's cash and cash equivalents including restricted cash at the year end were held by banks with a minimum credit rating of A- (2022: 91%). The rest of the Group's cash was held with a mix of institutions with credit ratings between A and BBB+ (2022: A and BB-). The Directors have considered the credit exposures and do not consider that they pose a material risk at the present time. The credit risk for cash and cash equivalents is managed by ensuring that all surplus funds are deposited only with financial institutions with high quality credit ratings.

The expected credit loss for intercompany loans receivable is considered immaterial (note 22).

Interest rate risk

The Group's North Macedonian bank overdrafts denominated in Euros are payable at fixed interest rates ranging from 3.24% to 5.3%. The amount of interest paid during the year amounted to $46,000. There is some interest rate risk exposure linked to US dollar interest-earning bank balances with variable rates. At 31 December 2023, if interest rates on variable interest earning US dollar bank balances had been 150 basis points higher/lower, profit after tax for the year would have been $577,000 higher/lower. The Directors consider that 150 basis points is the maximum likely change in interest rates over the next year, being the period up to the next point at which the Group expects to make these disclosures.

Categories of financial instruments

Financial assets

	Group	
Cash and receivables	31 Dec 23 $'000	31 Dec 22 $'000
Cash and cash equivalents including restricted cash (Note 24)	**57,150**	60,562
Trade and other receivables	**1,899**	3,083
	59,049	63,645

Trade and other receivables excludes prepayments and tax receivable as they are not considered financial instruments. All trade and other receivables are receivable within one year for both reporting years.

Financial liabilities

	Group	
Measured at amortised cost	31 Dec 23 $'000	31 Dec 22 $'000
Trade and other payables within one year	**13,101**	12,751
Borrowings payable within one year (Note 30)	**326**	1,390
Lease liability within one year	**176**	295
Lease liability payable later than one year but not later than five years	**1,325**	10
	14,928	14,446

Trade and other payables excludes the silver streaming commitment, corporation tax, social security and other taxes as they are not considered financial instruments.

4. Critical accounting estimates and judgements

The preparation of the consolidated financial statements 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 expenses. Actual results may differ from these judgements and estimates. The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

Significant accounting estimates and judgements

The following are significant accounting estimates and judgements that have a significant risk of a material change to the carrying value of assets and liabilities within the next financial year:

Impairment and impairment reversals of non-current assets

The carrying value of the goodwill generated by accounting for the business combination of the Group acquiring an additional 40% in the Kounrad project in May 2014 (the 'Kounrad Transaction') and the CMK Resources Limited acquisition in November 2017 requires an annual impairment review. The carrying values of property, plant and equipment are reviewed for impairment or impairment reversal if updated events or changes in circumstances indicate the carrying value has significantly changed. This review determines whether the value of the goodwill and property, plant and equipment can be justified by reference to the carrying value of the business assets and the future discounted cash flows of the respective CGUs. The key assumptions used in the Group's impairment assessments and sensitivity analysis are disclosed in Note 19.

Assets (other than goodwill) that have been previously impaired must be assessed for indicators of both impairment and impairment reversal. Such assets are generally carried on the balance sheet at a value close to their recoverable amount at the last assessment. Therefore, in principle any change to operational plans or assumptions or economic parameters could result in further impairment or impairment reversal if an indicator is identified.

Estimates are required periodically to assess assets for impairment. The critical accounting estimates are future commodity prices, treatment charges, future ore production, discount rates and projected future costs of development and production. Ore reserves and resources included in the forecasts include certain resources considered to be sufficiently certain and economically viable. The Group's resources statements include additional resources that are not included in the life of mine plan or impairment test.

Decommissioning and site rehabilitation estimates

Provision is made for the costs of decommissioning and site rehabilitation costs ('asset retirement obligation') when the related environmental disturbance takes place. External expert consultants conducted an independent assessment, and judgement is used in determining the expected timing, closure and decommissioning methods, which can vary in response to changes in the relevant legal requirements or decommissioning technologies. The estimated Sasa decommissioning costs included a reassessment of the lining of the tailing's facilities.

Judgement is applied in determining appropriate contingency rates to cost estimates. Asset retirement obligations have been updated using latest assumptions on inflation rates and discount rates and to update the estimated costs at Sasa for the lining of the tailings facilities following discussions with the Regulators.

The discounted provision recognised represents management's best estimate of the costs that will be incurred, and many of these costs will not crystallise until the end of the life of the mine. Estimates are reviewed annually and are based on current contractual and regulatory requirements and the estimated useful life of mines. Engineering and feasibility studies are undertaken periodically and, in the interim, management make assessments for appropriate changes based on the environmental management strategy; however, significant changes in the estimates of contamination, restoration standards, timing of expenditure and techniques will result in changes to provisions from period to period.

The Group has performed a sensitivity analysis of reasonable possible changes in the significant assumptions taking into account historical experience; however, the estimates may vary by greater amounts. A 2% change in the discount rate would result in an impact of $5,234,000 on the provision for asset retirement obligation. A 2% change in the inflation rate would result in an impact of $7,046,000 on the provision for asset retirement obligation. A 20% change in cost would result in an impact of $2,647,000 on the provision for asset retirement obligation.

Mineral reserves and resources

The major value associated with the Group is the value of its mineral reserves and resources. The value of the reserves and resources has an impact on the Group's accounting estimates in relation to depreciation and amortisation, impairment of assets and the assessment of going concern. These resources are the Group's best estimate of product that can be economically and legally extracted from the relevant mining property.

The Group's estimates are supported by geological studies and drilling samples to determine the quantity and grade of each deposit. The Group estimates its mineral reserves and resources based on information compiled by Competent Persons as defined in accordance with the Joint Ore Reserves Committee (JORC) code. The Kounrad resources were classified as JORC Compliant in 2013 and mineral resources were estimated in June 2017, and the Sasa JORC ore reserves and mineral resources were estimated on 31 December 2023.

The estimation of mineral reserves and resources requires judgement to interpret available geological data to select an appropriate mining method. Estimation requires assumptions about future commodity prices, exchange rates, production costs, closure costs and discount rates. Ore resource estimates may vary from period to period. This judgement has a significant impact on impairment consideration and the period over which capitalised assets are depreciated within the financial statements.

4. Critical accounting estimates and judgements *continued*

Tax

Management makes judgements in relation to the recognition of various taxes payable and receivable by the Group and VAT recoverability for which the recoverability and timing of recovery is assessed. The Group operates in jurisdictions which necessarily require judgements to be applied when assessing the applicable tax treatment for transactions, and the Group obtains professional advice where appropriate to ensure compliance with applicable legislation. To the extent that a final tax outcome is different from the amounts recorded, such differences will impact income tax in the period in which such determination is made.

5. Segmental information

The segmental results for the year ended 31 December 2023 are as follows:

	Kounrad $'000	Sasa $'000	Unallocated $'000	Total $'000
Gross revenue	116,323	91,093	–	**207,416**
Silver stream purchases	–	(8,181)	–	**(8,181)**
Offtake buyers' fees	(3,005)	(950)	–	**(3,955)**
Revenue	113,318	81,962	–	**195,280**
EBITDA	**82,308**	**35,663**	**(21,468)**	**96,503**
Depreciation and amortisation	(4,168)	(23,672)	(352)	**(28,192)**
Foreign exchange loss	(2,819)	(453)	(106)	**(3,378)**
Other income (Note 10)	75	–	–	**75**
Finance income (Note 14)	14	–	1,978	**1,992**
Finance costs (Note 15)	(430)	(1,372)	(50)	**(1,852)**
Profit/(loss) before income tax	**74,980**	**10,166**	**(19,998)**	**65,148**
Income tax	(24,866)	(2,837)	–	**(27,703)**
Profit for the year after tax from continuing operations	**50,024**	**7,329**	**(19,998)**	**37,445**
Loss from discontinued operations				**(63)**
Profit for the year				**37,382**

Depreciation and amortisation include $15,057,000 on the fair value uplift on the acquisition of Sasa and Kounrad.

The segmental results for the year ended 31 December 2022 are as follows:

	Kounrad $'000	Sasa $'000	Unallocated $'000	Total $'000
Gross revenue	123,657	108,549	–	232,206
Silver stream purchases	–	(7,080)	–	(7,080)
Offtake buyers' fees	(3,090)	(1,181)	–	(4,271)
Revenue	120,567	100,288	–	220,855
EBITDA	94,920	56,397	(19,706)	131,611
Depreciation and amortisation	(3,705)	(23,330)	(250)	(27,285)
Foreign exchange gain	3,287	3,318	224	6,829
Impairment of non-current assets (Note 18,19)	–	(55,116)	–	(55,116)
Other income (Note 10)	50	36	–	86
Finance income (Note 14)	29	–	486	515
Finance costs (Note 15)	(214)	(1,040)	(806)	(2,060)
Profit/(loss) before income tax	94,367	(19,735)	(20,052)	54,580
Income tax	(19,573)	(1,015)	–	(20,588)
Profit for the year after tax from continuing operations	74,794	(20,750)	(20,052)	33,992
Loss from discontinued operations				(187)
Profit for the year				33,805

Depreciation and amortisation include $15,419,000 on the fair value uplift on the acquisition of Sasa and Kounrad.

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

Notes to the Financial Statements *continued*
for the year ended 31 December 2023

5. Segmental information *continued*
Group segmental assets and liabilities for the year ended 31 December 2023 are as follows:

	Segmental assets		Additions to non-current assets		Segmental liabilities	
	31 Dec 23 $'000	31 Dec 22 $'000	**31 Dec 23 $'000**	31 Dec 22 $'000	**31 Dec 23 $'000**	31 Dec 22 $'000
Kounrad	**72,097**	82,258	**4,389**	2,525	**(17,570)**	(13,928)
Sasa	**342,197**	324,197	**22,066**	14,920	**(56,054)**	(54,718)
Assets held for sale (Note 21)	**76**	64	**–**	–	**(94)**	(44)
Unallocated including corporate	**47,818**	36,526	**2,092**	19	**(8,413)**	(6,235)
	462,188	443,045	**28,547**	17,464	**(82,131)**	(74,925)

6. Revenue

Group	**2023 $'000**	2022 $'000
International customers (Europe) – copper cathode	**116,086**	122,371
International customers (Europe) – zinc and lead concentrate	**88,844**	106,578
Domestic customers (Kazakhstan) – copper cathode	**237**	1,286
International customers (Europe) – silver	**2,249**	1,971
Total gross revenue	**207,416**	232,206
Less:		
Silver stream purchases	**(8,181)**	(7,080)
Offtake buyers' fees	**(3,955)**	(4,271)
Revenue	**195,280**	220,855

Kounrad
The Group sells and distributes its copper cathode product primarily through an offtake arrangement with Traxys. The offtake arrangements are for a minimum of 95% of the SX-EW plant's output. Revenue is recognised at the Kounrad mine gate when the goods have been delivered in accordance with the contractual delivery terms.

The offtake agreement provides for the option of 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. The Group may mitigate commodity price risk by fixing the price in advance for its copper cathode sales with the offtake partner.

The costs of delivery to the end customers have been effectively borne by the Group through means of an annually agreed buyer's fee, which is deducted from the selling price.

During 2023, the Group sold 13,658 tonnes (2022: 14,192 tonnes) of copper through the offtake arrangements. Some of the copper cathodes are also sold locally, and during 2023, 29 tonnes (2022: 150 tonnes) were sold to local customers.

Sasa
The Group sells Sasa's zinc and lead concentrate product to smelters through an offtake arrangement with Traxys. The commitment is for 100% of the Sasa concentrate production. The agreements with the smelters 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, two months or three months following delivery to the buyer and subject to final adjustment for assaying results.

The Group sold 17,113 tonnes (2022: 17,862 tonnes) of payable zinc in concentrate and 26,298 tonnes (2022: 26,320 tonnes) of payable lead in concentrate.

The revenue arising from silver relates to a contract with Osisko Gold Royalties where the Group has agreed to sell all of its silver at approximately $6 per ounce for the life of the mine, significantly below market value and arising from the silver stream commitment inherited on acquisition (Note 29).

7. Cost of sales

Group	**2023 $'000**	2022 $'000
Reagents, electricity and materials	**26,622**	27,989
Depreciation and amortisation	**27,443**	26,709
Silver stream commitment (Note 29)	**(1,136)**	(1,269)
Royalties	**12,692**	10,117
Employee benefit expense	**20,674**	17,951
Consulting and other services	**6,085**	5,404
Taxes and duties	**514**	370
	92,894	87,271

8. Distribution and selling costs

Group	2023 $'000	2022 $'000
Freight costs	**2,169**	1,934
Transportation costs	**28**	24
Depreciation and amortisation	**5**	5
Materials and other expenses	**642**	203
	2,844	2,166

The above distribution and selling costs are those incurred at Kounrad and Sasa in addition to the costs associated with the offtake arrangements.

9. Administrative expenses

Group	2023 $'000	2022 $'000
Employee benefit expense	**12,139**	11,382
Share-based payments (Note 27)	**4,540**	4,494
Consulting and other services	**10,730**	8,090
Auditor's remuneration (Note 11)	**574**	486
Office-related and travel costs	**2,089**	1,652
Taxes and duties	**415**	417
Depreciation and amortisation	**744**	571
Total from continuing operations	**31,231**	27,092
Total from discontinued operations (Note 21)	**382**	179
	31,613	27,271

10. Other income

Group	2023 $'000	2022 $'000
Other income	**75**	86
	75	86

11. Auditors' remuneration

During the year, the Group obtained the following services from the Company's auditor and its associates:

	2023 $'000	2022 $'000
Fees payable to BDO LLP the Company's auditor for the audit of the parent company and consolidated financial statements	**297**	243
Fees payable to BDO LLP the Company's auditor and its associates for other services:		
▸ The audit of Company's subsidiaries	**208**	183
Fees payable to BDO LLP the Company's auditor and its associates for other services:		
▸ Other assurance services	**69**	60
	574	486

12. Employee benefit expense

The aggregate remuneration of staff, including Directors, was as follows:

Group	2023 $'000	2022 $'000
Wages and salaries	**24,689**	22,374
Social security costs and similar taxes	**2,846**	2,859
Staff healthcare and other benefits	**3,668**	3,187
Other pension costs	**4,158**	2,929
Share-based payment expense (Note 27)	**4,540**	4,494
Total for continuing operations	**39,901**	35,843
Total for discontinuing operations (Note 21)	**75**	74
	39,976	35,917

The total employee benefit expense includes an amount of $2,548,000 (2022: $2,016,000), which has been capitalised within property, plant and equipment.

12. Employee benefit expense *continued*

Company	2023 $'000	2022 $'000
Wages and salaries	**6,961**	6,779
Social security costs	**1,016**	1,328
Staff healthcare and other benefits	**584**	584
Other pension costs	**145**	108
Share-based payments (Note 27)	**4,540**	4,494
	13,246	13,293

Key management remuneration is disclosed in the Remuneration Committee Report.

13. Monthly average number of people employed

Group	2023 Number	2022 Number
Operational	**962**	937
Management and administrative	**180**	155
	1,142	1,092

The monthly average number of staff employed by the Company during the year was 20 (2022: 19).

14. Finance income

Group	2023 $'000	2022 $'000
Bank interest received	**1,992**	515
	1,992	515

15. Finance costs

Group	2023 $'000	2022 $'000
Provisions: unwinding of discount (Note 31)	**1,707**	1,088
Interest on borrowings (Note 30)	**46**	910
Lease interest expense and bank charges	**99**	62
Total for continuing operations	**1,852**	2,060

16. Income tax

Group	2023 $'000	2022 $'000
Current tax on profits for the year	**19,150**	25,142
Withholding tax on intercompany dividend distributions	**7,547**	–
Deferred tax debit/(credit) (Note 36)	**1,006**	(4,554)
Income tax expense	**27,703**	20,588

Taxation for each jurisdiction is calculated at the rates prevailing in the respective jurisdictions. The payment of 10% withholding tax on intercompany dividends from Kazakhstan was introduced from 1 January 2023.

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities is as follows:

Group	2023 $'000	2022 $'000
Profit before income tax	**65,148**	54,580
Tax calculated at domestic tax rates applicable to profits in the respective countries	**12,202**	10,117
Tax effects of:		
Expenses not deductible for tax purposes	**5,112**	12,546
Withholding tax on intercompany dividend distributions	**7,547**	–
Deferred income tax debit/(credit) (Note 36)	**1,006**	(4,554)
Movement on unrecognised deferred tax – tax losses	**1,836**	2,479
Income tax expense	**27,703**	20,588

Corporate income tax is calculated at 23.5% (2022: 19%) of the assessable profit for the year for the UK parent company, 20% for the operating subsidiaries in Kazakhstan (2022: 20%) and 10% (2022: 10%) for the operating subsidiaries in North Macedonia.

Expenses not deductible for tax purposes includes share-based payment charges, transfer pricing adjustments in accordance with local tax legislation, impairment and depreciation and amortisation charges.

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

17. Earnings/(loss) 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 year excluding Ordinary Shares purchased by the Company and held as treasury shares (Note 25).

	2023 $'000	2022 $'000
Profit from continuing operations attributable to owners of the parent	37,377	33,998
Loss from discontinued operations attributable to owners of the parent	(63)	(187)
Profit attributable to owners of the parent	**37,314**	33,811

	2023 No.	2022 No.
Weighted average number of Ordinary Shares in issue	181,904,941	177,955,800

	2023 $ cents	2022 $ cents
Earnings/(loss) per share from continuing and discontinued operations attributable to owners of the parent during the year (expressed in $ cents per share)		
From continuing operations	20.54	19.10
From discontinued operations	(0.03)	(0.10)
From profit for the year	**20.51**	19.00

(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.

	2023 No.	2022 No.
Weighted average number of Ordinary Shares in issue	181,904,941	177,955,800
Adjusted for:		
‣ Share options	8,399,686	6,914,311
Weighted average number of Ordinary Shares for diluted earnings per share	190,304,627	184,870,111

Diluted earnings/(loss) per share	2023 $ cents	2022 $ cents
From continuing operations	19.64	18.39
From discontinued operations	(0.03)	(0.10)
From profit for the year	**19.61**	18.29

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18. Property, plant and equipment

Group	Construction in progress $'000	Plant and equipment $'000	Mining assets $'000	Motor vehicles, office equipment and right-of-use assets $'000	Land $'000	Mineral rights $'000	Total $'000
Cost							
At 1 January 2022	8,643	160,412	1,259	2,884	626	345,770	519,594
Additions	17,054	143	–	199	–	–	17,396
Disposals	–	(244)	–	(43)	–	–	(287)
Change in estimate – asset retirement obligation (Note 31)	–	1,153	–	–	–	–	1,153
Transfers	(9,282)	9,282	–	–	–	–	–
Exchange differences	(410)	(6,153)	(84)	(96)	(36)	(15,809)	(22,588)
At 31 December 2022	**16,005**	**164,593**	**1,175**	**2,944**	**590**	**329,961**	**515,268**
Additions	26,235	82	–	2,176	–	–	28,493
Disposals	–	(412)	–	(1,398)	–	–	(1,810)
Change in estimate – asset retirement obligation (Note 31)	–	3,687	–	–	–	–	3,687
Transfers	(29,713)	29,080	–	633	–	–	–
Exchange differences	511	3,040	22	38	22	7,329	10,962
At 31 December 2023	**13,038**	**200,070**	**1,197**	**4,393**	**612**	**337,290**	**556,600**

Group	Construction in progress $'000	Plant and equipment $'000	Mining assets $'000	Motor vehicles and right-of-use assets $'000	Land $'000	Mineral rights $'000	Total $'000
Accumulated depreciation and impairment							
At 1 January 2022	–	61,782	503	1,882	–	70,538	134,705
Provided during the year	–	11,659	111	381	–	13,581	25,732
Impairment (Note 19)		–	–	–	–	34,195	34,195
Disposals	–	(144)	–	(42)	–	–	(186)
Exchange differences	–	(1,281)	(34)	(60)	–	–	(1,375)
At 31 December 2022	**–**	**72,016**	**580**	**2,161**	**–**	**118,314**	**193,071**
Provided during the year	–	12,576	90	641	–	13,298	26,605
Transfers	–	(277)	–	277	–	–	–
Disposals	–	(204)	–	(1,375)	–	–	(1,579)
Exchange differences	–	354	11	17	–	–	382
At 31 December 2023	**–**	**84,465**	**681**	**1,721**	**–**	**131,612**	**218,479**
Net book value at 31 December 2022	16,005	92,577	595	783	590	211,647	322,197
Net book value at 31 December 2023	**13,038**	**115,605**	**516**	**2,672**	**612**	**205,678**	**338,121**

18. Property, plant and equipment *continued*

The Company had $1,851,000 of property, plant and equipment at net book value as at 31 December 2023 (2022: $184,000).

The increase in estimate in the asset retirement obligation of $3,687,000, in relation to both Kounrad and Sasa, is due to a combination of adjusting the provision recognised at the net present value of future expected costs using latest assumptions on inflation rates and discount rates as well as updating the provision for management's best estimate of the costs that will be incurred based on current contractual and regulatory requirements (Note 31).

During the year, there were total disposals of plant, property and equipment at a cost of $1,810,000 (2022: $287,000) with accumulated depreciation of $1,579,000 (2022: $186,000). The Group received $27,000 (2022: $7,000) consideration for these assets and, therefore, a loss of $204,000 was recognised (2022: loss of $94,000).

Amounts recognised in the income statement

The income statement shows the following amounts relating to leases – depreciation charge right-of-use assets:

Depreciation charge of right-of-use assets	**2023 $'000**	2022 $'000
Office	**366**	48
Other	**30**	123
Total depreciation	**396**	171
Interest expense included in finance costs	**50**	18

19. Intangible assets

Group	Goodwill $'000	Mining licences and permits $'000	Computer software and website $'000	Total $'000
Cost				
At 1 January 2022	29,872	35,024	324	65,220
Additions	–	–	68	68
Exchange differences	(1,536)	(1,654)	(3)	(3,193)
At 31 December 2022	**28,336**	**33,370**	**389**	**62,095**
Additions	–	–	54	54
Exchange differences	132	571	3	706
At 31 December 2023	**28,468**	**33,941**	**446**	**62,855**
Accumulated amortisation and impairment				
At 1 January 2022	–	12,850	280	13,130
Provided during the year	–	1,689	23	1,712
Impairment	20,921	–	–	20,921
Exchange differences	–	(219)	(1)	(220)
At 31 December 2022	**20,921**	**14,320**	**302**	**35,543**
Provided during the year	–	1,778	47	1,825
Exchange differences	–	62	–	62
At 31 December 2023	**20,921**	**16,160**	**349**	**37,430**
Net book value at 31 December 2022	7,415	19,050	87	26,552
Net book value at 31 December 2023	**7,547**	**17,781**	**97**	**25,425**

The Company had nil intangible assets at net book value as at 31 December 2023 (2022: nil).

19. Intangible assets *continued*

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. The recoverable amounts of the goodwill and property, plant and equipment were measured based on net present value. The net present value of all CGUs is determined by discounted cash flow techniques based on the most recent approved financial budgets, underpinned and supported by the life-of-asset plans of the respective operations.

The valuation models use a combination of internal sources and those inputs available to a market participant, which comprise the most recent reserve and resource estimates, relevant cost assumptions and, where possible, market forecasts of commodity price and foreign exchange rate assumptions and discount rates.

The valuations generally remain most sensitive to price and a deterioration/improvement in the pricing outlook may result in additional impairments/reversals. When undertaken, an impairment review is completed for each CGU.

Kounrad project

The Kounrad project, located in Kazakhstan, has an associated goodwill balance of $7,547,000 (2022: $7,415,000), the movement being solely due to foreign exchange differences.

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. The discount rate applied to calculate the present value is based upon the nominal weighted average cost of capital applicable to the CGU. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The recoverable amount of the CGU is assessed by reference to the higher of value in use ('VIU'), being the net present value ('NPV') of future cash flows expected to be generated by the asset, and fair value less costs to dispose ('FVLCD'). The FVLCD is considered to be higher than VIU and has been derived using discounted cash flow techniques (NPV of expected future cash flows of a CGU), which incorporate market participant assumptions.

The discount rate reflects equity risk premiums over the risk-free rate, the impact of the remaining economic life of the CGU and the risks associated with the relevant cash flows based on the country in which the CGU is located. These risk adjustments are based on observed equity risk premiums, country risk premiums and average credit default swap spreads for the period.

The Kounrad cash flows have been projected until 2034, the remaining life of operation, and the key economic assumptions used in the review were a five-year forecast average nominal copper price of $8,696 per tonne (2022: $7,777 per tonne) and a long-term price of $8,444 per tonne (2022: $7,436 per tonne) based on market consensus prices and a discount rate of 8.07% (2022: 8.07%) as well as market inflation rates. Assumptions in relation to operational and capital expenditure are based on the latest budget approved by the Board. The climate change impacts are also considered including potential impact of regulatory changes and physical risks to assets such as consideration of the impact on the Group asset retirement obligations.

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 associated goodwill balance of the Sasa project was impaired by $20,921,000 to nil during the prior year. The business combination in 2017 was accounted for at fair value under IFRS 3, and recoverable value is sensitive to changes in commodity prices, operational performance, treatment charges, future cash costs of production and capital expenditures. 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.

The assessment compared the recoverable amount of the Sasa Cash CGU with cash flows projected until 2040, over the remaining life of mine and post closure costs with its carrying value for the year ended 31 December 2023. The recoverable amount of the CGU is assessed by reference to the higher of VIU, being the NPV of future cash flows expected to be generated by the asset, and FVLCD. The FVLCD has been derived using discounted cash flow techniques (NPV of expected future cash flows of a CGU), which incorporate market participant assumptions. Cost to dispose is based on management's best estimates of future selling costs at the time of calculating FVLCD. Costs attributable to the disposal of the CGU are not considered significant. The methodology used for the fair value is a level 3 valuation.

19. Intangible assets *continued*

The expected future cash flows utilised in the FVLCD model are derived from estimates of projected future revenues based on broker consensus commodity prices, treatment charges, future cash costs of production and capital expenditures contained in the life of mine ('LOM') plan, and as a result FVLCD is considered to be higher than VIU. The Group's discounted cash flow analysis reflects probable reserves as well as indicated resources and certain inferred resources, which are considered sufficiently certain and economically viable, and is based on detailed research, analysis and modelling. The forecast operational and capital expenditure reflects the transition of mining method from sub-level caving to cut and fill stoping. The climate change impacts are also considered including potential impact of regulatory changes and physical risks to assets such as consideration of the impact on the Group asset retirement obligations.

As at 31 December 2023, the Group has reviewed the indicators for impairment/reversal of impairment, including forecasted commodity prices, treatment charges, discount rates, operating and capital expenditure, foreign exchange rates and the mineral reserves and resources' estimates.

The key changes in economic assumptions used in the review were:

1. A discount rate of 9.72% (31 December 2022: 12.52%) supported by a detailed WACC calculation applied to calculate the present value of the CGU. The reduction in discount rate from the prior year end was attributed to several factors. These include a reduction in the country risk premium, equity risk premium and favourable changes to the company risk premium and levered beta, driven by favourable mining market conditions.
2. The five-year forecast average nominal zinc and lead price of $2,537 (31 December 2022: $2,760) and $1,983 (2022: $2,081) per tonne, respectively, and a long-term real price of $2,535 (31 December 2022: $2,467) and $1,968 (31 December 2022: $1,874) per tonne, respectively, based on market consensus prices and then inflated at 3.5% over the life of mine.

At the balance sheet date, the impairment test concluded that an impairment or reversal of the prior year impairment is not necessary as there have been no significant indicators of a possible reversal identified due to commodity price risk and judgements applied in the discount rate. Management performed sensitivity analyses whereby certain parameters were flexed downwards by reasonable amounts for the CGU to assess whether the recoverable value for the CGU would result in an impairment charge.

The following sensitivities when applied in isolation would result in a breakeven position:

- discount rate increased to 11%;
- zinc price reduced by 6.3%;
- lead price reduced by 4.5%;
- operating expenditure increased by 5.5%; and
- capital expenditure increased by 23%.

The Group exercises judgement in making assumptions on the inputs into the model and are comfortable the most reliable inputs have been applied in assessment the FVLCD and, therefore, the downward sensitivities outlined above are as likely as upward sensitivities and, therefore, consider that no reversal of impairment (excluding goodwill) or further impairment is necessary.

The Group has measured the FVLCD using various fair value measurements obtaining inputs from market data. It has used quoted prices (level 1) inputs for its commodity price assumptions, inflation rates, exchange rates and discount rate. The treatment charges have been forecast over life of mine using assumptions based on market data (level 2).

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

20. Investments

Shares in Group undertakings:

	Company	
	31 Dec 23 $'000	31 Dec 22 $'000
At 1 January / 31 December	**5,107**	5,107

Investments in Group undertakings are recorded at cost, which is the fair value of the consideration paid, less impairment.

Notes to the Financial Statements *continued*
for the year ended 31 December 2023

20. Investments *continued*
Details of the Company holdings consolidated in these financial statements are included in the table below:

Subsidiary	Registered office address	Activity	CAML % 2023	Non-controlling interest % 2023	CAML % 2022	Date of incorporation
CAML Exploration Limited	16, Turkistan Street, Office 56 Astana, District Esmil, Z05X0B4, Kazakhstan	Exploration	**100**	–	–	18 August 2023
CAML KZ Limited	Masters House, 107 Hammersmith Road, London, W14 0QH, United Kingdom	Holding company	**100**	–	100	28 June 2021
CAML MK Limited	Masters House, 107 Hammersmith Road, London, W14 0QH, United Kingdom	Seller of zinc and lead concentrate	**100**	–	100	5 September 2017
CAML Limited	Masters House, 107 Hammersmith Road, London, W14 0QH, United Kingdom	Dormant company	**100**	–	–	25 April 2023
CMK Mining B.V.	Prins Bernhardplein 200 1097 JB Amsterdam, The Netherlands	Holding company	**100**	–	100	30 June 2015
CMK Europe SPLLC Skopje	Ivo Lola Ribar no. 57-1/6, 1000 Skopje, North Macedonia	Holding company	**100**	–	100	10 July 2015
Copper Bay Limited	Masters House, 107 Hammersmith Road, London, W14 0QH, United Kingdom	Holding company	**76**	24	76	29 October 2010
Copper Bay (UK) Ltd	Masters House, 107 Hammersmith Road, London, W14 0QH, United Kingdom	Dormant company	**76**	24	76	9 November 2011
Copper Bay Chile Limitada	Ebro 2740, Oficina 603, Las Condes, Santiago, Chile	Holding company	**76**	24	76	12 October 2011
Kounrad Copper Company LLP	Business Centre No. 2, 4 Zh.Abugaliev Street Balkhash, Kazakhstan	Kounrad project (SX-EW plant)	**100**	–	100	29 April 2008
Minera Playa Verde Limitada	Ebro 2740, Oficina 603, Las Condes, Santiago, Chile	Exploration – Copper	**76**	24	76	20 October 2011
Rudnik SASA DOOEL Makedonska Kamenica	28 Rudarska Str, Makedonska Kamenica, 2304, North Macedonia	Sasa project	**100**	–	100	22 June 2005
Sary Kazna LLP	Business Centre No. 2, 4 Zh.Abugaliev Street Balkhash, Kazakhstan	Kounrad project (SUC operations)	**100**	–	100	6 February 2006

Details of the Company holdings that are not consolidated in these financial statements are:

Ken Shuak LLP	Business Centre No. 2, 4 Zh.Abugaliev Street Balkhash, Kazakhstan	Shuak project (exploration)	**10**	90	10	5 October 2016

20. Investments *continued*

CAML MK Limited

For the year ended 31 December 2023, CAML MK Limited (registered number: 10946728) has opted to take advantage of a statutory exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members of CAML MK Limited have not required it to obtain an audit of their financial statements for the year ended 31 December 2023. In order to facilitate the adoption of this exemption, Central Asia Metals plc, the parent company of the subsidiaries concerned, undertakes to provide a guarantee under Section 479C of the Companies Act 2006 in respect of CAML MK Limited.

CAML KZ Limited

For the year ended 31 December 2023, CAML KZ Limited (registered number: 13479896) has opted to take advantage of a statutory exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members of CAML KZ Limited have not required it to obtain an audit of their financial statements for the year ended 31 December 2023. In order to facilitate the adoption of this exemption, Central Asia Metals plc, the parent company of the subsidiaries concerned, undertakes to provide a guarantee under Section 479C of the Companies Act 2006 in respect of CAML KZ Limited.

CAML Exploration Limited

During the year, CAML incorporated CAML Exploration Limited, in the Astana International Finance Centre ('AIFC'), initially owned 100% by CAML. In February 2024, CAML transferred a 20% ownership to a team of experienced explorers, Thaler Minerals LLP, a company organised by Terra Associates. The activity of CAML Exploration Limited is to look for exploration opportunities in Kazakhstan.

CAML Limited

For the year ended 31 December 2023, CAML Limited (registered number: 14826287) has opted to take advantage of a statutory exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members of CAML Limited have not required it to obtain an audit of their financial statements for the year ended 31 December 2023. In order to facilitate the adoption of this exemption, Central Asia Metals plc, the parent company of the subsidiaries concerned, undertakes to provide a guarantee under Section 479C of the Companies Act 2006 in respect of CAML Limited. As a dormant companies CAML Limited are also exempt from the requirement to prepare and file accounts at Companies House under s394A-C and s448A-C respectively.

Non-controlling interest

	31 Dec 23 $'000	31 Dec 22 $'000
Balance at 1 January	**1,322**	1,316
(Profit)/loss attributable to non-controlling interests	**(68)**	6
Balance at 31 December	**1,254**	1,322

Non-controlling interests were held at year end by third parties in relation to Copper Bay Limited, Copper Bay (UK) Limited, Copper Bay Chile Limitada and Minera Playa Verde Limitada.

21. Assets held for sale

The assets and liabilities of the Copper Bay entities continue to be presented as held for sale in the statement of financial position. The exploration assets and property, plant and equipment held in Copper Bay were fully written off in prior periods. The results of the Copper Bay entities for the year ended 31 December 2023 and the comparative year ended 31 December 2022 are shown within discontinued operations in the consolidated income statement.

Assets of disposal group classified as held for sale:

	31 Dec 23 $'000	31 Dec 22 $'000
Cash and cash equivalents	**74**	63
Trade and other receivables	**2**	1
	76	64

Liabilities of disposal group classified as held for sale:

	31 Dec 23 $'000	31 Dec 22 $'000
Trade and other payables	**94**	44
	94	44

During the year the following have been recognised in discontinued operations:

Loss from discontinued operations:

	2023 $'000	2022 $'000
General and administrative expenses	**(382)**	(179)
Foreign exchange gain/(loss)	**319**	(8)
Loss from discontinued operations	**(63)**	(187)

Cash flows of disposal group classified as held for sale:

	2023 $'000	2022 $'000
Operating cash flows	**11**	27
Total cash flows	**11**	27

22. Trade and other receivables

	Group		Company	
	31 Dec 23 $'000	31 Dec 22 $'000	**31 Dec 23 $'000**	31 Dec 22 $'000
Current receivables				
Receivable due from subsidiary	**–**	–	**681**	744
Loans due from subsidiary	**–**	–	**10,100**	18,100
Trade receivables	**1,449**	2,362	**–**	–
Prepayments and accrued income	**2,328**	2,991	**342**	334
VAT receivable	**1,247**	1,546	**184**	109
Corporate income tax receivable	**6,750**	1,095	**–**	–
Other receivables	**450**	721	**208**	290
	12,224	8,715	**11,515**	19,577
Non-current receivables				
Loans due from subsidiary	**–**	–	**282,244**	268,750
Prepayments	**9,326**	8,221	**–**	–
VAT receivable	**4,475**	3,257	**–**	–
	13,801	11,478	**282,244**	268,750

The carrying value of all the above receivables is a reasonable approximation of fair value. There are no amounts past due at the end of the reporting period that have not been impaired apart from the VAT receivable balance as explained below. Trade and other receivables and loan due from subsidiary are accounted for under IFRS 9 using the expected credit loss model and are initially recognised at fair value and subsequently measured at amortised cost less any allowance for expected credit losses.

There are two loans due from subsidiaries. One loan is due from CAML MK Limited, a directly owned subsidiary for $292,142,000 (2022: $286,850,000), which accrues interest at a rate of 2.25% per annum (2022: 2.25%). There is another loan due from CAML Exploration Limited, a subsidiary, for $202,000 (2022: nil), which accrues interest at a rate of 6.90% per annum and is repayable on demand. The loans have been assessed for expected credit loss under IFRS 9; however, as the Group's strategies are aligned, there is no realistic expectation that repayment would be demanded early ahead of the current repayment plans. The expected future cash flows arising from the asset exceed the intercompany loan value under various scenarios considered, which are outlined in the intangible assets impairment assessment; so, it is believed these loans can be repaid and the expected credit loss is immaterial.

Overpaid Group income tax of $6,750,000 (31 December 2022: $1,095,000) will be offset against corporate income tax liabilities arising in the same entities in the next financial year.

As at 31 December 2023, the total Group VAT receivable was $5,722,000 (2022: $4,803,000), which included an amount of $4,475,000 (2022: $3,399,000) of VAT owed to the Group by the Kazakhstan authorities. 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 cathode copper to offset VAT recoverable and by a continued dialogue with the authorities for cash recovery and further offsets.

Non-current prepayments primarily consists of prepaid capital expenditure on the Sasa Dry Stack Tailings Project.

23. Inventories

Group	**31 Dec 23 $'000**	31 Dec 22 $'000
Raw materials	**12,955**	11,917
Finished goods	**1,924**	1,232
	14,879	13,149

The Group recognises all inventory at the lower of cost and net realisable value and did not have any slow-moving, obsolete or defective inventory as at 31 December 2023 and, therefore, there were no write-offs to the income statement during the year (2022: nil). The total inventory recognised through the income statement was $7,697,000 (2022: $6,527,000).

24. Cash and cash equivalents and restricted cash

	Group		Company	
	31 Dec 23 $'000	31 Dec 22 $'000	**31 Dec 23 $'000**	31 Dec 22 $'000
Cash at bank and on hand	**56,832**	60,298	**45,326**	35,812
Cash and cash equivalents	**56,832**	60,298	**45,326**	35,812
Restricted cash	**318**	264	**–**	–
Total cash and cash equivalent including restricted cash	**57,150**	60,562	**45,326**	35,812

The restricted cash amount of $318,000 (2022: $264,000) is held at bank to cover Kounrad subsoil user licence requirements.

The Group holds an overdraft facility in North Macedonia, and these amounts are disclosed in Note 30 Borrowings.

24. Cash and cash equivalents and restricted cash *continued*

Reconciliation to cash flow statements

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

	Group	
	31 Dec 23 $'000	31 Dec 22 $'000
Cash and cash equivalents as above (excluding restricted cash)	**56,832**	60,298
Cash at bank and on hand in assets held for sale (Note 21)	**74**	63
Balance per statement of cash flows	**56,906**	60,361

25. Share capital and premium

	Number of shares	Ordinary shares $'000	Share premium $'000	Treasury shares $'000
At 1 January 2022	176,498,266	1,765	191,988	(2,360)
Shares issued	5,600,000	56	13,440	(13,496)
Exercise of options	–	–	9	25
At 31 December 2022	182,098,266	1,821	205,437	(15,831)
Exercise of options	–	–	288	418
At 31 December 2023	**182,098,266**	**1,821**	**205,725**	**(15,413)**

The par value of Ordinary Shares is $0.01 per share and all shares are fully paid. During the prior year, the Company issued and allotted 5,600,000 Ordinary Shares to the trustee of the Central Asia Metals employee benefit trust ('EBT). These new Ordinary Shares were issued for the purposes of satisfying awards granted under the Company's Employee Share Plans.

During the year, there was an exercise of share options by employees and Directors that were partly settled by selling treasury shares. The proceeds of disposal of treasury shares exceeded the purchase price by $288,000 (2022: $9,000) and has been recognised in share premium. The remaining share options exercises during the year were cash settled amounting to $1,394,000 (2022: $1,939,000) and, therefore, a reduction in the share option reserve of $2,091,000 (2022: $1,263,000) to account for those share options now exercised.

	Treasury shares No.	EBT shares No.
At 1 January 2022	471,647	2,340,032
Disposal of trust shares	–	(9,280)
Shares issued	–	5,600,000
At 31 December 2022	**471,647**	**7,930,752**
Disposal of treasury shares	(278,322)	–
At 31 December 2023	**193,325**	**7,930,752**

26. Currency translation reserve

Currency translation differences arose primarily on the translation on consolidation of the Group's Kazakhstan-based and North Macedonian-based subsidiaries whose functional currency is the tenge and denar respectively. In addition, currency translation differences arose on the goodwill and fair value uplift adjustments to the carrying amounts of assets and liabilities arising on the Kounrad Transaction and CMK Resources acquisition, which are denominated in tenge and denar, respectively. During 2023, a non-cash currency translation gain of $12,925,000 (2022: loss of $29,311,000) was recognised within equity.

27. Share-based payments

The Company provides rewards to staff in addition to their salaries and annual discretionary bonuses, through the granting of share options in the Company. The Company share option scheme has an exercise price of effectively nil for the participants.

The share options granted during 2012 until 2018 were based on the achievement by the Group and the participant, of the performance targets as determined by the CAML Remuneration Committee that are required to be met in year one and, then options could be exercised one third annually from the end of year one. Options granted from 2012 to 2018 had straightforward conditions attached and were valued using the Black-Scholes model.

Share options granted in 2019 vested after three years depending on the achievement of the Group of the performance target relating to the level of absolute total shareholder return compound annual growth rate of the value of the Company's shares over the performance period of three financial years ending 31 December 2021.

Share options granted in 2020 to 2023 vest after three years depending on a combination of the achievement of the Group of the performance target relating to the level of absolute total shareholder return compound annual growth rate of the value of the Company's shares over the performance period of three financial years relative to the constituents of a selected group mining index of companies as well as sustainability performance targets.

27. Share-based payments *continued*

The fair value at grant date of the 2019 to 2023 grants are independently determined using a Monte Carlo simulation model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the option, and the correlations and volatilities of the share price.

The assessed fair value at grant date of options granted during the year ended 31 December 2023 was $3,403,000 in total, which is recognised over the vesting period commencing 12 April 2023 until 31 March 2026. The following amounts were expensed during the year:

Group	2023 $'000	2022 $'000
2023 grants	**826**	–
2022 grants	**1,165**	613
2021 grants	**938**	938
2020 grants	**232**	942
2019 grants	**–**	82
Dividend related	**1,379**	1,242
Exercise of options	**–**	677
Total share-based payment charge	**4,540**	4,494

The model inputs for options granted during the year included:

	31 Dec 2023	31 Dec 2022
Vesting period	**3 years 0 months**	2 years 10 months
Exercise price	**$0.01**	$0.01
Grant date:	**12 April 2023**	22 June 2022
Expiry date:	**11 April 2033**	21 June 2032
Share price at grant date	**$2.73**	$2.82
Risk-free interest rate	**3.48%**	2.19%

As at 31 December 2023, 6,425,720 (2022: 5,467,454) options were outstanding. Share options are granted to Directors and selected employees. The exercise price of the granted options is presented in the table below for every grant. The Company has the option but not the legal or constructive obligation to repurchase or settle the options in cash.

Movements in the number of share options outstanding and their related weighted average price are as follows:

	2023		2022	
	Average exercise price in $ per share option	Options (number)	Average exercise price in $ per share option	Options (number)
At 1 January	**0.01**	**5,467,454**	0.01	4,594,192
Granted	**0.01**	**1,748,642**	0.01	1,500,223
Exercised	**0.01**	**(580,459)**	0.01	(473,303)
Non-vesting	**0.01**	**(209,917)**	0.01	(153,658)
At 31 December	**0.01**	**6,425,720**	0.01	5,467,454

Non-vesting shares relates to options granted for which the performance targets were not met. Out of the outstanding options of 6,425,720 (2022: 5,467,454), 2,285,498 options (2022: 2,096,325) were exercisable as at 31 December 2023 excluding the value of additional share options for dividends declared on those outstanding. The related weighted average share price at the time of exercise was $2.63 (2022: $3.32) per share. Share options exercised by the Directors during the year are disclosed in the Remuneration Committee Report.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant – vest	Expiry date of option	Option exercise price $	2023 Options (number)	2022 Options (number)
8 May 12	7 May 22	0.01	**–**	76,032
24 Jul 13	23 Jul 23	0.01	**36,801**	36,801
3 Jun 14	2 Jun 24	0.01	**93,064**	143,064
8 Oct 14	7 Oct 24	0.01	**160,000**	160,000
22 Apr 15	21 Apr 25	0.01	**212,121**	212,121
18 Apr 16	17 Apr 26	0.01	**338,940**	338,940
21 Apr 17	20 Apr 27	0.01	**279,763**	296,591
2 May 18	1 May 28	0.01	**484,090**	484,090
30 May 19	29 May 29	0.01	**349,269**	355,103
16 Dec 20	15 Dec 30	0.01	**337,866**	979,548
15 Jul 21	14 Jul 31	0.01	**974,392**	974,392
22 Jun 22	21 Jun 32	0.01	**1,410,772**	1,410,772
22 Apr 23	21 Apr 33	0.01	**1,748,642**	–
			6,425,720	5,467,454

27. Share-based payments *continued*

Employee Benefit Trust

The Company set up an EBT during 2009 as a means of incentivising certain Directors and senior management of CAML prior to the Initial Public Offering ('IPO'). All of the shares awarded as part of the EBT scheme vested on the successful completion of the IPO on 30 September 2010.

2,534,688 Ordinary Shares were initially issued as part of the arrangements in December 2009 followed by a further issue of 853,258 in September 2010. The shares were issued at the exercise price of $0.68, which was the best estimate of the Company's valuation at the time. Details of the awards to Directors of the Company are contained in the Remuneration Committee Report.

28. Trade and other payables

	Group		Company	
	31 Dec 23 $'000	31 Dec 22 $'000	**31 Dec 23 $'000**	31 Dec 22 $'000
Trade and other payables	**5,473**	6,722	**462**	365
Accruals	**7,628**	6,029	**6,214**	5,451
Corporation tax, social security and other taxes	**4,226**	3,892	**294**	246
Loan due to subsidiary	**–**	–	**28,146**	37,409
	17,327	16,643	**35,116**	43,471

The carrying value of all the above payables is equivalent to fair value.

The loan due to subsidiary is payable to Kounrad Copper Company LLP, an indirectly owned subsidiary for $28,146,000 (2022: $37,409,000), which accrues interest at a rate of 6.90% per annum and is repayable on demand.

All Group and Company trade and other payables are payable within less than one year for both reporting periods.

29. Silver streaming commitment

The carrying amounts of the silver streaming commitment for silver delivery are as follows:

	Group		Company	
	31 Dec 23 $'000	31 Dec 22 $'000	**31 Dec 23 $'000**	31 Dec 22 $'000
Current	**1,002**	1,095	**–**	–
Non-current	**16,042**	17,085	**–**	–
	17,044	18,180	**–**	–

On 1 September 2016, the CMK Group entered into a Silver Purchase Agreement. The CAML Group acquired this agreement as part of the acquisition of the CMK Group and inherited a silver streaming commitment related to the production of silver during the life of the mine. The reduction in the silver streaming commitment is recognised in the income statement within cost of sales as the silver is delivered based on the units of production and is updated to reflect the latest estimate of reserves.

30. Borrowings

	Group		Company	
	31 Dec 23 $'000	31 Dec 22 $'000	**31 Dec 23 $'000**	31 Dec 22 $'000
Unsecured: current				
Bank overdraft	**326**	1,390	**–**	–
Total current	**326**	1,390	**–**	–

The carrying value of loans approximates fair value:

	Carrying amount		Fair value	
	31 Dec 23 $'000	31 Dec 22 $'000	**31 Dec 23 $'000**	31 Dec 22 $'000
Bank overdrafts	**326**	1,390	**326**	1,390
	326	1,390	**326**	1,390

The movement on borrowings can be summarised as follows:

	Group		Company	
	31 Dec 23 $'000	31 Dec 22 $'000	**31 Dec 23 $'000**	31 Dec 22 $'000
Balance at 1 January	**1,390**	32,978	**–**	23,406
Repayment of corporate borrowings	**–**	(23,820)	**–**	(23,820)
Repayments of overdraft	**(1,090)**	(7,531)	**–**	–
Finance charge interest	**46**	496	**–**	374
Finance charge unwinding of directly attributable fees	**–**	414	**–**	414
Interest paid	**(46)**	(511)	**–**	(374)
Foreign exchange	**26**	(636)	**–**	–
Balance at 31 December	**326**	1,390	**–**	–

During the year, overdrafts of $1,090,000 were repaid (2022: $7,531,000) with total interest paid of $46,000 (2022: $511,000). The corporate debt package with Traxys was repaid in full in August 2022.

The overdrafts are held with North Macedonian banks and are denominated in Euro and payable at fixed interest rates ranging from 3.24% to 5.3%.

30. Borrowings *continued*

As at 31 December 2023, the Group measured the fair value using techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly (level 2).

The different levels have been defined as follows:

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

31. Provisions for other liabilities and charges

	Group					
	Asset retirement obligation $'000	Employee retirement benefits $'000	Other employee benefits $'000	Leasehold dilapidation $'000	Legal claims $'000	Total $'000
At 1 January 2022	18,460	245	259	–	2	18,966
Change in estimate	1,153	40	62	–	–	1,255
Settlements of provision	–	(23)	(11)	–	–	(34)
Unwinding of discount (Note 15)	1,088	–	–	–	–	1,088
Exchange rate difference	(158)	(18)	(22)	–	–	(198)
At 31 December 2022	**20,543**	**244**	**288**	**–**	**2**	**21,077**
Change in estimate	3,687	62	99	93	–	3,941
Settlements of provision	–	(34)	(21)	–	–	(55)
Unwinding of discount (Note 15)	1,707	–	–	–	–	1,707
Exchange rate difference	163	10	12	1	–	186
At 31 December 2023	**26,100**	**282**	**378**	**94**	**2**	**26,856**
Non-current	26,100	242	363	94	2	26,801
Current	–	40	15	–	–	55
At 31 December 2023	**26,100**	**282**	**378**	**94**	**2**	**26,856**

a) Asset retirement obligation

The Group provides for the asset retirement obligation associated with the mining activities at Kounrad, estimated to be required in 2034. During 2022, the Group engaged an external expert consultant to prepare a conceptual closure plan and asset retirement obligation for the leaching and Kounrad operation and associated infrastructure. The expected current cash flows, including a cost contingency of 10%, were projected over the useful life of the mining site and inflated using an inflation rate of 6.30% (2022: 5.85%) and discounted to 2023 terms using a nominal pre-tax risk-free discount rate of 6.70% (2022: 7.43%). The cost of the related assets are depreciated over the useful life of the assets and are included in property, plant and equipment.

The Group also provides for the asset retirement obligation associated with the mining activities at Sasa, estimated to be primarily required in 2039. During 2021, Sasa engaged an external expert consultant to prepare an updated conceptual closure plan. The expected current cash flows, including a cost contingency of 10%, were projected over the useful life of the mining site and inflated using a compounded inflation rate of 4.68% (2022: 3.53%) and discounted to 2023 terms using a discount rate of 9.14% (2022: 9.17%). The cost of the related assets are depreciated over the useful life of the assets and are included in property, plant and equipment.

The increase in estimate in relation to the asset retirement obligation of $3,687,000 is due to a combination of additional estimated costs at Sasa surrounding the lining of the tailings facilities following discussions with Regulators and an update to the Kounrad and Sasa discount rates and inflations rates as explained above using latest assumptions.

b) Employee retirement benefits

All employers in North Macedonia are obliged to pay employees minimum severance pay on retirement equal to two months of the average monthly salary applicable in the country at the time of retirement. The retirement benefit obligation is stated at the present value of expected future payments to employees with respect to employment retirement pay. The present value of expected future payments to employees is determined by an independent authorised actuary in accordance with the prevailing rules of actuarial mathematics.

c) Other employee benefits

The Group is also obliged to pay jubilee anniversary awards in North Macedonia for each ten years of continuous service of the employee. Provisions for termination and retirement obligations are recognised in accordance with actuary calculations. Basic 2023 actuary assumptions are used as follows:

Discount rate:	5.5%
Expected rate of salary increase:	5.0%

d) Legal claims

The Group is party to certain legal claims, and the recognised provision reflects management's best estimate of the most likely outcome. The Group reviews outstanding legal cases following developments in the legal proceedings and at each reporting date, in order to assess the need for provisions and disclosures in its financial statements. Among the factors considered in making decisions on provisions are the nature of litigation, claim or assessment, the legal process and potential level of damages in the jurisdiction in which the litigation, claim or assessment has been brought, the progress of the case (including the progress after the date of the financial statements but before those statements are issued), the opinions or views of legal advisers, experience on similar cases and any decision of the Group's management as to how it will respond to the litigation, claim or assessment.

Notes to the Financial Statements *continued*
for the year ended 31 December 2023

32. Cash generated from operations

Group	Note	2023 $'000	2022 $'000
Profit before income tax including discontinued operations		**65,085**	54,393
Adjustments for:			
Depreciation and amortisation		**28,192**	27,285
Silver stream commitment		**(1,136)**	(1,971)
Loss on disposal of property, plant and equipment	18	**204**	94
Foreign exchange loss/(gain)		**3,378**	(6,829)
Share-based payments	27	**4,540**	4,494
Impairment of non-current assets	18,19	**–**	55,116
Finance income	14	**(1,992)**	(515)
Finance costs	15	**1,852**	2,060
Changes in working capital:			
Increase in inventories		**(1,846)**	(2,538)
Increase in trade and other receivables		**(5,784)**	(10,503)
Increase in trade and other payables		**1,547**	1,513
Provisions for other liabilities and charges		**(55)**	(34)
Cash generated from operations		**93,985**	122,565

The increase in trade and other receivables of $4,719,000 (2022: $10,503,000) includes a movement in the Sasa VAT receivable balance of $5,530,000 (2022: $4,472,000), which is offset against corporate income tax payable during the year.

33. Commitments

Significant expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Group	31 Dec 23 $'000	31 Dec 22 $'000
Property, plant and equipment	**4,524**	6,159
Other	**–**	170
	4,524	6,329

34. Dividend per share

During the year, the Company paid $41,525,000 (2022: $48,210,000), which consisted of a 2023 interim dividend of 9 pence per share and 2022 final dividend of 10 pence per share (2022: 2022 interim dividend of 10 pence per share and 2021 final dividend of 12 pence per share).

35. Related party transactions

Key management remuneration

Key management remuneration comprises the Directors' remuneration, including Non-Executive Directors and is as follows:

	2023 Basic salary/ fees $'000	2023 Annual bonus $'000	2023 Pension $'000	2023 Benefits in kind $'000	2023 Employers NI $'000	2023 Total $'000	2022 Total $'000
Executive Directors:							
Nigel Robinson	**531**	**449**	**–**	**12**	**137**	**1,129**	1,050
Gavin Ferrar	**424**	**367**	**11**	**6**	**176**	**984**	957
Louise Wrathall[1]	**359**	**323**	**2**	**6**	**92**	**782**	349
Non-Executive Directors:							
Nick Clarke	**217**	**–**	**–**	**–**	**29**	**246**	246
Mike Armitage[2]	**93**	**–**	**–**	**–**	**11**	**104**	106
Roger Davey	**106**	**–**	**–**	**–**	**13**	**119**	110
Dr Gillian Davidson	**106**	**–**	**–**	**–**	**14**	**120**	113
Mike Prentis	**107**	**–**	**–**	**–**	**15**	**122**	115
David Swan	**106**	**–**	**–**	**–**	**13**	**119**	112
Nurlan Zhakupov[3]	**23**	**–**	**–**	**–**	**–**	**23**	93
Robert Cathery[4]	**–**	**–**	**–**	**–**	**–**	**–**	49
	2,072	**1,139**	**13**	**24**	**500**	**3,748**	3,300

1. Appointed on 26 May 2022
2. Appointed on 10 January 2022
3. Resigned on 3 April 2023
4. Resigned on 26 May 2022

During the year Gavin Ferrar exercised 203,442 (2022: 226,612) shares for a total share option gain of $505,000 (2022: $719,000); see the Directors' option awards table in the Remuneration Committee Report.

Kounrad Foundation

The Kounrad Foundation, a charitable foundation through which Kounrad donates to the community, was advanced $611,000 (2022: $300,000). This is a related party by virtue of common Directors.

Sasa Foundation

The Sasa Foundation, a charitable foundation through which Sasa donates to the community, was advanced $455,000 (2022: $220,000). This is a related party by virtue of common Directors.

36. Deferred income tax asset and liability

Group

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

	At 1 January 2023 $'000	Currency translation differences $'000	(Debit)/credit to income statement $'000	At 31 December 2023 $'000
Other temporary differences	**(326)**	(5)	(2,050)	**(2,381)**
Fair value adjustment on Kounrad Transaction	**(4,457)**	(79)	277	**(4,259)**
Fair value adjustment on CMK acquisition	**(12,175)**	(423)	767	**(11,831)**
Deferred tax liability, net	**(16,958)**	(507)	(1,006)	**(18,471)**

Reflected in the statement of financial position as:	31 Dec 23 $'000	31 Dec 22 $'000
Deferred tax asset	**512**	328
Deferred tax liability	**(18,983)**	(17,286)

	At 1 January 2022 $'000	Currency translation differences $'000	Credit to income statement $'000	At 31 December 2022 $'000
Other temporary differences	(349)	23	–	(326)
Fair value adjustment on Kounrad Transaction	(5,069)	338	274	(4,457)
Fair value adjustment on CMK acquisition	(17,459)	1,004	4,280	(12,175)
Deferred tax liability, net	(22,877)	1,365	4,554	(16,958)

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 $1,042,000 during the year (2022: $4,554,000) to reflect the tax consequences of depreciating (2022: depreciating and impairing) the recognised fair values of the assets during the year.

As explained in Note 2, the application of the amendment to IAS 12 for the first time in the current year resulted in an increase in Group deferred tax assets of $514,000, an increase in deferred tax liabilities of $2,075,000 and a net increase in the income tax expense of $1,561,000, which is reported within other temporary differences.

	31 Dec 2023 $'000	31 Dec 2022 $'000
Deferred tax liability due within 12 months	**(723)**	–
Deferred tax liability due after 12 months	**(18,260)**	(17,286)
Deferred tax liability	**(18,983)**	(17,286)

All deferred tax assets are due after 12 months.

All amounts are shown as non-current on the face of the statement of financial position as required by IAS 12 Income Taxes.

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.

The Group did not recognise other potential deferred tax assets arising from losses of $14,362,000 (2022: $13,917,000), arising from asset retirement obligations of $2,815,000 (2022: nil) and in respect of share-based payments of $260,000 (2022: $1,271,000) as there is insufficient evidence of future taxable profits within the entities concerned. Unrecognised losses can be carried forward indefinitely.

Company

At 31 December 2023 and 2022, respectively, the Company had no recognised deferred tax assets or liabilities.

At 31 December 2023, the Company had not recognised potential deferred tax assets arising from losses of $14,362,000 (2022: $12,911,000) as there is insufficient evidence of future taxable profits. The losses can be carried forward indefinitely.

At 31 December 2023, the Company had other deferred tax assets of $260,000 (2022: $1,271,000) in respect of share-based payments and other temporary differences that had not been recognised because of insufficient evidence of future taxable profits.

37. Events after the reporting period

During the year, CAML incorporated CAML Exploration Limited, in the Astana International Finance Centre ('AIFC'), initially owned 100% by CAML. In February 2024, CAML transferred a 20% ownership to a team of experienced explorers, Thaler Minerals LLP, a company organised by Terra Associates. The activity of CAML Exploration Limited is to look for exploration opportunities in Kazakhstan.

On the 24 March 2024, a Subscription Agreement was signed in respect of a conditional subscription for CAML to subscribe for 28.7% shareholding in Aberdeen Minerals Limited for £3.0 million. The investment is a subscription of 35,294,117 new ordinary shares at a price of 8.5 pence per ordinary share. In addition, CAML will receive warrants to invest an additional £2 million at a price of 11 pence per share, which would increase CAML's ownership of Aberdeen to 37.8%, assuming no further changes to Aberdeen's issued share capital.

GLOSSARY OF TECHNICAL TERMS

Ag	Chemical symbol for silver
Assay	Laboratory test conducted to determine the proportion of a mineral within a rock or other material
Cu	Chemical symbol for copper
Grade	The proportion of a mineral within a rock or other material. For zinc and lead mineralisation this is usually reported as a percentage of zinc and lead per tonne of rock
g/t	Grammes per tonne
Indicated Mineral Resource	An Indicated Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Ore Reserve
Inferred Mineral Resource	An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration
JORC	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, as published by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia
Mineral Resource	A Mineral Resource is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling
NSR cut off	The lowest net smelter return ('NSR') value of mineralised material that qualifies as potentially economically mineable
Ore Reserve	An Ore Reserve is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported
Pb	Chemical symbol for lead
Probable Ore Reserve	A Probable Ore Reserve is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve
Zn	Chemical symbol for zinc

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Nigel Robinson, Chief Executive Officer
Gavin Ferrar, Chief Financial Officer
Louise Wrathall, Executive Director of Corporate Development
Dr Mike Armitage, Non-Executive Director
Roger Davey, Non-Executive Director
Dr Gillian Davidson, Non-Executive Director
Mike Prentis, Non-Executive Director
David Swan, Non-Executive Director

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