CAML
CENTRAL ASIA METALS PLC

ANNUAL REPORT AND ACCOUNTS 2022

BUILDING THE BUSINESS FOR THE FUTURE

CAML
CENTRAL ASIA METALS PLC

CENTRAL ASIA METALS 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.

DRAGANA JOVANOVA
Personnel Development Specialist

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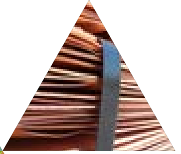

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HIGHLIGHTS

DEMONSTRATING OUR RESILIENCE

FINANCIAL HIGHLIGHTS

GROSS REVENUE
$232.2m
2021: $235.2m

EBITDA
$131.6m
2021: $141.5m

EBITDA MARGIN
57%
2021: 60%

DIVIDEND
20p
2021: 20p

* See pages 51–52 for definition of non-IFRS alternative financial performance measures.

SAFETY AND OPERATIONAL HIGHLIGHTS

LOST-TIME INJURIES ('LTIS')
2
2021: 4

LOST-TIME INJURY FREQUENCY RATE ('LTIFR')
0.83
2021: 1.69

SASA, NORTH MACEDONIA

ZINC IN CONCENTRATE PRODUCTION
21,473t
2021: 22,167 tonnes

LEAD IN CONCENTRATE PRODUCTION
27,354t
2021: 27,202 tonnes

KOUNRAD, KAZAKHSTAN

COPPER CATHODE PRODUCTION
14,254t
2021: 14,041 tonnes

COPPER SALES
14,342t
2021: 14,051 tonnes

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2022 A YEAR IN REVIEW

APRIL

10-YEAR ANNIVERSARY OF KOUNRAD

We celebrated the 10-year anniversary of our Kounrad copper production facility.

MAY

LOUISE WRATHALL JOINS THE BOARD

Louise joined the Board as Executive Director of Corporate Development.

JULY

CENTRAL DECLINE

Our Central Decline reached 1 km in length towards the Svinja Reka ore body.

AUGUST

CORPORATE DEBT FACILITY PAID OFF

SEPTEMBER

ANNOUNCED RECORD INTERIM RESULTS

OCTOBER

SOLAR POWER PLANT AT KOUNRAD

The earthworks began for the solar plant at Kounrad which will produce 16-18% of the electricity required at the facility.

NOVEMBER

5-YEAR ANNIVERSARY OF THE OWNERSHIP OF SASA

Employees in both London and North Macedonia celebrated the 5-year anniversary of the ownership of Sasa.

DECEMBER

RESPONSIBLE BUSINESS AWARD PRESENTED TO KOUNRAD

The Kounrad Copper Company was awarded the prestigious Responsible Business Award presented by the President of Kazakhstan.

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OUR PURPOSE-DRIVEN APPROACH

OUR STRATEGIC OBJECTIVES

OUR IMMEDIATE STRATEGIC OBJECTIVES

FOCUS ON SUSTAINABILITY

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

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

OUR LONG-TERM STRATEGIC OBJECTIVE

DELIVERING GROWTH

This objective is a continuous and underlying ambition

SUSTAINABILITY PILLARS

- DELIVERING VALUE THROUGH STEWARDSHIP
- MAINTAINING HEALTH & SAFETY
- FOCUSING ON OUR PEOPLE
- CARING FOR THE ENVIRONMENT
- UNLOCKING VALUE FOR OUR COMMUNITIES

OUR PURPOSE-DRIVEN APPROACH

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 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

UNDERPINNED BY OUR VALUES

HEALTH & 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 that we make. We aim to positively affect our employees and local communities, while minimising any adverse impacts on the natural environment.

EFFICIENCY & 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 & 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.

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CHAIRMAN'S STATEMENT

BUILDING THE BUSINESS FOR THE FUTURE

I am pleased with our operational and financial performance during 2022, which demonstrated the strength of our business. We also had a positive year in appointing two new Directors to our Board, Dr Mike Armitage and Louise Wrathall, both of whom have already brought their own experiences to our discussions, and in the creation of a new Technical Committee. We have advanced our sustainability efforts on the ground and in terms of reporting, and I was pleased that we commenced construction of our Kounrad Solar Power Plant towards the end of the year.

5 QCA

Maintain the Board as a well-functioning, balanced team led by the Chair.

FREE CASH FLOW*

$89.7m

2021: $103.8m

* See pages 51–52 for definition of non-IFRS alternative financial performance measures.

DIVIDEND PER SHARE

20p

2021: 20p

NICK CLARKE
Non-Executive Chairman

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CHAIRMAN'S STATEMENT CONTINUED

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 2022.

Our solid 2022 operational performance generated for CAML Earnings before Interest, Tax, Depreciation and Amortisation ('EBITDA') of $131.6 million and free cash flow of $89.7 million. This has enabled us to continue deleveraging, and in August 2022 we made the final repayment of the debt that we borrowed in order to acquire Sasa in 2017. We were pleased to report adjusted (to exclude a non-cash impairment charge) EPS of 48.15 cents, above the 47.69 cents reported last year.

We celebrated two anniversaries in 2022. In April, we marked 10 years of copper production from Kounrad, during which time we have produced over 130,000 tonnes of cathode, supported a solely Kazakh workforce of 337 employees and 78 contractors, invested capital totalling $81.9 million and generated $944.4 million in gross revenue.

In November, we celebrated five years since we acquired Sasa. Under our ownership, we have maintained a workforce that is 98% North Macedonian, generated $525.0 million in gross revenue from zinc and lead sales and paid tax in excess of $71.0 million to the Government of North Macedonia. We have set up charitable foundations in both countries and continue to support the many worthy causes in both jurisdictions, as well as promoting long-term sustainable local development.

SUSTAINABILITY

We have continued to devote much of our time and energy to advancing our sustainability efforts during 2022. In Q2 2022, we published our third standalone Sustainability Report. This was the Company's second report drafted in accordance with the Global Reporting Initiative ('GRI') Standards 'Core option'. As a result of technical work undertaken during 2021, we were able to set ourselves additional environmental targets on water abstraction and mineral waste to complement the greenhouse gas ('GHG') emission targets that we set ourselves last year. Importantly, we also set ourselves a target to increase our female employees by 25% by the end of 2025.

Given GRI's adjustment to the Universal Standards, we revisited our stakeholder-engagement based materiality assessment with assistance from consultants, Digby Wells, taking into account both societal and economic factors. The results of this survey have informed our updated material topics and we have reported on those in our forthcoming 2022 Sustainability Report.

We also undertook climate change scenario analysis during the year, which has informed our risk management and climate strategy going forwards. In Q4 2022, we commenced construction of our Kounrad solar power plant which is one of our key initiatives that will help us to reduce our Scope 1 and Scope 2 emissions by 50% by 2030 from a 2020 base.

GOVERNANCE

In January 2022, CAML announced the appointment of Dr Mike Armitage to the Board as an Independent Non-Executive Director. Mike brings a wealth of international technical experience and has already supported management and advised the Board, both in terms of our current operations and with our business development activities. Mike's long career with SRK in particular has seen him review, assist with due diligence and help to develop numerous mineral properties globally.

Robert Cathery retired from the CAML Board at the conclusion of our 2022 Annual General Meeting ('AGM'). I want to express my thanks to Bob for his hard work and dedication to the CAML business. His advice has been invaluable and, in particular in his role as Chair of the Remuneration Committee, he has been responsible for transforming our Long-Term Incentive Plan and incorporating our wider sustainability targets into Executive Director and management remuneration.

Also, at the conclusion of the 2022 AGM, Louise Wrathall, our Director of Corporate Development, joined the CAML Board. Louise has been a key member of the senior management team since she joined CAML in 2015 and further enhances the skills of the Board, emphasising the importance we place on investor relations, business development and environmental, social and governance ('ESG') initiatives.

During 2022, we made changes to our Board Committees as well. We created a new Technical Committee, chaired by Roger Davey and additionally comprising myself, Dr Mike Armitage and Nigel Robinson. During the year, the committee has reviewed the engineering aspects of the Kounrad solar power project and has provided guidance and support to Sasa's Cut and Fill Project team, which included a specific Technical Committee site visit to review work underway.

Mike Prentis agreed to chair our Remuneration Committee and he is now ably supported by Roger Davey and David Swan. The Nomination Committee continues to comprise solely non-executive directors, so now includes Dr Mike Armitage. Another key committee change was to invite Dr Gillian Davidson to join the Audit Committee. Gillian brings experience from other board roles as well as her expertise in sustainability. She is particularly focused on our risk management processes and reporting on non-financial information as well.

ACKNOWLEDGEMENTS

I would like to thank the Board of Directors, our senior management team and all of our employees for their dedication to our business during 2022. Your efforts do not go unnoticed, 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
28 March 2023

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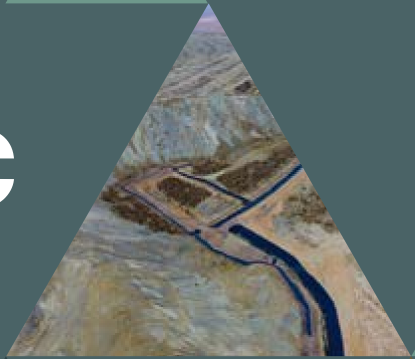

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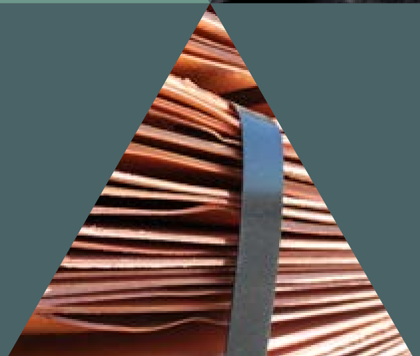

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OUR BUSINESS MODEL - WHAT WE DO

OPERATING WITH EXCELLENCE

GROSS REVENUE BY GEOGRAPHY

KAZAKHSTAN
$123.7m

NORTH MACEDONIA
$108.5m

GROSS REVENUE BY METAL

COPPER
$123.7m

LEAD
$55.2m

ZINC
$51.3m

SILVER
$2.0m*

* The silver revenue of $2.0m is recognised in relation to the silver stream arrangement. Lead revenue of $55.2m includes the silver by-product.

SASA

MINING ORE AND MINERAL PROCESSING

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

The operation is an underground mine, and the processing plant uses froth flotation to produce a zinc concentrate and a lead concentrate containing silver. These products are then delivered to smelters to be processed into metal.

CAML's team has begun construction work for the Cut and Fill Project to enable the extraction of the maximum resources in a safer, more sustainable and efficient manner as well as improving the storage of tailings for the life of the mine.

In 2022, the mine produced 21,473 tonnes of zinc in concentrate and 27,354 tonnes of lead in concentrate.

LIFE OF MINE TO
2039

2022 ORE MINED
806,069t

2022 ZINC GRADE
3.15%

2022 LEAD GRADE
3.63%

Read more about our operations in **North Macedonia** on pages **36-40**

KOUNRAD

IN SITU-DUMP LEACHING AND SX-EW

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

Two expansions followed, and the Company has now fully developed Kounrad, with copper production expected to continue until the end of the licence in 2034.

Since production commenced, 138,395 tonnes of copper have been produced at Kounrad, at costs that are amongst the lowest in the world.

LIFE OF OPERATION TO
2034

ESTIMATED REMAINING RECOVERABLE COPPER METAL
111,600t

2022 COPPER PRODUCTION
14,254t

2022 COPPER SALES
14,342t

Read more about our operations in **Kazakhstan** on pages **41-44**

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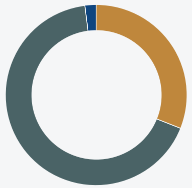
OUR BUSINESS MODEL – OUR INPUTS

WHAT SETS US APART

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, with 12 expatriates combined at both of our sites. 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.

EMPLOYEES BY GEOGRAPHY



KAZAKHSTAN
31%

NORTH MACEDONIA
67%

UK
2%

LONG-LIFE ASSETS

Sasa currently has reserves and resources to support a life of mine to

2039

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

2034

RELATIONSHIPS

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

% OF LOCAL EMPLOYED STAFF
99%

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.

2022 TOTAL CAPEX
$17.4m

SUSTAINABILITY

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

DELIVERING VALUE THROUGH STEWARDSHIP

MAINTAINING HEALTH & SAFETY

FOCUSING ON OUR PEOPLE

CARING FOR THE ENVIRONMENT

UNLOCKING VALUE FOR OUR COMMUNITIES

Read more about our sustainability strategy on pages **26-29**

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OUR BUSINESS MODEL - OUR OUTPUTS AND OUTCOMES

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

THE VALUE WE DELIVER

OUTPUTS

2022 COPPER
- Production - 14,254t
- Costs - $0.65/lb

2022 SASA PRODUCTION
- Zinc production - 21,473t
- Lead Production - 27,354t
- Costs - $0.78/lb Zn Eq

2022 GHG EMISSIONS
- 59,082t CO_2e

2022 TAILINGS
- 725,390t

STAKEHOLDERS	OUTCOMES	
INVESTORS Financial returns and long-term growth opportunities	ADJUSTED EPS **48.15c** 2021: 47.69c	DIVIDEND FULL YEAR **20p** 2021: 20p
EMPLOYEES Wide-ranging training programmes, competitive salaries	SASA EMPLOYEES **735** 2021: 712	KOUNRAD EMPLOYEES **337** 2021: 323
GOVERNMENTS Economic contribution to the countries in which we operate	TAX PAID IN NORTH MACEDONIA SINCE 2017 **$71.1m**	TAX PAID IN KAZAKHSTAN SINCE 2012 **$222.5m**
COMMUNITIES Investment and jobs for our local communities	SASA SOCIAL CONTRIBUTIONS SINCE 2017 **$1.8m**	KOUNRAD SOCIAL CONTRIBUTIONS SINCE 2012 **$2.5m**
SUPPLIERS Supporting local responsible suppliers	SASA % IN-COUNTRY PROCUREMENT **65%**	KOUNRAD % IN-COUNTRY PROCUREMENT **93%**

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INVESTMENT CASE

A STRONG SUSTAINABLE BUSINESS

RESPONSIBILITY

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

ACCOUNTABILITY

Governance and stewardship play an important role in our sustainability framework. Our values are underpinned by robust company policies and procedures which we communicate to our employees and more widely to our other stakeholders. Overall responsibility for our business lies with our Board of Directors.

SUSTAINABILITY

Taking responsibility for sustainable development underpins our business and our business decisions. This is reflected in our environmental, health and safety, community and governance-related employee KPIs. We aim to positively affect our employees and local communities, while minimising any adverse impacts on the natural environment.

PRODUCTIVITY

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.

PROFITABILITY

With a low-cost business that is profitable and cash generative, we are now debt free, having made our final repayment of the $187 million debt which we secured to acquire Sasa less than five years later. These repayments have been made while we delivered value for all our stakeholders and invested in our operations.

DEPENDABILITY

We have an experienced Board and Management team with a proven international development and operating track record. We have demonstrated over the last decade that we are committed to returns to shareholders in recognition of their financial and ongoing support. This is made clear in our dividend policy, which is for CAML to return between 30-50% of our free cash flow ('FCF') to shareholders.

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CHIEF EXECUTIVE OFFICER'S STATEMENT

A STRONG PERFORMANCE IN THE FACE OF GLOBAL PRESSURES

2022 has been a year of strong performance for CAML. Global inflationary pressures which were exacerbated by the conflict in Ukraine served to highlight the underlying strength of CAML's business and balance sheet, and we are pleased with our 2022 results and to have made the final repayment in August 2022 of the debt that we borrowed to acquire Sasa in 2017.

LTIFR

0.83

2021: 1.69

GROSS REVENUE

$232.2m

2021: $235.2m

NIGEL ROBINSON
Chief Executive Officer

CAML
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CHIEF EXECUTIVE OFFICER'S STATEMENT CONTINUED

2022 FINANCIAL OVERVIEW

Sasa produced 21,473 tonnes of zinc in concentrate and 27,354 tonnes of lead in concentrate at a C1 zinc equivalent cash cost of production of $0.78 per pound, reflecting in particular elevated electricity costs incurred during H2 2022.

Our Kounrad operations continued to perform well, and we increased our copper cathode production guidance to 13,500 – 14,000 tonnes during H2 2022 and ended the year reporting production in excess of that at 14,254 tonnes. Kounrad's 2022 C1 copper cash cost of production remained very low by global standards at $0.65 per pound, despite inflationary pressures.

Regardless of global challenges, the CAML business performed very well, due to its inherent low-cost base and strong balance sheet. We reported gross revenue of $232.2 million and an EBITDA of $131.6 million at an EBITDA margin of 57% for 2022. We reported adjusted (to exclude a non-cash impairment charge, arising following update to reserves & resources following Life of Mine ('LoM') study as well as inflationary pressures) EPS of 48.15 cents, higher than that reported in 2021.

In August, we made our final repayment of the $187 million debt which we secured to acquire Sasa less than five years before. CAML ended 2022 with cash in the bank of $60.6 million.

The Group generated 2022 free cash flow of $89.7 million, enabling us to recommend a 10 pence per share final dividend. This equates to a full-year dividend of 20 pence per share, which represents 47% of 2022 free cash flow.

MARKET PERFORMANCE

During 2022, the CAML share price traded within a range of £2.01 to £2.84, ending the year at £2.48, which represents a 4.2% decrease on the 31 December 2021 price of £2.59. CAML outperformed the FTSE AIM All Share/Basic Resources Index, which lost approximately 31.5% during 2022. The share price was supported by solid base metal prices and by its low cost base. Since the Company's IPO in September 2010, CAML's share price has significantly outperformed the FTSE AIM All Share/Basic Resources Index, primarily due to CAML's strong operational performance, low production costs and consistent dividend payments.

SUSTAINABILITY

We remain focused on safety and, while we were disappointed to report two LTIs at Sasa during the year, this was an improvement on the four we recorded during 2021. We recorded zero LTIs at Kounrad though, and therefore our 2022 total as a Group was two, with a LTIFR of 0.83, an improvement on our performance in 2021. As ever, effective safety training and supervision for our employees is a priority and is crucial to achieving an improving safety record.

The strong financial performance we have reported underpins our business and we place significant emphasis on ensuring that we are sustainable for all stakeholders. To demonstrate our efforts and achievements, in this area, we will soon be publishing our fourth Sustainability Report, our third to GRI standards and our first to the new GRI 'Universal Standards'. These standards are based on the concept of 'double materiality', looking at both the impact of the Company on society and the environment, as well as the impact of the material topics on the value of a company. Therefore, our updated materiality assessment considers both materiality aspects and has informed reporting for the Company's 2022 Sustainability Report.

In 2021, we began moving towards Taskforce on Climate related Financial Disclosures ('TCFD') reporting. We shared our climate strategy and our medium- and long-term goals that were the result of much internal work undertaken and, in our 2021 annual and sustainability reporting, 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 understand our strategic resilience in terms of our climate risks and opportunities, we undertook scenario analysis work during 2022. This analysis has broadly validated our climate strategy and has helped us to identify our risks and opportunities as well as key workstreams for us to focus on going forwards. In 2023, we plan to collect data to enable us to report our Scope 3 emissions estimates in 2024 for the 2023 operating year.

LOCAL EMPLOYMENT

99%

2021: 99%

EBITDA

$131.6m

2021: $141.5m

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CHIEF EXECUTIVE OFFICER'S STATEMENT CONTINUED

Our sustainability strategy and practices continue to develop and, having reviewed our material topics in 2022, we have also taken the opportunity to consider and advance our approach to the UN sustainable development goals ('SDGs'). Following the review process, which involved mapping the underlying targets to our activities and considering their alignment to our overall strategy and approach, we have defined a two-tiered approach. We have identified a total of eight SDGs (five primary and three supporting) which are reflected in CAML's material topics.

WSP Golder delivered an Asset Retirement Obligation ('ARO') and site closure plan report for Kounrad in 2022, which covers the responsible closure of the leaching operations in the longer term.

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

We have committed to reporting to the Global Industry Standard for Tailings Management ('GISTM') for all 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, to ensure all workstreams are effectively covered.

To support employees during the current global inflationary environment, all staff at both sites were given pay rises of at least 15% in local currencies.

During 2022, we spent a total of $0.3 million at Sasa and Kounrad supporting the local communities. 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. This year at Sasa funds were allocated for the renovation of the local medical centre. At Kounrad, we have financially supported a children's rehabilitation centre and provided tuition fees for medical students from Balkhash.

CAML'S PRIMARY SDGS

3 GOOD HEALTH AND WELL-BEING
ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES

8 DECENT WORK AND ECONOMIC GROWTH
PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALISATION AND FOSTER INNOVATION

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS.

13 CLIMATE ACTION
TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

CAML'S SUPPORTING SDGS

1 NO POVERTY
END POVERTY IN ALL ITS FORMS EVERYWHERE

4 QUALITY EDUCATION
ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL

7 AFFORDABLE AND CLEAN ENERGY
ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL

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CHIEF EXECUTIVE OFFICER'S STATEMENT CONTINUED

SASA

During H1 2022, significant permitting work was undertaken in preparation for the construction phase of the Cut and Fill Project. The Environmental and Social Impact Assessment ('ESIA') Study was completed and submitted to the authorities. After the submission, a Public Hearing was held with representatives from the Ministry of Environment and Physical Planning ('MoEPP'), the local municipality, including the Mayor of Makedonska Kamenica and representatives from the local community. Feedback from the public hearing was positive and Sasa achieved approval of the ESIA in August 2022.

In H2 2022, construction of the Paste Backfill Plant began, this is now well underway and on track for completion in H1 2023. The Dry Stack Tailings part of the project is scheduled for construction during H2 2023, and key long-lead time item orders have been placed. We have made solid progress with over 1,000 metres of the Central Decline developed from both surface and underground during the year.

KOUNRAD

During the year at Kounrad, leaching operations performed well, as did the SX-EW processing facilities which achieved 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.

Capital expenditure remained low at $2.5 million and included $0.1 million on the commencement of construction activities related to the solar power plant in Q4 2022. The 4.77MW unit will be constructed by Kounrad's engineering team and is expected to provide between 16-18% of the site's electrical power requirements.

OUTLOOK

While we continue to foresee global challenges, we expect CAML to continue to perform very well relatively.

Our production guidance for Sasa is 790,000 to 810,000 tonnes of ore, which should lead to 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 2023 will be finalising the Cut and Fill Project, which will see us extract the maximum resources in a safer, more sustainable and efficient manner. From a permitting perspective, the Paste Backfill and Dry Stack Tailings aspects of the Cut and Fill Project are effectively viewed in North Macedonia as an overarching yet much improved tailings storage solution for the long term.

At Kounrad, we expect to produce between 13,000 and 14,000 tonnes of copper. We also look forward to starting to generate our own renewable power once we have completed construction of the solar power plant this year.

We expect 2023 Group capital expenditure of between $28 million and $30 million, of which between $11 million and $13 million is expected to be committed to sustaining capex. Total expected 2023 capex also includes approximately $5 million related to the Kounrad solar power plant. CAML expects Cut and Fill Project capital expenditure in the order of $12 million in 2023.

Sasa has already generated EBITDA of $301.5 million during the last five years under our ownership and we look forward to a long mine life continuing to generate significant value from this asset until at least 2039.

We were active throughout 2022 in terms of business development, having reviewed 40 opportunities, signed NDAs for 17 of them and conducted two site visits.

This momentum has continued into 2023 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
28 March 2023

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MARKET OVERVIEW

COPPER

Copper demand is exposed to a growth trend associated with the ongoing transition to a low-carbon global economy.

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. The surge in copper demand is driven by the greater copper-intensity of many core elements of the green economy. For example, electric vehicles need around four times more copper than those with internal combustion engines ('ICEs'), while solar panels and wind farms need as much as five times the amount of copper needed for fossil fuel power generation.

In addition, copper is heavily used across construction projects and major appliances. In that sphere, copper will play a key role in a push to boost building efficiencies through wiring upgrades, LED lighting, and heat pumps. Copper is also a major beneficiary of the infrastructure investment plans that have been rolled out worldwide in the economic recovery phase of the Covid-19 pandemic.

However, copper may lose market share in low voltage and communications cables, with optical fibres potentially displacing some demand for the material in this segment in the medium term. In the long term, increasing investments in the collection, sorting and use of scrap, which are driven both by the attractiveness of the projected market deficit and by decarbonisation targets, may also pose a risk to demand for the primary metal.

CONCLUSIONS

As supply is not expected to keep up with the growth in demand, the copper market is faced with a long-term structural deficit. The anticipation of deficits to come will likely apply upward pressure on the copper price, as accumulated inventories are drawn and consumed.

OPPORTUNITIES

- Global push towards renewable forms of energy generation
- Electric vehicles and renewable energy plants are more copper-intensive than incumbents
- Large-scale infrastructure investment packages underway
- Environmentally efficient housing to be more copper intensive

THREATS

- Losing market share in low voltage and communications cables
- Potential global recession ex-China could hit demand
- New technology could make low grade deposits more viable

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MARKET OVERVIEW

ZINC

Urbanisation and industrialisation in the developing world continue to be a main driver of growth in zinc demand.

An increasing portion of that growth is expected to be driven by emerging markets ex-China, as the Chinese economy transitions from being driven by investment in infrastructure and exports to domestic consumption, making it less zinc intensive.

Sustainability initiatives to increase product life span and reduce the need for replacement parts have supported zinc demand through legacy uses of the metal, since the prime use of zinc is galvanising steel and iron to protect against corrosion. This prevents the premature replacement of these products as zinc coating protects them. In parallel, rising wealth in emerging markets is driving increased investment into galvanisation to extend the life cycle of steel and iron-based products.

In the coming decades non-traditional uses of zinc are aslo likely to drive an increasing portion of the metal's demand growth. The most significant of these zinc uses is as a micro-nutrient in agricultural fertilisers, which could drive meaningful growth in demand were it to be widely adopted in the developing world. Beyond 2030, additional upside could come from the increased need to store energy generated from renewable sources. At present, the use of zinc-based battery systems in this sector is negligible, but that could change as renewable energy becomes ever more prevalent and the need to store it grows.

On the other hand, zinc faces increasing competition from aluminium in die-cast alloys for automotive and other high-value applications and, with recent technological improvements, galvanisation has become less zinc-intensive, in turn reducing the metal's demand.

In addition, the fact that zinc smelting is very energy intensive exposes the smelting industry to the double whammy of higher energy costs and policy-linked constraints on power consumption, as was particularly evident in Europe over the course of 2022.

CONCLUSIONS

Despite the threat of substitution in zinc's legacy uses, secular growth trends and new potential applications are set to outweigh any negative factors eating into the metal's demand.

In terms of supply, current smelting capacity and improvements in utilisation rates are projected to ensure sufficient refined metal supply until 2025. Thereafter, additional capacity will need to come online to meet forecast market demand.

OPPORTUNITIES:

- Rising wealth in emerging markets driving increased investment into galvanisation
- Limited scrap recovery
- New end uses such as fertilisers and zinc-based batteries
- Upward pressure on prices from record-low inventories

THREATS:

- Chinese economic growth to become less zinc-intensive
- Risk of substitution from aluminium, for die-cast alloys in particular
- Efficiency improvements in galvanisation techniques

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MARKET OVERVIEW

LEAD

Lead-acid batteries represent lead's primary application, accounting for nearly 80% of total metal demand.

Such batteries play an essential role in the functioning of society, enabling all forms of commercial and leisure road mobility, as well as supporting trucking's pivotal role in connecting global supply chains. Stationary batteries are also essential for backup power at hospitals, data centres, telecommunications companies and other critical infrastructure. Other uses of lead include a suite of applications in the realm of radiation protection in hospitals, nuclear reactors and containers transporting radioactive material; as well as ammunition and industrial sheets made to dampen noise and vibrations.

Although lead-acid batteries undoubtedly have a place in the green economy, they are facing increasing competition from alternative battery chemistries, in particular from lithium-ion batteries both as a power storage source and among automotive applications. However, there are limitations to lithium-ion battery adoption, as lead-acid batteries provide a cheaper solution and are proven to work better in high-power vehicles.

Lead demand has also been affected by the large amount of regulation passed in recent decades to control lead exposure and protect both the workforce and the environment from its toxicity. This has been accompanied by the creation of wide-reaching lead recycling infrastructure and a large secondary market for recycled material, which has eaten into the mined metal's demand. Recycled lead now accounts for around half of all lead production.

CONCLUSIONS

In 2022, lead has outperformed most of its industrial peers on the back of relative market tightness. Robust battery demand was confronted by the supply backdrop, driven by closures of several smelters and restrained scrap supply from China. In the long run some of the supply constraints are expected to ease likely balancing the prices.

OPPORTUNITIES:

- Increasing need for uninterrupted power supply and rising energy storage application
- Key role in electric vehicles as lead-acid batteries run most electrical systems
- Potential substitute for other metals (i.e. cobalt, nickel and lithium) when their supply is limited
- Start-stop auto technology is more lead-intensive
- Upward pressure on prices from record-low inventories

THREATS:

- Push for substitution due to environmental and safety concerns
- Well established recycling network and secondary market
- Long term risk of lead-acid battery substitution by nickel and lithium-ion batteries

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OUR STRATEGIC FRAMEWORK

ALIGNING OUR STRATEGIC OBJECTIVES TO OUR PURPOSE

1 QCA

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

In this report, we demonstrate how our strategic objectives and our everyday working practices continue to be embedded in the Company to deliver long-term value for stakeholders.

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, and other facilities, while at the same time focusing on the financial sustainability of our operations.

See pages **21-25**, Our KPIs, for more information on our performance.

OUR IMMEDIATE STRATEGIC OBJECTIVES

FOCUS ON SUSTAINABILITY

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

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

OUR LONG-TERM STRATEGIC OBJECTIVE

DELIVERING GROWTH

This objective is a continuous and underlying ambition

Details of our specific objects, progress in 2022 and our long-term targets can be seen on page **20**

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OUR STRATEGIC FRAMEWORK CONTINUED

OUR IMMEDIATE STRATEGIC OBJECTIVES		PROGRESS IN 2022	OUR LONG-TERM OBJECTIVES	
FOCUS ON SUSTAINABILITY	This objective ensures that sustainability remains a key priority in everything that we do ‣ The health, safety and wellbeing of our employees is our top priority ‣ Prevent, mitigate and control our environmental impacts through a focus on energy use and climate change, air quality and pollution, water, waste and biodiversity ‣ Continue to drive social and economic value in the communities in which we operate	‣ Strong health and safety performance at Kounrad ‣ Improved health and safety performance at Sasa, with two LTIs versus four in 2021 ‣ Commenced construction of Kounrad solar power project ‣ Development of Sasa LEAP and LEDP programmes ‣ CAML Climate Change work progressed with scenario analysis undertaken	CAML 5-YEAR LTIFR **1.30** SEVERE OR MAJOR ENVIRONMENTAL INCIDENTS **0**	FATALITIES **0** SEVERE OR MAJOR COMMUNITY INCIDENTS **0**
TARGETING LOW COST, HIGH MARGINS	This objective is around our focus on low-cost production which results in high margins ‣ Consistently focus on maintaining low-cost production while maintaining high margins ‣ Aim to continue efficient operations to unlock maximum value and profitable operations	‣ Copper production exceeded market guidance ‣ Zinc and lead production met market guidance ‣ Controlled Sasa and Kounrad site costs despite global inflationary pressures, particularly Sasa H2 2022 electricity costs	MEETING ANNUAL PRODUCTION TARGETS	STRONG COST CONTROL

ENSURING PRUDENT CAPITAL ALLOCATION	This objective focuses on CAML's ability to allocate capital efficiently
	‣ Focus on capital allocation, including:
	  ‣ Investing in our operations
	  ‣ Returns to shareholders
	  ‣ Maintaining a strong balance sheet
		‣ Corporate debt facility repaid
		‣ 2022 capital expenditure of $7.2 million related to Sasa Cut and Fill Project
		‣ Dividend payments during 2022 of $48.2 million
			MAINTAIN A STRONG BALANCE SHEET
			ENSURE DIVIDENDS ARE WITHIN POLICY RANGE OF BETWEEN **30–50%**
				DELIVER ON SASA CUT AND FILL PROJECT

OUR LONG-TERM STRATEGIC OBJECTIVE				
DELIVERING GROWTH	This objective is a continuous and underlying ambition ‣ Focus on CAML's ability to take advantage of opportunities to grow the business through acquisition	‣ Size and liquidity becoming more important investment considerations ‣ Attractive base metals exposure ‣ Looking to acquire with manageable balance sheet implications	NAV/SHARE INCREASE EPS INCREASE	EBITDA/SHARE INCREASE

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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.

FOCUS ON SUSTAINABILITY

	LTIFR	FATALITIES	ENVIRONMENTAL INCIDENTS
	0.83	**0**	**0**
	2022 0.83 2021 1.69 2020 0.00	**2022** 0 2021 0 2020 0	**2022** 0 2021 0 2020 1
DEFINITION/ RATIONALE	We aim to provide a safe working environment for our people. LTIFR is lost time injury frequency rate, which 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 environmental incidents as a result of its operations in Kazakhstan and North Macedonia.
2022 PERFORMANCE	CAML's 2022 safety performance was excellent at Kounrad, with zero lost time injuries. At Sasa, two lost time injuries were recorded.	There were no fatalities due to a workplace safety incident at either operation in 2022. Indeed, there has never been a fatality at a CAML operated site.	There were no environmental incidents at either operation.
RELATED TO REMUNERATION	✓	✓	✓

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KEY PERFORMANCE INDICATORS CONTINUED

FOCUS ON SUSTAINABILITY

	COMMUNITY INCIDENTS	HUMAN RIGHTS ABUSES	HEALTH AND SAFETY TRAINING	SUPPLIERS	CORPORATE GOVERNANCE PLATFORM
	0	**0**	**14%** increase in total Health and Safety training year on year	**92%** of new suppliers screened to social assessment criteria[1]	**98%** of top priority (risk assessed) employees trained on new corporate governance platform
	2022 0 2021 0 2020 0	**2022** 0 2021 0 2020 0	**2022** 14%	**2022** 92%	**2022** 98%
DEFINITION/ RATIONALE	CAML strives for zero severe community-related incidents and recognises that strong community support is crucial to the Company's effective licence to operate.	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 believes that training is one of the most effective tools to improve health and safety culture and practices and should therefore result in a safer workplace. The Company aims to ensure that all employees are well trained and develop their understanding of how to contribute to a safe and healthy work environment.	As part of our efforts to encourage ethical practices within our supply chain and combat human rights abuses, including modern slavery, we have developed and implemented a social assessment procedure which takes the form of a questionnaire to enable us to screen potential new suppliers.	It is considered a top priority that all employees and particularly those who are top priority as identified by a risk assessment are clear in their understanding of what is expected of them in terms of their governance conduct.
2022 PERFORMANCE	There were zero community incidents related to CAML's operations during 2022. Since the Company began constructing the Kounrad operation in 2010 and, since it acquired Sasa in 2017, there have been no severe community related incidents.	There were zero human rights abuses related to CAML's operations during 2022. 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.	With proactive efforts throughout the business, CAML met this target, and delivered over 10,000 training hours. This was a 14% increase versus the 10% target.	Out of 86 new suppliers in 2022 with whom we have contracted, 79 have signed, giving us a 92% completion rate of the social assessment exercise.	For compliance training, 98% completion for the Group overall.
RELATED TO REMUNERATION	✓	✓	✓	✓	✓

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

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KEY PERFORMANCE INDICATORS CONTINUED

TARGETING LOW COST, HIGH MARGINS

COPPER EQUIVALENT PRODUCTION

27,656 t

	Copper	Lead	Zinc
2022	14,254t	27,354t	21,473t
2021	14,041t	27,202t	22,167t
2020	13,855t	29,742t	23,815t

DEFINITION/ RATIONALE

CAML aims to meet annual production targets and continue efficient operations to unlock maximum value and ensure a profitable performance.

2022 PERFORMANCE

2022 copper production at Kounrad exceeded market guidance. Both 2022 zinc and lead production was within market guidance.

RELATED TO REMUNERATION ✓

CASH COST, COPPER EQUIVALENT

$1.39/lb

2022	**$1.39/lb**
2021	$1.32/lb
2020	$1.15/lb

DEFINITION/ RATIONALE

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.

2022 PERFORMANCE

CAML was pleased with overall cost control given global inflationary pressures which have adversely affected the mining sector.

RELATED TO REMUNERATION ✓

EBITDA

$131.6m

2022	**$131.6m**
2021	$141.5m
2020	$95.7m

DEFINITION/ RATIONALE

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 51.

2022 PERFORMANCE

The Group generated 2022 EBITDA of $131.6 million, as a result of strong base metal production.

RELATED TO REMUNERATION ✗

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KEY PERFORMANCE INDICATORS CONTINUED

ENSURING PRUDENT CAPITAL ALLOCATION

	CAPITAL EXPENDITURE	CORPORATE DEBT REPAYMENTS	NET CASH/(NET DEBT)	DEPENDABLE DIVIDENDS
	\$17.4m	**\$23.8m**	**\$58.9m**	**20p**
2022	\$17.4m	\$23.8m	\$58.9m	20.0p
2021	\$14.8m	\$48.4m	\$22.7m	20.0p
2020	\$8.5m	\$38.4m	(\$36.2m)	14.0p
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 Cut and Fill project that is in the construction phase during 2022 and 2023 and the Solar Power Project at Kounrad that began in Q4 2022 and is expected to be completed in the latter part of H2 2023.	CAML's focus is on its balance sheet strength and ability to maintain liquidity and service any debt. The corporate debt facility was repaid in August 2022.	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 free cash flow, defined as net cash generated from operating activities less sustaining capital expenditure.
2022 PERFORMANCE	During the year, Group capital expenditure totalled \$17.4 million, a combination of \$2.5 million Kounrad sustaining capital expenditure and \$14.9 million at Sasa, of which \$7.2 million was related to progress of the Cut and Fill Project.	All contractual principal debt repayments were made under the borrowings held with Traxys Europe S.A by August 2022.	CAML completely repaid its corporate debt facility in August 2022 and is now in a net cash position with its only debt a small overdraft facility.	Total dividends related to 2022 (interim and final) amounted to 20 pence per share, which equated to 47% of FCF.
RELATED TO REMUNERATION	✓	✗	✗	✗

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KEY PERFORMANCE INDICATORS CONTINUED

DELIVERING GROWTH

	BUSINESS DEVELOPMENT OPPORTUNITIES REVIEWED	NON-DISCLOSURE AGREEMENTS SIGNED	SITE VISITS UNDERTAKEN
	40	**17**	**2**
2022	**40**	**17**	**2**
2021	32	16	1
2020	28	5	1
DEFINITION/ RATIONALE	Reviews of potential opportunities for mergers and acquisitions are undertaken as a routine part of our business and CAML has a stated 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.
2022 PERFORMANCE	CAML bolstered the business development team in 2022 and reviewed 40 opportunities during the course of the year.	17 NDAs were signed in 2022.	Two site visits were undertaken during the year.
RELATED TO REMUNERATION	✕	✕	✕

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SUSTAINABILITY

TAKING A DOUBLE MATERIALITY APPROACH TO KEY SUSTAINABILITY TOPICS

See our 2022 Sustainability Report for more detail on our approach with regards to these key topics as well as achievements, challenges, data and targets.
www.centralasiametals.com/sustainability

Our sustainability strategy is built upon five pillars:

- DELIVERING VALUE THROUGH STEWARDSHIP
- MAINTAINING HEALTH & SAFETY
- FOCUSING ON OUR PEOPLE
- CARING FOR THE ENVIRONMENT
- UNLOCKING VALUE FOR OUR COMMUNITIES

The framework is supported by long-term targets to drive performance and enable us to measure the success of our strategy.

In order to show a strong commitment to aligning remuneration with stakeholder interests and to drive responsible performance throughout the Group, sustainability metrics are included as corporate performance targets in the Company's remuneration practices.

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OUR DOUBLE MATERIALITY APPROACH

GRI has published new Universal Standards prompting enhanced transparency in reporting information about the most significant impacts of activities and business relationships on the economy, environment, and people, including impacts on people's human rights.

Incorporating the double materiality approach, GRI recognises that the impacts of an organisation's activities and business relationships can also have negative and positive consequences for the organisation itself. Even if not financially material at the time of reporting, most become financially material issues.

In 2022, CAML engaged external consultants, Digby Wells, to undertake a comprehensive analysis and stakeholder engagement in order to update and align our previous materiality assessments with the requirements of the revised GRI Universal Standard and to reflect those sustainability aspects that are material to our business from a financial and an impact perspective. To achieve this, we undertook a double materiality process as demonstrated, see right.

HIGHEST PRIORITY
1 Environmental compliance and management
2 Responsible waste and tailings management
3 Occupational health and safety
4 Responsible water management
5 Local employment, community development and socio-economic contribution

HIGH PRIORITY
6 Community engagement
7 Labour rights, relations and remuneration
8 Air quality and emissions incl. GHG / energy consumption
9 Anti-bribery and corruption compliance
10 Employee retention and development
11 Biodiversity
12 Responsible supply chain

PILLAR	MATERIALITY
DELIVERING VALUE THROUGH STEWARDSHIP	We look to maintain the highest levels of ethical standards in our conduct and encourage the same for our suppliers whilst working in full compliance with the laws and regulations of our host countries. Robust corporate governance systems are the foundation from which we can promote optimal economic, social and environmental outcomes.
MAINTAINING HEALTH AND SAFETY	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.
FOCUSING ON OUR PEOPLE	We are dedicated to treating all employees fairly, recognising core labour and human rights principles and supporting the right to freedom of association and collective bargaining, as well as respecting the right to be free of harassment or intimidation in the workplace. We look to promote our Company culture and provide a positive, stimulating and productive workplace, where continuous employee development is encouraged.
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 recognise our responsibility, as a contributor of greenhouse gas emissions, to identify and implement programmes to minimise energy usage where possible, 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 tailings storage facilities and proactively working to reduce and recycle non-mineral, hazardous and non-hazardous mineral waste and preventing or reducing pollution. 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.
UNLOCKING VALUE FOR OUR COMMUNITIES	We concentrate on developing positive, constructive and professional relationships with host governments and communities close to our operations, investing resources to understand their needs and promoting close collaboration to respect human rights and implement social investment strategies. 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 socioeconomic development.

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SUSTAINABILITY SUMMARY

OVERVIEW

Producing base metals, which are 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 27. 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, 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 79.

In our third year of reporting in line with GRI standards, we have worked to further improve and develop disclosure. We have continued to engage with stakeholders in 2022 and conducted a comprehensive materiality process.

CAML's sustainability strategy and practices continue to develop, and we have advanced our approach to contributing to the SDGs in 2022. 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

3 GOOD HEALTH AND WELL-BEING
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

CAML'S SUPPORTING SDGS

1 NO POVERTY
4 QUALITY EDUCATION
7 AFFORDABLE AND CLEAN ENERGY

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.

SAFETY: LTIFR	LOCAL COMMUNITY SUPPORT	CARBON EMISSIONS INTENSITY	GENDER DIVERSITY
0.83	**$0.3m**	**2.14/t Cu eq**	**13%**
2021: 1.69	2021: $0.5m	2021: 3.11/t Cu eq	2021: 13%

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SUSTAINABILITY SUMMARY 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 personnel. We strive to implement world-class health and safety practices across our operations. It is important that both management and personnel 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 on 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. As such, we have adopted the TCFD framework.

In line with TCFD recommendations, we conducted a scenario planning exercise in 2022 to increase our understanding of transition risks that may affect our operations as well as extending our physical risk analysis to our supply chain. In 2023 we will implement key recommended actions and will begin to estimate our Scope 3 emissions in advance of reporting them in 2024.

See our 2022 Climate Change Report on our website
www.centralasiametals.com

UNLOCKING 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 providing philanthropic support, fostering sustainable development, facilitating socioeconomic 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 taxes of $293.6 million paid to the Governments of North Macedonia and Kazakhstan during our ownership.

Read more in CAML's 2022 Sustainability Report

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ADVANCING OUR CLIMATE CHANGE WORK IN 2022

2022 CAML GROUP CO_2 EMISSIONS	2022 GROUP REDUCTION IN GHG EMISSIONS SINCE 2020
59,082t	**40%**

CAML's purpose is to produce base metals, essential for modern living, profitability in a safe and sustainable environment for all our stakeholders. It is this purpose that shapes our business model and our strategic decisions.

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

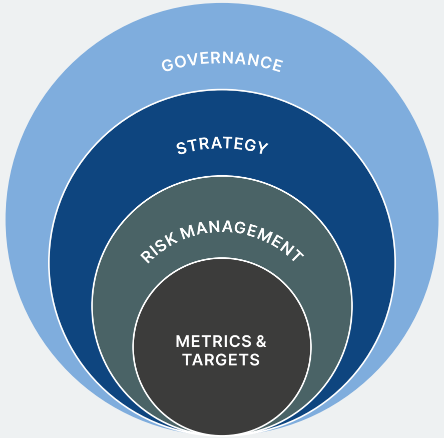
As an organisation, we recognise the growing importance of understanding the impact of climate change on the environment in which we operate and its potential impact on the business. TCFD was established in 2015 to improve and increase reporting of climate-related financial information and provides information to investors about the actions companies are taking to mitigate the risks of climate change, as well as providing increased clarity on the way in which they are governed.

We have 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 provides a structured approach for us, to work towards embedding climate into our decision-making, and also enables us to learn from and apply best practice on reporting and disclosures.

We see this as an opportunity to build on the work we have already done in this area, increase the quality of, and provide meaningful transparency in, our disclosures and continue our roadmap of TCFD reporting. In doing so, we hope to ensure our stakeholders have a better understanding of CAML's operational and business resilience to climate change as well as how we are currently, and are planning to, incorporate the consideration of climate-related risks and opportunities into our business model.

The table on page 32 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 2022 Sustainability Report.

CORE ELEMENTS OF RECOMMENDED CLIMATE-RELATED FINANCIAL DISCLOSURES



GOVERNANCE	STRATEGY	RISK MANAGEMENT	METRICS & TARGETS
The organisation's governance around climate-related risks and opportunities.	The actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	The processes used by the organisation to identify, assess, and manage climate-related risks.	The metrics and targets used to assess and manage relevant climate-related risks and opportunities.

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ADVANCING OUR CLIMATE CHANGE WORK IN 2022 CONTINUED

PROGRESS REPORT & NEXT STEPS

In our 2021 Sustainability Report, we began moving towards TCFD reporting. We shared our climate strategy and our medium- and long-term goals that 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 27% reduction in our CAML Group GHG emissions in 2022 versus 2021.

During 2022 we confirmed our decision to go ahead and construct the Kounrad solar power plant. Earthworks for the 4.77MW facility that should contribute to 16-18% of Kounrad's power needs commenced before Christmas in Q4 2022 and construction should be complete in H2 2023. We were also delighted to have sourced almost solely renewable power for our Sasa operations, as confirmed in North Macedonia by PwC.

In 2021, we disclosed that we had undertaken a detailed review of fuel sources that could potentially replace coal at Kounrad. Though the proposed alternatives weren't 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.

The Sasa team, alongside mobile plant contractors Epiroc, undertook an analysis into the practical and financial implications of purchasing electric underground machines for drilling, loading, and hauling of ore which will be considered if/when mobile plant is due to be replaced. In 2022, Sasa planted 6,000 seedlings in the local area and is working with 'Public Enterprise National Forests' to identify other areas for tree planting. During 2022, Sasa installed an energy monitoring system, Honeywell, throughout the milling process. We will continue to identify further energy saving measures in 2023.

To understand our strategic resilience in terms of our climate risks and opportunities, we undertook scenario analysis work during 2022. This analysis has broadly validated our climate strategy and has helped us to identify our risks and opportunities as well as key workstreams for us to focus on going forwards.

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ADVANCING OUR CLIMATE CHANGE WORK IN 2022 CONTINUED

In 2023, we plan to collect data to enable us to report our Scope 3 emissions estimates in 2024 for the 2023 operating year.

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 risk register and beginning to identify risks and opportunities over the short, medium and long term. Our 2022 scenario analysis work has enabled us to appraise these risks and opportunities in a fuller manner.
	Impact on organisation	Our 2021 climate risk assessment work assisted us in developing our climate change strategy. This was further tested by our climate scenario analysis that was undertaken in 2022, which deepened our understanding of the direct and indirect climate-related impacts to our business, financial planning, and strategy.
	Resilience of strategy	Following completion of our scenario analysis in Q4 2022, 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. In 2023, we will assess our risk mitigation and opportunity realisation options and will refine our climate change strategy or take further action, as appropriate.

RECOMMENDATION	DISCLOSURE TOPIC	ALIGNMENT STATUS
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.
METRICS AND TARGETS	**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 practises.
	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 Strategy.
	Scope 1,2,3	We report Scope 1 and 2 emissions and are working towards reporting Scope 3 emissions for the 2023 operating year in 2024.
	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. We will continue to evaluate other potential targets, such as for Scope 3 or for risk and opportunity management.

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STAKEHOLDER ENGAGEMENT / SECTION 172

STAKEHOLDER ENGAGEMENT

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

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

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**.

The table on pages **34-35** 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 members. 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 values which inform the behaviour and standards expected throughout the Group. This purpose-driven approach determines how we identify and deliver our immediate and long-term strategic objectives and generate sustainable, long-term returns for all our stakeholders.

Throughout the year we continually engage, both formally and informally, with our key stakeholders. This enables us to assess and clearly understand their needs, consider their perspectives, 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. In 2022, we repeated the process of conducting an assessement of material sustainability topics as we did in 2020, working with consultants, corporately and for both of our operations.

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, responsible business practices and the likely consequences of principal Board decisions in the long term.

Examples of this 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 our stakeholder groups.

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 Committee to ensure that the sustainability performance targets included in both its short-term and long-term incentive plans are appropriately stretching, clearly defined and quantative 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 91 to 101 for further details

The importance of good governance has always been recognised within CAML and its role in the management of the Company has been key to building and sustaining value over the long term. In 2022, the Board decided to further strengthen its governance processes with the establishment of two new Committees to provide support and guidance in addition to the four existing principal Board Committees.

This update to our governance framework resulted in the addition of a Technical Committee to assist the Board in its review of major projects, and an Advisory Committee through which the Board can access the historical knowledge and perspectives of former Directors and senior managers who have retired from the Group. In addition, we assessed the memberships of each of the Committees to ensure that memberships were optimised to utilise the skills and experience of each of our Directors in the best way possible.

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. The table on pages 34 to 35 sets out our key stakeholder groups and how we engaged with them during the year.

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STAKEHOLDER ENGAGEMENT / SECTION 172 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, and business model and our ESG performance.	• Regular one-on-one meetings with Executive Directors and Director of Corporate Relations • Investor presentations (Executive Directors) • AGM (all Directors) • AGM held through Investor Meet Company retail investor platform • In-person and virtual industry conferences (including Executive Directors) • Social media	• Capital allocation • Business development • Inflation • Kazakhstan political risk • Climate change • Diversity and inclusion	• Stakeholder engagement-based materiality assessment undertaken, and material sustainability topics adjusted to reflect their views • 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 • Personal phone call to largest shareholders from Kazakhstan Executive Director of Corporate Development to explain Kazakhstan unrest in January 2022, as well as answering many queries from retail shareholders • Executive Director discussions with shareholders at results meetings
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)	• 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 health and safety rules and procedures	• Stakeholder engagement-based materiality assessment undertaken and material sustainability topics adjusted to reflect their views • Support provided to site staff via inflation-beating 2022 pay rises in excess of 15% • New role of Internal Communications Coordinator developed • Executive Director of Corporate Development presentation to Kounrad workforce on CAML commitment and support • Found suitable candidates for vacancies at our operations • Employees informed of Company vision and short-term focus areas • New hires informed about the Company's ethos, Group policies, their colleagues and safety rules, to help them settle into the role quickly

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STAKEHOLDER ENGAGEMENT / SECTION 172 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 Cut and Fill Project • Inflation • Ensuring a generally positive impact of the mining industry in North Macedonia	• Stakeholder engagement-based materiality assessment undertaken and material sustainability topics adjusted to reflect their views • ESIA and other necessary permits approved for Sasa Cut and Fill project • Kounrad won award for its social responsibility (medium-sized business) and was presented award by Kazakh president, Tokayev
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 • Sponsor 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 approach • Community health issues in Kounrad/ Balkhash	• Stakeholder engagement-based materiality assessment undertaken and material sustainability topics adjusted to reflect their views • LinkedIn page now live for local recruitment at Sasa • Held successful local community consultation over ESIA • PrimePoint appointed to work with Sasa and local municipality • Sponsorship of five student doctors to go through university
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 imbedded within our Procurement Policy • Communication regarding Company values and policies, which are signed off by the Board, and which cover governance and ethics topics	• Supplier Code of Conduct containing social assessment rolled out to new suppliers and met with some reluctance to complete the exercise • Addressing and monitoring trade sanctions within supply chains and procurement policies • Unauthorised migrants found in supplier delivery vehicles	• Stakeholder engagement-based materiality assessment undertaken, and material sustainability topics adjusted to reflect their views • Social assessment questionnaire to be presented alongside tendering. Environmental assessment aspects to be introduced into the questionnaire • 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**.

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OPERATIONAL REVIEW

SASA

NORTH MACEDONIA

In 2022, Sasa mined 806,069 tonnes of ore and processed 806,653 tonnes of ore. The average head grades for the year were 3.15% zinc and 3.63% lead and the average 2022 metallurgical recoveries were 84.6% for zinc and 93.4% for lead.

Sasa produces a zinc concentrate and a separate lead concentrate. Total production for 2022 was 42,824 tonnes of zinc concentrate at an average grade of 50.1% and 38,439 tonnes of lead concentrate at an average grade of 71.2%.

Sasa typically receives from smelters approximately 84% of the value of its zinc in concentrate and approximately 95% of the value of its lead in concentrate. Accordingly, total 2022 payable sales were 17,862 tonnes of zinc in concentrate and 25,689 tonnes of lead in concentrate.

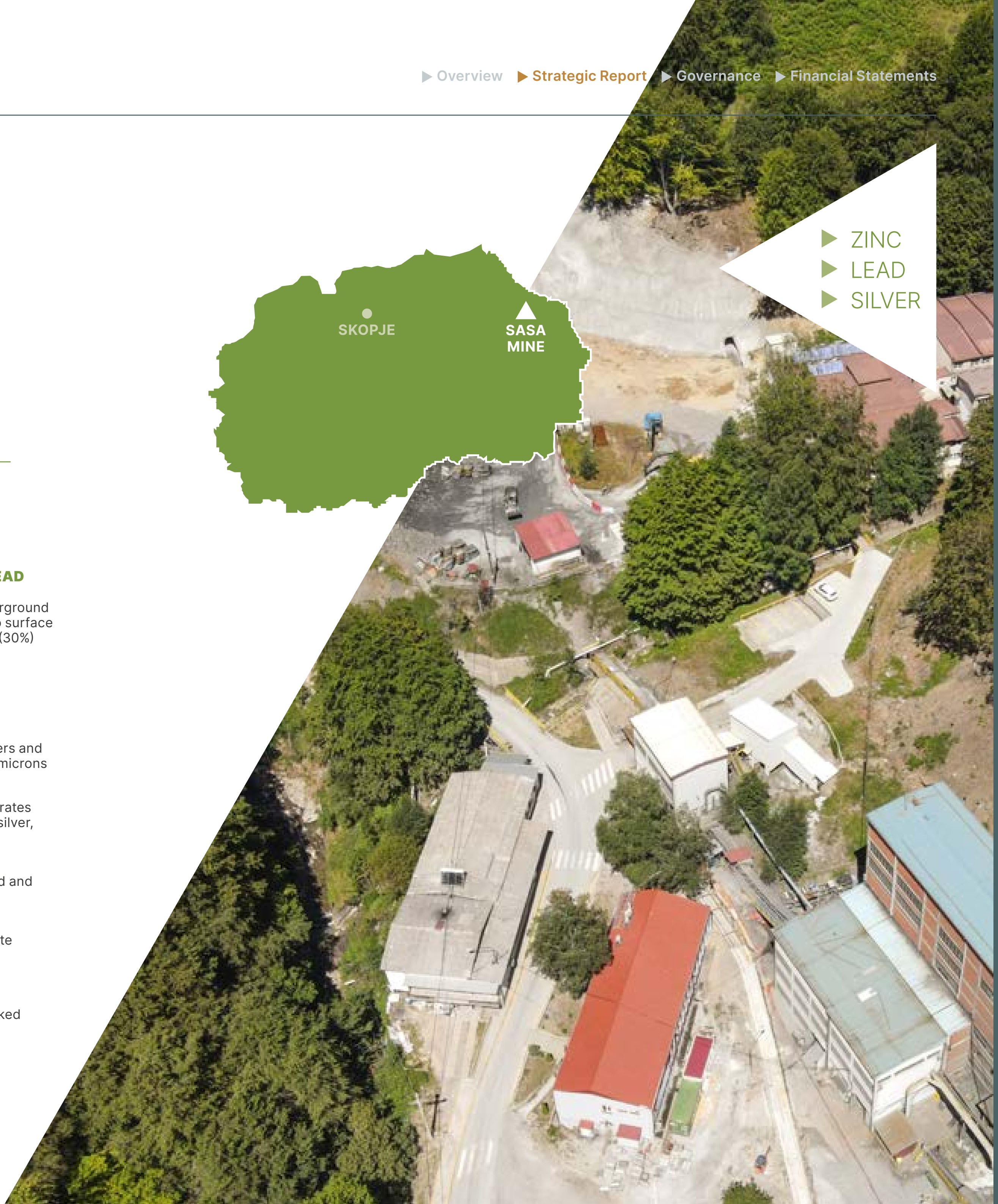
During 2022, Sasa sold 316,757 ounces of payable silver to Osisko Gold Royalties in accordance with its streaming agreement.

LOCAL EMPLOYMENT AT SASA

98%

HOW WE PRODUCE ZINC AND LEAD

- **Mine** Sub-level caving underground mine with ore transported to surface by shaft (70%) and by truck (30%)
- **Crush and screen** Jaw and cone crushers
- **Mill** Rod mills, spiral classifiers and ball mills. Ore milled to c.74 microns
- **Froth flotation** Two concentrates produced – lead containing silver, and zinc
- **Remove moisture** Thickened and pressed to de-water
- **Storage** Saleable concentrate products stored in sheds awaiting loading
- **To market** Concentrate trucked to smelters



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OPERATIONAL REVIEW CONTINUED

SASA PRODUCTION STATISTICS

	Units	2022	2021	2020
Ore mined	t	**806,069**	818,609	826,421
Plant feed	t	**806,653**	830,709	820,215
Zinc grade	%	**3.15**	3.14	3.37
Zinc recovery	%	**84.6**	84.9	86.1
Lead grade	%	**3.63**	3.52	3.85
Lead recovery	%	**93.4**	93.1	94.3
Zinc concentrate	t (dry)	**42,824**	44,383	47,583
– Grade	%	**50.1**	49.9	50.0
– Contained zinc	t	**21,473**	22,167	23,815
Lead concentrate	t (dry)	**38,439**	37,893	41,289
– Grade	%	**71.2**	71.8	72.0
– Contained lead	t	**27,354**	27,202	29,742

HEALTH AND SAFETY

At Sasa, there were two LTIs, two medical treatment injuries ('MTIs') and one restricted work case ('RWC') during the year.

MINING

A total of 806,069 tonnes of ore were mined using the sub-level caving method during the year from the 990 metre and 910 metre working areas. The ore from the underground operations is hoisted via the Golema Reka shaft to surface (c.73%) and the remainder is trucked to surface via the existing XIVb decline using a fleet of 20 tonne Epiroc trucks.

The average combined grade of the ore mined was 6.78% zinc and lead, approximately 2% higher than 2021.

Ore development in the two working areas totalled 3,114 metres, which was approximately 14% more than last year and involved accessing additional sub-levels below the 910 metre level during H2 2022. Waste development for the year totalled 2,378 metres, approximately 9% above last year for approximately 92,000 tonnes of waste, generated 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 898,069 tonnes of ore and waste during the year, approximately 1% more than last year.

MAINTENANCE

A computerised maintenance management system for surface and underground equipment is in the process of being commissioned. Underground communications were improved with the introduction of underground Wifi, which will be completed by the end of H1 2023.

During the year, certain equipment was purchased to increase efficiency:

- an Epiroc Bolting Drill Rig Boltec S for the safe and efficient installation of roof bolts;
- two Paus utility units fitted with interchangeable platforms and hydraulic hammers for rock scaling;
- a Putzmeister SPM 4210 wet shotcrete unit and mixer to enable in-cycle support, replacing the handheld shotcrete units previously used underground;
- a Manitou MHT-X790 Mining for installation of underground reticulation system;
- a Paus Bus (Minca); and
- a CAT rock crusher.

PROCESSING

Sasa processed 806,653 tonnes of ore during the year, a fall of approximately 3% versus 2021, and the plant had an overall availability of 95% – an improvement of 2% on 2021.

In addition to the planned maintenance works completed during the year, automated oil lubrication systems and flow meters were installed and commissioned on all of the mills. In November 2022, the reconfiguration of the tertiary crusher and feed arrangements were completed and commissioned.

The tailings storage facility systems at Sasa ran to a high standard and without incident during the year, managed by a designated tailings management team. Knight Piésold audited the TSFs in H2 2022 and CAML appointed an experienced Independent Technical Reviewer, who also reviewed the management of Sasa's TSFs. Sasa is currently actioning the recommendations from both reports and working to conformance with GISTM in H1 2024.

During the year, construction of the TSF4 waste rock toe continued with the placement of 37,000 m^3 of waste rock from the Sasa underground mine. A new bridge transporting tailings to TSF4 from the processing plant was constructed over the Soborski Dol River.

A seismic monitoring system and piezometer sensors were installed as part of an overall drive to automate TSF monitoring systems and commissioning is underway.

The rehabilitation of the TSF3.2 facility continued throughout the year with the placement of waste rock from the Sasa underground mine.

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DRILLING

A total of 6,670 metres of exploitation drilling was completed during the year on the two working areas, the 910 metre and 990 metre levels, to provide additional information on the grade and thickness of the three orebodies on the sub-levels.

A total of 5,760 metres of exploration drilling was completed below the 830+14 metre level to improve the geological understanding of the mineralisation at depth.

A total of 2,950 metres of exploration drilling in three holes was completed from surface to test the geology at depth below the 700 metre level. One hole intersected three zones of mineralisation down to at least the 580 metre level proving the extension of the mineralisation at depth to the south-west and adding to the Inferred Mineral Resources. The second and third hole proved the limits of the north-western extents of the mineralisation.

There was no exploration drilling completed at Kozja Reka or Golema Reka during the year.

A comprehensive dewatering programme was also completed during the year with over 250 metres of drainage holes drilled.

2023 PRODUCTION GUIDANCE

At Sasa, 2023 will be a year of transition from the current sub-level caving mining method to a paste fill mining approach. Therefore, CAML maintains its ore mined guidance year on year of 790,000 to 810,000 tonnes. The Company expects some adjustment in the split of its metal products this year, and therefore provides production guidance of 19,000 to 21,000 tonnes of zinc in concentrate and 27,000 to 29,000 tonnes of lead in concentrate.

CUT AND FILL PROJECT

The transition to using paste fill at Sasa will create a safer and sustainable underground mining operation for the long term. The Cut and Fill Project comprises the construction of a Paste Backfill Plant and associated reticulation, development of a new Central Decline and the Dry Stack Tailings Plant and associated landform.

Paste Backfill Plant

Following the ESIA approval for the Paste Backfill Plant in Q3 2022, a contract was signed with local construction company, Activa, and excavation and civil works began shortly after. The construction of the steel structure began during Q4 2022 with 95% of the structural elements now complete.

Also, during Q4 2022, internal works started with the installation of the continuous mixer. All equipment for the Paste Backfill Plant has been ordered and any outstanding items are due for delivery in H1 2023, and the overall project remains on track.

The underground reticulation required to transport the paste backfill material to the voids underground consists of two phases and connects the surface Paste Backfill Plant with the working areas on 910 and 990 metre levels, via the XIVb and the Central Decline accesses.

In Q3 2022, a designated and trained team commenced the underground installation of 2,109 metres of pipes and associated infrastructure (including 457 metres in the Central Decline). This project was completed during Q4 2022.

The construction of the services culvert from the processing plant to the Paste Backfill Plant started during Q3 2022. Concrete and steel works have been completed, including the bridge over the Kozja Reka River, all necessary equipment, pipes and valves were delivered to site in Q4 2022 for this aspect of the project, and the installation of the pipes and electrical cable are on track to be completed during H1 2023.

Central Decline

The development of the Central Decline continues to progress well, with 1,051 metres developed during 2022, and 1,554 metres in total, and is on schedule to complete phase 1 to connect surface with the 910 metre production level by the end of H1 2023.

The Central Decline is fully serviced with power, stage pumping and cuddies mined at c. 200 metre intervals. In Q4 2022, a surface 75kW fan was installed and commissioned, producing up to 24m3 per second for ventilation.

Dry Stack Tailings Plant

Following an ongoing review of the dry stack tailings plant and landform conducted by Knight Piésold, as well as local experts, Geing and Atrium and local academic Professors, a number of enhancements have been included in the Dry Stack Tailings project. The review will be completed in H1 2023, and construction is scheduled to start in H2 2023 and be completed during that period. Orders for long-lead items such as the Metso-Outotec filter press have been placed.

Tailings Management

A key benefit to the Cut and Fill Project is the improved storage of tailings. Currently, all tailings generated from Sasa's processing plant are stored in TSF4. During the life of the mine, tailings will be stored in the following three locations:

- Backfill: 34% of the flotation tailings will be used to produce paste backfill.
- Dry Stack Tailings: Sasa aims to introduce dry stack storage technology for 35% of the flotation tailings.
- TSF4: Approximately 31% of tailings will be stored in the existing storage facility using the existing methodology.

Investigation is underway to identify additional voids to store tailings as paste backfill underground to allow for any extensions to Sasa's life of mine.

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SASA MINERAL RESOURCES, ORE RESERVES AND LIFE OF MINE ('LOM')

During Q4 2021, CAML bolstered its technical team, in particular with the recruitment of a new Group Geologist and Group Technical Services Director. During 2022, the technical services team revisited Sasa's Mineral Resource Estimate ('MRE') for its Svinja Reka deposit, as well as its Ore Reserves. The updated work took into account recent additional drilling at depth and was completed using new modelling software as well as incorporating the net smelter return ('NSR') cut-off method for polymetallic orebodies instead of the cut-off grade method previously applied. Sasa's MRE and Ore Reserves are shown in the following tables.

Total Svinja Reka Mineral Resources have decreased to 12.3Mt at 4.2% Pb and 2.9% Zn compared to 13.5Mt at 4.6% Pb and 3.0% Zn reported as of 31 December 2021. This is due to 2022 mining depletion and an adjustment of approximately 0.5Mt due to geological reinterpretation based on the results of the recent exploration drilling.

The Svinja Reka Ore Reserve has decreased to 8.8Mt at 3.9% Pb and 2.6% Zn from 9.5Mt at 4.1% Pb and 2.8% Zn reported as of 31 December 2021. The most material factors in this adjustment are related to 2022 mining depletion, resource model changes, the inclusion of some deeper Indicated Resources not previously included and mine design changes, including the use of Long Hole Stoping with paste fill as an additional mining method. The introduction of Long Hole Stoping will support a reduced minimum mining width and reduced dilution as well as enable an increased sub-level height, reducing development requirements and improving overall mine productivities.

Following review of the Mineral Resources and Ore Reserves, detailed mine planning work was undertaken and CAML now plans for a maximum production from Svinja Reka of 830,000 tonnes per year, reduced from the 900,000 tonnes per year previously anticipated for the longer term. As a result, Sasa's expected LoM has increased to 2039 from 2037.

Approximately 10,600 metres of exploration drilling is planned at Sasa for 2023, which will focus on underground drilling of the Kozja Reka deposit from the Central Decline to explore for down dip extensions of the previously mined mineralisation. In addition, surface drilling into the Golema Reka deposit is planned, as well as down dip exploration and infill drilling at Svinja Reka.

Mineral resource estimate for Svinja Reka and Golema Reka

Sasa's technical services team has updated the Mineral Resource Estimate ('MRE') for the Svinja Reka deposit as of 31 December 2022. The Golema Reka MRE was updated on 1 January 2020.

		Grades				Contained metal		
Classification	Deposit	Mt	Pb (%)	Zn (%)	Ag(g/t)	Pb (kt)	Zn (kt)	Ag(koz)
Indicated Mineral Resources	Svinja Reka	10.3	4.5	3.0	31.6	459	306	10,499
	Golema Reka	1.3	3.8	1.6	13.0	48	20	528
	Total Indicated	11.6	4.4	2.8	29.5	509	327	11,042
Inferred Mineral Resources	Svinja Reka	2.0	2.9	2.4	21.6	56	47	1,354
	Golema Reka	6.3	3.5	1.4	12.0	217	86	2,444
	Total Inferred	8.3	3.4	1.6	14.3	273	133	3,798
Total Indicated and Inferred Resources		**19.9**	**4.0**	**2.3**	**23.2**	**782**	**460**	**14,840**

Notes

- Mineral Resources have an effective date of 31 December 2022.
- 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 34 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/t for Sub-Level Caving and \$53/t for Cut and Fill and Long Hole Stoping and are based on metal price assumptions of \$2,755/t for zinc, \$2,290/t for lead and \$22/oz for silver.
- The Golem Reka Mineral Resource is reported above a cut-off grade of 2% combined lead and zinc.
- 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.

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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:

- Sub-Level Caving,
  - NSR Cut-Off Value = $46/t
  - Planned Dilution 25%
  - Mining Recovery 85%
- Cut and Fill
  - NSR Cut-Off Value = $53/t
  - Planned Dilution 5%
  - Mining Recovery 98%
- Long Hole Stoping
  - NSR Cut-Off Value = $53/t
  - Planned Dilution 17.4%
  - Mining Recovery 90%
- Ore Development
  - NSR Cut-Off Value = $37/t
  - Planned Dilution 5%
  - Mining Recovery 98%

		Grades			Contained metal		
Svinja Reka	**Mt**	**Pb (%)**	**Zn (%)**	**Ag(g/t)**	**Pb (kt)**	**Zn (kt)**	**Ag(koz)**
Probable	8.8	3.9	2.6	27.0	346	232	7,662
Total	**8.8**	**3.9**	**2.6**	**27.0**	**346**	**232**	**7,662**

Notes

- Ore Reserves have an effective date of 31 December 2022.
- 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 38 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/t for Sub-Level Caving, $53/t for Cut and Fill and Long Hole Stoping and $37/t for Ore Development drives that are required to establish stope access and are based on metal price assumptions of $2,395/t for zinc, $1,992/t for lead and $19.3/oz 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').

SASA SUSTAINABILITY HIGHLIGHTS

DELIVERING VALUE THROUGH STEWARDSHIP
Completed Human Rights Impact Assessment, taking into account GISTM requirements and Cut and Fill Project

MAINTAINING HEALTH & SAFETY
Significant incident and root cause investigation training

FOCUSING ON OUR PEOPLE
Partnered with local schools to create a dual education programme that focuses on attracting and training students into the mining industry

CARING FOR THE ENVIRONMENT
Received approval of the ESIA for the Cut and Fill Project

UNLOCKING VALUE FOR OUR COMMUNITIES
Development of the LEDP and LEAP plans at Sasa with workshops being held between the local municipality and Sasa to finalise the plans

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KOUNRAD
KAZAKHSTAN

The Kounrad team was proud to exceed its production target during 2022. Most importantly, this copper was produced safely and, to 31 December 2022, there have been 1,689 days since the last LTI at Kounrad.

2022 CATHODE PRODUCTION

The SX-EW plant produced a record 14,254 tonnes of copper cathode during 2022, a slight increase from the previous year of 14,041 tonnes. The total Kounrad copper production since operations commenced in April 2012 is now 138,395 tonnes, equating to 55% of the forecast life of operation extractable tonnage.

During 2022, copper was leached from the Eastern and Western Dumps, with both areas performing well.

LOCAL EMPLOYMENT AT KOUNRAD

100%

HOW WE PRODUCE COPPER

Irrigation Irrigation of dumps

Leaching Leaching of copper into PLS solution

Extraction Extraction of copper from PLS

Stripping Stripping of copper from organic solution

Electro-Winning Electro-winning of copper from electrolyte

Copper Cathode Production of copper cathode

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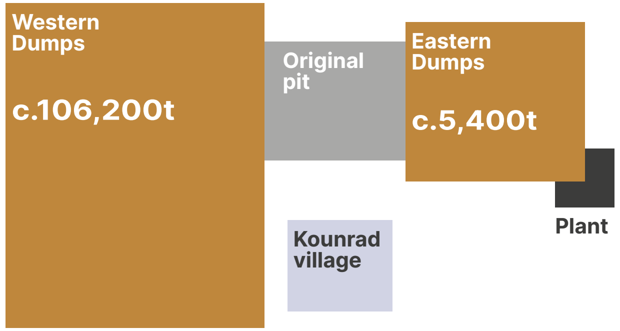
RESOURCES MAP

Estimated remaining copper to be recovered



HEALTH AND SAFETY

There were no LTIs, RWCs or MTIs at Kounrad during 2022. There have now been 1,689 days since the last LTI at Kounrad.

LEACHING OPERATIONS

Both the Eastern and Western Dumps were simultaneously leached during 2022, with the production split being 18% and 82% respectively.

In the Eastern Dumps, the team focused on irrigating previously leached blocks in order to maximise the recovery of copper from the resource. This technique was implemented on various blocks that had been allowed to rest for periods of, in some cases, almost two years. During this rest period, bacterial and chemical activity continued to degrade and solubilise copper mineralisation, especially the more leach resistant species such as chalcopyrite. In addition, with the purchase of a new bulldozer, the summer period was spent pushing and levelling side walls along Dump 7. This new area of exposed material will be leached during 2023. Adopting these approaches resulted in the typical pregnant leach solution ('PLS') grade pick-up averaging about 0.7 grammes per litre ('gpl'), similar to that achieved in 2021. This was somewhat better than anticipated due to leaching the fresher, side slope material and resulted in extracted copper of around 2,625 tonnes from this area.

This takes the total quantity of copper recovered from the Eastern Dumps, since operations commenced, to over 82,000 tonnes, slightly 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 18.5 hectares, noting that winter leaching is restricted to an area of around 12 hectares.

The project to relocate approximately 180,000 cubic metres of material, containing approximately 2,000 tonnes of copper close to the Kazakhmys railway line, was completed by the end of April 2022 using a local contractor. A cut-back leaving a 30-metre distance to the railway line from the dump toe has now been completed, through which a lined trench extension of 876 metres has been installed. This newly exposed area of fresh, previously unleached material is scheduled for irrigation during 2023, although depending upon overall outputs this might be deferred until 2024.

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

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KOUNRAD COPPER PRODUCTION

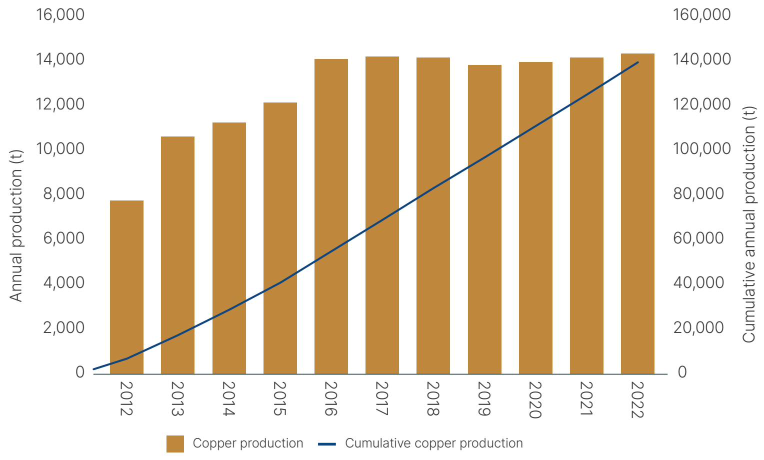
At the Western Dumps, the focus of irrigation remained on parts of Dumps 16, 21, 22 and 1A, from which 11,629 tonnes of copper were recovered, contributing approximately 82% of the total Kounrad copper production. The average daily area under irrigation on the Western Dumps increased to 38.2 hectares (37.5 hectares in 2021) of both new and previously leached material. The volume of raffinate pumped around the site averaged 1,228 cubic metres per hour ('m^3/hr'). 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.

The second phase of the Intermediate Leaching System ('ILS') was completed in mid-July and at the beginning of August was commissioned and put into test operation. All aspects of the engineering design parameters were validated, and the test was operated with a flow rate of 340m3/hr for six weeks until mid-September, when it was stopped to commence winter leaching switch-over preparations. Whilst the test run was quite short indications of additional pick-up from leaching old blocks appeared positive, with a typical gain of around 0.7 grams per litre ('gpl') achieved during this trial period. However, the very positive leaching performance of the dumps, which continues to generate the required copper transfer to the SX-EW facility, confirms that the ILS circuit will probably not be required as an integral component of the circuit until 2025 or so. During the intervening period we are undertaking additional column tests, replicating the ILS system, in order to better advance our understanding of optimum parameters for when it is utilised more permanently. The first such samples have been collected, prepared, and loaded to columns with testing scheduled to start in January 2023.

Application rates of solution to the dumps were maintained at a level of 2.32 litres per square metre per hour ('l/m^2/hr') throughout the year, slightly higher than in 2021.

During the course of the year, 820 metres of the extended interceptor trench around Dump 21 were lined with HDPE and are ready for operations in 2023. Additionally, the extension of the trench encircling Dump 16 by 890 metres, between blocks 22 and 32 was fully excavated but the HDPE lining will only be installed as leaching of the relevant side blocks commences.

KOUNRAD COPPER PRODUCTION



Our two dozers continued with their work of significant levelling and shaping earthworks, primarily on the Western Dumps. At the Eastern Dumps, dozer work was relatively limited to the preparation of unleached side slope and road access areas.

The new winter measurement and control systems, which were designed and prepared in late 2021, operated extremely well during the winter period through to March 2022. They allowed excellent control of dripper end temperatures and resulted in an optimised consumption of coal by the three Western Dump area boilers, with a saving of around c.15% compared to the previous winter.

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OPERATIONAL REVIEW CONTINUED

SX-EW PLANT

The SX-EW plant continued to operate efficiently during 2022 and the overall operational availability throughout the year was 99.3%. This was 0.1% below that of 2021, primarily due to a planned increase in maintenance schedules to reflect the needs of the process equipment which has been in almost permanent operation for 10 years.

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 2.25gpl, approximately 0.1gpl lower than in 2021. Solution flow rates through the SX averaged 1,018m^3/hr, with summer rates averaging approximately 1,150m^3/hr. During the year, each of the four extract settler units were taken off-line to facilitate inspection and any necessary repairs and, after 10 years of operation, their condition was found to be excellent.

At the start of Q2 2022, 960 anodes were renewed in the EW2 building, these being the first replacements in that plating unit for seven years. As a consequence, both EW sections are fitted with excellent quality anodes and no replacement orders are expected to be made until around 2024. In respect of cathodes a local factory has been identified that can refurbish them, without the requirement to send them to either Chile or Germany. This has obvious cost benefits in terms of shipment and other savings, and of course means that turnaround of the plates is faster and therefore more flexible.

During the year, increased focus on reagent consumptions and controls, particularly imported organic reagents, was made by the operations team with success. Additionally, due to supply chain disruptions, it was decided to increase on-site storage of the Escaid reagent and, by December, an additional two tanks with storage capacity of 180m^3 were installed and filled.

The focus for the operations team has been on continued safe, efficient plant operations and the tight control of all operating costs. The management changes introduced in Q3 2021 are now fully embedded and working extremely well under the guidance and control of the site based Technical Director.

COPPER SALES

Throughout the year, the quality of CAML's copper cathode product has once again been maintained at high levels both chemically and visually and there have been no negative quality claims. Regular in-house and independent metallurgical analyses have consistently reported 2022 copper purity of around 99.998%. The Company continues to sell the majority of copper production through its off take arrangements with Traxys.

2022 PRODUCTION GUIDANCE

The 2023 guidance for Kounrad's copper cathode production is between 13,000 and 14,000 tonnes.

SOLAR POWER PROJECT

Following detailed engineering works by TGS, a Kazakh engineering firm specialising in renewable energy installations, the CAML Board approved the construction of a 4.77MW solar panel facility in 2022.

The facility has an estimated capital cost of up to $5 million and is forecast to generate approximately 9.2 million kWh per year or around 16 to 18% of annual power consumption. This is expected to reduce Kounrad's Scope 1 and 2 GHG emissions by c.10% versus 2020.

Upon receipt of all necessary regulatory approvals, the levelling earthworks on the 10-hectare site were undertaken during Q4 2022 and were fully completed by year end. Additionally, by late December the orders were placed for the two long-lead components of the project, which are 8,850 solar panels and 24 DC-AC inverters.

The project will be undertaken by our in-house engineering and procurement teams, supported by TGS especially during the commissioning phase. Provided there are no issues with supply chain delivery, the forecast completion and commissioning date is scheduled for H2 2023.

KOUNRAD SUSTAINABILITY HIGHLIGHTS

DELIVERING VALUE THROUGH STEWARDSHIP
Responsible Business Award presented to Kounrad by the President of Kazakhstan

MAINTAINING HEALTH & SAFETY
Implementation of a Group strategy with regards to change safety culture

FOCUSING ON OUR PEOPLE
Created a mentoring programme to help onboard new staff into the business

CARING FOR THE ENVIRONMENT
Received the required environmental permitting for the Kounrad Solar Power Plant and commenced preparatory ground works

UNLOCKING VALUE FOR OUR COMMUNITIES
Sponsorship of five student doctors through university to assist with reducing the shortage of medical professionals in the local community

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FINANCIAL REVIEW

STRONG BALANCE SHEET

CAML reports a 2022 Group EBITDA of $131.6 million. This result was achieved despite global inflationary pressures resulting in some cost increases which were mitigated by weaker operating currencies. CAML has now completely repaid the $187.0 million debt which was secured to acquire Sasa. These repayments have been made while we remained consistently among the sector leading dividend payers, delivered value for all our stakeholders, and invested in our operations.

GROSS REVENUE

$232.2m

2021: $235.2m

EBITDA

$131.6m

2021: $141.5m

EBITDA MARGIN

57%

2021: 60%

GAVIN FERRAR
Chief Financial Officer

CAML
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2022 MARKET OVERVIEW

Kazakhstan

According to the National Bank of Kazakhstan, where CAML produces its copper, Kazakhstan's 2022 GDP expanded by 3.2%, and official inflation was 20.3%.

Copper

During 2022 copper prices have been hit by two significant macro headwinds: China's Zero Covid policy and the US's monetary policy tightening. While China's Zero Covid policy has resulted in a marked slowdown in domestic economic growth and weaker end-user consumption in China, the normalisation of the US monetary policy tightening has led to a firmer dollar, tighter financial conditions and weaker economic growth globally, which has also undermined copper consumption and prices. Copper prices rebounded in December 2022 as a result of China's reopening plans, weakening dollar and low visible copper inventories.

During the year the increase in demand of 3.0% has slightly lagged behind the increase in supply of refined copper production of 3.5%. The International Copper Study Group ('ICSG') indicated a 2022 global refined copper deficit of 376,000 tonnes.

1 JAN 2022
$9,741/t

COPPER
-14%

31 DEC 2022
$8,365/t

COMMODITY MARKET
$/t AVERAGE
$8,823/t

North Macedonia

According to the National Bank of North Macedonia, North Macedonia's 2022 GDP is expected to have expanded by 2.1%, with inflation of 14.2%.

Zinc

The zinc price in 2022 remained robust but volatile, averaging $3,486 per tonne. The factors affecting the zinc (and lead) markets and balances were largely macroeconomic. The rise in energy costs due to the conflict in Ukraine interrupted trade patterns and hit the energy-intensive metal refining industry in Europe. The proportion of energy costs in smelting is estimated to have risen from 55% pre-pandemic to 72% in 2022, hence smelters' closure.

In 2022 zinc mine production remained similar to 2021 at approximately 13 million tonnes, but zinc smelting saw a 4% drop. This is equivalent to 500,000 tonnes of metal and approximately c.50% of the drop was at European smelters. The zinc concentrate market moved from a deficit in the first half with a tight spot market, to becoming relatively weak in Q4 2022 as concentrate supply exceeded demand.

The 2022 Benchmark treatment charges ('TCs') increased from $159 to $230 per dry metric tonne ('dmt'), while spot concentrate TCs reached $260-300/dmt by year end.

Zinc demand, in contrast, flattened during the first half 2022 and further weakened in the second half. The main reasons were China (representing c.50% of global zinc demand) maintaining its Zero Covid policy until late in the year and fears of a recession in Europe, the region most affected by the conflict in Ukraine. Smelter cutbacks meant that global metal inventories fell, particularly on the LME. Metal premiums charged by smelters reached historical highs in Q4 2022, which enabled some smelter capacity to reopen, but not enough to dampen the strong metal price.

The global refined zinc market recorded a further sizable monthly deficit in December 2022, bringing the overall deficit last year to 306,100 tonnes, according to initial estimates from the International Lead & Zinc Study Group ('ILZSG'), broadly aligned with the 291,000-tonne deficit implied by our supply-demand model.

1 JAN 2022
$3,590/t

ZINC
-16%

31 DEC 2022
$3,003/t

COMMODITY MARKET
$/t AVERAGE
$3,486/t

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Lead

The global refined lead market recorded a further modest monthly deficit totaling 6,100 tonnes in December, according to initial estimates from the ILZSG. Global lead production was less affected by energy price rises and demand continued to grow (+1.3% vs 2021).

The overall lead market is driven by the availability of scrap, which comprises c.65% of the global market. This continued to be tight.

Lead mine production in 2022 fell by c.2.3% which helped to keep the concentrate market tight throughout the year, in spite of the fact that one large European smelter remained closed (Stolberg).

At the end of 2022 the market was becoming stronger again as spot TCs fell.

1 JAN 2022
$2,338/t

LEAD
-0.1%

31 DEC 2022
$2,337/t

COMMODITY MARKET $/t AVERAGE
$2,152/t

PERFORMANCE OVERVIEW

Group profit before tax from continuing operations decreased by 50% to $54.6 million (2021: $109.3 million). This result reflects a non-cash impairment charge of $55.1 million related to the Sasa operation as explained below. There was a foreign exchange gain of $6.8 million (2021: $1.2 million) and reduced finance costs of $2.1 million (2021: $3.9 million) due to the repayment of the corporate debt during the year. Recent global inflation has adversely affected several key costs such as electricity and salaries which have increased the Group cost base.

CAML's 2022 gross revenue was $232.2 million (2021: $235.2 million). In H1 2022, record interim financial results were reported, aided by the strength in the metal prices and strong markets. During H2 2022, market conditions worsened as metal prices generally fell and inflation affected operations, not least the electricity prices in North Macedonia.

The Group generated 2022 EBITDA of $131.6 million (2021: $141.5 million), and an EBITDA margin of 57% (2021: 60%) which, despite the global inflationary pressures, reflects the Group's ability to maintain relatively low costs across the operations.

Adjusted earnings per share ('EPS') from continuing operations was higher than the previous year at 48.15 cents (2021: 47.69 cents). EPS from continuing operations, including the impairment charge, was 19.10 cents (2021: 47.69 cents). See note 18 to the financial statements for more information.

CAML generated free cash flow of $89.7 million (2021: $103.8 million), allowing the Board to propose a final 10 pence dividend within policy. The Group fully repaid the corporate debt during the year. As at 31 December 2022, drawn overdraft facilities totalled $1.4 million (2021: $9.6 million) resulting in net cash of $58.9 million (2021: $22.7 million).

Sasa's 2022 EBITDA was $56.4 million (2021: $57.5 million), with a margin of 52% (2021: 56%). The average zinc price received increased by 11% and the average lead price received decreased by 4% compared to the prior year. Treatment charges reduced from April 2022 onwards. Sasa faced some cost increases due to inflationary pressures including an increase in electricity costs. The impact of cost increases has been reduced by a favourable movement in the North Macedonian Denar exchange rate to the US Dollar.

Kounrad's 2022 EBITDA was $94.9 million (2021: $106.0 million), with a margin of 77% (2021: 80%). Kounrad's gross revenue decreased due to the average copper price received decreasing by 8%. Kounrad's EBITDA reflects an increase in costs due to employee pay rises. The impact of cost increases has been somewhat mitigated by a favourable movement in the Kazakhstan Tenge exchange rate to the US Dollar.

INCOME STATEMENT

Revenue

CAML generated 2022 gross revenue of $232.2 million (2021: $235.2 million), which is reported after deduction of treatment charges, but before deductions including offtake buyers' fees and silver purchases for the Sasa silver stream. Net revenue after these deductions was $220.9 million (2021: $223.4 million).

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FINANCIAL REVIEW CONTINUED

Sasa

Overall, Sasa generated 2022 gross revenue of $108.5 million (2021: $103.1 million). A total of 17,862 tonnes (2021: 18,586 tonnes) of payable zinc in concentrate and 26,320 tonnes (2021: 25,245 tonnes) of payable lead in concentrate were sold during 2022. The payable lead in concentrate sales is 631 tonnes higher than that disclosed in the Operational Review as the final lead concentrate shipment of the prior year was delayed until January 2022 and, under the Free on Board ('FOB') terms, this revenue was recognised in the 2022 financial year.

The zinc price received increased by 11% to an average of $3,358 per tonne (2021: $3,036 per tonne) and, for lead, the price decreased by 4% to an average of $2,113 per tonne (2021: $2,209 per tonne), leading to an overall increase in gross revenue generated from the mine.

Treatment charges during the year reduced to $16.2 million (2021: $18.8 million) due to improved negotiated terms for both zinc and lead. Lead treatment charges are expected to decrease in 2023 whilst zinc treatment charges are expected to increase as a result of the higher availability of zinc concentrate.

During 2022, the offtake buyers' fee for Sasa was $1.2 million (2021: $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.

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

Kounrad

A total of 14,192 tonnes (2021: 13,983 tonnes) of copper cathode from Kounrad were sold as part of the Company's offtake arrangement with Traxys. 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.

A further 150 tonnes (2021: 68 tonnes) were sold locally. Total Kounrad copper sales were 14,342 tonnes (2021: 14,051 tonnes).

Gross revenue decreased due to the copper price received decreasing by 8% to an average of $8,625 per tonne (2021: $9,384 per tonne). This generated gross revenue for Kounrad of $123.7 million (2021: $132.0 million). During 2022, the offtaker's fee for Kounrad increased to $3.1 million (2021: $2.6 million) due to higher transportation costs as a result of the conflict in Ukraine.

Cost of sales

The Group cost of sales for the year was $87.3 million (2021: $80.5 million). This includes depreciation and amortisation charges of $26.7 million (2021: $28.9 million). Global macro-economic conditions led to an increase in key production cost components such as electricity and salaries. The impact of these cost increases has been somewhat mitigated by favourable foreign exchange movements during the year. The Company continues to focus on factors such as disciplined capital investments, working capital initiatives and other cost control measures.

Sasa

Sasa's cost of sales for the year was 10% higher than the previous year at $60.8 million (2021: $55.4 million). During the year, Sasa faced some cost increases due to inflationary pressures including an increase in electricity costs of $5.5 million, as spot energy prices increased throughout 2022 during which time Sasa had a largely fixed price contract that expired in June. The impact of these overall cost increases was mitigated by a weakening in the North Macedonian Denar. The Denar, which is pegged to the Euro, weakened by 12% to an average of 58.36 against the US Dollar versus a 2021 average of 52.06.

2022 depreciation decreased by $2.0 million versus 2021, due primarily to the weakening of the local currency.

2022 royalties were $2.9 million (2021: $2.8 million). This tax is calculated at the rate of 2% (2021: 2%) on the value of metal recovered during the year.

Kounrad

Kounrad's 2022 cost of sales was $26.5 million (2021: $25.1 million).

There was an increase of $1.7 million due to employee pay rises during the year. There was a $0.2 million decrease in reagent costs due to temporary increased consumption in the prior year which occurred due to a metallurgical adjustment arising from solely leaching the Western Dumps during the prior winter period. The depreciation and amortisation charges during the year reduced to $3.7 million (2021: $3.9 million).

Mineral Extraction Tax ('MET') is a royalty charged by the Kazakhstan authorities at the rate of 5.7% (2021: 5.7%) on the value of metal recovered during the year. MET for the year was $7.2 million (2021: $7.3 million). From 1 January 2023, the MET rate increased to 8.55%.

The impact of the above cost increases was mitigated by a 8% weakening in the Kazakhstan Tenge. The Tenge weakened to an average of 460 against the US Dollar versus a 2021 average of 426.

C1 cash cost of production

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

Sasa

Sasa's on-site operating costs increased by 24% to $44.8 million (2021: $36.1 million). The on-site unit cost increased by 26% to $55.6 per tonne (2021: $44.1 per tonne) due to the higher costs explained above and a 2% reduction in tonnes of ore mined in 2022 versus 2021.

Sasa's total C1 cash cost base, including realisation costs, increased to $64.3 million (2021: $58.2 million), and Sasa's C1 zinc equivalent cash cost of production increased to $0.78 per pound (2021: $0.63 per pound). The $0.15 per pound increase in the C1 calculation was primarily due to the decreased production volumes of zinc and higher electricity costs.

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Kounrad

Kounrad's 2022 C1 cash cost of copper production was $0.65 per pound (2021: $0.57 per pound) which remains amongst the lowest in the copper industry. The increase in C1 cash cost versus 2021 is due primarily to higher costs resulting from employee pay increases and higher transportation costs.

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 2022 C1 copper equivalent cash cost was $1.39 per pound (2021: $1.32 per pound). This number is calculated based on Sasa's 2022 zinc and lead payable production, which equated to 13,402 copper equivalent tonnes (2021: 11,959 copper equivalent tonnes) added to Kounrad's 2022 copper production of 14,254 tonnes (2021: 14,041 tonnes). The C1 cash cost increase on a copper equivalent basis is due to the higher C1 cost base at both Sasa and Kounrad.

CAML also reports a fully inclusive cost that includes sustaining capital expenditure, local taxes including MET and concession fees, interest on loans and corporate overheads associated with the Kounrad and Sasa projects as well as the C1 cost component. The Group's fully inclusive copper equivalent unit cost for the year was $1.92 per pound (2021: $1.89 per pound). The increase is a result of the higher C1 cost components at Sasa and Kounrad somewhat offset by a reduction in interest on loans.

Impairment of non-current assets

At 31 December 2022, the Group recognised an impairment charge of $55.1 million related to the Sasa operation due to the following factors:

- Completion of the life of mine study at the year end and therefore amending the financial model inputs for updated reserves, resources and expected 830,000 tonne long-term plant throughput capacity per annum (reduced from 900,000 tonnes). The Resource and Reserves are both reported using Net Smelter Return cut-off values and the Resources have decreased due to management's assessment of those which are economically viable and capable of future extraction.
- An increase in the discount rate used to calculate the net present value of future cash flows to 12.52% (2021: 10.21%) due to external economic conditions.
- Cost increases for energy and wages to reflect near-term inflationary pressures.
- The key economic assumptions used in the review were a five-year forecast average nominal zinc and lead price of $2,760 and $2,081 per tonne respectively and a real long-term price of $2,467 and $1,874 per tonne respectively with an inflationary factor applied.

Administrative expenses

During the year, administrative expenses increased to $27.1 million (2021: $22.1 million), largely due to an increased non-cash share-based payment charge of $4.5 million (2021: $2.4 million). This increase was due to options exercised at a share price more than the fair value of the options at the date of grant, arising from the Company electing to partly settle in cash, as well as recognising a full year's charge in relation to the 2021 mid-year share option grants.

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

Other losses

During the prior year, the Group entered into commodity price hedge contracts resulting in $6.7 million of realised losses on financial derivatives. These financial instruments expired at the end of 2021 and the Group has not put in place any further hedge contracts.

Foreign exchange gain

The Group incurred a foreign exchange gain of $6.8 million (2021: $1.2 million) resulting from the retranslation of USD denominated monetary assets held by foreign subsidiaries with a local functional currency. The gain was significant due to the weakening of the Kazakhstan Tenge and North Macedonian Denar as mentioned above.

Finance costs

The Group incurred lower finance costs of $2.1 million (2021: $3.9 million) resulting from the scheduled debt repayments during the year.

Taxation

2022 Group corporate income tax decreased to $20.6 million (2021: $25.1 million) as a result of lower profits at Kounrad taxed at a corporate income tax rate of 20% and at Sasa taxed at a corporate income tax rate of 10%.

The decrease also resulted from a reduction in the deferred tax liability due to the Sasa impairment charge.

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 $17.4 million (2021: $14.8 million). The additions were a combination of $2.5 million (2021: $2.7 million) Kounrad sustaining capital expenditure, $7.7 million (2021: $6.2 million) Sasa sustaining capital expenditure and $7.2 million (2021: $5.9 million) in relation to the Sasa Cut and Fill Project.

Sasa sustaining capital expenditure includes capitalised mine development of $2.5 million, $1.4 million on flotation equipment and $1.7 million on underground fleet. Kounrad's sustaining capital expenditure includes $0.5 million on new anodes, $0.6 million on dripper pipes and $0.1 million on the solar power plant.

Cut and Fill Project

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

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During 2022, capital expenditure on the Cut and Fill Project totalled $11.9 million of which $7.2 million has been capitalised and $4.7 million prepaid. This includes $2.6 million of Central Decline costs and $5.6 million on the Paste Backfill Plant. There was a further $1.6 million spent on underground reticulation and $1.8 million spent on the Dry Stack Tailings Plant and associated landform.

CAML expects 2023 capital expenditure of between $28.0 million and $30.0 million, of which between $11.0 million and $13.0 million is expected to be committed to sustaining capex. Total expected 2023 capex also includes approximately $5.0 million related to the Kounrad solar power plant. CAML expects Cut and Fill Project capital expenditure in the order of $12.0 million in 2023. This will be largely related to construction of the dry stack tailings landform as well as capitalised decline development.

Working capital

As at 31 December 2022, current trade and other receivables were $8.7 million (31 December 2021: $6.2 million), which includes trade receivables from the offtake sales of $2.4 million (31 December 2021: $1.2 million) and $3.0 million in relation to prepayments and accrued income (31 December 2021: $2.5 million).

Non-current trade and other receivables were $11.5 million (31 December 2021: $7.3 million). As at 31 December 2022, a total of $3.4 million (31 December 2021: $3.3 million) of VAT receivable was owed to the Group by the Kazakhstan authorities. Recovery is still expected through a continued dialogue with the authorities for cash recovery and further offsets.

As at 31 December 2022, current trade and other payables were $16.6 million (31 December 2021: $16.1 million).

Asset retirement obligation

During the year, an updated Kounrad conceptual closure plan was prepared by independent external consultants WSP Golders. The report re-assessed the estimated closure costs at the end of the life of the operation including rehabilitation, remediation, decommissioning and demolition. The Group asset retirement obligation provision has been increased by $1.2 million to account for additional estimated costs in aggregate across Kounrad and Sasa and using latest assumptions on discount and inflation rates.

Cash and borrowings

As at 31 December 2022, the Group had cash in the bank of $60.6 million (31 December 2021: $59.2 million) and current borrowings of $1.4 million (31 December 2021: $33.0 million). Current borrowings comprise $1.4 million of North Macedonian overdraft facilities. The corporate debt facility with Traxys was repaid in full in August 2022.

The reduction in current borrowings of $31.6 million reflects corporate debt repaid during the year of $23.8 million, repayments of overdrafts of $7.5 million, a foreign exchange impact of $0.6 million as well as an effective interest rate amount of $0.4 million relating to unwinding directly attributable fees.

Allotment and issue of shares

In September 2022, the Company issued and allotted 5,600,000 Ordinary Shares of $0.01 each (the 'New Ordinary Shares') to the trustee of the Central Asia Metals employee benefit trust. These New Ordinary Shares were issued for the purposes of satisfying current awards granted under the Company's Employee Share Plans together with any future awards that may be granted by the Company. Under the Trust deed the trustee must waive dividends and refrain from voting unless the Board directs otherwise. The New Ordinary Shares rank pari passu with the existing issued Ordinary Shares of the Company.

CASH FLOWS

Net cash flow generated from operations was $99.8 million (2021: $112.6 million).

During the year, corporate debt repayments of $23.8 million were made in relation to the Traxys loan (2021: $48.4 million) and a further $7.5 million of overdraft was repaid (2021: net drawdown $0.6 million). In addition, interest of $0.6 million was paid (2021: $2.4 million).

In 2022, corporate income tax payments to governments totalled $22.2 million (2021: $21.6 million). This included $1.7 million (2021: $0.5 million) of North Macedonia corporate income tax paid in cash in addition to a $4.5 million (2021: $3.5 million) non-cash payment offset against VAT and corporate income receivable. $20.5 million (2021: $21.1 million) of Kazakhstan corporate income tax was paid during the year.

Considering sustaining capital expenditure, excluding project capex, CAML's free cash flow for 2022 was $89.7 million (2021: $103.8 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. 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.

Total dividends paid to shareholders during the year of $48.2 million comprised the final 2021 dividend of 12 pence per Ordinary Share and the interim 2022 dividend of 10 pence per Ordinary Share.

In conjunction with CAML's 2022 annual results, the Board proposes a final 2022 dividend of 10 pence per Ordinary Share. This brings total dividends (proposed and declared) for the year to 20 pence (2021: 20 pence) which represents 47% of free cash flow. The final dividend is payable on 23 May 2023 to shareholders registered on 28 April 2023. This latest dividend will increase the amount returned to shareholders in dividends since the 2010 IPO listing to $299.0 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 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 2022.

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FINANCIAL REVIEW CONTINUED

The Board has reviewed forecasts for the period to December 2024 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.

OUTLOOK

During the second half of the year commodity prices declined and inflation increased which brought into focus the Company's cost control measures. The full repayment of debt provided additional liquidity which mitigated against any cost increases that were outside of the Company's control, such as electricity prices. However, actions taken by governments to increase gas storage in the latter part of the year as well as a mild winter resulted in easing of energy prices and alleviated cost pressures for the Company. Demand for the metals produced by the Group remains robust and metal stocks are at low levels which should continue to support prices and allow the Company to maximise cash flow and hence value creation.

Non-IFRS financial measures

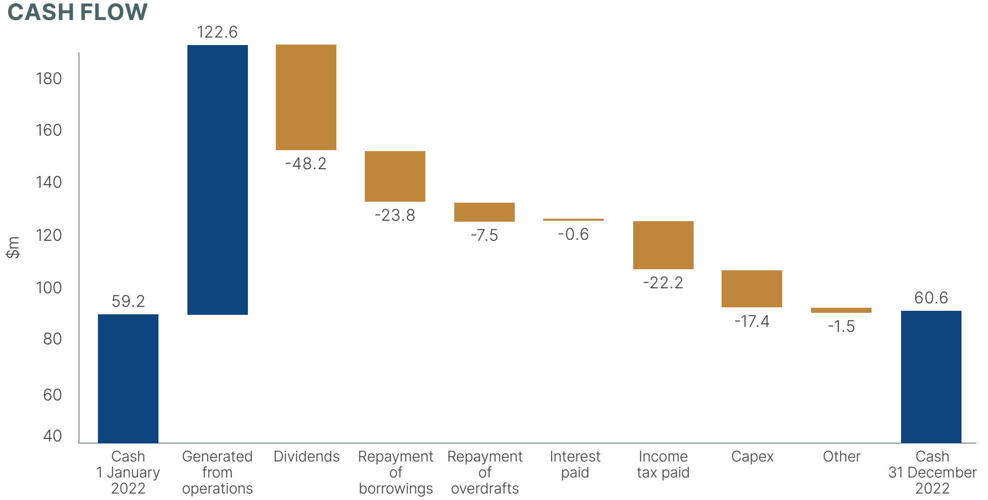
The Group uses alternative performance measures, which are not defined by generally accepted accounting principles ('GAAP') such as IFRS, as additional indicators. These measures are used by management, alongside the comparable GAAP measures, in evaluating the business performance. The measures are not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

Earnings before interest, tax, depreciation and amortisation (EBITDA)

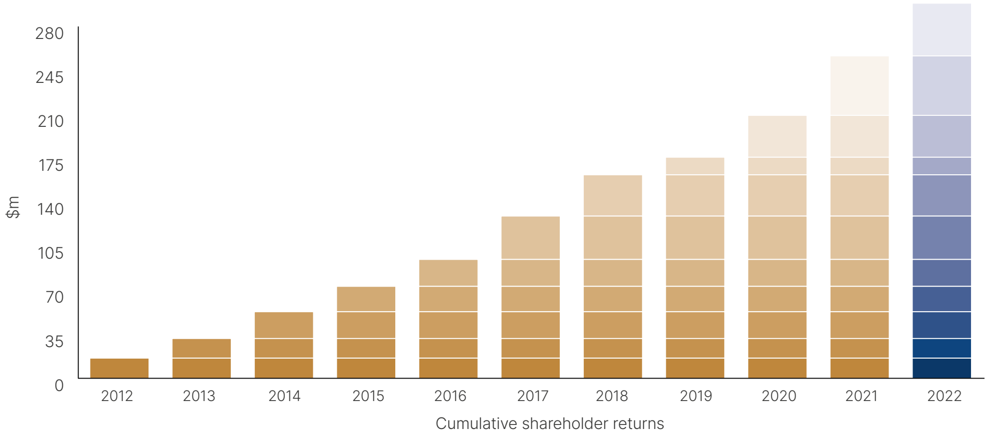
EBITDA is a valuable indicator of the Group's ability to generate liquidity and is frequently used by investors and analysts for valuation purposes. It is also a non-IFRS financial measure which is reconciled as follows:

	2022 $'000	2021 $'000
Profit for the year	**33,805**	84,176
Plus/(less):		
Income tax expense	**20,588**	25,147
Depreciation and amortisation	**27,285**	29,572
Impairment of non-current assets	**55,116**	–
Foreign exchange gain	**(6,829)**	(1,214)
Other income	**(86)**	(166)
Other expenses	**–**	139
Finance income	**(515)**	(74)
Finance costs	**2,060**	3,920
Loss from discontinued operations	**187**	4
EBITDA	**131,611**	141,504

CASH FLOW



DIVIDEND



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FINANCIAL REVIEW CONTINUED

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.

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 2021: $3.5 million):

	31-Dec-22 $'000	31-Dec-21 $'000
Borrowings	**(1,390)**	(32,978)
Cash and cash equivalents excluding restricted cash	**60,298**	55,695
Net cash	**58,908**	22,717

Free cash flow

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

	2022 $'000	2021 $'000
Net cash generated from operating activities	**99,845**	112,605
Less: Purchase of property, plant and equipment	**(10,124)**	(8,750)
Less: Purchase of intangible assets	**(68)**	(56)
Free cash flow	**89,653**	103,799

The purchase of sustaining property, plant and equipment figure above does not include the $7.2 million (2021: $5.9 million) of capitalised expenditure on the Sasa Cut and Fill Projects. These costs are not considered sustaining capital expenditure as they are expansionary development costs required for the transition to the paste fill mining techniques. These exceptional costs are expected to continue until 2024.

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 2022 to 31 December 2022. 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 2022.

	Stakeholder	2022 $'m	2021 $'m
Direct economic value generated		**232.2**	235.2
Economic value distributed:			
Operating expenses	Suppliers & contractors	**58.0**	48.6
Wages and other payments to employees	Employees	**35.8**	30.5
Dividend payments to shareholders	Shareholders	**48.2**	38.8
Payment to creditors: Interest payments on loans	Lenders	**0.5**	2.4
Payments of tax[1]	Government	**35.5**	36.7
Community investments	Local communities	**0.3**	0.5
Economic value distributed		**178.4**	157.5
Economic value retained (generated – distributed)		**53.8**	77.7

[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
28 March 2023

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RISK MANAGEMENT

IDENTIFYING AND MANAGING RISKS

Risk management within the Company is an ongoing evolutionary process and we have made significant progress during 2022 ensuring stronger focus and engagement from all levels of management.

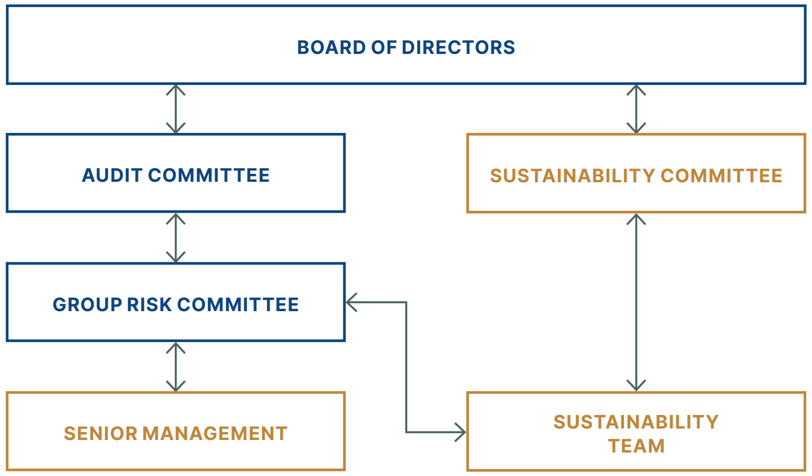
The Board is ultimately responsible for CAML's Risk Management and Internal Control systems and for reviewing their effectiveness in operation. CAML's Group Internal Controls and Risk Manager is responsible for coordinating the risk management processes both corporately and at our operations, and to report 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 the 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 to obtain further feedback on the appropriateness of risk mitigation plans and identification of any top-down emerging risks. At least once annually, the Chair of the GRC meets with the Audit Committee and reports on the material risks to the business and what is being done to mitigate them.

In 2022, we continued to further engage the various levels of management at the sites to actively participate in risk review processes and bring emerging risks to the attention of senior management. During the year, a risk identification and analysis training programme commenced at both sites to support the implementation of new Health and Safety risk management procedures among CAML's employees (see further details in 2022 Sustainability Report), which will be completed in 2023. Furthermore, in 2023, risk management training workshops will be delivered to employees across the Company to enhance the understanding of wider enterprise risk management principles as well as to encourage greater 'buy-in' from the site-based management.

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 2022 insurance rates at levels similar to previous years and maintain the required level of coverage.

OUR RISK MANAGEMENT FRAMEWORK



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

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RISK MANAGEMENT CONTINUED

RISK MANAGEMENT PROCESS

Communication and Consultation

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

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.

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/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.

EMERGING RISKS

Currently emerging risk identification is integrated as part of ongoing risk management discussions at the operations and the Company level. In 2022, emerging risks have been discussed as part of the quarterly GRC meetings.

For 2022, we have elevated the 'people' risk to the list of principal risks and plotted it on our risk heat map for the first time. The people risk was elevated following a decision by GRC members considering the significance of employee-related matters across the Company, in particular for the successful delivery of the Sasa Cut and Fill Project.

In addition, one element previously included within our 'mining and processing' risks has now been disclosed as a separate principal risk, namely 'fire' at the processing facilities (Risk #9). We believe that the nature and significance of the risk element justifies this being considered separately. The safety aspect of mining operations was incorporated into our existing health and safety risk (Risk #4).

The conflict in Ukraine was identified as an emerging risk last year and, during 2022, its impact on the global economy and CAML became more apparent. The complete uncertainty of the conflict's resolution and timeline raises geopolitical risk to an unprecedented level. The indirect consequences of the conflict such as energy crisis, expanding sanctions regime, high inflation and others have been considered when assessing and putting mitigating measures in place for related principal risks.

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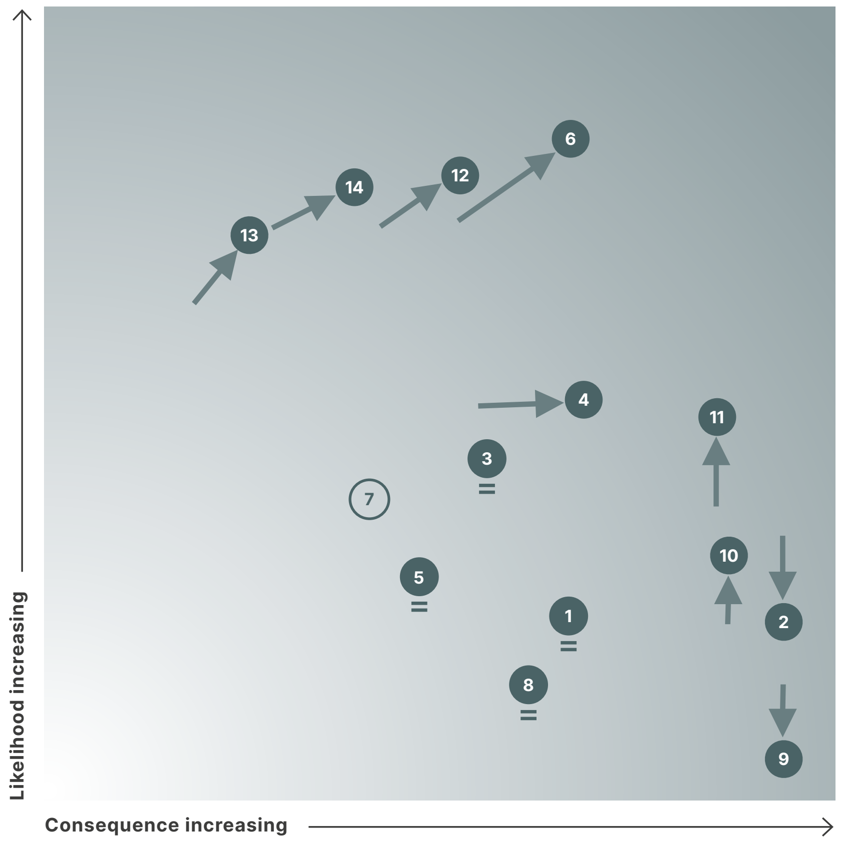
RISK MANAGEMENT CONTINUED

RISK APPETITE

The Company's appetite to risk has changed little since last year. We continue to focus on health and safety as an area where there is little risk appetite. The Company has also very limited risk appetite for other areas of sustainability, such as the environment, community, and employee risks, as well as governance. The Company's appetite for financial risk is more forgiving as we have low-cost operations and therefore can withstand certain unfavourable pricing and cost developments.

In 2022, we commenced discussions around development and reporting on the Company's risk appetite. In 2023, we will work together with the senior management team and the Audit Committee to discuss and refine risk appetite for the principal risk areas. Furthermore, we aim to enhance our risk reporting processes to have a clearer link between reported risks and the Company's approved risk appetite.

OUR RISK HEAT MAP



1 Environment – Leaching
2 TSFs failure
3 Governance & compliance
4 Health & safety
5 Climate change
6 Geopolitical
7 People
8 Leaching operations
9 Fire
10 TSF capacity
11 Cut and Fill project
12 Tax
13 Commodity markets
14 Inflation & cost pressures

Risk movement

Risk profile remains the same since Q4 2021

New Risk

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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 which 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.

FOCUS ON SAFETY & SUSTAINABILITY

TARGETING LOW COST, HIGH MARGINS

ENSURING PRUDENT CAPITAL ALLOCATION

DELIVERING GROWTH

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PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

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SUSTAINABILITY RISKS

RISK	RESPONSIBILITY	RISK AND IMPACT	MITIGATION	RISK MOVEMENT
1 ENVIRONMENT – LEACHING **KPIs**	• Sustainability Director • General Director at Kounrad • Technical Director	• At Kounrad the most significant environmental risk is the potential pollution of groundwater from operating an in-situ dump leach project.	• Extensive groundwater modelling and testing is routinely conducted to understand the interaction of leaching and groundwater. • Management put in place a comprehensive groundwater monitoring programme, which covers new leaching blocks at the Western Dumps as well as long-term monitoring of blocks at the Eastern Dumps. • As part of the groundwater monitoring programme, an extensive array of boreholes has been installed around the dumps. Should monitoring boreholes identify any seepage of concern, leaching of the block would stop and remedial actions implemented, including solution extraction directly from the boreholes.	• During 2022, 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 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.
2 TSF FAILURE **KPIs**	• 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.	• Management completed the implementation of remedial measures following the TSF4 incident in 2020. Retraining of all TSF operational personnel has been conducted, the team bolstered, and operating procedures have been updated to incorporate revised controls. • Biodiversity monitoring is undertaken bi-annually, and the latest results show algae and micro-fauna has broadly returned to the base line conditions. • Ongoing mitigation measures are focused on monitoring, prediction, and prevention of an incident. Regular internal monitoring is undertaken for all aspects of the TSF operations, including movement and water levels. In addition, the collected data is regularly reviewed by external parties. In 2022, an internal automated monitoring system was developed, which will be commissioned in H1 2023. • TSF4 has been found by Knight Pièsold to meet the minimum guideline factor of stability for post-earthquake conditions, in accordance with the Canadian Dam Association (2019). • In addition, in 2022 Knight Pièsold undertook an annual audit of the Company's TSFs and no new major findings were identified. Management plans to commence implementation of the identified audit recommendations in 2023. • CAML has committed to reporting to the GISTM for all TSFs by 2024. • Implementation of a community audio alarm system for the local community in the event of a failure has been approved in principle by the Sustainability Committee. • All of Sasa's TSFs are of a 'downstream' construction type which is generally regarded as the safest option. • Further details of the TSF safety and monitoring related initiatives undertaken in 2022 are set out in the Sustainability Report.	• In 2022 the risk level has decreased following management actions implemented to reduce likelihood of the risk. The potential consequences of TSF failure remain catastrophic for the Company and therefore this remains a principal risk for CAML.

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SUSTAINABILITY RISKS CONTINUED

RISK	RESPONSIBILITY	RISK AND IMPACT	MITIGATION	RISK MOVEMENT
3 GOVERNANCE & COMPLIANCE **KPIs**	• CEO • General Counsel	• There are multiple governance-based risks which may have an impact on the business. The Company operates within a complex regulatory environment which 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 that was introduced in 2022 and on-site training workshops. • During 2022, 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. • In relation to sanctions, management's focus is to ensure full compliance and proactively monitor any changes in sanctions legislation. In 2022, management further improved controls surrounding supplier due diligence, reinforcing mandatory sanction checks, and taking a uniform approach in relation to suppliers from high-risk jurisdictions. • In 2022, social assessment questionnaires and the supplier charter/code of conduct were requested from new suppliers in addition to existing key suppliers as part of the supplier due diligence process. • 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 2022 Sustainability Report.	• Although management has established an ongoing training programme, has requested suppliers to complete questionnaires, and has introduced other mitigating measures, the overall risk profile remains the same. 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.

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SUSTAINABILITY RISKS CONTINUED

RISK	RESPONSIBILITY	RISK AND IMPACT	MITIGATION	RISK MOVEMENT
4 HEALTH & SAFETY **KPIs**	• Sustainability Director • COO • General Directors (Kounrad & 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 from the current sub-level caving method of extraction.	• 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. 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. • Policies and procedures are in place to identify and mitigate risks and provide clear guidance on conducting operational processes appropriately and safely. In 2022, the risk identification procedures as well as incident investigation were revised to incorporate best practices and improve processes, and training delivered to embed understanding. • The Health and Safety teams conduct frequent internal inspections to confirm safe working practices and identify further improvement opportunities and recommendations for management. • Underground mines present safety challenges. In 2022, management undertook various actions to improve safety underground and continue focus on employee training, skills and knowledge. Procedures of working in high-risk zones were revised to provide further 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. • Further details of the Company's health and safety initiatives and health and safety performance are set out in the 2022 Sustainability Report.	• The risk profile increased in 2022. The change of mining method at Sasa incorporating paste fill in the operation will ensure a safer and more sustainable extraction of ore in the near term. However, the inherent risks associated with the transition period and employee readiness for a new operating process raised the overall level of this risk.

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SUSTAINABILITY RISKS CONTINUED

RISK	RESPONSIBILITY	RISK AND IMPACT	MITIGATION	RISK MOVEMENT
5 CLIMATE CHANGE **KPIs**	• 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. Policy and regulatory changes may present further transition risks to the Company, as regulators increasingly incorporate climate risk considerations into financial regulations and disclosures, and countries increasingly move to incentivise or penalise companies in order to effect change and reduce GHG emissions to meet 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. Further details of CAML's Climate Change Strategy are presented as part of its inaugural TCFD report in the 2021 Annual Report and 2022 progress is reported in the 2022 Sustainability Report • In-country teams are monitoring local policies and regulations in relation to GHG emissions, including limits, mandatory reporting and required disclosures. • In 2021, a comprehensive risk assessment study was conducted to understand climate-related risks present across the Company. Physical risks were identified at Sasa and Kounrad, and relevant mitigation actions have been identified and, where possible to date, actioned. Transition risks have also been identified and addressed as part of the strategy implementation. • In 2022, scenario planning workshops were conducted with the senior management across the Company. Any new physical and transition risks identified as part of the scenario planning will be further considered by management in 2023 with the focus on building CAML's resilience and adaptability to withstand climate change-related shocks. • 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 2022 Sustainability Report.	• The risk profile in 2022 remains the same. Although management has undertaken a number of actions to identify risks associated with climate change and progressed with initiatives aimed at building resilience for the future, the risk remains the same due to potential challenges in achieving GHG emission reduction targets and reporting against those targets to the ever-evolving regulatory conditions for climate change. In the coming years, GHG emissions may materially impact CAML's cost of capital and value if adequate progress in reducing emissions is not made.

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SUSTAINABILITY RISKS CONTINUED

RISK	RESPONSIBILITY	RISK AND IMPACT	MITIGATION	RISK MOVEMENT
6 POLITICAL & GEOPOLITICAL **KPIs**	• CEO • CFO • General Directors (Kounrad & SASA)	• The Company's operations and overall financial performance could be adversely impacted by any new regulations which 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 and ultimately have an adverse impact on enhancement of existing operations and the financial results of the Company.	• 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 conflict in Ukraine and the sanctions regime impacting availability of insurance for transportation through conflict territories, CAML, together with our offtaker, adjusted its route for copper cathode transportation to maintain appropriate insurance coverage in case of potential losses.	• This risk has increased in 2022. The Kazakhstan government's continuous 'shake-up' following the January 2022 unrest, out-of-term early presidential elections, as well as recent changes to rates of taxation might indicate the future changes. • Also, there is a risk that the current political stance of the Republic of Kazakhstan government in relation to ongoing military conflict in Ukraine might change due to political and economic pressure from Russia. Management closely monitors the local situation, but this Kazakh country risk is out of our control. • At Sasa, the Company is in the process of transitioning to a paste fill mining approach. As part of the project, CAML is required to obtain approvals for licences and permits for various project stages from government ministries or institutions. In August 2022, CAML received approval for the ESIA study, which was imperative to progressing the transition project. Subsequently Sasa received the construction permit within the time schedule and commenced construction. The process for obtaining approvals once submitted is largely out of our control.

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SUSTAINABILITY RISKS CONTINUED

RISK	RESPONSIBILITY	RISK AND IMPACT	MITIGATION	RISK MOVEMENT
7 PEOPLE **KPIs**	‣ 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.	‣ The Company is committed to the recruitment of experienced staff across all our locations, including 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 remains competitive. ‣ In 2022, the HR team partnered with local unions and representatives to address inflationary pressures and granted material pay increases for local workforces. ‣ The HR team partnered with the site leadership teams to identify key positions for all of our Company's operations and subsequently developed succession plans. Management and leadership training programmes were also developed to support them in managing people through times of change. ‣ Further details of the Company's HR initiatives are set out in the 2022 Sustainability Report.	‣ New principal risk in 2022. ‣ The recruitment of experienced technical personnel to ensure the successful delivery of the Sasa transition project, as well as the necessity to ensure that the workforce is appropriately trained and ready for the transition is essential for the Company. Additionally, there is a scarcity in technically skilled mining expertise. This risk has therefore been elevated to the principal risk in 2022.

OPERATIONAL RISKS

RISK	RESPONSIBILITY	RISK AND IMPACT	MITIGATION	RISK MOVEMENT
8 LEACHING OPERATIONS **KPIs**	‣ Technical Director ‣ COO ‣ General Director (Kounrad)	‣ 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.	‣ 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 ten years have shown a good correlation to the initial study work undertaken which gives management confidence for future operations. ‣ Should solution be lost to the ground, there is an extensive array of boreholes surrounding the dumps to identify issues and from which solution can be extracted.	‣ This risk remains stable. However, as operations focus on the Western Dumps, regular geological and hydrogeological monitoring must be maintained to ensure an ongoing understanding of any likely solution related risks for the future. ‣ In 2022, the production of PLS was in line with technical expectations and there was no significant deviation or deterioration noted in grades.

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OPERATIONAL RISKS CONTINUED

RISK	RESPONSIBILITY	RISK AND IMPACT	MITIGATION	RISK MOVEMENT
9 FIRE **KPIs**	• COO • Technical Director • General Directors (Kounrad & 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 Sasa and Kounrad. • Sasa furthered strengthened its fire suppression systems through the installation of a fire hydrant system around the explosives storage area and other facilities; these systems will allow the rescue team to tackle fires within the facilities, in addition to forest fires. • The full replacement of the Tungus power fire-fighting modules in the SX facility was completed in 2021. In 2022, additional modules were installed over Spintek tanks and the SX-EW's plant fire-resistant metal coating was refreshed. • An independent audit of the SX facility fire prevention and liquidation procedures is conducted annually to ensure compliance with applicable legislation. 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.	• 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 are considered adequate by both insurers and management.
10 TSF CAPACITY **KPIs**	• COO • General Director (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 fill, developed in part from tailings as well as the proposed dry stack tailings, will provide additional tailings storage and augment the life of TSF4.	• This risk has increased as it is highly dependent on the delivery of the Cut and Fill Project at Sasa and we are now in the implementation phase. Delays in commissioning the Paste Backfill Plant and Dry Stack Tailings Plant and landform would further increase any risk.

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OPERATIONAL RISKS CONTINUED

RISK	RESPONSIBILITY	RISK AND IMPACT	MITIGATION	RISK MOVEMENT
11 CUT AND FILL PROJECT **KPIs** Focus on safety & sustainability	• CEO • COO • General Director (Sasa)	• As part of the transition to a paste fill mining approach, a number of capital projects are currently underway at Sasa, including the Paste Backfill Plant, Dry Stack Tailings Plant and development of Central Decline all of which are referred to as the Cut and Fill Project. The implementation of these projects 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. • Strong relationships are maintained with local and national stakeholders which should ensure that permitting processes are as prompt as possible.	• The risk profile associated with the transition project has increased in 2022. • The consequences of the risk remain very high due to its importance for Sasa's long-term operations, in particular the TSF4 capacity. In addition, as the transition of mining method is approaching its first commissioning milestone, risks associated with the readiness for safe commissioning and start-up have increased.

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BUSINESS RISKS

RISK	RESPONSIBILITY	RISK AND IMPACT	MITIGATION	RISK MOVEMENT
12 TAX **KPIs**	• 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 that 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.	• This risk has increased in 2022 as number of amendments were introduced into the Tax code that have and/or might result in higher taxes paid by the Company in the Republic of Kazakhstan. In July 2022, it was confirmed that the MET rate will increase to 8.55% effective from January 1, 2023. The Company expects the introduction of Withholding Tax ('WHT') on dividends from Kazakhstan in 2023. • The risk has further increased in 2022 as governments globally have been struggling fiscally in the post COVID-19 years and are further impacted by the energy crisis, inflationary pressures, and fears of recession.
13 COMMODITY MARKETS **KPIs**	• CFO	• A significant decrease in copper, zinc or lead commodity prices would negatively impact Company revenues. • In addition, changes in demand for zinc and lead concentrates might cause adverse movement in zinc and/or lead treatment charges, which could have an impact on Sasa's profitability.	• As a low-cost producer of our metals, we are able to withstand depressed commodity prices for a period of time. • The team works hard to ensure that Sasa's metal concentrates remain of high quality as to be as marketable and, therefore, as attractive as possible. In addition, an ongoing communication with offtaker and customers is maintained to manage expectations with regard to contracted production volumes. • In 2022, 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.	• In H2 2022, commodity prices generally decreased due to reduced demand and increased fear of a global recession. Therefore, the risk profile has increased. • In addition, the energy crisis had an adverse impact on smelters activity globally, and this may potentially rebalance European zinc and lead concentrate market resulting in higher TCs for zinc and lead in our local markets.

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BUSINESS RISKS

RISK	RESPONSIBILITY	RISK AND IMPACT	MITIGATION	RISK MOVEMENT
14 INFLATION & COST PRESSURES **KPIs**	CFO	The Company's cost base is highly susceptible to inflationary pressures. In cycles of high commodity prices, input costs, such as wages, consumables, diesel, and energy often increase at a rate higher than that of general inflation. Rising costs, which could be triggered by and therefore offset by higher commodity prices, have a direct impact on the Company's profitability. In addition, inflationary pressures have an impact on capital expenditure, including the Cut and Fill Project.	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.	• This risk has increased in 2022 due to a number of factors including already high inflation in the Company's operating jurisdictions, the energy crisis, the ongoing conflict in Ukraine, supply chain issues and other events. This resulted in elevated prices for consumables and equipment, higher delivery costs and payroll pressures as well. • Significant overall increase in energy prices (including fuel and coal) resulted in an adverse financial performance in particular at Sasa.

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INTRODUCTION TO CORPORATE GOVERNANCE

LETTER FROM THE CHAIRMAN

The continuing developments in our corporate governance are part of an ongoing process of improvement in a similar way to the progression of our business and its strategy. The Board and its Committees view this regular evolution of the Group's governance as a key part of building and sustaining value in CAML over the longer term.

▶ **NICK CLARKE**
Non-Executive Chairman

DEAR SHAREHOLDER,

The past year has been another period of development for the Board and its Committees as well as the Group's business. Continuous improvement is important for maximising value in all areas and this includes the ongoing development of the Board, and its Committees, the individual Directors, and succession planning to ensure this continues over the long term.

This approach to corporate governance has always been important to the way we manage the Group. We view it as a key element of building shareholder value and stakeholder interests on a sustainable basis over the short, medium and long terms.

It remains the way we will continue to approach our activities going forward both in identifying and capitalising on opportunities and anticipating and addressing challenges.

As well as in the management of the Group, there have been a number of key areas of development in the Board and Committees over the past year.

1. The entire Board visited Sasa over the course of a week, meeting with staff, touring the facilities both under and above ground, inspecting progress in the capital projects and reviewing the sustainability aspects of the operations.

   The majority of Directors had visited the site previously and this visit provided an update on Sasa's development. For the newer 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 Kounrad later this year.

2. Our newly appointed Technical Committee commenced its work inputting its views both to management and the Board. The Committee acts in an advisory capacity, with management and the Board able to draw on the extensive experience of its members. The Committee visited Sasa to review its operations and work on its capital projects during the year, in addition to the visit of the Board as a whole.

3. The transition to Mike Prentis as the new Chairman of the Remuneration Committee was successfully completed, aided by him having served as a member for the previous year, and building on the work of the Remuneration Committee with management. The work of this Committee is summarised in its report commencing on page 91.

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4. Mike Prentis was also appointed as our Senior Independent Director ('SID'). This is a new role within CAML and one that will become increasingly important in the future succession planning for the Group. Mike also continues to be an alternative point of contact available for shareholders if required in addition to the Executive Directors and myself.

5. The succession planning for the Board and its Committees continued. Over the last three and a half years, we have appointed four new Directors – Louise Wrathall as an Executive Director and, as non-Executive Directors, Dr Gillian Davidson, Mike Prentis and Dr Mike Armitage.

   Nigel Hurst-Brown and Bob Cathery stepped down during the same period and, with succession plans completed or in place for their areas of expertise, we are now working on succession planning for the Chair of the Audit Committee.

   I am grateful that David Swan is continuing in this role while this is undertaken over the coming year. We are mindful in succession planning of the long cycles for our industry and business operations and accordingly wish to ensure the progressive refreshment of the Board over the appropriate periods of time.

6. As mentioned in my letter on governance to shareholders last year, and again in the context of the Group's long business cycles, we have established an Advisory Committee of former long-serving Directors with deep knowledge of the Group and the context in which it operates.

   The members of this Committee currently comprise Nigel Hurst-Brown and Bob Cathery and they are available to provide input to the Board generally as well as myself as and when we feel their particular knowledge and experience provides additional value to our deliberations.

7. Our long-standing Sustainability Committee (previously the CSR Committee) has continued its work commenced at the time of its original constitution 10 years ago. As well as having a broad membership itself, the Committee reports on its work to the Board which reviews sustainability matters of key importance as well. I am grateful for the work of Dr Gillian Davidson as Committee Chair, the Committee's other members and of management in ensuring sustainability matters continue to be at the core of how we operate.

8. Indeed, the Chairs of each of our Board Committees now provide the Board with enhanced reports on the work of their Committees. This ensures integration of their work with that of the Board and of the other Committees and helps to maximise the value of the contributions made by all of our Directors in each of their roles.

9. Our evaluation of the Board and its Committees this year focused on the areas identified as open to further enhancement in the prior year's evaluation. This both confirmed the actions taken and benefits achieved and areas in which ongoing actions were planned remained appropriate.

10. Our Nomination Committee undertook an in-depth succession planning and developmental discussion in relation to the Board over the long term. This continues to map out plans over the coming years, ensuring that both continuity and progression are maintained in balance and that we continue to be able to retain and, where appropriate, recruit the high-calibre directors that we wish to continue to serve on the Board.

The coming year will be another of development for the Board and Committees as well as the ongoing management of the Group's business. As well as the Board's planned trip to Kounrad, I hope we will be able to make an additional appointment to the Board further building on its diversity. I recommend to you the following reports by the Board and its Committees for further details and look forward to reporting to you next year.

NICK CLARKE
NON-EXECUTIVE CHAIRMAN
28 March 2023

5 QCA

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

KEY ISSUES AND ACTIVITIES IN 2022

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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 below.

In addition, full 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 10, 19-25, 74**	**see pages 33-35, 77-78**	**see pages 26-35, 79-82**	**see pages 53-66, 85**

	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 5, 68-70**	**see pages 74, 76**	**see pages 89-90**	**see pages 4, 77, 79-82**

	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 page 73**	**see pages 33-35, 77-78**

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BOARD OF DIRECTORS

					
	NICK CLARKE NON-EXECUTIVE CHAIRMAN	**NIGEL ROBINSON** CHIEF EXECUTIVE OFFICER	**GAVIN FERRAR** CHIEF FINANCIAL OFFICER	**LOUISE WRATHALL** DIRECTOR OF CORPORATE DEVELOPMENT	**DR MIKE ARMITAGE** NON-EXECUTIVE DIRECTOR
Committees	N T	S T			S A T N
Appointed	April 2009	April 2009	June 2016	May 2022	January 2022
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.	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.	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.	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 FTSE100 index, as well as junior miners and explorers. Louise joined CAML in 2015, and was appointed to the CAML Board of Directors in May 2022.	Mike has some 35 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. He is also a founding director of Sarn Helen Gold.
Education/ qualifications	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.	Nigel has an engineering degree from Lancaster University and is a member of the Institute of Chartered Accountants in England & Wales.	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.	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.	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.
External appointments	Nick joined the board of Caledonia Mining as a non-executive director in September 2019.	Treasurer (Pro bono) of the Fleet Air Arm Officer's Association.			Mike currently serves as a non-executive director of Tertiary Minerals.

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BOARD OF DIRECTORS CONTINUED





	ROGER DAVEY NON-EXECUTIVE DIRECTOR	DR GILLIAN DAVIDSON NON-EXECUTIVE DIRECTOR	MIKE PRENTIS NON-EXECUTIVE DIRECTOR AND SENIOR INDEPENDENT DIRECTOR	DAVID SWAN NON-EXECUTIVE DIRECTOR	NURLAN ZHAKUPOV NON-EXECUTIVE DIRECTOR
Committees	T N R S	S A N	R A N	A N R	N S
Appointed	December 2015	December 2019	March 2021	June 2014	October 2011
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).	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.	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 FTSE250 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.	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.	Nurlan is a Kazakh national and currently works in the capacity of chief executive officer of Kazakhstan Investment Development Fund Management Company Ltd. ('KIDF'). He has extensive experience in capital markets and has held positions at Rothschild & Co Global Advisory team, UBS and RBS and Credit Suisse. He was CEO of SPK Astana, a Kazakh regional development institution. He has previously held a number of managerial positions in the Kazakhstan resource sector for Kazatomprom, Tau-Ken Samruk (the national mining company), Chambishi Metals and ENRC.
Education/ qualifications	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.	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.	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.	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').	Nurlan holds Bachelor's and Master's degrees in economics from the Moscow State Institute for International Relations.
External appointments	Roger is also a non-executive director of Atalaya Mining, where he serves as chairman, and of Tharisa and Highfield Resources.	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 and chair of International Women in Mining.	Mike is also a non-executive director of Invesco Perpetual UK Smaller Companies Investment Trust plc and a member of the Finance & Resources Committee of MidKent College.		Nurlan is chief executive officer of Kazakhstan Investment Development Fund Management Company Ltd. ('KIDF').

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BOARD REPORT

OUR APPROACH TO GOVERNANCE

In structuring its governance framework, CAML takes guidance from the principles of the QCA Code.

The Board is supported by four Committees, specifically the Sustainability, Audit, Nomination and Remuneration Committees. These standing Committees focus on four areas of the Group's operation which the Board views as having key importance to the Company's shareholders and other stakeholders. The Board also benefits from the expertise and guidance provided by our additional Technical and Advisory Committees.

9 QCA

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

Our governance structures are summarised as follows:

BOARD

A strong independent representation on the Board with five independent Non-Executive Directors, The Board of Directors leads the Company in making key decisions about strategy, financial planning, its Directors and its operations and is supported by the four main Committees.

SUSTAINABILITY COMMITTEE

Although not a QCA Code requirement, as this is an area the Board views as critically important to the way CAML operates, we have a Sustainability Committee, chaired by Dr Gillian Davidson. 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 review of the Group's corporate environmental, social and governance ('ESG') performance, in particular in relation to governance.

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. It also oversees risk management, including 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.

NOMINATION COMMITTEE

Our Nomination Committee is chaired by Nick Clarke. The members of this Committee are our other six 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 internal review process for evaluating the Board's performance and effectiveness, and assists the Board with its progressive refreshment and ongoing succession planning.

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 our incentive schemes are aligned with our business and sustainability priorities.

TECHNICAL AND ADVISORY COMMITTEES

As mentioned in the Chairman's letter on page 69, in addition to the four principal Committees, in 2022 we established a Technical Committee to assist the Board in its review of major projects, and an Advisory Committee through which the Board can access the historical knowledge and perspectives of former Directors and senior managers who have retired from the Group.

On the following pages are further details of each of our individual Directors and separate reports of our Board, and its Sustainability, Audit, Nomination and Remuneration Committees. These are intended to provide an insight into the robust governance structure of the Company and the value that we continue to place on good corporate governance processes.

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.

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

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BOARD REPORT CONTINUED

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 fully contribute to the effectiveness of the Board as a whole, and in doing so have collective responsibility for promotion of the interests of the Company, participation in its decision-making and the definition and setting of its governance arrangements. We believe this leads to better performance, sustainable growth and value in the business for its 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 71 to 72:

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	•		•	•	•	•	
Nurlan Zhakupov		•			•	•	•

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 ROLE OF OUR BOARD

In leading the Company, the Board defines the purpose of the Group and makes key decisions in relation to strategic matters to deliver this. The Board is also responsible for making key decisions about financial planning, review of financial performance, setting the cultural tone for the Group and ensuring its values are upheld, review of operational matters, the governance framework, investments and Director appointments. In doing so, the Board draws on each Director's unique skill set, personal attributes and 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 for arising matters. During 2022 we returned to fully in-person Board and Committee meetings, having used a combination of video-conference and face-to-face meetings in the prior year. The virtual meeting format has been increasingly helpful to the Company in recent years, with improvements in technology allowing efficient meetings to take place over video and, although this cannot fully replace in-person interactions, the ability to increase meeting frequency, particularly in dealing with critical or urgent matters, has been greatly beneficial to the Board's effectiveness. Whilst our scheduled Board meetings have now reverted back to the preferred face-to-face format, virtual meetings will continue to be utilised when additional or short-notice Board meetings are required.

Throughout the year, in addition to the five main Board meetings held, we also held one additional Board update meeting to consider specific matters. As well as the Executive Directors, senior management are invited to attend and present at meetings of the Board and its Committees where appropriate.

All Directors devote ample time in order to discharge their duties both at and outside of Board meetings. Board and Committee meetings normally take place over the course of one or two days. At these meetings, strategy-specific matters in the Group are a regular area of focus and one meeting during 2022 was entirely devoted to this area to ensure matters could be fully considered. Meetings are also attended by local operational management as appropriate. In addition, Non-Executive as well as Executive

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Directors visit the Group's operations when opportunities to do so arise. In June 2022, the Board, along with members of senior management, were able to visit our operations in North Macedonia. The photograph on the previous page shows the Board on site during this visit.

In October 2022, members of the Technical Committee also travelled to Sasa. A trip to visit operations on site in Kazakhstan is planned for the Board in H2 2023.

The Board is well briefed in advance of meetings and receives high-quality, comprehensive reports to ensure matters can be given thorough consideration. Following the Board evaluation carried out in 2021, particular areas of focus identified were followed up during 2022 and actioned through increased reporting at Board meetings, both in terms of the content of papers received in advance and on specific items to be considered. As a result of this, risk and reports of each of the Committees are now included as standing agenda items at all main Board meetings. For further details of how the Board has implemented the findings of its Board evaluation, see pages 89 to 90 of the Nomination Committee Report.

There is an appropriate balance of influence within the Board which, as a result, is not dominated by 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. The open and direct forum for discussion ensures the deliberations during meetings lead to decisions reached by the Board collectively 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 2022 is shown below.

Name	Board (6 meetings)						Audit (4 meetings)				Nomination (2 meetings)		Remuneration (3 meetings)			Sustainability (3 meetings)		
Nick Clarke	▲	▲	▲	▲	▲	▲[1]	▵				▲	▲[1]						
Nigel Robinson	▲	▲	▲	▲	▲	▲					▵		▵	▵		▲	▲	▲
Gavin Ferrar	▲	▲	▲	▲	▲	▲	▵	▵	▵	▵	▵		▵	▵	▵			
Louise Wrathall[2]		▲	▲	▲	▲	▲											▵	▵
Mike Armitage[3,6]	▲	▲	▲	▲	▲	▲					▲	▲				△	▲	▲
Robert Cathery[4]	▲	▲	▲								▲		▲[1]					
Roger Davey	▲	▲	▲	▲	▲	▲	▲				▲	▲		▲	▲	▲	▲	▲
Dr Gillian Davidson	▲	▲	▲	▲	▲	▲	▵	▲	▲	▲	▲	▲				▲	▲	▲[1]
Mike Prentis[5]	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲[1]	▲	▲	▲
David Swan	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲[1]	▲	▲	▲	▲	▲			
Nurlan Zhakupov	▲	▲	▲	▲	▲	▲					▲	▲				△	▲	▲

▲ Meetings attended △ Board or Committee member not present ▵ Non-Committee member invited to attend some or all of meeting

1 Denotes Chairman status.
2 Appointed to the Board on 26 May 2022.
3 Appointed to the Board and a member of the Sustainability and Nomination Committees on 10 January 2022.
4 Stepped down from the Board and as Chairman of the Remuneration Committee on 26 May 2022.
5 Became Chairman of the Remuneration Committee on 26 May 2022.
6 Dr Mike Armitage was unavoidably unable to attend one Sustainability Committee meeting due to the meeting being rearranged at a time he was unavailable. Mike was fully briefed after the meeting.
7 Nurlan Zhakupov was unavoidably unable to attend one Sustainability Committee meeting due to urgent matters he was required to attend in Kazakhstan.

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

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

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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

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

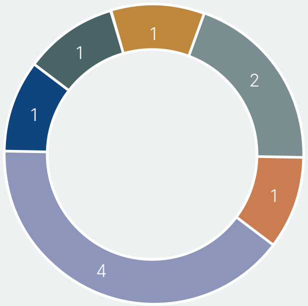
Five are considered fully independent:

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

One is based in Kazakhstan:

- Nurlan Zhakupov

Nurlan Zhakupov is not considered fully independent, having previously received share awards from the Company in 2017.



BOARD INDEPENDENCE

In line with the QCA Code, during the year, the Board has considered the independence of each Non-Executive Director, including assessment of their character, judgement, length of tenure, any business and other relationships which could significantly interfere with their ability to effectively discharge their duties. As such, after taking account of all of these factors, the Board continues to consider Dr Mike Armitage, Roger Davey, Dr Gillian Davidson, Mike Prentis and David Swan to be independent Directors.

The Board believes that the combination of independent Board members and our other Non-Executive Director, Nurlan Zhakupov, together with our Executive Directors, enhances the balance of views and personal qualities as well as strengthening the range of skills and depth of experience within the Board.

BOARD CHANGES

Our succession planning for the Board continued during the year and as mentioned in the Chairman's letter, Robert Cathery stepped down as a Director following the Company's 2022 AGM. The role of Chairman of the Remuneration Committee was transitioned to Mike Prentis at that time. Mike's background in fund management overseeing the management and performance in a variety of companies provides the relevant skills and experience to lead the Remuneration Committee.

In addition to the changes to the Non-Executive Directors set out above, as mentioned previously, Louise Wrathall (previously Director of Corporate Relations) joined the Board as an Executive Director responsible for corporate development effective from the conclusion of the 2022 AGM.

Following this phase of progressive succession, we have also refreshed our Committee memberships, ensuring we continue to utilise the skills and experience of each of our Directors in the best way possible, maximising their contributions to the operation of the Board and its Committees. Details of the current Committee memberships are set out on pages 71 to 72.

Further details in relation to the Director selection and appointment process are set out in the Report of the Nomination Committee on page 87.

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, reporting 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. Resources and training for their own personal development are accessible to Directors on an ongoing basis ensuring they have the necessary knowledge and skills to fulfil their roles effectively and the Executive team are always available to keep the Board informed on relevant matters.

The role of the Company's Auditors is explained in more detail in the Audit Committee Report on pages 83 to 85.

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THE BOARD AND CULTURE

Of course, commitment to good corporate governance in the boardroom is just one part of setting and maintaining an appropriate culture that aligns with our purpose, strategic goals and values.

The Board and its Committees set the tone for, and promote, a healthy culture of openness, honesty, engagement and respect throughout the Group and with all of its stakeholders. The Board welcomes an open dialogue with these 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 that comes with the continuous focus on culture throughout the Group's operations. We highlight the importance of communication and the flow of information throughout the Group 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.

We also maintain strong internal policies including those relating to anti-bribery, share-dealing, trade sanctions, the Modern Slavery Act, human rights and our code of conduct and whistleblowing which are implemented by our teams and regularly reviewed. The Board promotes the corporate culture of the Group with the support of the Sustainability Committee.

10 QCA

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

SHAREHOLDER ENGAGEMENT

As mentioned above, we have embedded into our culture as a Group that maintaining a continual, open and active dialogue with our shareholders and other stakeholders plays an essential part in building a mutual understanding of views and ensuring the long-term success of the Company. It is important that our shareholders and other stakeholders have clear points of contact when seeking to engage with the Company. During 2022 we strengthened our shareholder liaisons with the introduction of new roles to enhance this area. As mentioned on page 76, as part of our Board changes during the year, following the Company's 2022 Annual General Meeting in May, Louise Wrathall, our Director of Corporate Relations was appointed to the Board as an Executive Director responsible for Corporate Development. We believe Louise's appointment further emphasises the importance we place on her areas of responsibility, including investor relations, business development and ESG.

Whilst most engagement with the Company's institutional investors is through the Executive Directors, valuable feedback from shareholders is also communicated to, and discussed with, the other Board members. To strengthen the structure of the Board further, we appointed Mike Prentis in the new role of Senior Independent Director. In this role Mike will also be available as an additional point of contact for shareholders. Given his background and substantial experience as an investor, we felt Mike would be an ideal appointment for this position. In addition, we created 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 as the Board has a duty to safeguard the interests of all 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 Annual General Meeting. 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 2022 are set out in the table on page 78.

ANNUAL GENERAL MEETING ('AGM')

Over the past couple of years, the impact and unpredictablility of the COVID-19 situation and associated restrictions has been taken into account when planning our AGMs, however in 2022, we were once again able to offer shareholders the opportunity to attend the meeting in person if they wished to do so. We also gave consideration to those shareholders who preferred not to travel or attend in person by utilising the technology available to us to enable them to view the meeting via video. At the 2022 AGM, for the first time, shareholders and others were 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 was also broadcast. Questions submitted in relation to this presentation and the business generally were then answered following the presentation.

Recognising that the AGM is an important event for shareholders in the corporate calendar, as a Company 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 separate communication will be sent to shareholders and published on the Company's website regarding the Company's 2023 AGM

Where appropriate, we also engage with our key shareholders on specific governance matters. The Board welcomes the opportunity to understand the reasons behind any particular voting decisions, as well as the ongoing feedback from our shareholders and other stakeholders.

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 published on our website.

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STAKEHOLDER ENGAGEMENT ACTIVITIES

2 QCA

Seek to understand and meet shareholder needs and expectations.

Q1

- 2021 Operations Update (11 January 2022).
- Mike Armitage joins CAML Board as new NED.
- Preparations for 2021 Annual Report, presentation of annual results and 2022 Annual General Meeting.
- Executive Director attendance at BMO virtual Global Metals and Mining Conference, March 2022.
- 2021 results announcement (29 March 2022) and 2021 results roadshow attended by Executive Directors and Director of Corporate Relations.

Q2

- Q1 2022 Operations Update (7 April 2022).
- Executive Directors present to private/retail shareholders on Investor Meet Company platform.
- Annual Report publication
- Engagement with proxy advisers in connection with publication of 2021 Annual Report and Notice of 2022 AGM.
- Sustainability Report publication.
- Publication of CAML's first Climate Change Report.
- Annual General Meeting immediately followed by presentation by Executive Directors to private/retail shareholders on Investor Meet Company platform.
- Following the 2022 AGM (26 May 2022) Louise Wrathall (previously Director of Corporate Relations) joins the Board as Executive Director of Corporate Development.
- CFO presents at Proactive One2One Virtual Forum.
- CAML Board site visit to Sasa, including meetings with local stakeholders.

Q3

- H1 2022 Operations Update (12 July 2022).
- Executive Director marketing trip to Paris.
- Sustainability-focused investor meetings with Executive Director of Corporate Development and Sustainability Director.
- 2022 interim results announcement (14 September 2022) and results attended by Executive Directors.
- Executive Directors present to private/retail shareholders on Investor Meet Company platform.
- As part of ESG week Dr Gillian Davidson spoke at The Natural Resources Forum on the Social Impact of Modern Slavery and Supply Chains.

Q4

- Q3 2022 Operations Update (10 October 2022).
- Technical Committee site visit to Sasa.
- Executive Director of Corporate Development and CFO accompany CAML analysts on Sasa site visit.
- CEO presents at ShareSocUK webinar.
- CEO presents at Minex 2022.
- Participation in Mines and Money conference (CEO, CFO and Director of Corporate Development).
- CAML nominated for ESG producer of the year award at Mines and Money dinner.

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SUSTAINABILITY COMMITTEE REPORT

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.

DR GILLIAN DAVIDSON
Chair of the Sustainability Committee

SUSTAINABILITY COMMITTEE MEMBERS

Chair – Dr Gillian Davidson
Dr Mike Armitage
Roger Davey
Nigel Robinson
Nurlan Zhakupov

Achievements in 2022

- Worked with the Remuneration Committee to further develop KPIs and 2022 LTIP award targets focused on a key areas and quantifiable ESG objectives.
- Worked closely with Audit Committee on monitoring and mitigation following climate change being identified as an emerging risk for the Group.
- Undertook scenario analysis to deepen our understanding of climate related risks and opportunities and further inform our climate change strategy.
- Completed human rights due diligence assessment with zero violations identified.
- Commenced initial disclosures towards TCFD reporting.
- Undertook a double materiality assessment in preparation for reporting to GRI Universal Standards in the future.

Objectives for 2023

- Continue to develop reporting on sustainability matters, building further on the enhancements to disclosures made during 2022.
- Further develop CAML's sustainability strategy and targets.
- Maintain ongoing stakeholder engagement.
- Continue to enhance TCFD reporting disclosures.
- Continue to work with the Remuneration Committee in setting appropriate sustainability performance measures in our long and short-term incentive plans.
- Continue to work on implementing the Global industry standard on tailings management ('GISTM') action plan by 2024.

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SUSTAINABILITY COMMITTEE REPORT CONTINUED

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. The five pillars as shown in the diagram above include: delivering value through responsible stewardship, maintaining health, safety and wellbeing, focusing on our people, caring for the environment and unlocking value for our communities. We endeavour to ensure these areas are fully integrated within our operations.

During the year we have maintained our strong focus on sustainability matters throughout the Group, and I am pleased to report that we continue to make considerable progress in developing this area. We believe our continuing efforts to strengthen our reporting, enhance our shareholder engagement, introduce new initiatives and maintain emphasis on community development are critical in ensuring the long-term success of the business, driving value for all our stakeholders.

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.

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 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 which 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 from both the UK and Kazakhstan. This ensures a full breadth of perspectives are brought to the Committee's important and varied activities.

The Committee met three times during 2022. 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 and its newly formed Technical Committee on specific matters as required. This interaction ensures the Committee benefits from technical, auditing and financial perspectives in its decision-making processes and reporting and the Committee is equally available to reciprocate when its guidance is sought.

At every main meeting, the Committee:

- Reviews matters arising and approves minutes of previous meetings.
- 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:
  - Ensuring legal and regulatory requirements and applicable industry standards are complied with.
  - Review and implementation of relevant Group ESG policies and initiatives.
- Considers specific sustainability aspects of the Group's operation as they arise, determining appropriate action.

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SUSTAINABILITY COMMITTEE REPORT CONTINUED

The Sustainability Committee provides guidance on integrating both business and sustainability priorities so that the Company can thrive. Our environment, health and safety, people and governance are key components of our sustainability strategy. Our Committee focuses on these areas and has, over the last couple of years, overseen our work to support these strategies and plans to continue the development of these components in 2023. For example, in 2022 we created and implemented a climate change strategy. This is commented upon further under 'TCFD and climate change'. In 2023, we will be working on a strategy focusing on diversity and inclusion and the importance of having an equitable workplace.

The Committee reviews and makes recommendations to the Board in relation to the Group's local community projects where we place a strong focus on health and education in partnership with local organisations. The Committee also receives presentations from members of operational management as appropriate and liaises closely with Nick Shirley, our Sustainability Director, who coordinates all site-based health and safety, environment and social activities and ensures that the Board is updated on matters from every meeting.

ANNUAL EFFECTIVENESS REVIEW

The actions taken by, and ongoing areas of focus for, the Committee during the year following the outcomes of the Board's effectiveness review are detailed on page 90.

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, employees, 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 ('TCFD') AND CLIMATE CHANGE

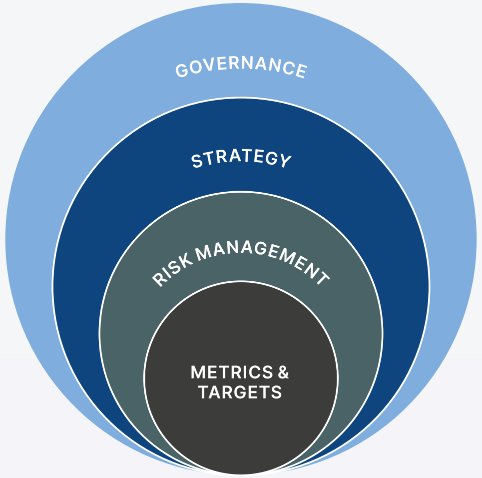
As the necessity to move towards a decarbonised global economy becomes increasingly evident in the emerging scientific data, as an organisation, we are committed to exploring and understanding the impacts of climate change on the environment in which we operate and its potential effects on our business. We also recognise our role as a mining company with regard to producing base metals, which are essential for the future decarbonised economy, in a safe and sustainable environment for all our stakeholders.

As mentioned previously, one of the most important advances for CAML in recent years has been the development of our Group Climate Change Strategy during 2021. This sets out our targets to reduce Group greenhouse gas ('GHG') emissions by 50% by 2030 and to reach net zero by 2050. The strategy is based on five pillars comprising: producing metals which 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.

The Committee also oversaw the formulation of a standalone Group Climate Change Policy and strategy for decarbonisation and energy efficiency for its operations which was approved by the Board in 2022. 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 the year, we undertook climate scenario analysis to deepen our understanding of climate related risks and opportunities and the findings from this will further inform our climate change strategy.

In addition, CAML is fully supportive of the recommendations of the TCFD. The TCFD's objectives have been established to improve and increase reporting of climate-related financial

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.

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SUSTAINABILITY COMMITTEE REPORT CONTINUED

information to ensure investors are well informed about the actions companies are taking are to mitigate the risks of climate change, as well as providing increased clarity on the way in which they are governed. The 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. During the year, we commenced initial disclosures towards TCFD reporting. Further details on this are set out on pages 30 to 32.

SUSTAINABILITY REPORT

We published our annual standalone 2021 Sustainability Report in Q2 2022. Our 2022 Sustainability Report will be published in Q2 2023 and will be available on the Company's website: www.centralasiametals.com. This provides a comprehensive overview of our ongoing sustainability approach. During 2022, we re-visited CAML's material sustainability topics for both of the Group's operations through an independent stakeholder engagement process, as we did in 2020, and findings from this double materiality assessment will be taken into consideration in our future Sustainability Report publications.

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 26 to 32 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. During 2022 the Executive Director of Corporate Development and Sustainability Director had meetings with major investors which focused on the Company's sustainability matters. Feedback from investors from these meetings genuinely identified areas that were either already being handled by the Company or plans were being progressed to implement the changes. Details of stakeholder engagement activities during the year are set out in the table on page 78 and in the s172 statement on pages 33 to 35.

SUSTAINABILITY TARGETS

As it did during the prior year, during 2022, the Sustainability Committee continued to work closely with the Remuneration Committee to consider, set and monitor ESG performance targets in the Group's long- and short-term incentive plans. 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 Long-Term Incentive Plan awards including ESG performance targets are due to vest in Q1 2023 and, following year end, the Committee has been assisting the Remuneration Committee in assessing the out-turn of performance against these objectives. Further details are included in the report of the Remuneration Committee on page 95.

THE FUTURE FOR SUSTAINABILITY

I look forward to reporting to you next year on our progress and activities during 2023.

DR GILLIAN DAVIDSON
CHAIR OF THE SUSTAINABILITY COMMITTEE
28 March 2023

CAML'S PRIMARY SDGS

3 GOOD HEALTH AND WELL-BEING
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

CAML'S SUPPORTING SDGS

1 NO POVERTY
4 QUALITY EDUCATION
7 AFFORDABLE AND CLEAN ENERGY

See page 14 for full description of CAML's SDGS.

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.

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AUDIT COMMITTEE REPORT

The Committee's responsibilities include risk management, regulatory compliance and effective financial reporting to ensure the integrity of its financial statements.

DAVID SWAN
Chairman of the Audit Committee

AUDIT COMMITTEE MEMBERS

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

Achievements in 2022

- Conducted a 'deep dive' on risk in the Group at a dedicated risk focused meeting.
- Working with the Sustainability Committee, continued to develop a transparent and relevant reporting framework.
- Ensured regular updates on risk matters were given to the Board as a standing agenda item at every main Board meeting.
- Met with Auditors and with management in order to agree items for the audit of accounts including: preliminary planning report, final audit plan, review of audit scope and materiality.
- Updated the Committee's membership as part of an overall review of all of our Board Committee memberships.
- Reviewed and agreed with management's periodic assessment of impairment, going concern and asset retirement obligations.

Objectives for 2023

- 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.
- Together with the Sustainability Committee conduct an internal review of the work of the Sasa and Kounrad Foundations.
- Continue to work with the Sustainability Committee to develop the bases of information upon which reporting disclosures are made and to ensure that future trends and new developments will be monitored to ensure that our reporting is relevant and up-to-date.
- Continue to review the adequacy of the internal control mechanisms in place.
- Monitor, in particular, emerging risks to ensure they are being appropriately identified, acted upon and mitigated.

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AUDIT COMMITTEE REPORT CONTINUED

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, regulatory compliance and risk management. The Audit Committee's essential work ensures the effectiveness of the Group's internal controls and the integrity of its financial accounts.

The Audit Committee has the responsibility of overseeing the Risk Committee which reports into it on key business, operational and sustainability risks.

During the past year we have continued to monitor the ongoing challenges of the uncertain global economic situation. In particular, the Audit Committee was mindful of the developing energy crisis, Ukraine conflict and expanding sanctions regime, historically high inflation and potential economic recession, keeping these matters under close review and assessing their impact on our operations as they developed throughout the year.

SIGNIFICANT ISSUES CONSIDERED BY THE COMMITTEE IN RELATION TO THE 2022 FINANCIAL STATEMENTS

- The Committee assessed management's determination of cash-generating units and review of impairment indicators at Kounrad and impairment indicators and impairment test at Sasa as at 31 December 2022. The Committee considered the key judgements made by management in relation to discount rates, commodity price forecasts, operating and capital expenditure, and the mineral reserves and resources estimates. The Committee reviewed management's assessment of the amount of the impairment related to Sasa and the disclosures related to the impairment and the appropriateness of sensitivity rates in note 20 of the financial statements.
- At the year end, independent experts prepared an assessment of the potential restoration and closure costs as a basis for the asset retirement obligation for Kounrad. The Committee reviewed the increase in estimate of closure costs. They also considered the key judgements made in relation to future expected costs, discount rates and life of mine for both Sasa and Kounrad and reviewed disclosures in note 32 of the financial statements.
- The Committee reviewed management's going concern assessment by reviewing the cash flow forecasts to the end of December 2024, 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 reviewed disclosures related to the going concern basis of preparation in note 2 of the financial statements.

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.

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 will again be recommended for reappointment by shareholders at the forthcoming 2023 AGM, having been proposed and duly reappointed at the 2022 AGM.

To safeguard the independence and objectivity of the external Auditors, we have put 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.

COMMITTEE FUNCTION

All Committee members are independent Non-Executive Directors.The members of the Audit Committee 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. During the year, we updated the Committee's membership 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. David Swan is a qualified chartered accountant bringing a breadth of financial expertise to the role and Mike Prentis has extensive fund management and capital markets experience. Dr Gillian Davidson, who was appointed to the Committee during the year, is a 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 was appointed to the Committee in March 2023 and brings additional technical expertise.

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.

ANNUAL EFFECTIVENESS REVIEW

The actions taken by, and ongoing areas of focus for, the Committee during the year following the outcomes of the Board's effectiveness review are detailed on page 90.

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AUDIT COMMITTEE REPORT CONTINUED

INTERNAL CONTROL

The Committee is responsible for oversight of the effectiveness of the Company's systems of internal controls. During the year the Committee assisted the Board in monitoring and review of key areas of this as follows:

- As part of the Committee's review of management's going concern, impairment and asset retirement and assessments, reviewed the adequacy of both the budgeting and long-term forecasting processes and procedures.
- Management reporting – each month, monitored the Group's financial performance and strength against the budget and reported to the Board formally once a quarter.
- 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 for the time being.
- Monitoring – the Audit Committee engaged in regular monitoring of internal controls through external audit and reviews conducted by the Group Risk and Internal Control Manager as well as third-party assurance work.
- The introduction of ISA 315 resulted in an adequate and acceptable increase in audit fees. It also gave cause for the Audit Committee to review the Group's internal control environment and has resulted in further documentation and checks on compliance with existing internal control measures. Notwithstanding our absence of a formal internal control function, we undertook a detailed review of the Sasa procurement function during the year. Specific areas and accounting functions will continue to be selected for review as appropriate.

4 QCA

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

We consider the Committee's oversight in these areas to be key to the long-term sustainability of the Group and achievement of its ongoing success in continuing to generate and preserve value for our shareholders and other stakeholders over the long term.

RISK MANAGEMENT

The Audit Committee has responsibility for monitoring the Group's risk management on behalf of the Board, including the Group Risk Committee. As well as its regular meetings, during 2022, one of the four 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, and revisited the risk reporting framework in the Group.

The Group Risk Committee comprises senior executive management, is responsible for managing risk within the Group for the Audit Committee, and meets on a quarterly basis. Our Group Risk and Internal Control Manager attends the quarterly meetings of the Group Risk Committee and the risk-specific meetings of the Audit Committee to ensure continuity between the work of the Group Risk Committee and the Audit Committee. The Group Risk and Internal Control Manager and other Group Risk Committee members report on progress to the Audit Committee towards an efficient and effective management of the risks which are relevant to the Group's business.

At its regular meetings, the Group Risk Committee 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 taking particularly 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 53 to 66. This includes CAML's risk management process and its framework, our risk appetite, updates on principal risks and uncertainties as well as emerging risks, including the conflict in Ukraine. During the year, 'People' was elevated to the list of principal risks as succession planning for key positions across the Group was recognised as one of the key elements within this risk category. The Committee will work with the Board and the Nomination Committee where work is already underway in this critical area.

The conflict in Ukraine was identified as an emerging risk last year and, during 2022, its impact on the global economy and on CAML became more apparent. The uncertainty of the conflict's resolution and timeline raised geopolitical risk to an unprecedented level.

The indirect consequences of the conflict such as the energy crisis, expanding sanctions regime, historically high inflation and others have been considered when assessing and putting mitigating measures in place for related principal risks.

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 will report to you again next year on our ongoing developments and other activities we intend to carry out during 2023.

DAVID SWAN
CHAIRMAN OF THE AUDIT COMMITTEE
28 March 2023

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NOMINATION COMMITTEE REPORT

The Committee believes that having comprehensive succession plans in place for the Board and senior management is critical in ensuring 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
Nurlan Zhakupov

▶ **NICK CLARKE**
Chairman, Nomination Committee

Achievements in 2022

- Continued progressive refreshment of the Board:
  - Appointment of new Non-Executive Director, Dr Mike Armitage in Q1.
  - Appointment of Louise Wrathall as Executive Director for Corporate Development in Q2.
  - Implementation of planning for retirement of Bob Cathery from the Board in Q2.
- Transition to Mike Prentis as new Remuneration Committee Chairman in conjunction with Bob Cathery's retirement.
- Appointment of Mike Prentis as Senior Independent Director, a newly created role in the Group.
- Regular briefings on employee matters.
- Continued development for increased diversity in the Group.

Objectives for 2023

- Further progress plans for the ongoing succession planning for the Board over the coming years and into the longer term.
- Review of ongoing succession plans for key senior management roles below Board level in the Group.
- Implementation of any further actions arising from the review of the evaluation outcomes process.
- Continued enhancement of talent development and management processes in the Group, working with the Group People Manager.
- Continue to focus on diversity.

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NOMINATION COMMITTEE REPORT CONTINUED

DEAR SHAREHOLDER

The Nomination Committee was established in July 2018 and 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 this duty, the Committee makes recommendations to the Board in relation to the appointment of Directors and the proactive succession planning for the Board.

APPOINTMENT OF NEW DIRECTORS TO THE BOARD

The diagram on the right shows the selection process for the external recruitment of new Board members as followed by the Nomination Committee. This is the process followed for our most recently appointed Non-Executive Director, Dr Mike Armitage, who joined the Board effective 10 January 2022. The Committee assessed his suitability for the role as an Independent Non-Executive Director and recommended this appointment to the Board. Mike's appointment was in part guided by feedback from the prior year's annual Board evaluation process during which the areas of technical experience was identified as a key consideration for future recruitments.

As well as external recruitments, we believe the encouragement and development of internal talent not only benefits the individual in their career progression, but also the Group as their particular skill set and knowledge of our Company is retained. Last year, Louise Wrathall, our then Director of Corporate Relations was appointed to the Board as an additional Executive Director responsible for Corporate Development. Louise has been a key member of the senior management team since she joined CAML in 2015 and further enhances the skills of the Board, emphasising the importance we place on her areas of responsibility, including our investors and in business development and ESG matters. A Q&A with Louise on her transition from senior management to Board member can be found on page 89.

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 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.

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 to ensure the continued effectiveness, and to avoid substantial changes to the Board composition taking place over a short period of time.

Biographies of our current Board members can be found on pages 71 to 72, and the composition and key strengths of its members are set out on page 74.

BOARD DIVERSITY

In making recommendations for appointment, the Nomination Committee considers suitably qualified, high calibre candidates of any ethnic background or gender. It also considers having a diversity of personal attributes as well as skills on the Board to be another important factor when selecting potential candidates. Roles are awarded on merit using objective criteria. On the Board we have Directors from four continents with a gender mix which increased during the year and also with ethnic diversity.

SELECTION PROCESS FOR THE RECRUITMENT OF NEW BOARD MEMBERS

1. An appropriate process is agreed for the recruitment utilising the assistance of the NOMAD and other advisors to the Company in identifying and initiating contact with potential candidates.
2. A specification for candidates is prepared setting out the agreed key skills being sought to fit with the current balance, membership and dynamics of the Board.
3. A long list of candidates meeting the specification is then identified.
4. A shortlist of candidates is selected by the Nomination Committee.
5. Following interviews carried out by representatives of the Nomination Committee, the preferred candidate is recommended to the Board by the Nomination Committee.

   The preferred candidate also meets with the Executive Directors prior to Board approval for the appointment to be made.

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We feel that this inclusive approach to recruitment throughout the Company, not just at Board level, enables us to maintain 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. As our Board membership continues to change over time, as mentioned in my Chairman's letter on page 69, diversity will remain a priority for the Nomination Committee and we hope to make an additional appointment to the Board further building on its existing diversity at Board and management levels.

SUCCESSION PLANNING

The Nomination Committee assesses the developing needs of the Company, not just in relation to the periodic refreshment of the Board but also to ensure contingency plans are in place for unexpected changes, in addition to those being planned for the longer term, both at, and below, Board level. During 2022, we continued with our progressive succession plans as Bob Cathery, one of our longer-serving Directors, retired from the Board at the Company's 2022 AGM following a transition of his role as Remuneration Committee Chairman to Mike Prentis.

At the same time, Mike also stepped into the newly created role of Senior Independent Director. Though not an AIM requirement, as part of the continuing evolution of the Company and responsibilities of our Board members, we felt it appropriate to further develop the structure of the Board as well as giving our investors an additional point of contact should they wish this. As previously mentioned Louise Wrathall was appointed to the Board as Director of Corporate Development at the conclusion of our 2022 AGM. Louise provides a valuable additional Executive perspective in the Board's deliberations.

Following the Board changes during the year, the Nomination Committee undertook an in-depth succession planning and developmental discussion in relation to the Board and the long term. The focus of this discussion was to outline plans to maintain both continuity and progression over the coming years and into the longer term, ensuring the appropriate balance between these two key aspects of succession planning. This should enable the continued retention and recruitment of high-calibre staff as appropriate.

Following these changes to the Board, Committee memberships were refreshed, ensuring we continue to utilise the skills and experience of each of our Directors in the best way possible, maximising their contributions to the operation of the Board and its Committees. Details of the current Committee memberships are set out on pages 71 to 72.

As mentioned previously, we believe ongoing succession planning below Board level is also of particular importance. Key areas of focus for 2023 will continue to be succession planning for existing resource, talent development and increased emphasis on people, recognising that people are critical to the continued long-term success of the business.

A future area we intend to address as part of implementation of our succession plans relates to the role of Chair of the Audit Committee. We are pleased that David Swan has agreed to continue in this role, and the Board remains fully satisfied with regard to his independence as a Director. Given the importance of this role and the long business and project cycles within which the Group operates and reports on, we intend to ensure that a transition is fully complete before any change is finalised.

RE-ELECTION

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 2022, Dr Mike Armitage and Roger Davey offered themselves for reappointment in this manner and were both duly reappointed.

This year Nick Clarke, Nigel Robinson, Gavin Ferrar and Dr Gillian Davidson are required to retire and be reappointed in this manner. Following review of their performance and commitments to their roles, the Committee is satisfied with the continued effectiveness of Nick, Nigel, Gavin and Gillian and recommends each of their reappointments to the Board subject to shareholder approval at the 2023 AGM. In addition, as Louise Wrathall was appointed to the Board since the last AGM, she will accordingly retire and seek reappointment at this meeting.

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

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DISCUSSION/Q&A WITH NEW EXECUTIVE DIRECTOR OF CORPORATE DEVELOPMENT

I have been with CAML for seven years and was delighted to transition from the senior management team to the Board at an exciting time for the Company.

LOUISE WRATHALL
EXECUTIVE DIRECTOR OF CORPORATE DEVELOPMENT
(APPOINTED 26 MAY 2022)

WHAT WOULD YOU SAY YOU BRING TO THE BOARD?

LW: I think I have been very fortunate to have received a good technical grounding through my education and subsequent industry experience. My analyst career enabled me to develop a strong grasp of the financial aspects of mining and of capital markets, and a good understanding of what equity investors typically look for in a company. I have an outward and future looking viewpoint in terms of my corporate development role, aiming to help to ensure we continue to evolve and grow our business to create value for the long term.

WHAT WOULD YOU SAY YOU ARE PASSIONATE ABOUT?

LW: Over the last four years, I have been very involved in the sustainability aspects of our business and I firmly believe that a good company with a solid strategy should not have to compromise to be both profitable and responsible. Generating strong returns is of course key to a sustainable business, and I am passionate that our financial performance should be felt by all our stakeholders, particularly those in our countries of operation.

WHERE WOULD YOU LIKE TO SEE THE BUSINESS TO GO IN THE FUTURE?

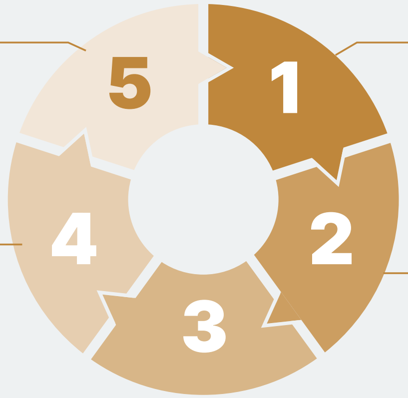
LW: I believe that the current CAML business, comprising two high-quality, low-cost and long-life assets is a great platform from which to grow. Our purpose is to produce base metals essential for modern living, safely and sustainably, and this is our focus in terms of business development. Right now is an exciting time to be in the mining industry, with a modern industrial revolution underway in terms of energy transition and our green future, and I believe we are well positioned to play an active role in producing those commodities essential to foster that global development.

EFFECTIVENESS REVIEW

In line with the QCA Code, we carry out an internal effectiveness review of the Board overseen by the Committee, led by me as Chairman, usually on an annual basis. This review considers the effectiveness of the Board as a unit, its Committees and of the individual Directors. In 2022 we undertook an enhanced review of progress against previously agreed actions arising from our 2021 effectiveness review. This ensured we were able to track actions taken in areas identified for improvement through to their conclusion and report on those outcomes. It also allowed us to set objectives and identify areas for continued focus in the coming year. We believe the evaluation process should continually 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.

BOARD EFFECTIVENESS REVIEW CYCLE



CONDUCT REVIEW
Usually by interview with the Chairman or completion of questionnaire

DISCUSS OUTCOMES
Assign actions and responsibilities

REVIEW PROGRESS
Review actions taken at Board meeting

DISCLOSURE
Draft disclosure for the Annual Report

REVIEW ACTIONS
Set objectives for the following year's review

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NOMINATION COMMITTEE REPORT CONTINUED

The areas of focus arising from the 2021 evaluation and actions taken in 2022 in response to these are shown in the table below:

7 QCA Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

AREAS OF FOCUS ARISING FROM OUTCOMES OF 2021 EVALUATION	ACTION IN 2022 IN RESPONSE TO OUTCOMES OF 2021 EVALUATION	FURTHER ACTION PLANNED FOR 2023
Management Reporting	• Ongoing enhancement of already comprehensive management reporting - Board and Committee papers continue to be developed where considered appropriate.	• Will be kept under review.
Strategy	• Strategic presentations were given to, and discussed by, the Board in both May and July in addition to the regular updates at each main meeting.	• A two-day strategy meeting has been scheduled to take place in September 2023.
Succession Planning	• Staff succession planning and talent development commented upon in Business Updates at Board meetings. • Appointment of Dr Mike Armitage as Non-Executive Director. • Appointment of Louise Wrathall to the Board. • Updated Committee memberships as appropriate in line with Board changes. • Appointment of Mike Prentis as Senior Independent Director. • Retirement of Bob Cathery from the Board. • Board succession planning discussed at Nomination Committee meeting in December.	• Management succession planning and talent development to be discussed at a Nomination Committee meeting in 2023.
People and Innovation	• Business reports to the Board have each included sections focused on employee matters and, where relevant, innovation.	• To be kept under review as further updates are provided.
Technical Committee	• A Technical Committee has been established to assist the Board and provide guidance to Executive management on technical matters. This Committee comprises Roger Davey (Chairman), Mike Armitage Nick Clarke and Nigel Robinson. • Its activities have included a site visit to Sasa in October. • A comprehensive report on the work of the Technical Committee was made to the December Board meeting.	• As part of a visit by the whole Board, the members of the Technical Committee plan to visit Kounrad during 2023. • The Committee also plans further visits to Sasa.
Committee Reporting	• Standing agenda items on Board agenda with updates given on recent meetings by each Committee Chair. • Comprehensive reports from each of the Committees given to the December 2022 Board meeting. • Executive summary of risk review by Audit Committee being included in December 2022 Board papers.	• Deep dive on Sustainability planned for September 2023.
Risk	• Risk reports are included in finance report at each main Board meeting. • November Audit Committee meeting focused on risk. • Executive summary of risk review by Audit Committee included in December 2022 Board papers.	• To be kept under review.
Advisory Committee	• An Advisory Committee to retain the historical experience of founder Directors after retirement from the Board has been appointed. This initially comprises Robert Cathery and Nigel Hurst-Brown to provide input where requested by the Board or Executive management. • Meetings have taken place met with the Board and members of the Advisory Committee.	• Identify any additional matters on which the Board or management may wish to draw on the members of the Advisory Committee.
Director Development	• Board visit to Sasa in June 2022 • Executive summary of risk review by Audit Committee included in December 2022 Board papers. • Annual briefings from brokers. • Regular jurisdictional updates.	• Board visit to Kounrad in July 2023. • Deep dive on work of Committees planned when appropriate. • Identify any additional areas for further development.

COMING YEAR

We will report to you again next year on the results of our ongoing succession planning and other activities we intend to carry out during 2023.

NICK CLARKE
CHAIRMAN OF THE NOMINATION COMMITTEE
28 March 2023

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REMUNERATION COMMITTEE REPORT

We continue to keep our incentive plans under review to ensure our Executive remuneration is aligned with CAML's values and purpose, business strategy and sustainability priorities.

MIKE PRENTIS
Chairman of the Remuneration Committee

REMUNERATION COMMITTEE MEMBERS

Chairman – Mike Prentis
(Bob Cathery until he retired from the Board on 26 May 2022)

Roger Davey
David Swan

Achievements in 2022

- Transitioned to a new Committee Chairman, Mike Prentis, following the retirement from the Board of the Committee's long-standing Chairman, Bob Cathery.
- Monitored progress against targets for our LTIP awards – including the 2020 awards, the first to include sustainability targets, due to vest this year.
- Continued to work with the Sustainability Committee on sustainability matters and on setting LTIP sustainability targets.
- Renewed our LTIP plan following its expiry at the end of 2021, updating provisions to include malus and clawback.
- Continued to ensure the balance between short- and long-term incentives aligned with the Group's overall strategy.

Objectives for 2023

- Ensure appropriate structure and levels of remuneration at a Board level.
- Review of pension arrangements as a whole.
- Continue to take account of investors' views on remuneration.
- Continue to develop and keep under review short- and long-term incentive targets appropriate to the economic environment.
- Following the calculation of the vesting level of the sustainability and relative Total Shareholder Return ('TSR') proportions of the first batch of LTIPs granted in 2020 to include this additional sustainability metric, consider whether any changes are appropriate in relation to future LTIP grants.

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REMUNERATION COMMITTEE REPORT CONTINUED

DEAR SHAREHOLDER

This is my first report to you as Chairman of the Remuneration Committee having been appointed to this role in May 2022 following the retirement from the Board of the Committee's long-standing Chairman, Bob Cathery. I thank Bob for ensuring a smooth transition to me as incoming Chairman following his extensive work in establishing CAML's robust remuneration arrangements during his tenure. With my colleagues on the Remuneration Committee, I plan to build on the good work already undertaken in this area to progress remuneration matters in the current year and beyond.

The role of the Committee is to decide the remuneration of the Executive Directors and the Chairman, to oversee wider remuneration, and to determine participation and award levels under the Group's Long-Term Incentive Plan ('LTIP'). With the Committee's focus on development our current LTIP structure over the past few years, in 2022 we felt confident that the LTIP arrangements in place were appropriately fair and robust. We therefore decided not to make any changes to this structure for the awards granted during the year and intend to continue with this structure and similar targets in 2023.

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 2022 and plans for 2023.
- 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 total shareholder return ('TSR'), which combines share price changes and dividends. Commencing in 2020 the LTIP has also incorporated sustainability targets.

Key terms for LTIP awards in 2020 onwards

The terms of LTIP awards for 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 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 above upper quartile performance, 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 LTIFR average of the previous five-year period. • Environment – nil severe or major environmental incidents at either site. • Community– nil severe or major community incidents at either site. In 2022 sustainability targets were widened also to include: • Nil severe or major human rights incidents. • Targets for female interviewees for eligible roles from 2023 onwards. • Commit to reporting to GTISM by 2024. • Maintain community support at levels set by the Board.

The 2023 LTIP targets are intended to follow a similar structure to that set out above.

In 2022, we reviewed LTIP rules in the context of the current good practice on AIM. As a result, updates included the introduction of malus and clawback provisions which were then approved by the Committee and the Board. These new provisions apply to LTIP awards granted from 2022 onwards.

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REMUNERATION COMMITTEE REPORT CONTINUED

ANNUAL BONUS

Our Executive Directors' annual bonuses for 2022 were linked to production, cost and sustainability targets and personal objectives similar to those in the prior year and those for the coming year. As detailed in the table on page 95, the out-turn for Executive Directors for 2022 was a payment of 89% of the maximum bonus potential which is 100% of salary. The maximum possible 2023 bonus for Executive Directors remains at the same level as 2022, 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 and in line with the standard increase of UK based staff, Nigel Robinson and Gavin Ferrar were awarded 5% increases in salary effective from 1 January 2023. As a result, Nigel Robinson's salary as CEO is now £404,250 per annum and Gavin Ferrar's salary as CFO is £330,750 per annum. Following her appointment to the Board in May 2022 as an additional Executive Director responsible for Corporate Development, we conducted a benchmarking exercise for her new role and additional responsibilities. Taking account of this benchmarking exercise, Louise Wrathall's salary has been reviewed and is now £275,000 with effect from 1 January 2023. We also benchmarked remuneration for our other corporate team members and adjusted these in a similar way where appropriate. We are now comfortable that the salaries as now set are at appropriate levels.

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 2020. The Board determined that these fees should be reviewed as at January 2023 taking account of the increased 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. Following consideration of data from comparable companies, the Board has increased fees for Committee Chairs from £5,000 per annum to £10,000 per annum from 1 January 2023.

REMUNERATION IN THE GROUP MORE WIDELY

Our overall remuneration structure as set out in the policy table on pages 98 to 101 applies to Executive Directors but also senior management. The levels 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.

PENSIONS

During the year, the Committee reviewed pension arrangements in the Group. This included the corporate contribution levels and local contexts in each of the Group's jurisdictions, noting that these provisions were quite specific in Kazakhstan and North Macedonia. Consistency between Executive Directors and the rest of the UK team has been confirmed.

INVESTOR FEEDBACK

We continue to welcome investor feedback and take this into account in our deliberations.

ANNUAL EFFECTIVENESS REVIEW

The actions taken by the Committee during the year following the outcomes of the Board's effectiveness review are detailed on page 90.

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. 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.

Following this letter is a table summarising implementation of our remuneration policy in both 2021 and 2022. After that implementation report follows a table summarising the remuneration policy itself. Whilst variations are possible, this is the policy that we have followed since 2019 and are continuing to follow in 2023. We intend to continue with this approach going forward unless the Remuneration Committee considers variations are justified.

CONCLUSION

Again, I would like to thank Bob Cathery for his leadership of the Remuneration Committee over past years. Whilst we will continue to look at matters afresh, I believe the structures that have been established serve the Company and its shareholders well. I look forward to reporting to you on developments during 2023 next year.

MIKE PRENTIS
CHAIRMAN OF THE REMUNERATION COMMITTEE
28 March 2023

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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 2021 and 2022. 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 2022:

	2022 Basic salary/ fees $'000	2022 Annual bonus $'000	2022 Pension $'000	2022 Benefits in kind $'000	2022 Total $'000	2021 Total $'000
Executive Directors:						
Nigel Robinson	509	403	–	12	924	938
Gavin Ferrar	416	330	–	–	746	760
Louise Wrathall[1]	165	138	–	4	307	–
Non-Executive Directors:						
Nick Clarke	217	–	–	–	217	242
Dr Mike Armitage[2]	93	–	–	–	93	–
Roger Davey	98	–	–	–	98	103
Dr Gillian Davidson	99	–	–	–	99	110
Mike Prentis	101	–	–	–	101	80
David Swan	99	–	–	–	99	110
Nurlan Zhakupov	93	–	–	–	93	51
Robert Cathery[3]	44	–	–	–	44	110
Nigel Hurst-Brown	–	–	–	–	–	82
Directors' aggregate emoluments	1,934	871	–	16	2,821	2,586

1 Appointed to the Board on 26 May 2022. The above figures only include remuneration earned since joining the Board.
2 Appointed to the Board on 10 January 2022.
3 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 $924,000 (2021: $938,000). 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 100.

During the year Gavin Ferrar exercised 226,612 shares for a total share option gain of $719,000. See the Directors' option awards table on page 96.

Salaries for Executive Directors for 2023

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.

	2023 Salary £'000	2022 Salary £'000
Nigel Robinson (Chief Executive Officer)	404	385
Gavin Ferrar (Chief Financial Officer)	331	315
Louise Wrathall (Director of Corporate Development)[1]	275	225

1 Appointed to the Board on 26 May 2022.

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Annual bonus measures

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

Metric	2023 Weighting	2022 Weighting
Production		
Production across all operations	40%	40%
Financial/Operational		
C1 cash cost and unit cost of mined ore	20%	20%
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

In 2022, Executive Directors earned 89%. In 2021, the Executive Directors at that time earned 80% of the maximum bonus potential. Further details of the bonus out-turn for 2022 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%	14,254 tonnes	12,150- 13,500 tonnes[1]	20%
Lead Production	10%	27,354 tonnes	25,650 – 28,500 tonnes[1]	6%
Zinc Production	10%	21,473 tonnes	19,350-21,200 tonnes[1]	10%
Kounrad C1 cost base	10%	$20.70m	$21m - $23m[2]	10%
Sasa ROM cost base	10%	$44.67m	$44m - $48m[2]	9%
Subtotal	**60%**			**55%**
Sustainability	**20%**	Governance, health and safety, people, environment and community targets		**19%**
Personal objectives - CEO, CFO and Executive Director of Corporate Development	**20%**	‣ CAML strategic development, with a focus on key areas of business development, sustainability and innovation – CEO, CFO and Executive Director of Corporate Development. ‣ Advancement of Sasa Cut and Fill project (operationally and financially) to ensure project delivery in line with agreed timescales – CEO, CFO ‣ Progression of sustainability targets, including enhanced data collection and controls for sustainability reporting – CFO, Executive Director of Corporate Development. ‣ Enhanced business development processes – Executive Director of Corporate Development.		**15%**
Total				**89%**

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 2022 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. No such discretion has been exercised in respect of the 2022 outcomes.

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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 2022 Number[1,5]	Granted/awarded Number[2]	Dividends Number	Lapsed Number[3]	Exercised Number	As at 31 Dec 2022 Number[1]	Exercisable at 31 Dec 2022 Number[1]
Nick Clarke	1,869,875	–	173,196	(63,258)	–	1,979,813	1,979,813
Nigel Robinson	1,298,032	241,127	127,215	(88,561)	–	1,577,813	778,405
Gavin Ferrar	705,671	197,286	59,392	(72,115)	(226,612)	663,622	7,515
Louise Wrathall[4]	128,392	140,918	12,554	–	–	281,864	–
Nurlan Zhakupov	242,272	–	23,225	–	–	265,497	265,497
Total	4,244,242	579,331	395,582	(224,402)	(226,612)	**4,768,609**	**3,031,230**

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 2022 having not met the performance targets for the 2019 awards in full.
4 Appointed to the Board on 26 May 2022.
5 Louise Wrathall's opening balance of share options is shown as at the date of appointment as a Director on 26 May 2022, not as at 1 January 2022.

- 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 92.
- The performance targets for the options granted in 2020 were substantially met to the extent of 71.43% 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 73.57 % on 31 March 2023.

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REMUNERATION COMMITTEE REPORT CONTINUED

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 2022	Shares held as at 31 Dec 2021
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)	–	–
Louise Wrathall (Director of Corporate Development)[2]	9,280	–
Dr Mike Armitage[3]	16,156	–
Roger Davey	–	–
Dr Gillian Davidson	–	–
Mike Prentis	13,080	7,330
David Swan	3,000	3,000
Nurlan Zhakupov	–	–
Robert Cathery[4,5]	N/A	1,355,254
Total Directors' interests	2,067,875	3,391,943

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 Appointed to the Board on 26 May 2022 – shareholding remains unchanged since date of appointment.

3 Appointed to the Board on 10 January 2022.

4 530,254 shares held in the name of Robert Cathery; 425,000 shares held by Elizabeth Cathery, the wife of Robert Cathery and a Person Closely Associated to Mr Cathery; and 400,000 shares held jointly by Robert and Elizabeth Cathery in the Cathery Family Trust, a Person Closely Associated to Mr Cathery, are included in the above amounts.

5 Stepped down from the Board on 26 May 2022. Mr Cathery is not required to disclose his shareholding after that date.

2023 LTIP KPIs

The plans and performance measures for the LTIP grants planned to be made in 2023 are commented upon on page 92.

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 were reviewed in January 2023.

	2023 Fee £'000*[1]	2022 Fee £'000*[1]
Nick Clarke (Non-Executive Chairman)	175	175
Dr Mike Armitage (appointed to the Board on 10 January 2022)	75	75
Roger Davey[2]	85	80
Dr Gillian Davidson[3]	85	80
Mike Prentis[4]	90	85
David Swan[5]	85	80
Nurlan Zhakupov	75	75

* The amounts as set out in the table above are paid in £ and reported in US$ on page 94.

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 £5,000 in 2022 and of £10,000 from 1 January 2023.

3 This also includes a Committee Chair fee for the role of Chair of the Sustainability Committee of £5,000 in 2022 and of £10,000 from 1 January 2023.

4 This also includes, with effect from the conclusion of the 2022 AGM on 26 May when Mike Prentis assumed these roles, 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 £5,000 in 2022 and of £10,000 from 1 January 2023.

5 This also includes a Committee Chair fee for the role of Chairman of the Audit Committee of £5,000 in 2022 and of £10,000 from 1 January 2023.

Further details on the Non-Executive Director and Non-Executive Chairman letters of appointment are set out under 'Service Contracts' on page 100.

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REMUNERATION COMMITTEE REPORT CONTINUED

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 2022 and none are intended in 2023 with the exception of the introduction of malus and clawback provisions under the LTIP rules, which apply to LTIP awards granted from 2022 onwards, as set out on page 92.

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 are 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

REMUNERATION COMMITTEE REPORT CONTINUED

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.
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 a Long-Term Incentive Plan.	
Policy and operation	Awards under the LTIP are typically granted as options which 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 (although this will typically be the case only if decided appropriate by the Committee 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.
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 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. Performance measures for the LTIP awards intended to be granted in 2023 are summarised in the table on page 92.

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REMUNERATION COMMITTEE REPORT CONTINUED

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 Quoted Companies Alliance ('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. 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, these engagements can be terminated by either party on one month's notice. 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.

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REMUNERATION COMMITTEE REPORT CONTINUED

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' on page 100) 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	LTIP	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 standard discretions to vary time prorating, release any holding period, or accelerate vesting to the date of cessation (determining the performance conditions at that time) for a good leaver.	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 be entitled to retain any fees which they earn from that appointment.

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.

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DIRECTORS' REPORT

The Directors present their report and the audited consolidated financial statements for the year ended 31 December 2022.

There were no significant events since the balance sheet date as confirmed in note 38 to the financial statements.

PRINCIPAL ACTIVITIES

Central Asia Metals plc ('CAML' or the 'Company') is the holding Company for a group of companies (the 'Group'). 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 7 to 66 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 2021 dividend of 12 pence per Ordinary Share of $0.01 each ('Share') was paid on 30 May 2022 and a 2022 interim dividend of 10 pence per Share was paid on 21 October 2022.

The Directors recommend a final dividend for the year ended 31 December 2022 of 10 pence per Share payable, subject to the approval of shareholders, on 23 May 2023, to those shareholders on the Company's register on 28 April 2023. This will take the total dividend for 2022 to 20 pence per Share.

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) (Appointed 26 May 2022)
- Dr Mike Armitage (Appointed 10 January 2022)
- Robert Cathery (Stepped down on 26 May 2022)
- Roger Davey
- Dr Gillian Davidson
- Mike Prentis
- David Swan
- Nurlan Zhakupov

Biographical details of the current Directors are set out on pages 71 to 72. 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 commencing on page 91.

At every Annual General Meeting ('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, Nick Clarke, Nigel Robinson, Gavin Ferrar and Gillan Davidson are required to retire and be reappointed in this manner.

In addition, as Louise Wrathall was appointed to the Board since the last AGM, she will accordingly also retire and seek reappointment at this meeting.

DIRECTORS' INDEMNITY INSURANCE

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

SUBSTANTIAL SHAREHOLDING

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]
T Rowe Price International Limited	15,296,979	8.42
FIL Investment International	13,522,223	7.45
BlackRock Investment Management (UK) Limited	12,575,620	6.92
JO Hambro Capital Management Limited	10,785,965	5.94
JPMorgan Asset Management (UK) Limited	7,602,192	4.19
Polar Capital LLP	7,209,859	3.97

At 28 March 2023, the total voting rights attached to the issued share capital of the Company comprised 181,626,619 Ordinary Shares each of $0.01 nominal value, being the 182,098,266 Ordinary Shares in issue, less 471,647 Ordinary Shares currently held in treasury.

The Company received no notifications of interests indicating a different whole percentage holding at 31 December 2022.

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DIRECTORS' REPORT CONTINUED

CHANGES IN SHARE CAPITAL

On 27 September 2022, the Company allotted and issued 5,600,000 Ordinary Shares to the trustee of the Central Asia Metals Limited Share Trust (the 'Employee Benefit Trust').

As at 31 December 2022, 182,098,266 Shares were in issue including the 471,647 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 2023 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 greater 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, CAML does disclose in its annual Sustainability Reports the energy consumption, as well as Scope 1 and Scope 2 emissions and an intensity calculated on a per tonne of copper equivalent basis, for its operations in Kazakhstan and North Macedonia. The 2022 Sustainability Report containing the most up-to-date information will be published in Q2 2023.

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 33 to 35 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 2023 AGM.

POLITICAL DONATIONS

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

CORPORATE GOVERNANCE

The Governance Report can be found on pages 67 to 101.

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
28 March 2023

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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
28 March 2023

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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 2022 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; and
- 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 2022 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the Group 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 of the cash flow model and critically assessed the assumptions including production, commodity pricing, treatment charges, operating costs and capital expenditure. Our procedures to assess the reasonableness of these assumptions are as set out in the Key Audit Matters section of our report.
- We assessed the continued impact of the Ukraine conflict and associated Russian sanctions on areas such as the Group's supply chain, macro economic variables, customer offtake and commodity prices that are relevant to the Group's business model and operations.
- 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 forecast commodity prices and forecast refinery treatment charges as set out in the Key Audit Matter.
- 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.

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INDEPENDENT AUDITORS' REPORT CONTINUED

OVERVIEW

		2022	2021
Coverage	98% (2021: 100%) of Group profit before tax		
	100% (2021: 100%) of Group revenue		
	98% (2021: 92%) of Group total assets		
Key audit matters	Carrying value of Sasa mining assets	✔	✔
Materiality	**Group financial statements as a whole**		
	$5.5m (2021: $5.5m) based on 5% of profit before tax excluding impairment (2021: based on 5% of profit before tax).		

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. Four of these were subject to full scope audits for Group purposes (one in North Macedonia, two in Kazakhstan and the Parent Company). A further significant component in North Macedonia was subject to specific audit procedures related to significant risk areas (2021: Five significant components,four of these were subject to full scope audits for Group purposes (one in North Macedonia, two in Kazakhstan and the Parent Company). A further significant component in North Macedonia was subject to specific audit procedures related to significant risk areas).

The audits of the North Macedonian and Kazakh 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 of the significant risk areas that represented Key Audit Matters in addition to procedures performed by the component auditors.

The remaining components of the Group were considered non-significant and the financial information of 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, 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. Visits to the operations were conducted by senior members of the Group audit team.

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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.

Key audit matter		How the scope of our audit addressed the key audit matter
Carrying value of Sasa mining assets (as detailed in note 20)	Prior to the current year impairment, the Sasa cash generating unit ("CGU") included goodwill of $20.9m (FY2021: $21.9). The Group is required by applicable accounting standards to perform an annual impairment test. Management prepared a discounted cash flow valuation model based on the Life of the Mine, the details of which are disclosed in note 20. As a result of the impairment test Management recorded an impairment charge of $55.1m, recognised as $20.9m against the total Sasa goodwill in intangible assets and the remaining $34.2m against mineral rights in property, plant and equipment (note 19) which were originally recognised as fair value uplift for the Sasa acquisition by the Group. 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 related to the impairment charge and sensitivities associated with alternative potential inputs into the model this represented a key audit matter.	Our specific procedures included the following: • We compared 2022 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 incorporate relevant risks of the factors recurring. • 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 doing so, we evaluated the basis for revisions to indicated and inferred resources included in the plan. • In placing reliance on management's experts in relation to Reserves and Resources estimation we performed procedures to evaluate their competence, objectivity and independence. • We compared the forecast pricing assumptions to 2022 independently sourced broker consensus data and spot price. • We compared the forecasted treatment charges in the short term to agreements with the Group's refineries, evaluated the Group's recent trends in treatment charges and considered management's longer term forecast reduction in treatment charges and performed sensitivity analyses thereon. • We compared forecast inflation rates, including energy costs, to recent actuals and market forecast data. • We assessed the appropriateness of the forecasted operating costs and capital expenditure. In doing so we reviewed budgeted costs and assessed them against actual costs incurred to date. We also obtained an update on the status of the Cut and Fill project through inquiries of mine level management and confirmed that budgeted costs which were deferred to 2023 at 31 December 2022 had been reflected accordingly in the impairment model. • With the assistance of our internal valuation experts we evaluated the appropriateness of the discount rate used by management. • We reviewed management's sensitivity analysis and performed our own sensitivity analysis over individual key inputs including pricing, production, treatment charges, expenditure and discount rate together with a combination of sensitivities over such inputs in order to assess the potential impact on the sufficiency of the impairment that has been recognised. • We evaluated the adequacy of the disclosures given in Note 20 regarding assumptions and sensitivities with reference to IAS 36 Impairment of assets and consistency with Management's assessment. Key observations • We found Management's assessment appropriately considered the estimates and judgements in respect of its assessment of the carrying value of the Sasa mine. • We found the key assumptions made by Management in respect of the judgements in the life of mine models and around the carrying value of the Sasa mine to be acceptable.

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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	
	2022 $m	2021 $m	2022 $m	2021 $m
Materiality	5.5	5.5	3.1	0.6
Basis for determining materiality	5% of profit before tax excluding impairment	5% of profit before tax	5% of profit before tax	
Rationale for the benchmark applied	Profit before tax, excluding impairment, 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.	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.	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.	
Performance materiality	3.8	3.8	2.2	0.42
Basis for determining performance materiality	Performance materiality was set at 70% of the above materiality level.		Performance materiality was set at 70% of the above materiality level.	
Rationale for the percentage applied	The percentage applied to performance materiality was determined taking into consideration factors including the nature of the Group's activities, historical misstatements and Management's attitude towards proposed adjustments.		The percentage applied to performance materiality was determined taking into consideration factors including the nature of the Parent Company's activities, historical misstatements and Management's attitude towards proposed adjustments.	

Component materiality

For the purposed of our Group audit opinion, we set materiality for each significant component of the Group based on a percentage of between 20% and 66% (2021: 11% 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 $1.1m to $3.6m. (2021: $0.6m to $4.1m). In the audit of each component, we further applied performance materiality levels of 70% (2021: 70%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated and to sufficiently address aggregation risk .

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of $110,000 (2021: $110,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

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INDEPENDENT AUDITORS' REPORT CONTINUED

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts 2022 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.

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INDEPENDENT AUDITORS' REPORT CONTINUED

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 and Parent Company and the industry in which they operate. We considered the applicable accounting frameworks and the associated mining, environmental and taxation laws and regulations of North Macedonia and Kazakhstan to be the most significant to the Group and Parent Company given the Geographical areas of focus of the Group.

We assessed compliance with these laws and regulations through:

- Discussion with Management and those charged with governance;
- Inquiries of local management teams regarding new taxation legislation issued or enacted during the year and compliance with laws and regulations related to the mining activities;
- With the assistance of tax specialists from our local BDO network member firms in Kazakhstan and North Macedonia we evaluated the Group's compliance with relevant tax legislation considered of most significance to the Group's operations;
- With the assistance of internal tax specialists we assessed the overall UK tax position and group tax reconciliation: and
- Testing the financial statement disclosures to supporting documentation.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud and considered areas of the financial statements subject to elevated potential fraud risks. We considered the significant fraud risk areas to be in relation to revenue recognition and management override of controls.

Our procedures included:

- In respect of the risk of fraud in revenue recognition our procedures included 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;
- 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, cash and capital expenditure as well as entries with unusual descriptions by agreeing these to supporting documentation;
- Issuing fraud questionnaires to a sample of employees to understand the overall fraud risk environment as well as to identify whether any incidents that had occurred during the year;
- 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;
- Obtaining an understanding of the bonus metrics and the extent to which these may create an incentive to perpetrate fraud;
- Testing consolidation entries to supporting documentation to confirm their validity;
- Reviewing of the whistleblowing hotline register for any relevant matters;
- Performing enquiries of non-finance personnel regarding their knowledge of any alleged or actual fraud.

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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.

BDO LLP

RYAN FERGUSON
SENIOR STATUTORY AUDITOR

For and on behalf of BDO LLP, Statutory Auditor
London, UK
28 March 2023

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

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CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2022

	Note	Group 2022 $'000	Group 2021 $'000
Continuing operations			
Revenue	6	**220,855**	223,372
Presented as:			
Gross revenue[1]	6	**232,206**	235,152
Less:			
Silver stream purchases	6	**(7,080)**	(8,040)
Offtake buyers' fees	6	**(4,271)**	(3,740)
Revenue		**220,855**	223,372
Cost of sales	7	**(87,271)**	(80,511)
Distribution and selling costs	8	**(2,166)**	(2,116)
Gross profit		**131,418**	140,745
Administrative expenses	9	**(27,092)**	(22,077)
Impairment of non-current assets	19,20	**(55,116)**	–
Other losses	10	**–**	(6,875)
Other income	11	**86**	166
Foreign exchange gain		**6,829**	1,214
Operating profit		**56,125**	113,173
Finance income	15	**515**	74
Finance costs	16	**(2,060)**	(3,920)
Profit before income tax		**54,580**	109,327
Income tax	17	**(20,588)**	(25,147)
Profit for the year from continuing operations		**33,992**	84,180
Discontinued operations			
Loss for the year from discontinued operations	22	**(187)**	(4)
Profit for the year		**33,805**	84,176

	Note	Group 2022 $'000	Group 2021 $'000
Profit attributable to:			
Non-controlling interests	21	**(6)**	(1)
Owners of the parent		**33,811**	84,177
Profit for the year		**33,805**	84,176
Earnings/(loss) per share from continuing and discontinued operations attributable to owners of the parent during the year (expressed in cents per share)		**$ cents**	$ cents
Basic earnings/(loss) per share			
From continuing operations	18	**19.10**	47.69
From discontinued operations		**(0.10)**	–
From profit for the year		**19.00**	47.69
Diluted earnings/(loss) per share			
From continuing operations	18	**18.39**	46.23
From discontinued operations		**(0.10)**	–
From profit for the year		**18.29**	46.23

1 Gross revenue is a non-IFRS financial measure which is used by management, alongside the comparable GAAP measures, in evaluating the business performance. The measures are not intended as a substitute for GAAP measures and may not be comparable to similarly reported measures by other companies.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2022

	Note	Group 2022 $'000	Group 2021 $'000
Profit for the year		**33,805**	84,176
Other comprehensive income/(expense):			
Items that may be subsequently reclassified to profit or loss:			
Currency translation differences	27	**(29,311)**	(31,283)
Other comprehensive income/(expense) for the year, net of tax		**(29,311)**	(31,283)
Total comprehensive income for the year		**4,494**	52,893
Attributable to:			
Non-controlling interests		**(6)**	(1)
Owners of the parent		**4,500**	52,894
Total comprehensive income for the year		**4,494**	52,893
Total comprehensive income/(expense) attributable to equity shareholders arises from:			
Continuing operations		**4,681**	52,897
Discontinued operations		**(187)**	(4)
		4,494	52,893

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STATEMENTS OF FINANCIAL POSITION

as at 31 December 2022

Registered no. 5559627

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Assets					
Non-current assets					
Property, plant and equipment	19	**322,197**	384,889	**184**	410
Intangible assets	20	**26,552**	52,090	**–**	–
Deferred income tax asset	37	**328**	352	**–**	–
Investments	21	**–**	–	**5,107**	5,107
Other non-current receivables	23	**11,478**	7,347	**268,750**	269,241
		360,555	444,678	**274,041**	274,758
Current assets					
Inventories	24	**13,149**	10,452	**–**	–
Trade and other receivables	23	**8,715**	6,210	**19,577**	34,204
Restricted cash	25	**264**	3,516	**–**	3,284
Cash and cash equivalents	25	**60,298**	55,695	**35,812**	40,189
		82,426	75,873	**56,789**	77,677
Assets of disposal group classified as held for sale	22	**64**	38	**–**	–
		82,490	75,911	**55,389**	77,677
Total assets		**443,045**	520,589	**329,430**	352,435
Equity attributable to owners of the parent					
Ordinary shares	26	**1,821**	1,765	**1,821**	1,765
Share premium	26	**205,437**	191,988	**205,437**	191,988
Treasury shares	26	**(15,831)**	(2,360)	**(15,831)**	(2,360)
Currency translation reserve	27	**(134,092)**	(104,781)	**–**	–
Retained earnings		**312,107**	323,951	**94,354**	77,943
		369,442	410,563	**285,781**	269,336
Non-controlling interests	21	**(1,322)**	(1,316)	**–**	–
Total equity		**368,120**	409,247	**285,781**	269,336

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Liabilities					
Non-current liabilities					
Silver streaming commitment	30	**17,085**	18,220	**–**	–
Deferred income tax liability	37	**17,286**	23,229	**–**	–
Lease liability		**10**	334	**–**	199
Provisions for other liabilities and charges	32	**20,744**	18,917	**–**	–
		55,125	60,700	**–**	199
Current liabilities					
Borrowings	31	**1,390**	32,978	**–**	23,406
Silver streaming commitment	30	**1,095**	1,229	**–**	–
Trade and other payables	29	**16,643**	16,056	**43,471**	59,311
Lease liability		**295**	302	**178**	183
Provisions for other liabilities and charges	32	**333**	49	**–**	–
		19,756	50,614	**43,649**	82,900
Liabilities of disposal group classified as held for sale	22	**44**	28	**–**	–
		19,800	50,642	**43,649**	82,900
Total liabilities		**74,925**	111,342	**43,649**	83,099
Total equity and liabilities		**443,045**	520,589	**329,430**	352,435

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 $62,066,000 (2021: $13,585,000).

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2022

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 2021		1,765	191,537	(3,840)	(73,498)	278,103	394,067	(1,315)	392,752
Profit for the year		–	–	–	–	84,177	84,177	(1)	84,176
Other comprehensive expense – currency translation differences	27	–	–	–	(31,283)	–	(31,283)	–	(31,283)
Total comprehensive income/(expense)		–	–	–	(31,283)	84,177	52,894	(1)	52,893
Transactions with owners									
Share based payments	28	–	–	–	–	2,449	2,449	–	2,449
Exercise of options	28	–	451	1,480	–	(1,931)	–	–	–
Dividends	35	–	–	–	–	(38,847)	(38,847)	–	(38,847)
Total transactions with owners, recognised directly in equity		–	451	1,480	–	(38,329)	(36,398)	–	(36,398)
Balance as at 31 December 2021		**1,765**	**191,988**	**(2,360)**	**(104,781)**	**323,951**	**410,563**	**(1,316)**	**409,247**
Profit for the year		**–**	**–**	**–**	**–**	**33,811**	**33,811**	**(6)**	**33,805**
Other comprehensive expense – currency translation differences	27	**–**	**–**	**–**	**(29,311)**	**–**	**(29,311)**	**–**	**(29,311)**
Total comprehensive income/(expense)		**–**	**–**	**–**	**(29,311)**	**33,811**	**4,500**	**(6)**	**4,494**
Transactions with owners									
Shares issued	26	**56**	**13,440**	**(13,496)**	**–**	**–**	**–**	**–**	**–**
Share based payments	28	**–**	**–**	**–**	**–**	**3,818**	**3,818**	**–**	**3,818**
Exercise of options	28	**–**	**9**	**25**	**–**	**(1,263)**	**(1,229)**	**–**	**(1,229)**
Dividends	35	**–**	**–**	**–**	**–**	**(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**

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COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2022

Company	Note	Ordinary Shares $'000	Share premium $'000	Treasury shares $'000	Retained earnings $'000	Total equity $'000
Balance as at 1 January 2021		1,765	191,537	(3,840)	102,687	292,149
Profit for the year		–	–	–	13,585	13,585
Total comprehensive income		–	–	–	13,585	13,585
Transactions with owners						
Share based payments	28	–	–	–	2,449	2,449
Exercise of options	28	–	451	1,480	(1,931)	–
Dividends	35	–	–	–	(38,847)	(38,847)
Total transactions with owners, recognised directly in equity		–	451	1,480	(38,329)	(36,398)
Balance as at 31 December 2021		**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	26	**56**	**13,440**	**(13,496)**	**–**	**–**
Share based payments	28	**–**	**–**	**–**	**3,818**	**3,818**
Exercise of options	28	**–**	**9**	**25**	**(1,263)**	**(1,229)**
Dividends	35	**–**		**–**	**(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**

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CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2022

	Note	2022 $'000	2021 $'000
Cash flows from operating activities			
Cash generated from operations	33	122,565	136,555
Interest paid		(554)	(2,378)
Corporate income tax paid		(22,166)	(21,572)
Net cash flow generated from operating activities		99,845	112,605
Cash flows from investing activities			
Purchase of property, plant and equipment		(17,396)	(14,692)
Proceeds from sale of property, plant and equipment		7	16
Purchase of intangible assets		(68)	(56)
Interest received	15	515	74
Decrease in restricted cash	25	3,252	125
Net cash used in investing activities		(13,690)	(14,533)
Cash flows from financing activities			
Drawdown of overdraft	31	–	644
Repayment of overdraft	31	(7,531)	–
Repayment of borrowings	31	(23,820)	(48,400)
Dividends paid to owners of the parent	35	(48,210)	(38,847)
Cash settlement of share options		(1,939)	–
Receipt on exercise of share options	28	6	13
Net cash used in financing activities		(81,494)	(86,590)
Effect of foreign exchange loss on cash and cash equivalents		(31)	(38)
Net increase in cash and cash equivalents		4,630	11,444
Cash and cash equivalents at the beginning of the year	25	55,731	44,287
Cash and cash equivalents at the end of the year	25	60,361	55,731

Cash and cash equivalents at 31 December 2022 includes cash at bank and on hand included in assets held for sale of $63,000 (31 December 2021: $36,000) (note 22). The consolidated statement of cash flows does not include the restricted cash balance of $264,000 (2021: $3,516,000) (note 25).

The notes below are an integral part of the consolidated financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2022

1. GENERAL INFORMATION

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

The Group's principal business activities are the production of copper 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 22 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 these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

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 which have been held at fair value. The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2022. 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 Central Asia Metals plc.

The preparation of 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 copper cathode product primarily through an annual rolling offtake arrangement with Traxys Europe S.A. 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 2022.

The Board has reviewed forecasts for the period to December 2024 to assess the Group's liquidity which demonstrate substantial headroom. The Board have considered additional sensitivity scenarios in terms of the Group's commodity price forecasts, expected production volumes, operating cost profile and capital expenditure. The Board have assessed the key risks which could impact the prospects of the Group over the going concern period including commodity price outlook, cost inflation and supply chain disruption 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, 25 and 29 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 2022, however there is no impact on the current reporting period:

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

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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

New standards, interpretations, and amendments not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Group. These standards include:

IAS 1 – Presentation of Financial statements – The classification of liabilities as current or non-current basing the classification on contractual arrangements at the reporting date. These amendments are effective for periods beginning 1 January 2024.

Amendments to IAS 8 - Definition of Accounting Estimates effective 1 January 2023.

Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting policies effective 1 January 2023.

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 2022.

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. Unrealised losses/gains are also eliminated but considered an impairment indicator of the asset transferred. 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, either at fair value or 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 expected to benefit from the business combination in which the goodwill arose. 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.

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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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 holding companies within the Group which 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 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 USD 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 other comprehensive income 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.

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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 2022 the remaining useful lives were as follows:

- Construction in progress – not depreciated
- Land – not depreciated
- Plant and equipment – over 5 to 16 years
- Mining assets – over 2 to 16 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 which 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 value 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 provision for impairment, where required.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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 cash-generating unit'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.

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 cash-generating unit 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 which 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. The Group recognises revenue when the amount of revenue can be reliably measured and when it is probable that future economic benefits will flow to the entity.

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

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

The Group reports both a gross revenue and revenue line. Gross revenue is reported after deductions of treatment charges but before deductions of offtaker fees and silver purchases under the Silver Stream (note 6).

Inventory

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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 co-ordinated 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.

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 which 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, measure 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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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 which 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. 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.

Where the Company has no choice but to settle in cash, for example due to the inability to settle in shares, the Company shall recognise an additional expense for the excess value given at the settlement date.

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, which 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 month expected credit losses along with gross

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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 units of production 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.

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 draw down 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.

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:

- 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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Provisions

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 interest expense.

b) Employee benefits – pension

The Group, in the normal course of business, makes payments on behalf of its employees for pensions, health-care, 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 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 32). 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 co-operation 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		
	2022	2021	Movement	2022	2021	Movement
Kazakhstan Tenge	**460.15**	425.91	8%	**462.65**	431.67	7%
Macedonian Denar	**58.36**	52.06	12%	**57.65**	54.37	6%
British Pound	**0.80**	0.73	10%	**0.83**	0.74	12%

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.

The Group's exposure to foreign currency risk based on US Dollar equivalent carrying amounts at the reported date:

	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)**

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3. FINANCIAL INSTRUMENTS – RISK MANAGEMENT CONTINUED

	Group		
	2021		
In $'000 equivalent	USD	EUR	GBP
Cash and cash equivalents	10,495	865	2,452
Trade and other receivables	203	151	187
Trade and other payables	(66)	(353)	(3,395)
Net exposure	10,632	663	(756)

Trade and other receivables excludes prepayments and VAT receivable and trade and other payables excludes corporation tax, social security and other taxes as they are not considered financial instruments.

At 31 December 2022, if the foreign currencies had weakened/strengthened by 10% against the US Dollar, post-tax Group profit for the year would have been $1,804,000 lower/higher (2021: $1,021,000 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 2022.

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 Company may mitigate commodity price risk by fixing the price in advance for its copper cathode sales with the offtake partner.

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	
	2022 $'000	2021 $'000
10% increase in copper, zinc and lead price	**23,931**	17,312
10% decrease in copper, zinc and lead price	**(23,931)**	(17,535)

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. They agree to those amounts presented in the statement of financial position because the impact of discounting is immaterial.

	Group	
Future expected payments:	31 Dec 22 $'000	31 Dec 21 $'000
Trade and other payables within one year	**12,751**	8,224
Borrowings payable within one year (note 31)	**1,390**	32,978
Lease liability payable within one year	**295**	302
Lease liability payable later than one year but not later than five years	**10**	334
	14,446	41,838

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.

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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	2022 $'000	2021 $'000
Cash and cash equivalents excluding restricted cash	25	**60,298**	55,695
Bank overdraft	31	**(1,390)**	(9,572)
Borrowings repayable within one year	31	**–**	(23,406)
Net cash		**58,908**	22,717
Total equity		**368,120**	409,247
Net cash to equity ratio		**16%**	6%

Changes in liabilities arising from financing activities

The total borrowings as at 1 January 2022 were $32,978,000 (1 January 2021: $80,412,000). During the year, total repayments on the corporate debt package were $23,820,000 (2021: $48,400,000). During the year, there were drawdowns on unsecured overdrafts of $nil (2021: $644,000) and repayments of $7,531,000 (2021: $nil). Other changes amounted to a reduction of $237,000 (2021: increase of $322,000) leading to a closing debt balance of $1,390,000 (2021: $32,978,000). See note 31 for more details.

The cash and cash equivalents including cash at bank and on hand in assets held for sale brought forward were $55,731,000 (2021: $44,287,000) with a net $4,630,000 inflow (2021: $11,444,000 inflow) during the year and therefore a closing balance of $60,361,000 (2021: $55,731,000).

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 25 and on its trade and other receivables as set out in note 23. 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. 91% 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- (2021: 98%). The rest of the Group's cash was held with a mix of institutions with credit ratings between A to BB- (2021: A to BBB-). 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 23).

Interest rate risk

The Group's main interest rate risk arose from the corporate debt which was repaid during the year.

Categories of financial instruments

Financial assets

	Group	
Cash and receivables:	31 Dec 22 $'000	31 Dec 21 $'000
Cash and cash equivalents including restricted cash (note 25)	**60,562**	59,211
Trade and other receivables	**4,178**	2,343
	64,740	61,554

Trade and other receivables excludes prepayments and VAT 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 22 $'000	31 Dec 21 $'000
Trade and other payables within one year	**12,751**	8,224
Borrowings payable within one year (note 31)	**1,390**	32,978
Lease liability within one year	**295**	334
Lease liability payable later than one year but not later than five years	**10**	302
	14,446	41,838

Trade and other payables excludes the silver streaming commitment, corporation tax, social security and other taxes as they are not considered financial instruments.

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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 expense. 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 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 if events or changes in circumstances indicate the carrying value may not be recoverable. 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 20.

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 which 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 and experience 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 re-assessment of the surrounding managing surface water in-line with the GISTM and lining of the tailings facilities as well as updating the discount rate using latest assumptions on inflation rates and discount rates.

During the year, the Group engaged an external expert consultant to prepare a conceptual closure plan and asset retirement obligation for the Kounrad operation and associated infrastructure. The increase in estimate in relation to the asset retirement obligation is primarily due to additional estimated costs.

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 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 $4,591,000 on the provision for asset retirement obligation. A 2% change in the inflation rate would result in an impact of $6,339,000 on the provision for asset retirement obligation. A 20% change in cost would result in an impact of $3,976,000 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 have 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 2022 and are included on pages 39-40.

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS CONTINUED

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.

Tax

Management make 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 judgment 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 than 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 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 19,20)	–	(55,116)	–	**(55,116)**
Other income (note 11)	50	36	–	**86**
Finance income (note 15)	29	–	486	**515**
Finance costs (note 16)	(214)	(1,040)	(806)	**(2,060)**
Profit/(loss) before income tax	**94,367**	**(19,735)**	**(20,052)**	**54,580**
Income tax				**(20,588)**
Profit for the year after tax from continuing operations				**33,992**
Loss from discontinued operations				**(187)**
Profit for the year				**33,805**

Depreciation and amortisation include amortisation on the fair value uplift on acquisition of Sasa and Kounrad of $15,419,000.

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5. SEGMENTAL INFORMATION CONTINUED

The segmental results for the year ended 31 December 2021 are as follows:

	Kounrad $'000	Sasa $'000	Unallocated $'000	Total $'000
Gross revenue	132,039	103,113	–	235,152
Silver stream purchases	–	(8,040)	–	(8,040)
Offtake buyers' fees	(2,586)	(1,154)	–	(3,740)
Revenue	129,453	93,919	–	223,372
EBITDA	105,966	57,472	(21,934)	141,504
Depreciation and amortisation	(4,007)	(25,321)	(244)	(29,572)
Foreign exchange gain/(loss)	673	599	(58)	1,214
Other income (note 11)	147	7	12	166
Other expenses (note 10)	(4)	–	(135)	(139)
Finance income (note 15)	14	–	60	74
Finance costs (note 16)	(157)	(479)	(3,284)	(3,920)
Profit/(loss) before income tax	102,632	32,278	(25,583)	109,327
Income tax				(25,147)
Profit for the year after tax from continuing operations				84,180
Loss from discontinued operations				(4)
Profit for the year				84,176

Depreciation and amortisation include amortisation on the fair value uplift on acquisition of Sasa and Kounrad of $16,900,000.

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

Group segmental assets and liabilities for the year ended 31 December 2022 are as follows:

	Segmental assets		Additions to non-current assets		Segmental liabilities	
	31 Dec 22 $'000	31 Dec 21 $'000	**31 Dec 22 $'000**	31 Dec 21 $'000	**31 Dec 22 $'000**	31 Dec 21 $'000
Kounrad	**82,258**	70,316	**2,525**	2,704	**(13,928)**	(11,637)
Sasa	**324,197**	405,928	**14,920**	12,104	**(54,718)**	(69,980)
Assets held for sale (note 22)	**64**	38	**–**	–	**(44)**	(28)
Unallocated including corporate	**36,526**	44,307	**19**	17	**(6,235)**	(29,697)
	443,045	520,589	**17,464**	14,825	**(74,925)**	(111,342)

6. REVENUE

Group	2022 $'000	2021 $'000
International customers (Europe) – copper cathode	**122,371**	131,464
International customers (Europe) – zinc and lead concentrate	**106,578**	101,241
Domestic customers (Kazakhstan) – copper cathode	**1,286**	574
International customers (Europe) – silver	**1,971**	1,873
Total gross revenue	**232,206**	235,152
Less:		
Silver stream purchases	**(7,080)**	(8,040)
Offtake buyers' fees	**(4,271)**	(3,740)
Revenue	**220,855**	223,372

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6. REVENUE CONTINUED

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 Company 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 2022, the Group sold 14,192 tonnes (2021: 13,983 tonnes) of copper through the offtake arrangements. Some of the copper cathodes are also sold locally and during 2022, 150 tonnes (2021: 68 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 17,862 tonnes (2021: 18,856 tonnes) of payable zinc in concentrate and 26,320 tonnes (2021: 25,245 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 30).

7. COST OF SALES

Group	2022 $'000	2021 $'000
Reagents, electricity and materials	**27,989**	21,157
Depreciation and amortisation	**26,709**	28,937
Silver stream commitment (note 30)	**(1,971)**	(1,873)
Royalties	**10,117**	10,062
Employee benefit expense	**17,951**	16,356
Consulting and other services	**6,106**	5,491
Taxes and duties	**370**	381
	87,271	80,511

8. DISTRIBUTION AND SELLING COSTS

Group	2022 $'000	2021 $'000
Freight costs	**1,934**	1,800
Transportation costs	**24**	19
Depreciation and amortisation	**5**	11
Materials and other expenses	**203**	286
	2,166	2,116

The above distribution and selling costs are those incurred at Kounrad and Sasa in addition to the costs associated with the offtake arrangements.

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9. ADMINISTRATIVE EXPENSES

Group	2022 $'000	2021 $'000
Employee benefit expense	**11,382**	10,360
Share based payments (note 28)	**4,494**	2,449
Consulting and other services	**8,090**	7,114
Auditors' remuneration (note 12)	**486**	430
Office-related and travel costs	**1,652**	922
Taxes and duties	**417**	178
Depreciation and amortisation	**571**	624
Total from continuing operations	**27,092**	22,077
Total from discontinued operations (note 22)	**179**	18
	27,271	22,095

10. OTHER LOSSES

Group	2022 $'000	2021 $'000
Realised losses on financial derivatives	**–**	6,736
Other expenses	**–**	139
	–	6,875

During 2021, the Group entered into commodity price hedge contracts for a portion of its 2021 metal production. As a result of these financial instruments, in the prior year ended 31 December 2021, the Company recognised $6,736,000 of realised losses. These financial instruments expired at the end of 2021 and therefore there are were no hedging gains or losses during the year ending 31 December 2022. The Group did not put in place any further hedge contracts during the year.

11. OTHER INCOME

Group	2022 $'000	2021 $'000
Gain on disposal of property, plant and equipment	**–**	2
Other income	**86**	164
	86	166

12. AUDITORS' REMUNERATION

During the year, the Group obtained the following services from the Company's Auditors and its associates:

	2022 $'000	2021 $'000
Fees payable to BDO LLP the Company's Auditors for the audit of the parent company and consolidated financial statements	**243**	230
Fees payable to BDO LLP the Company's Auditors and its associates for other services:		
– The audit of Company's subsidiaries	**183**	145
Fees payable to BDO LLP the Company's Auditors and its associates for other services:		
– Other assurance services	**60**	55
	486	430

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13. EMPLOYEE BENEFIT EXPENSE

The aggregate remuneration of staff, including Directors, was as follows:

Group	2022 $'000	2021 $'000
Wages and salaries	**22,374**	19,878
Social security costs and similar taxes	**2,859**	2,802
Staff healthcare and other benefits	**3,187**	2,141
Other pension costs	**2,929**	3,238
Share based payment expense (note 28)	**4,494**	2,449
Total for continuing operations	**35,843**	30,508
Total for discontinuing operations (note 22)	**74**	75
	35,917	30,583

The total employee benefit expense includes an amount of $2,016,000 (2021: $1,418,000) which has been capitalised within property, plant and equipment.

Company	2022 $'000	2021 $'000
Wages and salaries	**6,779**	6,091
Social security costs	**1,328**	1,098
Staff healthcare and other benefits	**584**	595
Other pension costs	**108**	114
Share based payments (note 28)	**4,494**	2,449
	13,293	10,347

Key management remuneration is disclosed in the Remuneration Committee report.

14. MONTHLY AVERAGE NUMBER OF PEOPLE EMPLOYED

Group	2022 Number	2021 Number
Operational	**944**	934
Management and administrative	**148**	133
	1,092	1,067

The monthly average number of staff employed by the Company during the year was 19 (2021: 18).

15. FINANCE INCOME

Group	2022 $'000	2021 $'000
Bank interest received	**515**	74
	515	74

16. FINANCE COSTS

Group	2022 $'000	2021 $'000
Provisions: unwinding of discount (note 32)	**1,088**	347
Interest on borrowings (note 31)	**910**	3,483
Lease interest expense and bank charges	**62**	90
Total for continuing operations	**2,060**	3,920

17. INCOME TAX

Group	2022 $'000	2021 $'000
Current tax on profits for the year	**25,142**	26,610
Deferred tax credit (note 37)	**(4,554)**	(1,463)
Income tax expense	**20,588**	25,147

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

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17. INCOME TAX CONTINUED

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 as follows:

Group	2022 $'000	2021 $'000
Profit before income tax	**54,580**	109,327
Tax calculated at domestic tax rates applicable to profits in the respective countries	**10,117**	19,244
Tax effects of:		
Expenses not deductible for tax purposes	**12,546**	4,309
Deferred income tax credit (note 37)	**(4,554)**	(1,463)
Movement on unrecognised deferred tax – tax losses	**2,479**	3,057
Income tax expense	**20,588**	25,147

Corporate income tax is calculated at 19% (2021: 19%) of the assessable profit for the year for the UK parent company, 20% for the operating subsidiaries in Kazakhstan (2021: 20%) and 10% (2021: 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.

18. 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 26).

	2022 $'000	2021 $'000
Profit from continuing operations attributable to owners of the parent	**33,998**	84,181
Loss from discontinued operations attributable to owners of the parent	**(187)**	(4)
Profit attributable to owners of the parent	**33,811**	84,177

	2022 No.	2021 No.
Weighted average number of Ordinary Shares in issue	**177,955,800**	176,498,266

	2022 $ cents	2021 $ 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	**19.10**	47.69
From discontinued operations	**(0.10)**	–
From profit for the year	**19.00**	47.69

(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.

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18. EARNINGS/(LOSS) PER SHARE CONTINUED

	2022 No.	2021 No.
Weighted average number of Ordinary Shares in issue	177,955,800	176,498,266
Adjusted for:		
– Share options	6,914,311	5,589,467
Weighted average number of Ordinary Shares for diluted earnings per share	184,870,111	182,087,733

Diluted earnings/(loss) per share	2022 $ cents	2021 $ cents
From continuing operations	18.39	46.23
From discontinued operations	(0.10)	–
From profit for the year	18.29	46.23

(c) Adjusted basis earnings per share

To allow comparability, the Directors believe that the Adjusted EPS provides a more appropriate representation of the underlying earnings of the Group adjusting for the impairment of non-current assets and the corresponding deferred tax movement arising from the impairment of mineral rights. This is considered a one-off impairment and not expected to be recurring.

The adjusting items are shown in the table below:

	2022 $'000	2021 $'000
Profit from continuing operations attributable to owners of the parent	33,998	84,181
Adjustments:		
Impairment of non-current assets	55,116	–
Deferred tax movement resulting from impairment of mineral rights	(3,419)	–
Adjusted profit from continuing operations attributable to owners of the parent	85,695	–
Loss from discontinued operations attributable to owners of the parent	(187)	(4)
Adjusted profit attributable to owners of the parent	85,508	84,177

	2022 $ cents	2021 $ cents
Adjusted earnings/(loss) per share from continuing and discontinued operations attributable to owners of the parent during the year (expressed in $ cents per share)		
From adjusted continuing operations	48.15	47.69
From discontinued operations	(0.10)	–
From adjusted profit for the year	48.05	47.69

(d) Adjusted diluted earnings per share

Adjusted diluted earnings/(loss) per share	2022 $ cents	2021 $ cents
From adjusted continuing operations	46.35	46.23
From discontinued operations	(0.10)	–
From adjusted profit for the year	46.25	46.23

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19. PROPERTY, PLANT AND EQUIPMENT

Group	Construction in progress $'000	Plant and equipment $'000	Mining assets $'000	Motor vehicles and ROU assets $'000	Land $'000	Mineral rights $'000	Total $'000
Cost							
At 1 January 2021	4,737	146,799	1,292	2,874	677	369,029	525,408
Additions	14,268	456	–	45	–	–	14,769
Disposals	(17)	(24)	–	–			(41)
Change in estimate – asset retirement obligation (note 32)	–	8,981	–	–	–	–	8,981
Transfers	(9,846)	9,843	–	3	–	–	–
Exchange differences	(499)	(5,643)	(33)	(38)	(51)	(23,259)	(29,523)
At 31 December 2021	**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 32)	**–**	**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**

Group	Construction in progress $'000	Plant and equipment $'000	Mining assets $'000	Motor vehicles and ROU assets $'000	Land $'000	Mineral rights $'000	Total $'000
Accumulated depreciation and impairment							
At 1 January 2021	–	50,266	401	1,532	–	55,164	107,363
Provided during the year	–	12,006	112	380	–	15,374	27,872
Disposals	–	(19)	–	(8)	–	–	(27)
Exchange differences	–	(471)	(10)	(22)	–	–	(503)
At 31 December 2021	**–**	**61,782**	**503**	**1,882**	**–**	**70,538**	**134,705**
Provided during the year	**–**	**11,659**	**111**	**381**	**–**	**13,581**	**25,732**
Impairment (note 20)	**–**	**–**	**–**	**–**	**–**	**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**
Net book value at 31 December 2021	8,643	98,630	756	1,002	626	275,232	384,889
Net book value at 31 December 2022	**16,005**	**92,577**	**595**	**783**	**590**	**211,647**	**322,197**

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19. PROPERTY, PLANT AND EQUIPMENT CONTINUED

The Company had $184,000 of office equipment at net book value as at 31 December 2022 (2021: $410,000).

The increase in estimate in the asset retirement obligation of $1,153,000, 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 32).

During the year there were total disposals of plant, property and equipment at cost of $287,000 (2021: $41,000) with accumulated depreciation of $186,000 (2021: $27,000). The Group received $7,000 (2021: $16,000) consideration for these assets and therefore a loss of $94,000 was recognised (2021: gain of $2,000).

Amounts recognised in the income statement

The income statement shows the following amounts relating to leases:

	2022 $'000	2021 $'000
Depreciation charge of right-of-use assets		
Office	**48**	171
Other	**123**	121
	171	292
Interest expense included in finance costs	**18**	77

20. INTANGIBLE ASSETS

Group	Goodwill $'000	Mining licences and permits $'000	Computer software and website $'000	Total $'000
Cost				
At 1 January 2021	31,553	36,160	271	67,984
Additions	–	–	56	56
Exchange differences	(1,681)	(1,136)	(3)	(2,820)
At 31 December 2021	**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**
Accumulated amortisation and impairment				
At 1 January 2021	**–**	**11,082**	**262**	**11,344**
Provided during the year	–	1,847	17	1,864
Exchange differences	–	(79)	1	(78)
At 31 December 2021	**–**	**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**
Net book value at 31 December 2021	29,872	22,174	44	52,090
Net book value at 31 December 2022	**7,415**	**19,050**	**87**	**26,552**

The Company had nil intangible assets at net book value as at 31 December 2022 (2021: nil).

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20. 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 are 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, 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 Cash Generating Unit (CGU).

Kounrad project

The Kounrad project located in Kazakhstan has an associated goodwill balance of $7,415,000 (2021: $7,948,000), 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 cash generating unit ('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 $7,777 per tonne (2021: $7,914 per tonne) and a long-term price of $7,436 per tonne (2021: $7,592 per tonne) based on market consensus prices and a discount rate of 8.07% (2021: 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 carrying value of the net assets is not currently sensitive to any reasonable changes in key assumptions. Management concluded and 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

Prior to the current year impairment, the Sasa project located in North Macedonia, had an associated goodwill balance of $20,921,000 (2021: $21,924,000), the movement being solely due to foreign exchange differences.

The business combination in 2017 was accounted for at fair value under IFRS 3 and therefore recoverable value is sensitive to changes in commodity prices, operational performance, treatment charges, future cash costs of production and capital expenditures. 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 2022. 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.

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20. 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.

At 31 December 2022, the Group has reviewed the indicators for impairment, including forecasted commodity prices, treatment charges, discount rates, operating and capital expenditure, and the mineral reserves and resources' estimates. Following an analysis management have decided to recognise an impairment charge due to the following factors:

- Completion of the life of mine study at the year end and therefore amending the financial model inputs for updated reserves, resources and expected 830,000 tonne long-term plant throughput capacity per annum (reduced from 900,000 tonnes). The Resource and Reserves are both reported using Net Smelter Return cut-off values and the Resources have decreased due to management's assessment of those which are economically viable and capable of future extraction.
- An increase in the discount rate to 12.52% (2021: 10.21%) supported by a detailed WACC calculation considering both the country and company risk premiums. These are affected by external economic conditions with significant global inflation and an increase in risk applied to calculate the present value of the CGU. The main factor behind the increase in discount rate is the rise US treasury yields and a higher country risk premium given where the Group operates.
- The key economic assumptions used in the review were a five-year forecast average nominal zinc and lead price of $2,760 and $2,081 per tonne respectively and a long-term price of $2,467 and $1,874 per tonne respectively based on market consensus prices inflated at 3.1%.
- The financial model calculation also factors in cost increases for energy and wages to reflect near-term inflationary pressures facing the Group reflecting the current macroeconomic environment using market inflation rates.
- Indicated and 30% of inferred resources from Golema Reka have been added to the end of life of mine in accordance with the Resources statement in the Competent Person Report are considered to have a sufficient level of confidence of economic extraction.

These revised changes resulted in a reduction of Sasa's estimated recoverable value to $257,525,000 recognising an impairment charge of $55,116,000 through the income statement. This has been recognised as $20,921,000 against the total Sasa goodwill in intangible assets. The impairment charge of $34,195,000 related to property, plant and equipment has been recorded against mineral rights as the impairment is largely due to a reduction to the ore reserves and resources and consequential extraction profile, such that certain ore reserves and resources are excluded from the Life of Mine and the related mineral rights impaired accordingly. The fair value of the mineral rights was initially determined as part of the purchase price allocation ('PPA') when CAML acquired the Sasa mine in 2017.

Management have performed sensitivity analyses whereby certain parameters were flexed upwards and downwards by reasonable amounts for the CGU to assess whether this would increase the impairment charge or reduce the impairment. The following sensitivities were applied as part of the assessment:

Parameter	Sensitivity applied	Increased impairment $'000	Reduced impairment $'000
Zinc price	(5%)/5% change	14,100	(13,800)
Lead price	(5%)/5% change	20,400	(22,100)
Discount rate	Increase to 15%/decrease to 10%	27,600	(34,100)
Treatment charges	20%/(20%) change	19,800	(19,800)
Head grade	(5%)/5% change	29,500	(29,500)
Capital expenditure	10%/(10%)	7,200	(7,200)

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 feel no 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.

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21. INVESTMENTS

Shares in Group undertakings:

	Company	
	31 Dec 22 $'000	31 Dec 21 $'000
At 1 January	**5,107**	5,491
Impairment of investment in KBV	**–**	(384)
At 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.

Details of the Company holdings are included in the table below:

Subsidiary	Registered office address	Activity	CAML % 2022	Non-controlling interest % 2022	CAML % 2021	Date of incorporation
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 Sep 17
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 Oct 10
Copper Bay (UK) Ltd	Masters House, 107 Hammersmith Road, London, W14 0QH, United Kingdom	Holding Company	**76**	24	76	9 Nov 11
Copper Bay Chile Limitada	Ebro 2740, Oficina 603, Las Condes, Santiago, Chile	Holding Company	**76**	24	76	12 Oct 11
Ken Shuak LLP	Business Centre No. 2, 4 Mira Street, Balkhash, Kazakhstan	Shuak project (exploration)	**10**	90	10	5 Oct 16
Kounrad Copper Company LLP	Business Centre No. 2, 4 Mira Street, Balkhash, Kazakhstan	Kounrad project (SX-EW plant)	**100**	–	100	29 Apr 08
Minera Playa Verde Limitada	Ebro 2740, Oficina 603, Las Condes, Santiago, Chile	Exploration – Copper	**76**	24	76	20 Oct 11
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 Mira Street, Balkhash, Kazakhstan	Kounrad project (SUC operations)	**100**	–	100	6 Feb 06

CAML MK

For the year ended 31 December 2022, 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 2022. 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.

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21. INVESTMENTS CONTINUED

CAML KZ

For the year ended 31 December 2022, 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 2022. 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.

Non-controlling interest

	31 Dec 22 $'000	31 Dec 21 $'000
Balance at 1 January	**1,316**	1,315
Loss attributable to non-controlling interests	**6**	1
Balance at 31 December	**1,322**	1,316

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.

22. 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 2022 and the comparative year ended 31 December 2021 are shown within discontinued operations in the consolidated income statement.

Assets of disposal group classified as held for sale:

	31 Dec 22 $'000	31 Dec 21 $'000
Cash and cash equivalents	**63**	36
Trade and other receivables	**1**	2
	64	38

Liabilities of disposal group classified as held for sale:

	31 Dec 22 $'000	31 Dec 21 $'000
Trade and other payables	**44**	28
	44	28

During the year the following have been recognised in discontinued operations:

Loss from discontinued operations:

	2022 $'000	2021 $'000
General and administrative expenses	**(179)**	(18)
Foreign exchange (loss)/gain	**(8)**	14
Loss from discontinued operations	**(187)**	(4)

Cash flows of disposal group classified as held for sale:

	2022 $'000	2021 $'000
Operating cash flows	**27**	(19)
Total cash flows	**27**	(19)

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23. TRADE AND OTHER RECEIVABLES

	Group		Company	
	31 Dec 22 $'000	31 Dec 21 $'000	31 Dec 22 $'000	31 Dec 21 $'000
Current receivables				
Receivable due from subsidiary	–	–	744	581
Loan due from subsidiary	–	–	18,100	32,900
Trade receivables	2,362	1,249	–	–
Prepayments and accrued income	2,991	2,545	334	422
VAT receivable	1,546	1,322	109	110
Other receivables	1,816	1,094	290	191
	8,715	6,210	19,577	34,204
Non-current receivables				
Loan due from subsidiary	–	–	268,750	269,241
Prepayments	8,221	4,308	–	–
VAT receivable	3,257	3,039	–	–
	11,478	7,347	268,750	269,241

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.

The loan due from subsidiary is owed by CAML MK Limited, a directly owned subsidiary for $286,850,000 (2021: $302,141,000), which accrues interest at a rate of 2.25% per annum (2021: 2.25%). The loan has 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 this loan can be repaid and the expected credit loss is immaterial.

As at 31 December 2022, the total Group VAT receivable was $4,803,000 (2021: $4,361,000) which included an amount of $3,399,000 (2021: $3,299,000) of VAT owed to the Group by the Kazakhstan authorities. During the year, the Kazakhstan authorities refunded $718,000. The Group is working closely with its advisors to recover the remaining portion. The planned means of recovery will be through a combination of the local sales of cathode copper to offset VAT recoverable and by a continued dialogue with the authorities for cash recovery and further offsets.

Non-current prepayments have increased as a result of prepaid capital expenditure on the Sasa Cut and Fill Project.

24. INVENTORIES

Group	31 Dec 22 $'000	31 Dec 21 $'000
Raw materials	11,917	9,208
Finished goods	1,232	1,244
	13,149	10,452

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 2022 and therefore there were no write-offs to the income statement during the year (2021: nil). The total inventory recognised through the income statement was $6,527,000 (2021: $6,599,000).

25. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	Group		Company	
	31 Dec 22 $'000	31 Dec 21 $'000	31 Dec 22 $'000	31 Dec 21 $'000
Cash at bank and on hand	60,298	55,695	35,812	40,189
Cash and cash equivalents	60,298	55,695	35,812	40,189
Restricted cash	264	3,516	–	3,284
Total cash and cash equivalent including restricted cash	60,562	59,211	35,812	43,473

The restricted cash amount of $264,000 (2021: $3,516,000) is held at bank to cover Kounrad subsoil user licence requirements (2021: to cover corporate debt service compliance and Kounrad subsoil user licence requirements).

The Group holds an overdraft facility in North Macedonia and these amounts are disclosed in note 31 Borrowings.

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25. 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 22 $'000	31 Dec 21 $'000
Cash and cash equivalents as above (excluding restricted cash)	**60,298**	55,695
Cash at bank and on hand in assets held for sale (note 22)	**63**	36
Balance per statement of cash flows	**60,361**	55,731

26. SHARE CAPITAL AND PREMIUM

	Number of shares	Ordinary shares $'000	Share premium $'000	Treasury shares $'000
At 1 January 2021	176,498,266	1,765	191,537	(3,840)
Exercise of options	–	–	451	1,480
At 31 December 2021	**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)**

The par value of ordinary shares is $0.01 per share and all shares are fully paid. On 27 September 2022, the Company issued and allotted 5,600,000 ordinary shares to the trustee of the Central Asia Metals employee benefit trust (the "EBT"). These new ordinary shares have been issued for the purposes of satisfying current awards granted under the Company's Employee Share Plans together with any future awards that may be granted by the Company.

During the year there was an exercise of share options by employees and Directors which were partly settled by selling trust shares. The proceeds of disposal of trust and treasury shares exceeded the purchase price by $9,000 (2021: $451,000) and has been recognised in share premium. The remaining share options exercises during the year were cash settled amounting to $1,939,000 (2021: nil) with a reduction in share option reserve of $1,263,000 (2021: $1,931,000) to account for those now exercised.

	Treasury shares No.	EBT shares No.
At 1 January 2021	471,647	3,052,633
Disposal of trust shares	–	(712,601)
At 31 December 2021	**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**

27. 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 North Macedonian 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 2022, a non-cash currency translation loss of $29,311,000 (2021: loss of $31,283,000) was recognised within equity.

28. 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 during 2012 to 2018 had straight forward conditions attached and were valued using a Black-Scholes model.

Share options granted in 2019 vested after three years depending on achievement of the Group of performance target relating to the level of absolute total shareholder return compound annual growth rate of the value of the Company's shares over the performance period of three financial years ending 31 December 2021.

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28. SHARE BASED PAYMENTS CONTINUED

Share options granted in 2020 to 2022 vest after three years depending on a combination of the achievement of the Group of performance target relating to the level of absolute total shareholder return compound annual growth rate of the value of the Company's shares over the performance period of three financial years relative to the constituents of a selected group mining index of companies as well as sustainability performance targets.

The fair value at grant date of the 2019 to 2022 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 2022 was $3,232,000 in total which is recognised over the vesting period commencing 22 June 2022 until 31 March 2025 and $613,000 was recognised during the year. For the 2021 options $938,000 (2021: $435,000) was expensed for the year ended 31 December 2022. For the 2020 options $942,000 (2021: $980,000) was expensed for the year ended 31 December 2021. For the 2019 share options $82,000 (2021: $290,000) was expensed for the year ended 31 December 2022. An additional dividend related share option charge of $1,242,000 (2021: $720,000) was recognised and also additional costs associated when share options were exercised of $677,000 (2021: $24,000). The number of shares covered by such awards is increased by up to the value of dividends declared as if these were reinvested in Company shares at the dates of payment. The outstanding share options included in the calculation of diluted earnings/(loss) per share (note 18) includes these additional awards but they are excluded from the disclosures in this note. In total, an amount of $4,494,000 (2021: $2,449,000) has been expensed within employee benefits expense from continuing operations for share based payment charges for the year ended 31 December 2022.

The model inputs for options granted during the year included:

	31 Dec 2022	31 Dec 2021
Vesting period	**2 years 10 months**	2 years 9 months
Exercise price	**$0.01**	$0.01
Grant date:	**22 June 2022**	15 July 2021
Expiry date:	**21 June 2032**	14 July 2031
Share price at grant date	**$2.82**	$3.27
Risk-free interest rate	**2.19%**	0.38%

As at 31 December 2022, 5,467,454 (2021: 4,594,192) 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:

	2022		2021	
	Average exercise price in $ per share option	Options (number)	Average exercise price in $ per share option	Options (number)
At 1 January	**0.01**	**4,594,192**	0.01	4,420,348
Granted	**0.01**	**1,500,223**	0.01	1,009,284
Exercised	**0.01**	**(473,303)**	0.01	(439,020)
Non-vesting	**0.01**	**(153,658)**	0.01	(396,420)
At 31 December	**0.01**	**5,467,454**	0.01	4,594,192

Non-vesting shares relates to options granted for which the performance targets were not met. Out of the outstanding options of 5,467,454 (2021: 4,594,192), 2,096,325 options (2021: 1,741,528) were exercisable as at 31 December 2022 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 $3.32 (2021: $3.49) per share. Share options exercised by the Directors during the year are disclosed in the Remuneration Committee Report.

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28. SHARE BASED PAYMENTS CONTINUED

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 $	2022 Options (number)	2021 Options (number)
8 May 12	7 May 22	0.01	**76,032**	76,032
24 Jul 13	23 Jul 23	0.01	**36,801**	36,801
3 Jun 14	2 Jun 24	0.01	**143,064**	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	**296,591**	296,591
2 May 18	1 May 28	0.01	**484,090**	560,428
30 May 19	29 May 29	0.01	**355,103**	752,068
16 Dec 20	15 Dec 30	0.01	**979,548**	1,008,863
15 Jul 21	14 Jul 31	0.01	**974,392**	1,009,284
22 Jun 22	21 Jun 32	0.01	**1,410,772**	–
			5,467,454	4,594,192

Employee Benefit Trust

The Company set up an Employee Benefit Trust ('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.

29. TRADE AND OTHER PAYABLES

	Group		Company	
	31 Dec 22 $'000	31 Dec 21 $'000	31 Dec 22 $'000	31 Dec 21 $'000
Trade and other payables	**6,722**	3,363	**365**	363
Accruals	**6,029**	4,861	**5,451**	4,401
Corporation tax, social security and other taxes	**3,892**	7,832	**246**	1,147
Loan due to subsidiary	**–**	–	**37,409**	53,400
	16,643	16,056	**43,471**	59,311

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 $37,409,000 (2021: $53,400,000), which accrues interest at a rate of 4.40% 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.

30. SILVER STREAMING COMMITMENT

The carrying amounts of the silver streaming commitment for silver delivery are as follows:

	Group		Company	
	31 Dec 22 $'000	31 Dec 21 $'000	31 Dec 22 $'000	31 Dec 21 $'000
Current	**1,095**	1,229	**–**	–
Non-current	**17,085**	18,220	**–**	–
	18,180	19,449	**–**	–

On 1 September 2016, the CMK Group entered into a Silver Purchase Agreement. The 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.

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31. BORROWINGS

	Group		Company	
	31 Dec 22 $'000	31 Dec 21 $'000	31 Dec 22 $'000	31 Dec 21 $'000
Secured: Current				
Bank loans	–	23,406	–	23,406
Unsecured: Current				
Bank overdraft	**1,390**	9,572	–	–
Total current	**1,390**	32,978	–	23,406

The carrying value of loans approximates fair value:

	Carrying amount		Fair value	
	31 Dec 22 $'000	31 Dec 21 $'000	31 Dec 22 $'000	31 Dec 21 $'000
Traxys Europe S.A.	–	23,406	–	23,406
Bank overdrafts	**1,390**	9,572	**1,390**	9,572
	1,390	32,978	**1,390**	32,978

The movement on borrowings can be summarised as follows:

	Group		Company	
	31 Dec 22 $'000	31 Dec 21 $'000	31 Dec 22 $'000	31 Dec 21 $'000
Balance at 1 January	**32,978**	80,412	**23,406**	70,720
Repayment of corporate borrowings	**(23,820)**	(48,400)	**(23,820)**	(48,400)
Repayments of overdraft	**(7,531)**	–	–	–
Drawdown of overdraft	–	644	–	–
Finance charge interest	**496**	2,398	**374**	2,162
Finance charge unwinding of directly attributable fees	**414**	1,086	**414**	1,086
Interest paid	**(511)**	(2,398)	**(374)**	(2,162)
Foreign exchange	**(636)**	(764)	–	–
Balance at 31 December	**1,390**	32,978	–	23,406

During the year, $23,820,000 (2021: $48,400,000) of the principal amount of corporate debt was repaid as well as $7,531,000 repayment of overdrafts (2021: nil) with total interest paid of $511,000 (2021: $2,398,000).

The Group held one corporate debt package with Traxys with a variable interest rate which was repaid in full in August 2022. Security was provided over the shares in CAML Kazakhstan BV, certain bank accounts and the Kounrad offtake agreement as well as over the Sasa offtake agreement. The debt was subject to financial covenants which included the monitoring of gearing and leverage ratios, and these were all complied with.

The overdraft is held with a North Macedonian bank and is denominated in Euro payable at 1.98% above the National Bank of North Macedonia reference rate.

As at 31 December 2022, the Group measured the fair value using techniques for which all inputs which 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).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

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32. PROVISIONS FOR OTHER LIABILITIES AND CHARGES

	Group				
	Asset retirement obligation $'000	Employee retirement benefits $'000	Other employee benefits $'000	Legal claims $'000	Total $'000
At 1 January 2021	9,196	239	235	16	9,686
Change in estimate	8,981	48	56	6	9,091
Settlements of provision	–	(23)	(12)	(20)	(55)
Unwinding of discount (note 16)	347	–	–	–	347
Exchange rate difference	(64)	(19)	(20)	–	(103)
At 31 December 2021	**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 16)	**1,088**	**–**	**–**	**–**	**1,088**
Exchange rate difference	**(158)**	**(18)**	**(22)**	**–**	**(198)**
At 31 December 2022	**20,543**	**244**	**288**	**2**	**21,077**
Non-current	**20,265**	**204**	**273**	**2**	**20,744**
Current	**278**	**40**	**15**	**–**	**333**
At 31 December 2022	**20,543**	**244**	**288**	**2**	**21,077**

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 the year, 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 were projected over the useful life of the mining site and inflated using an inflation rate of 5.85% (2021: 3.77%) and discounted to 2022 terms using a nominal pre-tax risk free discount rate of 7.43% (2021: 8.07%). 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 is primarily due to additional estimated costs and management has built in an additional cost contingency of 10%, the selection of such a contingency requires judgement.

During 2021, Sasa engaged an external expert consultant to prepare an updated conceptual closure plan. The expected current cash flows were projected over the useful life of the mining site and inflated using an inflation rate of 3.53% (2021: 2.0%) and discounted to 2022 terms using a discount rate of 9.17% (2021: 5.50%). The cost of the related assets are depreciated over the useful life of the assets and are included in property, plant and equipment. During the year, the cost estimate has been amended by management to build in an additional cost contingency of 10%, the selection of such a contingency requires judgement.

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 2022 actuary assumptions are used as follows:

Discount rate: 5%

Expected rate of salary increase: 4.7%

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.

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33. CASH GENERATED FROM OPERATIONS

Group	Note	2022 $'000	2021 $'000
Profit before income tax including discontinued operations		**54,393**	109,323
Adjustments for:			
Depreciation and amortisation		**27,285**	29,572
Silver stream commitment		**(1,971)**	(1,369)
Loss/(gain) on disposal of property, plant and equipment	19	**94**	(2)
Foreign exchange gain		**(6,829)**	(1,214)
Share based payments	28	**4,494**	2,449
Impairment of non-current assets	19,20	**55,116**	–
Finance income	15	**(515)**	(74)
Finance costs	16	**2,060**	3,920
Changes in working capital:			
Increase in inventories		**(2,538)**	(2,622)
Increase in trade and other receivables		**(10,503)**	(6,216)
Increase in trade and other payables		**1,513**	2,843
Provisions for other liabilities and charges		**(34)**	(55)
Cash generated from operations		**122,565**	136,555

The increase in trade and other receivables of $10,503,000 (2021: $6,216,000) includes a movement in the Sasa VAT receivable balance of $4,472,000 (2021: $3,468,000) which is offset against corporate income tax payable during the year.

34. COMMITMENTS

Significant expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Group	31 Dec 22 $'000	31 Dec 21 $'000
Property, plant and equipment	**6,159**	8,241
Other	**170**	396
	6,329	8,637

35. DIVIDEND PER SHARE

In line with the Company dividend policy, during the year the Company paid $48,210,000 (2021: $38,847,000) which consisted of a 2022 interim dividend of 10 pence per share and 2021 final dividend of 12 pence per share (2021: 2021 interim dividend of 8 pence per share and 2020 final dividend of 8 pence per share).

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36. RELATED PARTY TRANSACTIONS

Key management remuneration

Key management remuneration comprises the Directors' remuneration, including Non-Executive Directors and is as follows:

	2022 Basic salary/ fees $'000	2022 Annual bonus $'000	2022 Pension $'000	2022 Benefits in kind $'000	2022 Employers NI $'000	2022 Total $'000	2021 Total $'000
Executive Directors:							
Nigel Robinson	509	403	–	12	126	1,050	1,061
Gavin Ferrar	416	330	–	–	211	957	1,011
Louise Wrathall[1]	165	138	–	4	42	349	–
Non-Executive Directors:							
Nick Clarke	217	–	–	–	29	246	273
Mike Armitage[2]	93	–	–	–	13	106	–
Roger Davey	98	–	–	–	12	110	116
Dr Gillian Davidson	99	–	–	–	14	113	125
Mike Prentis[3]	101	–	–	–	14	115	91
David Swan	99	–	–	–	13	112	124
Nurlan Zhakupov	93	–	–	–	–	93	51
Robert Cathery[4]	44	–	–	–	5	49	124
Nigel Hurst-Brown[5]	–	–	–	–	–	–	91
	1,934	871	–	16	479	3,300	3,067

1. Appointed on 26 May 2022
2. Appointed on 10 January 2022
3. Appointed 31 March 2021
4. Resigned on 26 May 2022
5. Resigned on 31 July 2021

During the year Gavin Ferrar exercised 226,612 shares for a total share option gain of $719,000, see the Directors' option awards table in the Remuneration Committee Report.

The Kounrad Foundation, a charitable foundation through which Kounrad donates to the community, was advanced $300,000 (2021: $214,000). 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 $220,000 (2021: $320,000). This is a related party by virtue of common Directors.

37. DEFERRED INCOME TAX ASSET AND LIABILITY

Group

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

	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)
Deferred tax liability on fair value adjustment on Kounrad Transaction	(5,069)	338	274	(4,457)
Deferred tax liability on 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)

Reflected in the statement of financial position as:	31 Dec 22 $'000	31 Dec 21 $'000
Deferred tax asset	328	352
Deferred tax liability	(17,286)	(23,229)

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37. DEFERRED INCOME TAX ASSET AND LIABILITY CONTINUED

	At 1 January 2021 $'000	Currency translation differences $'000	Credit to income statement $'000	At 31 December 2021 $'000
Other temporary differences	(553)	11	193	(349)
Deferred tax liability on fair value adjustment on Kounrad Transaction	(5,501)	136	296	(5,069)
Deferred tax liability on fair value adjustment on CMK acquisition	(19,909)	1,476	974	(17,459)
Deferred tax liability, net	(25,963)	1,623	1,463	(22,877)

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 $4,554,000 during the year (2021: $1,270,000) to reflect the tax consequences of impairing and depreciating the recognised fair values of the assets during the year.

	31 Dec 2022 $'000	31 Dec 2021 $'000
Deferred tax liability due within 12 months	**(1,135)**	(1,463)
Deferred tax liability due after 12 months	**(19,570)**	(21,766)
Deferred tax liability	**(20,705)**	(23,229)

All deferred tax assets are due after 12 months.

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

The Group did not recognise other potential deferred tax assets arising from losses of $13,917,000 (2021: $18,471,000) as there is insufficient evidence of future taxable profits within the entities concerned. Unrecognised losses can be carried forward indefinitely.

At 31 December 2022, the Group had other deferred tax assets of $1,271,000 (2021: $1,440,000) in respect of share-based payments and other temporary differences which had not been recognised because of insufficient evidence of future taxable profits within the entities concerned.

There are no significant unrecognised temporary differences associated with undistributed profits of subsidiaries at 31 December 2022 and 2021, respectively.

Company

At 31 December 2022 and 2021 respectively, the Company had no recognised deferred tax assets or liabilities.

At 31 December 2022, the Company had not recognised potential deferred tax assets arising from losses of $12,911,000 (2021: $11,445,000) as there is insufficient evidence of future taxable profits. The losses can be carried forward indefinitely.

At 31 December 2022, the Company had other deferred tax assets of $1,271,000 (2021: $1,440,000) in respect of share-based payments and other temporary differences which had not been recognised because of insufficient evidence of future taxable profits.

38. EVENTS AFTER THE REPORTING PERIOD

There were no events after the reporting period.

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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, Director of Corporate Development
Dr Mike Armitage, Non-Executive Director
Roger Davey, Non-Executive Director
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