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Central Asia Metals PLC
29 March 2023

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CENTRAL ASIA METALS PLC

('CAML' or the 'Company')

2022 Full Year Results

Central Asia Metals plc (AIM: CAML) today announces its full year results for the 12 months ended 31 December 2022.

Financial highlights

2022 final dividend of 10 pence per share

- 2022 full year dividend of 20 pence per share (2021: 20 pence)
- Represents 47% of 2022 free cash flow[1] ('FCF'), (2021: 45%) in line with stated dividend policy
- Final dividend payable on 23 May 2023 to shareholders registered on 28 April 2023

Financial results

- Group gross revenue[1] of $232.2 million (2021: $235.2 million)
    - Group net revenue of $220.9 million (2021: $223.4 million)
- Group EBITDA[1] of $131.6 million (2021: $141.5 million)
- EBITDA margin[1] of 57% (2021: 60%)
- Group FCF[1] of $89.7 million (2021: $103.8 million)
- Adjusted EPS (excluding a non-cash impairment) of 48.15 cents, reported EPS of 19.10 cents (2021: 47.69 cents)

Strong balance sheet

- Cash in the bank as at 31 December 2022 of $60.6 million[2] (2021: $59.2million)
- Fully repaid $187.0 million corporate debt facility
- Non-cash impairment charge for Sasa of $55.1 million

[1] See Financial Review section for definition of non-IFRS alternative performance measures

[2] The cash balance figure disclosed includes restricted cash balance

Sustainability and operational overview

- Zero lost time injuries ('LTIs') at Kounrad during 2022 (2021: zero)
- Two LTIs at Sasa during 2022 (2021: four)
- Reduction in GHG emissions of 40% against 2020 base line
- Climate change scenario analysis undertaken in 2022
- Record copper production of 14,254 tonnes (2021: 14,041 tonnes)
- Zinc in concentrate production of 21,473 tonnes (2021: 22,167 tonnes)
- Lead in concentrate production of 27,354 tonnes (2021: 27,202 tonnes)

2023 outlook

Guidance of:

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

Completion of:

- Paste Backfill and Dry Stack Tailings Plants at Sasa
- Initial phase of Central Decline at Sasa
- Kounrad Solar Power Plant

Nigel Robinson, Chief Executive Officer, commented:

"I am pleased to report a good set of financial results for 2022, and a year of solid performance for CAML. We ended 2022 with a strong balance sheet, having made the final payment on our corporate debt facility in August, with cash in the bank of $60.6 million.

"Following this strong performance, we propose a 10 pence per share final dividend, resulting in a full year dividend of 20 pence per share, comparable with 2021. The full year dividend represents 47% of our 2022 FCF and is in line with our stated policy of 30% to 50% of FCF.

"We have continued to focus our efforts on the five sustainability pillars, we achieved an improvement in our lost time injury frequency rate ('LTIFR') and a 14% increase in Group health and safety training versus 2021. Our forthcoming 2022 annual, sustainability and climate change reports contain more information on our efforts in this regard, and our reporting in relation to the recommendations of the Taskforce for Climate-Related Financial Disclosures ('TCFD').

"We look forward to another positive year for CAML in 2023 and, in particular, the completion of the Paste Backfill and Dry Stack Tailings plants, and the initial phase of the Central Decline at Sasa. This project will ensure maximum extraction of Sasa's resources, in the safest way, with improved tailings management until at least 2039. The construction of the Solar Power Plant at Kounrad will also be completed this year, and that will contribute to the reduction of our Scope 2 GHG emissions.

"We were active in terms of business development during 2022, having appraised 40 opportunities, signed NDAs for 17 and visited two sites. Our efforts continue into 2023 and, with our strong balance sheet, we are in a good position to grow through acquisition.

"On a final note, we enjoyed celebrating 10 years of copper production at Kounrad, in April, where we have generated cumulative gross revenue of $944.4 million and five years of ownership at Sasa in November and look forward to seeing our operations continue to offer local employment and facilitate socio-economic progress in the surrounding communities."

Analyst conference call and webcast

A live conference call and webcast hosted by Nigel Robinson (Chief Executive Officer), Gavin Ferrar (Chief Financial Officer) and Louise Wrathall (Director of Corporate Development) will take place at 09:30 (BST) today.

The conference call can be accessed by dialling +44 (0) 33 0551 0200 and quoting the confirmation code 'Central Asia Metals - Results', and the webcast can be accessed using the link: https://stream.brrmedia.co.uk/broadcast/63d28f71777efd4a8b5164c1.

The presentation will be available on the Company's website and there will be a replay of the call available following the presentation at www.centralasiametals.com

Presentation via Investor Meet Company

The Company will also hold a live presentation relating to the 2022 Full Year Results via the Investor Meet Company platform on Wednesday 29 March 2023 at 15:00 (BST). The presentation is open to all existing and potential shareholders. Questions can be submitted pre-event via the Investor Meet Company dashboard until 09:00 (BST) the day before the meeting or at any time during the live presentation. Investors can sign up to Investor Meet Company for free and add to meet Central Asia Metals Plc via:

www.investormeetcompany.com/central-asia-metals-plc/register-investor

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Note to editors:

Central Asia Metals, an AIM-listed UK company based in London, owns 100% of the Kounrad SX-EW copper project in central Kazakhstan and 100% of the Sasa zinc-lead mine in North Macedonia.

For further information, please visit www.centralasiametals.com and follow CAML on Twitter at @CamlMetals and on LinkedIn at Central Asia Metals Plc

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.

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 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% 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

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.

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 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 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.

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 the 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.

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 SXEW 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

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 Global Reporting Initiative ('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 Sustainable Development Goals ('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.

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.

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 Taskforce on Climate- Related Financial Disclosures ('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.

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.

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.

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	3.53	3.85

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).
- 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 m3 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.

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

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 longlead 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.

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.

Classification	Deposit	Grades				Contained metal		
		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.

Svinja Reka Ore Reserve Statement

The following Ore Reserve Statement has been prepared by Sasa's technical services team based on a Life of Mine ('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').

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.

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.

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 ('m3/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/m2/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.

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.

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 1,018m3/hr, with summer rates averaging approximately 1,150m3/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 180m3 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 inhouse 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.

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.

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.

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.

Lead
The global refined lead market recorded a further modest monthly deficit totaling 6,100 tonnes in December, according to initial estimates from the International Lead & Zinc Study Group (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.

Performance Overview
Group profit before tax from continuing operations decreased by 50% to $54.6 million (2021: $109.3 million). This result reflects a noncash 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).

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.

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 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.

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 reassessed 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.

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. ('Traxys') with a minimum of 95% of the SX-EW plant's forecasted output committed as sales. The Group sells Sasa's zinc and lead concentrate product through an annual rolling offtake arrangement with Traxys. The commitment is for 100% of the Sasa concentrate production.

The Group meets its day-to-day working capital requirements through its profitable and cash generative operations at Kounrad and Sasa. The Group manages liquidity risk by maintaining adequate committed borrowing facilities and the Group has substantial cash balances as at 31 December 2022.

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	2021
	$'000	$'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 noncurrent 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

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

Net cash	[illegible]	[illegible]

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 Global Reporting Initiative ('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

Consolidated Income Statement

for the year ended 31 December 2022

	Note	Group 2022 $'000	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
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.

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2022	Note	Group **2022** **$'000**	 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

Statements of Financial Position
as at 31 December 2022

Registered no. 5559627

		Group		Company	
		2022	2021	**2022**	2021
	Note	**$'000**	$'000	**$'000**	$'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	**-**	-
		[illegible]	[illegible]	[illegible]	[illegible]

		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
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).

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**

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

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**

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

	Note	2022	2021
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 information.

Notes to the Financial Information

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 the consolidated financial information are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation of the Financial Information

The financial information set out herein does not constitute the Group's statutory financial statements for the year ended 31 December 2022, but is derived from the Group's audited financial statements. The auditors have reported on the 2022 financial statements and their reports were unqualified and did not contain statements under s498(2) or (3) Companies Act 2006, nor did they contain a material uncertainty in relation to going concern. The 2022 Annual Report was approved by the Board of Directors on 28 March 2023, and will be mailed to shareholders in April 2023. The financial information in this statement is audited but does not have the status of statutory accounts within the meaning of Section 434 of the Companies Act 2006.

The Group's consolidated financial statements, which form part of the 2022 Annual Report, 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 information is 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 the Group financial information 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 information 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. ('Traxys') with a minimum of 95% of the SX-EW plant's forecasted output committed as sales. The Group sells Sasa's zinc and lead concentrate product through an annual rolling offtake arrangement with Traxys. The commitment is for 100% of the Sasa concentrate production.

The Group meets its day to day working capital requirements through its profitable and cash generative operations at Kounrad and
Sasa. The Group manages liquidity risk by maintaining adequate committed borrowing facilities and the Group has substantial cash
balances as at 31 December 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 information.

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.

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

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.

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.

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.

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.

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.

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 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.

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
	GBP

In $'000 equivalent	USD	EUR	
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)**

	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.

Future expected payments:	Group	
	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.

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

Measured at amortised cost:	Group	
	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.

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.

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.

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)
	220,855	223,372

Revenue	**220,855**	225,572

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.

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

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.

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.

	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

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**
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**

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).

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.

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 $257,525,0000 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%) change	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.

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	Holding Company	**100**	-	100	28 June 2021

	Road, London, W14 0QH, United Kingdom	Company				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.

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

	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)

23. Trade and other receivables

	Group		Company	
Current receivables	**31 Dec 22 $'000**	31 Dec 21 $'000	**31 Dec 22 $'000**	31 Dec 21 $'000
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		

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.

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.

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.

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	[illegible]	[illegible]

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.

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).

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.

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).

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

i. Appointed on 26 May 2022

ii. Appointed on 10 January 2022

iii. Appointed 31 March 2021

iv. Resigned on 26 May 2022

v. 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.

Kounrad Foundation
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)

	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 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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