25 September 2014
Ticker: CAML (AIM)

Central Asia Metals plc (“the Group”, “the Company” or “CAML”)

Interim Results for the Six Months Ended 30 June 2014

Central Asia Metals plc (AIM: CAML), a copper producing company focussed on base metals in Central Asia is pleased to announce unaudited interim results for the six months ended 30 June 2014 (“H1 2014” or the “Period”).

The Company is also pleased to declare an interim dividend of 5 pence per ordinary share (H1 2013: 4 pence) which represents a 25% increase on the 2013 interim dividend and equates to 25.8% of the attributable revenue for the period. The Company’s dividend policy is that it will return a minimum of 20% of the attributable revenues to shareholders.

Operational highlights

Completion of the Kounrad Transaction and the commencement of expansion plans on site

- 5,094 tonnes of cathode copper produced and 4,698 tonnes sold (H1 2013: 4,857 produced and 5,035 sold)
- Full year production guidance maintained at 11,000 tonnes of cathode copper production for 2014
- On 23 May 2014, CAML completed the Kounrad Transaction and became the 100% owner of the Kounrad project
- Work commenced on site in late May for the Stage 1 expansion programme to upgrade the Solvent Extraction - Electro Winning (SX-EW) plant to 15,000 tonne per annum capacity
- The installation of two new boilers to increase production during the winter months was completed in September 2014 and the final commissioning is underway

Financial highlights

Continued profitability driven by low cost operations supporting the payment of a 5 pence interim dividend

- H1 2014 attributable Group revenue of $33.7 million (H1 2013: $21.2 million)
- Average copper price received of $7,049 per tonne (H1 2013: $6,996 per tonne)
- Cost base effectively managed and the Company remains in the lowest quartile on the industry cost curve:
  - C1 cash costs of production of $1,586 per tonne of copper or $0.72 per lb (H1 2013: $1,679 per tonne or $0.76 per lb)
  - Fully absorbed unit costs of $3,578 per tonne of copper or $1.62 per lb (H1 2013: $2,849 per tonne of copper or $1.29 per lb) inclusive of $0.29 per lb arising from increased depreciation and amortisation charges associated with the fair value uplift resulting from the Kounrad Transaction
- EBITDA of $21.8 million (H1 2013: $12.8 million) and EBITDA margin maintained at 65%
- One-off gain in the period of $33.0 million as a result of the completion of the Kounrad Transaction
- 2014 interim dividend declared of 5 pence per ordinary share to be paid on 31 October 2014
- Cash and cash equivalents of $29.0 million as at 30 June 2014 (31 December 2013: $44.5 million) together with $12.7 million in trade receivables which were subsequently received in July 2014
- Cash as at 24 September 2014 of $41.6 million

Outlook

- On track for 11,000 tonnes of copper production in 2014 with an increase to 15,000 tonnes by 2016
- Stage 1 of the expansion plans for Kounrad commenced and on track for completion by Q2 2015
- Pre-feasibility study for the Copper Bay project in Chile to be delivered in Q4 2014
- Management continue to look for additional growth opportunities to add value to the CAML portfolio

Nick Clarke, Chief Executive Officer, commented:

“I am delighted to be able to announce our interim financial results for the six month period ended 30 June 2014. During this period we have maintained a tight control on the C1 cash costs which have reduced to $0.72 per lb whilst also continuing to increase copper output at the Kounrad plant. In May 2014, we completed the transaction to acquire 100% ownership of the Kounrad project. This was a major landmark for the Company and I want to take this opportunity to thank all our staff for their hard work, patience and dedication in achieving this.

We are targeting an increase in copper production to 15,000 tonnes per annum by 2016 and the construction work that commenced at Kounrad during the period is the first step towards achieving this goal. Throughout the rest of 2014 and into 2015, our focus will be on delivering on this objective and maintaining our low cash cost of production.

We are also working towards Stage 2 of the expansion programme which will see us install additional infrastructure to enable the extraction of copper from the Western dumps on receipt of the necessary permits from the State authorities, expected in early 2015.

The resulting revenues and cash-flows from production in the period, together with the increased ownership to 100%, have enabled the Board to declare an interim dividend for the period of 5 pence per ordinary share which represents a 25% increase on the 2013 interim dividend. Indeed, we are extremely proud that almost 4 years after our initial listing on AIM in September 2010 we have now managed to return over $40m to shareholders of the $60m raised."

For further information please visit www.centralasiametals.com. *(The content of the CAML website should not be considered to form part of or be incorporated into this announcement)*

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Analyst presentation conference call

There will be an analyst presentation conference call on 25 September 2014 at 09:30 (BST). The call can be accessed by dialling +44 (0) 203 -427-0503 and quoting the conference ID 9601918. There will be a replay of the call available on 26 September 2014 at http://www.centralasiametals.com.

Operating & Financial Review

Kazakhstan (Kounrad)

Operations

During the first six months of 2014, operational performance remained strong at Kounrad with production of 5,094 tonnes (H1 2013: 4,857 tonnes) of cathode copper. The SX-EW plant continued to perform well with minimal downtime for routine maintenance or unplanned repairs. Additional leaching cells were opened on dumps 6 and 7 in line with the planned leaching programme for the eastern dumps and the overall grade achieved remained steady at 2.18 grams of copper per litre. Management remain confident that the production target of 11,000 tonnes (FY target 2013: 10,000 tonnes) for 2014 will be achieved.

Deliveries of copper continued throughout the period on a monthly basis and as at 30 June 2014 a total of 4,698 tonnes (H1 2013: 5,035 tonnes) of copper had been despatched from site. These deliveries generated gross project revenues of $33.7 million (H1 2013: $35.4 million) with an average price received of $7,049 per tonne (H1 2013: $6,996).

The technical quality of the cathode copper production remains high and continues to meet the requirements of our main customers and LME specifications.

Project Ownership & Expansion

Kounrad Project ownership

On 6 May 2014, the subsoil use contract ("SUC") was re-registered under the 100% ownership of the Group. The agreed consideration for the transaction was fulfilled on 23 May 2014 and this represented the final part of the transaction with Mr Rakishev by which the Group became the 100% owner of the Kounrad project. Details of the impact on the financial results are provided in the financial review.

Kounrad Expansion plans

Boiler-house

In late 2013, in anticipation of the completion of the ownership transaction, the CAML Board reviewed the draft expansion plans for increasing production at Kounrad. These plans included $2.3 million of capital expenditure for the addition of 2 extra boilers in the raffinate heating system which would increase capacity from 8.4MW to 14MW. The intention is that the boilers will enable the volume of solution which is irrigated in the winter period to be increased by at least 300m^3/hr.

The CAML Board approved this element of the expansion capital expenditure and work has progressed well throughout the first six months of the year. As at 30 June 2014, the construction and installation works on the boiler house expansion were approximately 75% complete. Construction of the boilers was completed in September 2014 and final commissioning checks are currently being conducted.

Stage 1 - SX-EW Plant expansion

On 20 May 2014, following the completion of the Kounrad Transaction, the Company announced details of its plans to increase copper production capacity at the Kounrad plant to 15,000 tonnes per annum by 2016. The projected capital cost to expand the plant was estimated at $13.4 million and the works will be completed in Q2 2015. Work commenced on site in late May 2014 using the same CAML construction team and personnel as used during the construction of the main SX-EW plant.

Stage 2 – Western Dumps
The application to the relevant authorities for the required permits to allow copper extraction from the Western dumps was submitted in June 2014. It is anticipated that final approval will be received in early 2015 allowing preliminary site works and order placement to proceed soon thereafter.

Corporate & Social Responsibility (CSR)

The main focus during the period has been the continued development and implementation of the systems and procedures associated with the Group's activities on site at Kounrad. A series of objectives and targets have been developed for all aspects of CSR activities at Kounrad and these are regularly monitored. During the period, an independent audit of these procedures was undertaken by North Coast Consulting Ltd. The results of the audit were encouraging and management are making good progress on all CSR activities at Kounrad.

Operations outside of Kazakhstan

Mongolia

The Group continues to hold for sale the assets it owns in Mongolia and is actively seeking to sell the Ereen and Handgait projects. The sale process remains extremely slow due to political and regulatory uncertainties within the country and the implications of a court case brought against Zuunmod UUL LLC by the minority partner on the Ereen project.

In May 2014 the Group sold Bayanresources LLC for nil consideration.

Copper Bay Project - Chile

In November 2013, CAML acquired a 53% interest in Copper Bay Limited (CBL) having invested £2 million into the company. The funds are being used to develop a pre-feasibility study (PFS) on the copper tailings project at Chañaral Bay, some 120km north of Copiapo. During the six month period to 30 June 2014, various studies associated with the PFS were commenced and in September 2014 a drilling programme was completed on site.

CBL remains on track to deliver the PFS in Q4 2014. Should the project economics appear favourable at that time, CAML has the right to invest a further $3 million to increase its ownership to 75%. The funds would then be used to finance additional studies to produce a Definitive Feasibility Study (DFS).

Financial Review

Income Statement

Group profit after tax from continuing operations was $47.2 million for the six month period ended 30 June 2014 (H1 2013: $8.5 million). The results were impacted by a one off gain of $33.0 million (H1 2013: nil) arising from the completion of the Kounrad Transaction. Earnings per share from continuing operations were 52.06 cents (H1 2013: 9.97 cents).

Losses from discontinued operations reduced to $0.2 million (H1 2013: $13.6 million) following the full write down of all the Mongolian assets during the first six months of 2013.

Comparative periods
During the comparable period in 2013, CAML only owned 60% of the Kounrad project and consequently applied joint venture accounting principles to report the Group's 60% share of revenues, costs and associated assets and liabilities. During the first six months of 2014, the Group completed the remaining part of the Kounrad Transaction and became the 100% owner of the project. The Group has accounted for 100% of the Kounrad project throughout the six month period ended 30 June 2014.

Revenue
4,562 tonnes of copper cathode were sold to Traxys as part of the Company's off-take arrangements at Kounrad and a further 136 tonnes were sold locally. The Group achieved an average selling price of $7,049 (H1 2013: $6,996) per tonne and this generated reported revenues for the Group of $33.7 million (H1 2013: $21.2 million).

Cost of sales
Costs of sales for the period were $10.8 million (H1 2013: $5.1 million). The C1 cash costs were $1,586 per tonne of copper or $0.72 per lb (H1 2013: $1,679 per tonne or $0.76 per lb). Fully absorbed unit costs for the CAML Group were $3,578 per tonne of copper or $1.62 per lb (H1 2013: $2,849 or $1.29 per lb).

The main increase at the fully absorbed level comes from increased depreciation and amortisation charges in the six month period as a result of the fair value accounting for the acquisition of the additional 40% share in the Kounrad project. This contributed additional depreciation and amortisation charges of $2.9 million for the period, equivalent to $0.29 per lb.

The overall cost base remained comparable between the two periods due to a combination of strong management controls and the devaluation of the local Kazakhstan currency by 20% in February 2014.

Foreign exchange

During the period, the Group reported a $2.5 million foreign exchange gain (H1 2014: $0.1 million) resulting primarily from the 20% devaluation mentioned above. There was also a $0.6 million (H1 2013: nil) foreign exchange gain in revenue as a consequence of the devaluation.

Acquisition of 100% of the Kounrad Project

As previously mentioned, on 23 May 2014 the Kounrad Transaction was completed with Mr Rakishev resulting in the CAML Group owning 100% of the Kounrad project. Accordingly, the CAML Group accounted for the increased ownership of the Kounrad project by derecognising its previous interests held and recognising the fair value of the assets and liabilities acquired at the time of completion. This resulted in a one-off gain for the period of $33.0 million (H1 2013: nil). Details of the accounting are contained in note 14.

Dividend

The CAML Board has declared an interim dividend for the period of 5 pence per ordinary share in accordance with its dividend policy announced in December 2012. The interim dividend equates to approximately 25.8% of the attributable Group revenue for the period and will be payable on 31 October 2014 to shareholders registered on 10 October 2014.

Balance Sheet

As a result of the completion of the Kounrad Transaction there has been a significant uplift to the Group's intangible asset base during the six month period ended 30 June 2014. Following the acquisition of the remaining 40% in the SUC, intangible assets increased to $82.9 million (31 December 2013: $16.7 million).

At 30 June 2014, non-current trade and other receivables was $5.4 million (31 December 2013: $17.1 million). The large reduction is a consequence of the change from joint venture accounting to 100% consolidation of the Kounrad entities which resulted in the removal of the amounts recoverable from related parties (31 December 2013: $11.7 million). The outstanding balance of $5.4 million represents the amount currently owed to the Group by the Kazakhstan Government for VAT.

At 30 June 2014, current trade and other receivables was $15.0 million (31 December 2013: $1.4 million). The large increase is a consequence of $12.7 million owed for the sale of copper to Traxys for the May and June deliveries. These funds were received in July 2014. The Group had $29.0 million of cash as at 30 June 2014 (31 December 2013: $44.5 million) and no debt.

At 30 June 2014, current trade and other payables were $3.9 million (31 December 2013: $11.9 million). The large decrease is a consequence of $8.4 million of 2013 corporate income tax paid in April 2014. The deferred tax liability has increased to $20.6 million (31 December 2013: $9.7 million) and this relates primarily to completion of the Kounrad Transaction.

Significant changes to equity occurred during the period as a direct consequence of the completion of the Kounrad Transaction and the subsequent issue of 21,211,751 ordinary shares to Mr Kenges Rakishev on 23 May 2014 as consideration for the transaction.

Outlook

The CAML management team remains focussed on producing 11,000 tonnes of cathode copper at Kounrad in 2014 and maintaining the current low costs of production. Expansion plans for Kounrad are well underway and management will provide a further update on progress in due course.

The CAML management team will continue to work towards a sale of its Mongolian assets over the next six months and work with CBL to complete the pre-feasibility study for the Copper Bay project, whilst also looking for additional business opportunities both within Kazakhstan and elsewhere.

CONDENSED INTERIM INCOME STATEMENT (Unaudited)
for the six months period ended 30 June 2014

	Note	Six months ended 30-Jun-14 $'000	30-Jun-13 $'000
Continuing operations			
Gross Revenue		**33,704**	21,227
Revenue		**32,244**	20,177
Cost of sales		(10,758)	(5,128)
Gross Profit		**21,486**	15,049
Distribution and selling costs		**(142)**	(203)
Administrative expenses		**(4,451)**	(3,357)
Other expenses		**(6)**	(37)
Exchange rate differences gain		**2,495**	108
Operating Profit		**19,382**	11,560
Finance income		**44**	9
Finance costs		**(128)**	(115)
Gain on re-measuring to fair value the existing interest on acquisition of control	14	**33,039**	-
Profit before income tax		**52,337**	11,454
Income tax		**(5,150)**	(2,993)
Profit from continuing operations		**47,187**	8,461
Discontinuing operations			
Loss from discontinuing operations		**(161)**	(13,567)
Profit / (loss) for the period		**47,026**	(5,106)
Profit / (loss) attributable to:			
- Owners of the parent		**47,026**	(5,106)
Earnings per share from continuing and discontinued operations attributable to owners of the parent during the period (expressed in cents per share)			
Basic earnings/(loss) per share			
From continuing operations	6	**52.06**	9.97
From discontinued operations		**(0.18)**	(15.99)
From (loss) / profit for the period		**51.88**	(6.02)
Diluted earnings/(loss) per share			
From continuing operations	6	**50.06**	9.61
From discontinued operations		**(0.18)**	(15.99)
From (loss) / profit for the period		**49.89**	(5.80)

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
for the six months period ended 30 June 2014

	Six months ended 30-Jun-14 $'000	30-Jun-13 $'000
Profit / (loss) for the year	**47,026**	(5,106)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	**(10,144)**	(482)
Other comprehensive income for the period, net of tax	**(10,144)**	(482)
Total comprehensive income for the period	**36,882**	(5,588)
Attributable to:		
- Owners of the parent	**36,882**	(5,588)
- Non-controlling interests	**-**	-
Total comprehensive income for the period	**36,882**	(5,588)

Total comprehensive income attributable to equity shareholders arises from:

- Continuing operations	**37,043**	7,979
- Discontinuing operations	**(161)**	(13,567)
	36,882	(5,588)

CONDENSED INTERIM BALANCE SHEET
as at 30 June 2014

	Note	**Unaudited**	Audited	Unaudited
		30-Jun-14	31-Dec-13	30-Jun-13
	Note	**$'000**	$'000	$'000
Assets				
Non-current assets				
Property, plant and equipment	7	**73,677**	77,716	19,675
Intangible assets	8	**82,949**	16,693	4,211
Investments		**-**	-	4,282
Trade and other receivables	9	**5,406**	17,090	11,784
		162,032	111,499	39,952
Current assets				
Inventory		**3,700**	3,916	2,377
Trade and other receivables	9	**15,034**	1,402	1,932
Restricted cash		**120**	1,734	-
Cash and cash equivalents		**28,871**	42,774	26,545
		47,725	49,826	30,854
Assets of the disposal group classified as held for sale		**134**	186	792
		47,859	50,012	31,646
Total assets		**209,891**	161,511	71,598
Equity attributable to owners of the parent				
Ordinary shares	10	**1,077**	862	862
Share premium	10	**56,464**	-	61,431
Treasury shares		**(3,680)**	(4,100)	(4,236)
Other reserves		**(5,079)**	44,140	4,195
Retained earnings		**132,889**	94,827	(1,349)
		181,671	135,729	60,903
Non-controlling interests		**-**	-	-
Total equity		**181,671**	135,729	60,603
Liabilities				
Non-current liabilities				
Deferred tax liability		**20,604**	9,652	-
Provision for liabilities and charges		**3,171**	3,667	2,126
		23,775	13,319	2,126
Current liabilities				
Obligations under finance leases		**-**	-	6
Trade and other payables		**3,928**	11,860	7,652
		3,928	11,860	7,658
Liabilities of disposal group classified as held for sale		**517**	603	911
		4,445	12,463	8,569
Total liabilities		**28,220**	25,782	10,695
Total equity and liabilities		**209,891**	161,511	71,598

CONDENSED INTERIM STATEMENT OF CHANGES OF EQUITY (Unaudited)
for the six months period ended 30 June 2014

	Ordinary Shares	Share Premium	Treasury Shares	Other Reserves	Retained Earnings	Total
	$'000	$'000	$'000	$'000	$'000	$'000
At 31 December 2013	**862**	**-**	**(4,100)**	**44,140**	**94,827**	**135,729**
Total comprehensive income	-	-	-	(10,144)	47,026	**36,882**
Transactions with owners						
Share based payments	-	-	-	799	-	**799**
Promise of shares to be issued to KR on the completion of SK		-	-	16,845	-	**16,845**
Ordinary shares issue	212	56,041	-	(56,253)	-	**-**
Exercise of warrants	3	423	-	-	-	**426**
Exercised of options	-	-	420	(304)	-	**116**
Dividends	-	-	-	-	(9,018)	**(9,018)**
Sale of Mongolian assets	-	-	-	(162)	54	**(108)**
Total transactions with owners	**215**	**56,464**	**420**	**(39,075)**	**(8,964)**	**9,060**
At 30 June 2014	**1,077**	**56,464**	**(3,680)**	**(5,079)**	**132,889**	**181,671**

	Ordinary Shares	Share Premium	Treasury Shares	Other Reserves	Retained Earnings	Total
	$'000	$'000	$'000	$'000	$'000	$'000
At 31 December 2012 (restated)	**862**	**61,431**	**(4,236)**	**4,347**	**8,626**	**71,030**
Total comprehensive income	-	-	**-**	**(482)**	**(5,106)**	**(5,588)**
Transactions with owners						
Share based payments	-	-	-	330	-	**330**
Dividend	-	-	-	-	(4,869)	**(4,869)**
Total transactions with owners	**-**	**-**	**-**	**330**	**(4,869)**	**(4,539)**
At 30 June 2013	**862**	**61,431**	**(4,236)**	**4,195**	**(1,349)**	**60,903**

CONDENSED INTERIM STATEMENT OF CASH FLOWS (unaudited)
for the six months period ended 30 June 2014

		Six months ended	
		30-Jun-14	**30-Jun-13**
	Note	**$'000**	**$'000**
Cash flows from operating activities			
Cash generated from operations	11	**8,620**	**13,170**
Corporation tax paid		**(11,048)**	**(4,477)**
Interest paid		**(28)**	**(17)**
Net cash generated from operating activities		**(2,456)**	**8,676**
Cash flows from investing activities			
Increase in investments		**-**	**(276)**
Kounrad capital expenditure	7	**(2,892)**	**(787)**
Proceeds from sale of property, plant and equipment		**-**	**5**
Purchase of intangible assets	8	**(10)**	**(10)**
Exploration costs capitalised	8	**(95)**	**(219)**
Interest received		**44**	**9**
Acquisition of subsidiary net of cash acquired		**327**	**-**
Discontinued operations		**(115)**	**(341)**
Net cash used in investing activities		**(2,741)**	**(1,619)**
Cash Flows from financing activities			
Dividend paid to owners of the parent		**(9,031)**	**(14,306)**
KR payment on completion of Kounrad Transaction		**(1,432)**	**-**
Receipt on exercise of share options		**115**	**-**
Exercise of warrants		**426**	**-**
Restricted cash		**1,614**	**-**
Net cash absorbed by financing activity		**(8,308)**	**(14,306)**
Effect of foreign exchange rates on cash and cash equivalents		**(364)**	**(61)**
Net decrease in cash and cash equivalents		**(13,869)**	**(7,310)**
Cash and cash equivalents at 1 January		**42,795**	**33,855**
Cash and cash equivalents at 30 June		**28,926**	**26,545**

1. General information

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

The Group's principal business activity is the production of copper cathode at its Kounrad operations in Kazakhstan. The Group also owns two exploration projects in Mongolia which are held for sale and has recently invested in a copper tailings project in Chile.

CAML is a public limited company, which is listed on the Alternative Investment Market ("AIM") of the London Stock Exchange Plc and incorporated and domiciled in the UK. The address of its registered office is Masters House, 107 Hammersmith Road, London, W14 0QH. The Company's registered number is 5559627.

These condensed interim financial statements were approved for issue on 24 September 2014 and are unaudited.

2. Basis of Preparation

These condensed interim financial statements for the six months ended 30 June 2014 have been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2013, which have been prepared in accordance with IFRSs.

3. Accounting policies

The accounting policies, methods of computation and presentation used in the preparation of the interim financial information are the same as those used in the Group's audited financial statements for the year ended 31 December 2013.

Following the completion of the Kounrad Transaction on 23 May 2014, the Group now owns 100% of the Kounrad project and during the reported period has accounted for 100% of the income and expenditure together with 100% of the assets and liabilities of the legal entities associated with the Kounrad project. It should be noted that this is in contrast to the comparative six month period to 30 June 2013 when the Group only owned and accounted for its 60% share of the Kounrad project.

Where a change in the presentational format between the prior year and current year financial statements has been made during the year, comparative figures have been restated accordingly.

After review of the Group's operations, financial position and forecasts, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the unaudited interim financial information.

4. Estimates

The preparation of interim 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 estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2013.

5. Segmental Information

The Board is the Group's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the Board for the purposes of allocating resources and assessing performance. The Board considers the business from a geographic perspective.

As at 30 June 2014, the Group only had one business segment consisting of an SX-EW copper plant at Kounrad in Kazakhstan. The Group operations are controlled from a head office in London, UK but this does not represent a separate business segment.

Previously reported business segments within the Group, namely all the Mongolian operations, are classified as held for sale as at 30 June 2014. Bayanresources LLC was sold for nil consideration in June 2014.

The Board assesses the performance of the Kounrad project based on a number of key operational and financial measures which relate to copper production output, revenues from the sales of copper and the overall costs of producing the copper. All capital related expenditure at the project is also closely monitored and controlled.

The segmental results for the six months period ended 30 June 2014 are as follows:

	Segmental result	
	Unaudited	Unaudited
	Six months ended	
	30-Jun-14	30-Jun-13
	$'000	$'000
Gross revenue	**33,704**	21,227
Traxys buyers' fees	**(1,460)**	(1,050)
Revenue	**32,244**	20,177
Kounrad EBITDA	**24,970**	15,313
Unallocated costs including corporate	**(3,125)**	(2,539)
Group continuing operations EBITDA	**21,845**	12,774
Gain on re-measuring to fair value the existing interest on acquisition of control	**33,039**	-
Depreciation and amortisation	**(4,952)**	(1,285)
Gain on foreign exchange	**2,495**	108
Other income / (expenses), net	**(6)**	(37)
Finance income	**44**	9
Finance costs	**(128)**	(115)
Profit before income tax	**52,337**	11,454
Income tax	**(5,150)**	(2,993)
Profit for the period after taxation from continuing operations	**47,187**	8,461
Loss from discontinued operations	**(161)**	(13,567)
Profit / (loss) for the period	**47,026**	(5,106)

The segmental assets and liabilities for the six months ended 30 June 2014 are as follows:

	Segmental Assets		Segmental Liabilities	
	30-Jun-14	31-Dec-13	**30-Jun-14**	31-Dec-13
	$'000	$'000	**$'000**	$'000
Kounrad	**183,749**	130,473	**(27,396)**	(23,165)
Assets held for sale	**134**	186	**(517)**	(603)
Unallocated including corporate	**26,008**	30,852	**(307)**	(2,014)
Total	**209,891**	161,511	**(28,220)**	(25,782)

6. Earnings per share

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.

(a) Basic	Six months ended	
	30-Jun-14	30-Jun-13
	$'000	$'000
Profit from continuing operations attributable to owners of the parent	**47,187**	8,461
Loss from discontinued operations attributable to owners of the parent	**(161)**	(13,567)
Total	**47,026**	(5,106)
Weighted average number of ordinary shares in issue	**90,645,415**	84,847,005
Earnings per share from continuing and discontinued operations attributable to owners of the parent during the period (expressed in cents per share)	**$ cents**	$ cents
From continuing operations	**52.06**	9.97
From discontinued operations	**(0.18)**	(15.99)
From profit/ (loss) for the period	**51.88**	(6.02)

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 and exercise of outstanding security warrants.

(b) Diluted	Six months ended	
	30-Jun-14	30-Jun-13
	$'000	$'000
Profit from continuing operations attributable to owners of the parent	**47,187**	8,461
Loss from discontinued operations attributable to owners of the parent	**(161)**	(13,567)
Total	**47,026**	(5,106)
Weighted average number of ordinary shares in issue	**90,645,415**	84,847,005
Adjusted for:		
- Share Options	**2,673,812**	1,964,074
- Mirabaud Securities warrants	**932,053**	1,192,053
Weighted average number of ordinary shares for diluted earnings per share	**94,251,280**	88,003,132
Diluted earnings per share	**$ cents**	$ cents
From continuing operations	**50.06**	9.61
From discontinued operations	**(0.18)**	(15.99)
From profit/ (loss) for the period	**49.89**	(5.80)

Upon the successful completion of the Initial Public Offering (IPO) on 30 September 2010, Mirabaud Securities ("MS") were granted 1,192,053 warrants. These warrants had an exercise price of 96 pence and on 30 June 2014, MS exercised a total of 260,000 for which the Company received £249,600. MS exercised a further 932,053 warrants on 31 July 2014, see note 16.

7. Property, Plant and Equipment

Group	Construction in Progress $'000	Plant and Equipment $'000	Motor Vehicles and Office Equipment $'000	Total $'000
Cost				
At 1 January 2013	44	21,617	863	22,524
Additions	933	617	412	1,962
Disposals	-	(160)	(43)	(203)
Transfers	(526)	482	-	(44)
Change in JV Accounting	-	4,509	-	4,509
Derecognition of previously held interests[1]	(44)	(16,194)	(530)	(16,767)
Acquisition of Subsidiary 100%[1]	73	73,381	884	74,338
Exchange differences	(4)	(589)	(25)	(619)
At 31 December 2013	**476**	**83,663**	**1,561**	**85,700**
Additions	2,048	683	161	2,892
Disposals	(148)	(1)	(22)	(171)
Transfers	(768)	768	-	-
Derecognition of previously held interests[2]	(260)	(3,510)	(231)	(4,001)
Acquisition of Subsidiary 100%[2]	434	6,900	385	7,719
Exchange differences	(131)	(6,044)	(236)	(6,411)
At 30 June 2014	**1,651**	**82,459**	**1,618**	**85,728**
Accumulated depreciation				
At 1 January 2013	-	1,926	311	2,237
Provided during the period	-	3,937	195	4,132
Disposals	-	(210)	(29)	(239)
Change in JV Accounting	-	1,336	-	1,336
Derecognition of previously held interests[1]	-	(803)	(105)	(908)
Acquisition of Subsidiary 100%[1]	-	1,338	175	1,513
Exchange differences	-	(79)	(8)	(87)
At 31 December 2013	**-**	**7,445**	**539**	**7,984**
Provided during the period	-	4,730	106	4,836
Disposals	-	(128)	(22)	(150)
Derecognition of previously held interests[2]	-	(1,315)	(169)	(1,484)
Acquisition of Subsidiary 100%[2]	-	2,192	281	2,473
Exchange differences	-	(1,515)	(93)	(1,608)
At 30 June 2014	**-**	**11,409**	**642**	**12,051**
Net book value at 1 January 2014	**476**	**76,218**	**1,022**	**77,716**
Net book value at 30 June 2014	**1,651**	**71,050**	**976**	**73,677**

1. On completion of the KCC Transaction on 21 October 2013, the Group derecognised its previously held 60% interest and recognised its 100% interest at cost together with the fair value uplift associated with the transaction of $46,392,000. On completion of the whole Kounrad Transaction on 23 May 2014, the Group recognised an additional fair value uplift of $1,049,798 due to the reallocation of the cash consideration – see note 14.
2. On completion of the SUC Transaction on 23 May 2014, the Group derecognised its previously held 60% interest and recognised its 100% interest at cost. There was no fair value uplift to property, plant and equipment associated with the SUC transaction.
3. There was an additional depreciation charge during the period of $2,613,634 as a result of the fair value uplift in property, plant and equipment.

8. Intangible Assets

Group	Goodwill $'000	Deferred Exploration and Evaluation Costs $'000	Mining Licences and Permits $'000	Computer Software $'000	Total $'000
Cost					
At 1 January 2013	-	6,408	1,050	57	7,515
Additions	-	260	5,476	14	5,750
Addition Goodwill	9,278	-	-	-	9,278
Disposals	-	-	(1)	(32)	(33)
Joint Venture adjustment	-	-	33	9	42
Transfer of Bayan Resources to disposal group classified as held for sale	-	(4,505)	(1,000)	-	(5,505)
Exchange differences	-	(222)	(23)	(1)	(246)
At 31 December 2013	**9,278**	**1,941**	**5,535**	**47**	**16,801**
Additions	-	95	-	10	105
Addition Goodwill	11,013	-	-	-	11,013
Disposal	-	-	-	(1)	(1)
Derecognition of previously held interests[1]	-	(1,649)	(1,947)	(16)	(3,612)
Acquisition of subsidiary 100%[1]	-	2,748	57,261	27	60,036
Exchange differences	-	(385)	(426)	(7)	(818)
At 30 June 2014	**20,291**	**2,750**	**60,423**	**60**	**83,524**
Accumulated amortisation					
At 1 January 2013	-	-	1	40	41
Provided during the year	-	52	4	12	68
Disposal	-	-	24	(26)	(2)
Change in JV accounting	-	-	1	3	4
Exchange differences	-	(1)	(1)	(1)	(3)
At 31 December 2013	**-**	**51**	**29**	**28**	**108**
Provided during the year	-	2	458	7	467
Disposal	-	-	-	(1)	(1)
Derecognition of previously held interests[1]	-	(41)	(22)	(9)	(72)
Acquisition of subsidiary 100%[1]	-	69	37	15	121
Exchange differences	-	(16)	(26)	(6)	(48)
At 30 June 2014	**-**	**65**	**476**	**34**	**575**
Net book value at 1 January 2014	**9,278**	**1,890**	**5,506**	**19**	**16,693**
Net book value at 30 June 2014	**20,291**	**2,685**	**59,947**	**26**	**82,949**

1. On completion of the SUC Transaction on 23 May 2014, the Group derecognised its previously held 60% interest and recognised its 100% interest at cost together with the fair value uplift associated with the transaction of $54,015,555.
2. There was an additional amortisation charge during the period of $280,055 as a result of the fair value uplift in intangible assets.

9. Trade and Other Receivables

	30-Jun-14	31-Dec-13
	$'000	$'000
Trade receivables	**18,438**	5,715
Less: provision for impairment of trade receivables	**(13)**	(33)
Trade receivables, net	**18,425**	5,682
Receivables from related parties	**-**	11,654
Prepayments	**2,015**	1,156
	20,440	18,492
Less: non - current portion		
Trade and other receivables	**(5,406)**	(5,436)
Receivables from related parties	**-**	(11,654)
Current Portion	**15,034**	1,402

The carrying value of all the above receivables is a reasonable approximation of fair value.

10. Share Capital and Premium

	Number of Shares	Ordinary Shares	Share Premium	Treasury Shares	Total Equity
	No	$'000	$'000	$'000	$'000
At 1 January 2013	**86,165,934**	**862**	**61,431**	**(4,236)**	**58,057**
Capital reduction	-	-	(61,431)	-	(61,431)
Sale of treasury shares	-	-	-	136	136
At 31 December 2013	**86,165,934**	**862**	**-**	**(4,100)**	**(3,238)**
Ordinary shares issue	21,211,751	212	56,041	-	56,253
Exercised options	-	-	-	420	420
Exercised warrants	260,000	3	423	-	426
At 30 June 2014	**107,637,685**	**1,077**	**56,464**	**(3,680)**	**53,861**

On the completion of the Kounrad transaction a total of 21,211,751 ordinary shares were issued to Kenges Rakishev.
During 6 months ended 30 June 2014 the Group had no balances attributable to non-controlling interests (31 December 2013: nil).

11. Cash Generated from operations

	Six months ended	
	30-Jun-14	30-Jun-13
	$'000	$'000
Profit before income tax including discontinued operations	**52,176**	11,454
Adjustments for:		
Depreciation	**4,485**	1,259
Amortisation	**467**	26
Foreign exchange	**(2,495)**	(108)
Gain on re-measuring to fair value the existing interest on acquisition of control	**(33,039)**	-
Share options	**799**	330
Finance income	**(44)**	(9)
Finance costs	**128**	115
Charges in working capital:		
Inventories	**437**	215
Trade and other receivables	**(13,453)**	941
Trade and other payables	**(725)**	(1,012)
Movement in provisions	**(116)**	(41)
Cash generated from operations	**8,620**	13,170

12. Commitments

	30-Jun-14	31-Dec-13
	$'000	$'000
Kazakhstan	**2,398**	737
UK	**1,116**	1,095
Mongolia	**42**	90
Total	**3,556**	1,922

	30-Jun-14	31-Dec-13
	$'000	$'000
Property, plant and equipment	**1,253**	178
Intangible assets	**314**	218
Other	**1,989**	1,526
Total	**3,556**	1,922

At 30 June 2014 the amounts contracted for but not provided for in the financial statements amounted to $3,556,098 for the Group (31 December 2013: $1,922,398).

13. Dividend per share

An interim dividend of 5 pence per ordinary share (2013: 4 pence per share) was declared by the CAML Board on 24 September 2014.

14. Business combination

The Company has been working on the completion of the acquisition of the remaining 40% of the Kounrad Project since early 2012. The acquisition (collectively known as the "Kounrad Transaction") consisted of two key parts;

- The first transaction involving the transfer of an additional 40% ownership of Kounrad Copper Company LLP ("KCC") **was completed on 21 October 2013.**
- The second transaction involving the transfer of the remaining 40% economic interest in the subsoil use contract ("SUC") remained outstanding as at 31 December 2013. **This was completed on 23 May 2014**.

On completion of the Kounrad Transaction and in line with the agreements, a total of 21,211,751 ordinary shares were issued to Mr Kenges Rakishev ("KR") on 23 May 2014. In addition a cash payment of £848,470 ($1,432,047) was paid to KR on that date in line with the agreements.

As a consequence of the completion of both transactions, the CAML Group became 100% owner of the Kounrad Project and, in accordance with IFRS 3 "Business Combinations", recognized the acquired assets and liabilities of both KCC and the SUC based upon their fair values.

Consideration

The fair value of the 21,211,751 Ordinary Shares issued as part of the consideration for the Kounrad Transaction was determined based on the published share price of the Company on the relevant dates. In the case of KCC this was 21 October 2013 when the remaining 40% of KCC Shares were re-registered and in the case of the SUC transfer it was deemed to be 23 May 2014 when the Kounrad Transaction was finally completed and the agreed consideration paid to KR.

In addition an agreed cash consideration of $1,432,047 was paid on 23 May 2014. This was all allocated as consideration for the additional 40% shares in KCC as per the legal agreements resulting in a minor adjustment of $1,049,798 to the fair values associated with the assets and liabilities of KCC as reported at 31 December 2013.

The total purchase consideration amounted to $57,685,494.

The table below summarises the consideration paid for both KCC and the SUC together with the fair value of all the assets acquired and the liabilities assumed for both the KCC and SUC parts of the Kounrad Transaction;

Consideration	**SUC $'000**	**Kounrad Copper Company LLP $'000**	**Total $'000**
Equity instrument	16,845	39,409	56,254
Cash consideration	-	1,432	1,432
Total consideration	**16,845**	**40,841**	**57,686**

Recognised amounts of identifiable assets acquired and liabilities acquired	**SUC**	**Kounrad Copper Company LLP**	**Total**
Property, plant and equipment	4,196	73,875	78,071
Intangible assets	59,914	-	59,914
Inventories	554	4,075	4,629
Cash and cash equivalents	816	8,233	9,049
Trade and other receivables	2,225	35,855	38,080
Trade and other payables	(23,159)	(9,853)	(33,012)
Borrowings	(2,075)	-	(2,075)
Other liabilities and charges	(359)	(10,083)	(10,442)
Deferred tax liabilities	(10,803)	(9,488)	(20,291)
Total identifiable net assets at fair value	**31,309**	**92,614**	**123,923**
Derecognition of previously held interests 60%			
Removal of book value	7,142	(32,796)	(25,654)
Removal of fair value uplift	(32,409)	(28,465)	(60,874)
Total interests acquired 40%	**6,042**	**31,353**	**37,395**
Purchase consideration	16,845	40,841	57,686
Provisional goodwill	**10,803**	**9,488**	**20,291**

Note – the numbers presented in the table above are provisional and subject to review.

Completion of the SUC Transaction

As stated above, the second transaction involving the transfer of the remaining 40% economic interest in the subsoil use contract ("SUC") completed on 23 May 2014. In accordance with IFRS 3 "Business Combinations", the Group recognised the assets and liabilities based upon their fair values. The fair value uplift applied to the assets acquired as part of the SUC transaction has all been applied to the intangible assets of the SUC under Mining Licences and Permits resulting in an uplift of $54,016,000.

The Group recognised a gain of $32,409,333 as a result of measuring at fair value its 60% interest in the SUC held before the business combination. This gain is included in other income, as a line item "Gain on re-measuring to fair value the existing interests on acquisition of control", in the Group's income statement for the six month period ended 30 June 2014.

Minor amendments to KCC Transaction as reported at 31 December 2013

As at 31 December 2013, the cash consideration had been apportioned to both the KCC and SUC parts of the Kounrad Transaction. This assumption was revised following a review of the detailed legal agreements associated with the transaction. Consequently, the adjustment and revised allocation of the cash consideration to the KCC part of the transaction resulted in an additional gain of $629,798 through the income statement.

As a result the Group reported a total gain through the income statement, under the line item "Gain on re-measuring to fair value the existing interests on acquisition of control", for the six month period ended 30 June 2014 of $33,039,131. This reported gain is in addition to the $27,835,000 gain reported by the Group in the 12 month period ending 31 December 2013 making a reported total gain for the completion of the Kounrad Transaction of $60,874,131.

This minor amendment to the allocation of the cash consideration also resulted in an additional fair value uplift associated with the property, plant and equipment of KCC. The fair value uplift reported as at 31 December 2013 was $46,392,000 giving a total on completion of $47,441,797.

Provisional Goodwill

The provisional goodwill arising on the completion of the Kounrad Transaction amounted to $20,291,043 which includes a minor adjustment of $209,933 resulting from the reallocation of the cash consideration assigned to KCC as mentioned above. The goodwill is not deductible for tax purposes.
This is the amount of the deferred tax liability which arises on the difference between the assigned fair value of the acquired assets and liabilities and their tax base.

The acquisition costs related to the completion of the transaction in the six months ended 30 June 2014 are approximately $105,161. These have been charged to administrative expenses in the consolidated income statement.

15. Related Party Transactions

During the six month period ending 30 June 2014 the Group had no transactions with related parties with the exception of the company's subsidiaries and the Kounrad Transaction described below.

Kounrad Transaction

Mr Kenges Rakishev (KR) became a major shareholder of CAML on 23 May 2014 following completion of the Kounrad Transaction. He was appointed to the CAML Board on 9 December 2013 following the completion of the first part of the transaction. As a consequence, KR is considered a related party in any future dealings he has with the Group.

As far as the Group is aware, they do not have any dealings with companies associated with KR. As part of the obligations on KR for completing the Kounrad Transaction, he signed a relationship agreement with CAML setting out the terms of the relationship between KR and the Group.

As part of KR's business interests he recently completed the acquisition of a 46.5% interest in BTA Bank JSC along with JSC Kazkommertsbank. The Group uses the facilities of JSC Kazkommertsbank within Kazakhstan for its normal day-to-day banking.

16. Post Balance Sheet Events

On 2 July 2014, the Company announced that the SDB Group LLP, an entity 100 per cent. owned and controlled by Mr Kenges Rakishev, a Non-Executive Director of the Company, had entered into a loan agreement whereby security over 21,211,751 ordinary shares of US$0.01 each in the capital of the Company (the "Pledged Shares") held by Mr Kenges Rakishev was granted in favour of JSC CenterCredit Bank.

There is no change in Mr Rakishev's legal or beneficial shareholding in the Company and he continues to have an interest and voting rights in 21,211,751 ordinary shares. The Pledged Shares will remain subject to the restricted dealing provisions originally agreed with Mr Kenges Rakishev and CAML as part of the Kounrad Transaction.

The Company has obtained an undertaking from JSC CenterCredit Bank that should the security be enforced, the Company will be granted a priority right to place the shares.

On 23 July 2014 the Company allotted and issued 3,500,000 ordinary shares of US$0.01 each to the trustee of the Central Asia Metals Limited Share Trust (the "Employee Benefit Trust"). These ordinary shares are being issued with a view to satisfying current awards granted under the Company's Employee Share Plans together with any future awards that may be granted by the Company.

On 31 July 2014 Mirabaud Securities LLP exercised their remaining 932,053 warrants at an exercise price of 96 pence per share. The Company received £894,771 in cash for the exercise of the warrants.