14 September 2015
Ticker: CAML (AIM)

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

Interim Results for the Six Months Ended 30 June 2015

Central Asia Metals plc (AIM: CAML), a copper producing company focused on base metals in Central Asia is pleased to announce its unaudited interim results for the six months ended 30 June 2015 ("H1 2015" or the "Period").

The Company is also pleased to declare an interim dividend of 4.5 pence per ordinary share (H1 2014: 5 pence) which equates to 25% of the gross revenue for the period. CAML raised $60 million at its IPO in September 2010 and this latest dividend will bring the total cash returned to shareholders, in dividends and share buy backs, to approximately $61 million, representing over 100% of the funds raised.

Operational highlights

- H1 2015 copper production of 5,444 tonnes, an increase of 7% vs. H1 2014 (5,094 tonnes)
- H1 2015 copper sales of 5,120 tonnes, an increase of 9% vs. H1 2014 (4,698 tonnes)
- Kounrad Solvent Extraction-Electro Winning (SX-EW) plant expansion commissioned on time and under budget
- Completion of all detailed construction designs for Stage 2 Expansion to access the Western dumps

Financial highlights

- EBITDA of $16.0 million (H1 2014: $21.8 million) with EBITDA margin of 53%
- 2015 interim dividend of 4.5 pence per ordinary share to be paid on 30 October 2015
- H1 2015 Group gross revenue of $30.3 million (H1 2014: $33.7 million)
- Average copper price received of $5,936 per tonne (H1 2014: $7,049 per tonne)
- Continued focus on maintaining low costs of production:
  - C1 cash costs of production of $0.74 per lb (H1 2014: $0.72 per lb)
  - Fully absorbed unit costs of $1.87 per lb (H1 2014: $1.62 per lb) including non-cash costs for depreciation and amortisation of $0.54 per lb (H1 2014: $0.48 per lb)
- Group cash balance of $35.8 million as at 30 June 2015 (31 December 2014: $46.3 million)

Business Development

- Additional $3.0 million investment in Copper Bay Limited ("Copper Bay") in June 2015 increasing shareholding to 75%
- Copper Bay Definitive Feasibility Study ("DFS") commenced
- Management continues to look for additional growth opportunities

Outlook

- 2015 production guidance of 12,000 tonnes of copper
- Construction permits and licences for Stage 2 Expansion expected by the end of 2015
- Stage 2 Expansion to access the Western dumps on track for production in 2017
- Continued focus on operational and capital cost discipline in current challenging commodity price environment
- Impact of recent devaluation of Kazakhstan Tenge ("KZT") on operational cost base under review

Nick Clarke, Chief Executive Officer, commented:

"I am pleased to report that our business has remained profitable in the first half of 2015, despite a 16% decrease in the copper price since the beginning of the year. We delivered a solid operational performance, and despite a temporary production disruption in late June, we have increased our production by 7% from the corresponding period. In addition, we delivered the Stage 1 Expansion of the plant on time and under budget and we are working towards the Stage 2 Expansion.

Our continued focus on cost control has maintained Kounrad's position in the lowest quartile of the industry cash cost curve. The continued low cost of our operations together with our strong balance sheet enables us to continue market leading dividend payments in a challenging commodity environment.

CAML's increased investment in Copper Bay demonstrated our confidence in the project and we look forward to providing further updates as the DFS progresses. Furthermore, we continue to look for additional opportunities to grow the business and deliver value to our shareholders.

Finally, with the dividend announced today, total cash returned to shareholders now exceeds the funds raised at IPO five years ago, an achievement of which we are extremely proud."

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

An analyst presentation on the Company's interim results hosted by management will take place at 09:30 (BST) on Monday 14 September 2015 at the offices of Bell Pottinger and will be accompanied by a live conference call.

The accompanying presentation slides will be available on the Company's website. The conference call can be accessed by dialling 020 3059 8125 (from the UK) or + 44 20 3059 8125 (from all other locations) and quoting the confirmation code 'Central Asia Metals Interim Results'. A replay of the call will be available following the presentation at http://www.centralasiametals.com.

Chief Executive Officer Review

The CAML Board is sufficiently confident in its business plan to declare an interim dividend for the period of 4.5 pence per ordinary share. This represents 25% of the gross revenue for the period, in line with the Company's dividend policy. Almost five years since our initial listing on AIM in September 2010, we have now returned to shareholders in dividends and share buy-backs over 100% of the $60 million raised. This represents 32% of the attributable revenue generated since the commencement of operations in 2012.

As previously announced to the market, during the period we produced 5,444 tonnes of cathode copper (H1 2014: 5,094 tonnes) representing a 7% increase. The incident we reported on 29 June 2015 has impacted our 2015 production, but nonetheless we will see an increase on 2014 production. The Kounrad SX-EW plant has now been in operation for 38 months at an average utilisation rate of 98% and has produced over 33,600 tonnes of copper to 30 June 2015, and this incident is the first such interruption to operations.

We remain on track with our expansion plans for Kounrad, and in the period completed the Stage 1 Expansion of the SX-EW plant on time and under budget. We are also working towards the Stage 2 Expansion which will see us install additional infrastructure to enable the extraction of copper from the Western dumps.

In addition, we announced in June that we had increased our shareholding in Copper Bay to 75%, following an additional investment of $3.0 million. These funds will be used for the DFS which is currently underway. Further to our investment in Copper Bay, we continue to look for additional growth opportunities for the business to create value for our shareholders.

Operating Review

<u>Kazakhstan (Kounrad)</u>

<u>Operations</u>

During the first six months of 2015, operational performance remained strong with copper production of 5,444 tonnes, representing a 7% increase on the corresponding period of 2014. This increase is largely due to the expanded boiler-house capacity at the plant resulting in higher solution volume treatment rates during the winter months.

As previously announced, an incident occurred on site on 26 June 2015 which resulted in approximately a third of the organic inventory being lost to the dumps within a very short time frame. On inspection, it was identified that the weir plate system had failed in the recently commissioned SX mixer settler, allowing some of the organic inventory to escape from the circuit via the raffinate system and on to the dumps.

The failure was quickly rectified but the loss of organic inventory and the subsequent lead times to replace it resulted in the revision of the 2015 full year production target from 13,000 tonnes to 12,000 tonnes of copper.

The plant has now been in operation for 38 months at an average utilisation rate of 98%, and this incident is the first such interruption to production. The Company will strive throughout H2 2015 to meet the revised production target. As at 31 August 2015, all of the organic inventory had been replenished and the plant was gradually being ramped up to design capacity levels.

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

Kounrad Expansion

Stage 1 Expansion – SX-EW Plant

Less than a year after the start of the Stage 1 Expansion programme, the extended SX-EW facility was commissioned ahead of schedule in May 2015. The programme included construction works and equipment installation, all undertaken by Company personnel. The extra mixer-settler tank has increased the plant's solution treatment capacity by 33% to 1,200 cubic metres per hour, and the additional 24 electro-winning cells have increased the plant's daily plating capability by 42% to 50 tonnes of copper. The infrastructure upgrade also included the installation of an additional 10MW transformer substation.

The Stage 1 Expansion and additional 5.6MW boiler capacity installed towards the end of 2014 have increased the plant's name-plate annual capacity from 10,000 to 15,000 tonnes of cathode copper at a cost of approximately $13.0 million, against a budget of $15.5 million.

Stage 2 Expansion – Western Dumps

The application to the relevant authorities for the required permits to allow copper extraction from the Western dumps are in progress and approvals are expected to be received by the end of 2015. The Stage 2 Expansion remains on track for production in 2017.

Corporate & Social Responsibility ("CSR")

After over three years of production at Kounrad with an exemplary health and safety record, we experienced our first major accident on site shortly after the period end. The accident resulted in injuries to two employees, both of whom have received the appropriate medical treatment and are being given all of the necessary support to ensure a swift recovery. Detailed internal and external investigations have been undertaken to ensure that the risk of a similar accident is minimised.

A key focus during the period for the environmental team has been the hydrogeological drilling and monitoring programme at Kounrad. The Company has spent approximately $0.5 million on a programme of drilling and the installation of geological as well as technical and monitoring boreholes in the vicinity of the Western and Eastern dumps. The Company maintains best-practice environmental monitoring standards.

The Company continues to actively engage with the local community and during the period contributed over $0.1 million to social programmes and committed a further $0.2 million with a special emphasis on health and education.

Operations outside of Kazakhstan

Copper Bay Project - Chile

On 30 June 2015, CAML exercised its right to invest a further $3.0 million to increase its shareholding in Copper Bay from 50% to 75% following the completion of the pre-feasibility study.

The DFS has now commenced and a project manager has been appointed. The DFS will work towards providing more accuracy and confidence regarding all aspects of the project. CAML management will continue to monitor the future economic viability of constructing the project based on the outputs of the DFS and the copper market environment.

Mongolia

The Group continues to hold for sale the assets it owns in Mongolia.

Financial Review

The copper price came under increasing pressure during the first six months of 2015 due to continued concerns over the slowdown in the growth of the Chinese economy and an increasing supply of copper into the market. These concerns appear to have increased during Q3 2015 and as at late August 2015, copper prices had declined close to $5,000 per tonne.

Against this background, the Group continued to focus efforts on maintaining its low cash costs of production and delivering the Stage 1 Expansion on time and under budget.

Income Statement
Group profit after tax from continuing operations was $6.0 million for the six month period ended 30 June 2015 (H1 2014: $47.2 million). The comparative period results (H1 2014) were impacted by a one-off gain of $33.0 million arising from the completion of the Kounrad Transaction in May 2014. Earnings per share from continuing operations were 5.37 cents (H1 2014: 52.06 cents, 15.31 cents excluding the one-off gain).

Revenue
A total of 4,938 (H1 2014: 4,562) tonnes of copper cathode were sold as part of the Company's off-take arrangements at Kounrad and a further 182 (H1 2014: 136) tonnes were sold locally. As mentioned above, the Group revenue was impacted by the decline in copper prices and an average selling price of $5,936 (H1 2014: $7,049) per tonne was achieved. This generated reported gross revenues for the Group of $30.3 million (H1 2014: $33.7 million).

Cost of sales
Cost of sales for the period were $12.9 million (H1 2014: $10.8 million). This increase generally reflects the higher levels of production inclusive of higher depreciation and amortisation charges. The C1 cash costs were $0.74 per lb (H1 2014: $0.72 per lb). Fully absorbed unit costs for the period were $1.87 per lb (H1 2014: $1.62 per lb). This included non-cash costs for depreciation and amortisation of $0.54 per lb (H1 2014: $0.48 per lb).

Total depreciation and amortisation charges recognised within cost of sales for the period were $6.0 million (H1 2014: $4.9 million). This included an additional depreciation and amortisation charge of $3.6 million during H1 2015 (H1 2014: $2.9 million) as a result of the uplift to the asset values following the completion of the Kounrad Transaction in May 2014.

The fully absorbed unit costs include a one-off charge of $0.7 million, which equates to $0.06 per lb, arising from the write-off of organic inventory following the incident on 26 June 2015.

Administrative expenses
During H1 2015, the Group employed an average of 49 staff (H1 2014: 45) at Kounrad to oversee the technical and commercial management of the operations in Kazakhstan, together with head office staff in London of 9 (H1 2014: 7). Administrative expenses for the period were $6.1 million (H1 2014: $4.5 million) reflecting the growing activities of the Group.

During the period, the Group incurred $0.3 million on business development activities in Kazakhstan and elsewhere as Management continue to look for additional growth opportunities for the business.

During the period, the Group recognised a share based payment charge of $1.1 million (H1 2014: $0.8 million) in relation to the Company's Share Option Schemes. The Group also incurred withholding tax of $0.4 million (H1 2014: nil) on dividend payments made between subsidiaries in the Group.

Balance Sheet

During H1 2015, there were additions to property, plant and equipment of $6.6 million (H1 2014: $2.9 million). The majority of this expenditure was incurred on the construction work at Kounrad for the Stage 1 Expansion which was commissioned in May 2015.

As at 30 June 2015, non-current trade and other receivables were $7.1 million (31 December 2014: $6.4 million). This outstanding balance represents the amount currently owed to the Group by the Kazakhstan Government for VAT. The Group is in the process of appealing to the Kazakhstan authorities and the outcome may not be known until early 2016. A portion of the outstanding VAT balance is being recovered through the offset of VAT liabilities on local sales of copper cathode.

As at 30 June 2015, current trade and other receivables were $7.1 million (31 December 2014: $3.2 million). The increase is a result of $4.5 million owed for the sale of copper for June deliveries which were received in early August 2015. The Group had $35.8 million of cash as at 30 June 2015 (31 December 2014: $46.3 million) including restricted cash of $0.6 million (31 December 2014: $0.1 million) and no debt.

As at 30 June 2015, current trade and other payables were $3.6 million (31 December 2014: $4.3 million).

On 13 May 2015, the Company completed a Court approved capital reduction scheme, which resulted in $67.1 million being transferred from the share premium account to distributable reserves. A condition of the capital reduction scheme was to set aside an amount into a restricted bank account, which would cover certain creditors as of the effective date of the capital reduction. The balance of the restricted bank account in relation to the capital reduction scheme as at 30 June 2015 was $0.4 million.

Foreign Exchange

The Group operates overseas and is exposed to foreign currency movements. During August 2015, the KZT devalued by almost 37% overnight, as highlighted in note 15, when the government transitioned to a free-floating exchange rate, allowing the market to determine the rate.

Given that the Group's operations in Kazakhstan generate their income in US dollars through the export of copper, the immediate impact from a purely financial standpoint is positive as approximately 60% of the cost base in Kazakhstan is denominated in KZT.

The Board will continue to monitor events in the country and respond accordingly. The Group does not keep large amounts of cash in KZT and as at 30 June 2015, held the US dollar equivalent of $0.2 million.

Copper Bay investment

On 30 June 2015, CAML subscribed for 135,621,610 newly allotted ordinary shares in Copper Bay for a cash consideration of $3.0 million, which increased CAML's shareholding from 50% to 75%.

Following this additional investment, management has reconsidered the accounting treatment of the initial $3.2 million investment in 2013 and has fully consolidated the Copper Bay Group as at 30 June 2015 at historical cost. This has resulted in a reduction in Group retained earnings at 30 June 2015 of $1.2 million. An intangible asset of $3.2 million recognised in 2013 equal to the cash consideration paid for the initial 50% shareholding has been reduced by $1.6 million. The resulting value of the intangible exploration and evaluation assets currently held in the Copper Bay Group as at 30 June 2015 was $1.6 million (see note 8).

Dividend

The CAML Board has declared an interim dividend for the period of 4.5 pence per ordinary share in accordance with its dividend policy announced in December 2012. The interim dividend equates to approximately 25% of the gross revenue for the period and will be payable on 30 October 2015 to shareholders registered on 9 October 2015.

CONDENSED INTERIM INCOME STATEMENT (unaudited)
for the six months period ended 30 June 2015

		Six months ended	
		30-Jun-15	30-Jun-14
	Note	**$'000**	$'000
Continuing operations			
Gross revenue		**30,323**	33,704
Revenue		**29,035**	32,244
Cost of sales		**(12,914)**	(10,758)
Gross profit		**16,121**	21,486
Distribution and selling costs		**(133)**	(142)
Administrative expenses		**(6,058)**	(4,451)
Inventory write-off		**(715)**	-
Other income/(expenses)		**8**	(6)
Exchange rate differences gain		**1,091**	2,495
Operating profit		**10,314**	19,382
Finance income		**21**	44
Finance costs		**(257)**	(128)
Gain on re-measuring to fair value the existing interest on acquisition of control		**-**	33,039
Profit before income tax		**10,078**	52,337
Income tax		**(4,093)**	(5,150)
Profit from continuing operations		**5,985**	47,187
Discontinued operations			
Loss from discontinued operations		**(112)**	(161)
Profit for the period		**5,873**	47,026
Profit attributable to:			
- Non-controlling interests		**431**	-
- Owners of the parents		**5,442**	47,026
		5,873	47,026
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	**5.37**	52.06
From discontinued operations		**(0.10)**	(0.18)
From profit for the period		**5.27**	51.88
Diluted earnings/(loss) per share			
From continuing operations	6	**5.24**	50.06
From discontinued operations		**(0.10)**	(0.18)
From profit for the period		**5.14**	49.89

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (unaudited)

for the six months period ended 30 June 2015

	Six months ended	
	30-Jun-15	30-Jun-14
	$'000	$'000
Profit for the period	**5,873**	47,026
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences	**(1,258)**	(10,144)
Other comprehensive income for the period, net of tax	**(1,258)**	(10,144)
Total comprehensive income for the period	**4,615**	36,882
Attributable to:		
- Owners of the parent	**4,184**	36,882
- Non-controlling interests	**431**	-
Total comprehensive income for the period	**4,615**	36,882
Total comprehensive income/(expense) attributable to equity shareholders arises from:		
- Continuing operations	**4,727**	37,043
- Discontinued operations	**(112)**	(161)
	4,615	36,882

CONDENSED INTERIM BALANCE SHEET
as at 30 June 2015

	Note	**Unaudited**	Audited	Unaudited
		30-Jun-15	31-Dec-14	30-Jun-14
	Note	**$'000**	$'000	$'000
Assets				
Non-current assets				
Property, plant and equipment	7	**75,061**	74,661	73,677
Intangible assets	8	**78,290**	81,605	82,949
Trade and other receivables	9	**7,100**	6,393	5,406
		160,451	162,659	162,032
Current assets				
Inventories		**3,755**	4,054	3,700
Trade and other receivables	9	**7,070**	3,214	15,034
Restricted cash		**569**	148	120
Cash and cash equivalents		**35,206**	46,144	28,871
		46,600	53,560	47,725
Assets of the disposal group classified as held for sale		**109**	80	134
		46,709	53,640	47,859
Total assets		**207,160**	216,299	209,891
Equity attributable to owners of the parent				
Ordinary shares	10	**1,121**	1,121	1,077
Share premium	10	**-**	67,079	56,464
Treasury shares		**(8,146)**	(9,644)	(3,680)
Other reserves		**(12,375)**	(11,117)	(5,079)
Retained earnings		**199,239**	140,484	132,889
		179,839	187,923	181,671
Non-controlling interests		**431**	-	-
Total equity		**180,270**	187,923	181,671
Liabilities				
Non-current liabilities				
Deferred income tax liability		**20,562**	20,567	20,604
Provision for other liabilities and charges		**2,306**	3,093	3,171
		22,868	23,660	23,775
Current liabilities				
Trade and other payables		**3,572**	4,252	3,928
		3,572	4,252	3,928
Liabilities of disposal group classified as held for sale		**450**	464	517
		4,022	4,716	4,445
Total liabilities		**26,890**	28,376	28,220
Total equity and liabilities		**207,160**	216,299	209,891

CONDENSED INTERIM STATEMENT OF CHANGES OF EQUITY (unaudited)
for the six months period ended 30 June 2015

	Ordinary Shares	Share Premium	Treasury Shares	Other Reserves	Retained Earnings	Non-controlling interest	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 31 December 2014	**1,121**	**67,079**	**(9,644)**	**(11,117)**	**140,484**	**-**	**187,923**
Profit for the period	-	-	-	-	5,873	-	5,873
Other comprehensive income – currency translation differences	-	-	-	(1,258)	-	-	(1,258)
Total comprehensive income	**-**	**-**	**-**	**(1,258)**	**5,873**	**-**	**4,615**
Transactions with owners							
Capital reduction (note 10)	-	(67,079)	-	-	67,079	-	-
Share based payments	-	-	-	-	1,110	-	1,110
Exercise of options	-	-	1,327	-	(1,189)	-	138
Sales of EBT shares	-	-	171	-	(171)	-	-
Dividends	-	-	-	-	(12,787)	-	(12,787)
Copper Bay acquisition*	-	-	-	-	(1,160)	431	(729)
Total transactions with owners, recognised directly in equity	-	(67,079)	1,498	-	52,882	431	(12,268)
At 30 June 2015	**1,121**	**-**	**(8,146)**	**(12,375)**	**199,239**	**431**	**180,270**

*The results of the Copper Bay Group have been consolidated within the CAML Group from 30 June 2015. This has resulted in a reduction to group retained earnings at 30 June 2015 of $1.2 million.

	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**
Profit for the period	-	-	-	-	47,026	47,026
Other comprehensive income – currency translation differences	-	-	-	(10,144)	-	(10,144)
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 completion of Kounrad Transaction	-	-	-	16,845	-	16,845
Ordinary shares issue	212	56,041	-	(56,253)	-	-
Exercise of warrants	3	423	-	-	-	426
Exercise of options	-	-	420	(304)	-	116
Dividends	-	-	-	-	(9,018)	(9,018)
Sale of Mongolian assets	-	-	-	(162)	54	(108)
Total transactions with owners, recognised directly in equity	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**

CONDENSED INTERIM STATEMENT OF CASH FLOWS (unaudited)
for the six months period ended 30 June 2015

		Six months ended	
		30-Jun-15	30-Jun-14
	Note	**$'000**	$'000
Cash flows from operating activities			
Cash generated from operations	11	**13,250**	8,620
Income tax paid		**(5,739)**	(11,048)
Interest paid		**(134)**	(28)
Net cash generated from/(used in) operating activities		**7,377**	(2,456)
Cash flows from investing activities			
Purchases of property, plant and equipment		**(7,197)**	(2,892)
Purchase of intangible assets		**(159)**	(105)
Interest received		**21**	44
Acquisition of subsidiary net of cash acquired		**1,053**	327
Discontinued operations		**(40)**	(115)
Net cash used in investing activities		**(6,322)**	(2,741)
Cash flows from financing activities			
Dividend paid to owners of the parent		**(12,787)**	(9,031)
Payment on completion of Kounrad Transaction		**-**	(1,432)
Receipt on exercise of share options		**125**	115
Exercise of warrants		**-**	426
Restricted cash (note 10)		**(421)**	1,614
Net cash used in financing activity		**(13,083)**	(8,308)
Effect of foreign exchange gains/(losses) on cash and cash equivalents		**1,090**	(364)
Net decrease in cash and cash equivalents		**(10,938)**	(13,869)
Cash and cash equivalents at 1 January		**46,159**	42,795
Cash and cash equivalents at 30 June		**35,221**	28,926

Cash and cash equivalents at 30 June 2015 includes cash at bank on hand included in assets held for sale of $15,000 (30 June 2014: $55,000).

NOTES TO THE INTERIM FINANCIAL INFORMATION
For the six months period ended 30 June 2015

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 owns a 75% shareholding in the Copper Bay tailings project in Chile.

CAML is a public limited company, which is listed on the AIM market of the London Stock Exchange 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.

The condensed consolidated interim financial information incorporate the results of Central Asia Metals plc and its subsidiary undertakings as at 30 June 2015 and was approved by the Directors for issue on 14 September 2015. This condensed interim financial information does not constitute accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2014 were approved by the Board of Directors on 27 March 2015 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified.

The condensed consolidated interim financial information has not been unaudited.

2. Basis of preparation

The condensed interim financial information for the six months ended 30 June 2015 has been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with IFRS.

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 2014.

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.

Investment in Copper Bay Limited
The results of Copper Bay Limited and its subsidiaries have been fully consolidated from 30 June 2015, being the date of the additional investment of $3 million to increase CAML's shareholding from 50% to 75% (note 8).

4. Estimates

The preparation of interim financial information 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 this condensed interim financial information, 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 2014.

5. Segmental information

The Board is the Group's chief operating decision-maker. Management have 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 2015, the Group had two business segments consisting of an SX-EW copper plant at Kounrad in Kazakhstan and the Copper Bay project in Chile. The Copper Bay project has been reported as a segment for the first time for the period ended 30 June

2015 following the additional 25% investment made by CAML on 30 June 2015. The Group operations are controlled from a head office in London, UK but this does not represent a separate business segment.

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 Kounrad and Copper Bay projects are closely monitored and controlled.

The segmental results for the six months period ended 30 June 2015 do not include the results of the Copper Bay project which will be consolidated from 30 June 2015 following the increase in CAML's shareholding from 50% to 75%.

	Segmental result	
	Unaudited	Unaudited
	30-Jun-15	30-Jun-14
	$'000	$'000
Gross revenue	**30,323**	33,704
Off-take buyers' fees	**(1,288)**	(1,460)
Revenue	**29,035**	32,244
Kounrad EBITDA	**20,509**	24,970
Unallocated costs including corporate	**(4,524)**	(3,125)
Group continuing operations EBITDA	**15,985**	21,845
Gain on re-measuring to fair value the existing interest on acquisition of control	**-**	33,039
Depreciation and amortisation	**(6,055)**	(4,952)
Inventory write-off	**(715)**	-
Gain on foreign exchange	**1,091**	2,495
Other expenses, net	**8**	(6)
Finance income	**21**	44
Finance costs	**(257)**	(128)
Profit before income tax	**10,078**	52,337
Income tax	**(4,093)**	(5,150)
Profit for the period after taxation from continuing operations	**5,985**	47,187
Loss from discontinued operations	**(112)**	(161)
Profit for the period	**5,873**	47,026

Group segmental assets and liabilities for the six months ended 30 June 2015 are as follows:

	Segmental Assets		Segmental Liabilities	
	30-Jun-15	31-Dec-14	**30-Jun-15**	31-Dec-14
	$'000	$'000	**$'000**	$'000
Kounrad	**178,777**	173,154	**(25,273)**	(26,688)
Copper Bay	**3,848**	-	**(46)**	-
Assets held for sale	**109**	80	**(450)**	(464)
Corporate	**24,426**	43,065	**(1,121)**	(1,224)
Total	**207,160**	216,299	**(26,890)**	(28,376)

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-15	30-Jun-14
	$'000	$'000
Profit from continuing operations attributable to owners of the parent	**5,985**	47,187
Loss from discontinued operations attributable to owners of the parent	**(112)**	(161)
Total	**5,873**	47,026
Weighted average number of Ordinary Shares in issue	**111,558,091**	90,645,415
Earnings/(loss) 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	**5.37**	52.06
From discontinued operations	**(0.10)**	(0.18)
From profit for the period	**5.27**	51.88

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-15	30-Jun-14
	$'000	$'000
Profit from continuing operations attributable to owners of the parent	**5,985**	47,187
Loss from discontinued operations attributable to owners of the parent	**(112)**	(161)
Total	**5,873**	47,026
Weighted average number of ordinary shares in issue	**111,558,091**	90,645,415
Adjusted for:		
- Share Options	**2,736,700**	2,673,812
- Mirabaud Securities warrants	**-**	932,053
Weighted average number of ordinary shares for diluted earnings per share	**114,294,791**	94,251,280
Diluted earnings per share	**$ cents**	$ cents
From continuing operations	**5.24**	50.06
From discontinued operations	**(0.10)**	(0.18)
From profit for the period	**5.14**	49.89

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 2014	**476**	**83,663**	**1,561**	**85,700**
Additions	9,496	1,602	227	11,325
Disposals	-	(1,292)	(38)	(1,330)
Transfers	(856)	856	-	-
Derecognition of previously held interests	(260)	(3,510)	(231)	(4,001)
Acquisition of Subsidiary 100%	434	6,900	385	7,719
Exchange differences	(1,607)	(6,229)	(189)	(8,025)
At 31 December 2014	**7,683**	**81,990**	**1,715**	**91,388**
Additions	5,198	1,079	349	6,626
Disposals	-	(15)	(79)	(94)
Change in estimate – asset retirement obligation	-	(778)	-	(778)
Transfers	(9,911)	9,890	21	-
Acquisition of Copper Bay	-	3	-	3
Exchange differences	(134)	(765)	(34)	(933)
At 30 June 2015	**2,836**	**91,404**	**1,972**	**96,212**
Accumulated depreciation				
At 1 January 2014	**-**	**7,445**	**539**	**7,984**
Provided during the period	-	9,307	169	9,476
Disposals	-	(778)	(58)	(836)
Derecognition of previously held interests	-	(1,315)	(169)	(1,484)
Acquisition of Subsidiary 100%	-	2,192	281	2,473
Exchange differences	-	(851)	(35)	(886)
At 31 December 2014	**-**	**16,000**	**727**	**16,727**
Provided during the period	-	4,637	116	4,753
Disposals	-	(13)	(65)	(78)
Exchange differences	-	(236)	(15)	(251)
At 30 June 2015	**-**	**20,388**	**763**	**21,151**
Net book value at 31 December 2014	7,683	65,990	988	74,661
Net book value at 30 June 2015	**2,836**	**71,016**	**1,209**	**75,061**

The change in estimate in relation to the asset retirement obligation of $778,000 is as a result of adjusting the provision recognised at the net present value of future expected costs using an inflation rate of 4.3% (H1 2014: 6.6%) and discount rate of 8.07% (H1 2014: 8.65%) representing the risk free rate (pre-tax) for Kazakhstan.

8. Intangible assets

Group	Goodwill	Deferred exploration and evaluation costs	Mining licences and permits	Computer software	Total
	$'000	$'000	$'000	$'000	$'000
Cost					
At 1 January 2014	**9,278**	**1,941**	**5,535**	**47**	**16,801**
Additions	-	98	-	17	115
Addition Goodwill	11,013	-	-	-	11,013
Disposals	-	(92)	-	(11)	(103)
Derecognition of previously held interests	-	(1,649)	(1,947)	(16)	(3,612)
Acquisition of Subsidiary 100%	-	2,748	57,261	27	60,036
Exchange differences	-	(241)	(450)	(9)	(700)
At 31 December 2014	20,291	2,805	60,399	55	83,550
Additions	-	150	-	9	159
Acquisition of Copper Bay (see below)	-	(1,581)	-	-	(1,581)
Exchange differences	-	(58)	(414)	(2)	(474)
At 30 June 2015	**20,291**	**1,316**	**59,985**	**62**	**81,654**
Accumulated amortisation					
At 1 January 2014	**-**	**51**	**29**	**28**	**108**
Provided during the year	-	65	1,857	14	1,936
Derecognition of previously held interests	-	(92)	-	(11)	(103)
Acquisition of Subsidiary 100%	-	(42)	(22)	(9)	(73)
Disposal	-	70	37	15	122
Exchange differences	-	12	(51)	(6)	(45)
At 31 December 2014	**-**	**64**	**1,850**	**31**	**1,945**
Provided during the year	-	14	1,414	6	1,434
Exchange differences	-	1	(14)	(2)	(15)
At 30 June 2015	**-**	**79**	**3,250**	**35**	**3,364**
Net book value at 31 December 2014	20,291	2,741	58,549	24	81,605
Net book value at 30 June 2015	**20,291**	**1,237**	**56,735**	**27**	**78,290**

Copper Bay investment

On 30 June 2015, CAML subscribed for 135,621,610 newly allotted ordinary shares in Copper Bay Limited for cash consideration of $3.0 million, which increased CAML's shareholding from 50% to 75%.

Following this additional investment, management has reconsidered the accounting treatment of the initial $3.2 million investment in 2013 and have fully consolidated the Copper Bay Group as at 30 June 2015 at historical cost. An intangible asset of $3.2 million recognised in 2013 equal to the cash consideration paid for the initial 50% shareholding has been reduced by $1.6 million. The resulting value of the intangible exploration and evaluation assets currently held in the Copper Bay Group as at 30 June 2015 was $1.6 million.

9. Trade and other receivables

	30-Jun-15	31-Dec-14
	$'000	$'000
Trade receivables	**13,046**	6,953
Less: provision for impairment of trade receivables	**(39)**	(41)
Trade receivables, net	**13,007**	6,912
Prepayments	**1,163**	2,695
	14,170	9,607
Less: non-current portion:		
Trade and other receivables	**(7,100)**	(6,393)
Current Portion	**7,070**	3,214

As at 30 June 2015, current trade and other receivables were $7.1 million (31 December 2014: $3.2 million). The increase is a result of $4.5 million owed for the sale of copper for June deliveries. These funds were received in early August 2015.

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**
	No	$'000	$'000	$'000	**$'000**
At 1 January 2014	**86,165,934**	**862**	**-**	**(4,100)**	**(3,238)**
Ordinary shares issue	21,211,751	212	56,041	-	**56,253**
Issue of EBT shares	3,500,000	35	9,110	(9,145)	**-**
Exercised warrants	1,192,053	12	1,928	-	**1,940**
Exercised options	-	-	-	3,399	**3,399**
Sales of EBT shares	-	-	-	202	**202**
At 31 December 2014	**112,069,738**	**1,121**	**67,079**	**(9,644)**	**58,556**
Capital reduction	-	-	(67,079)	-	**(67,079)**
Exercised options	-	-	-	1,327	**1,327**
Sales of EBT shares	-	-	-	171	**171**
At 30 June 2015	**112,069,738**	**1,121**	**-**	**(8,146)**	**(7,025)**

On 13 May 2015, the Company completed a Court approved capital reduction scheme, which resulted in $67.1 million being transferred from the share premium account to distributable reserves. A condition of the capital reduction scheme was to set aside an amount into a restricted bank account, which would cover certain creditors as of the effective date of the capital reduction (13 May 2015). The balance of the restricted bank account in relation to the capital reduction scheme as at 30 June 2015 was $0.4 million.

11. Cash generated from operations

	Six months ended	
	30-Jun-15	30-Jun-14
	$'000	$'000
Profit before income tax including discontinued operations	**9,966**	52,176
Adjustments for:		
Depreciation	**4,620**	4,485
Amortisation	**1,434**	467
Change in provision for doubtful receivables	**(2)**	-
Foreign exchange gain	**(1,091)**	(2,495)
Gain on re-measuring to fair value the existing interest on acquisition of control	**-**	(33,039)
Share based payments	**1,110**	799
Write-off of inventory	**715**	-
Finance income	**(21)**	(44)
Finance costs	**257**	128
Charges in working capital:		
Inventories	**(416)**	437
Trade and other receivables	**(3,723)**	(13,453)
Trade and other payables	**400**	(725)
Movement in provisions	**1**	(116)
Cash generated from operations	**13,250**	8,620

12. Commitments

	30-Jun-15	30-Jun-14
	$'000	$'000
Kazakhstan	**1,166**	2,398
UK	**655**	1,116
Mongolia	**39**	42
Total	**1,860**	3,556

	30-Jun-15	30-Jun-14
	$'000	$'000
Property, plant and equipment	**298**	1,253
Intangible assets	**108**	314
Other	**1,454**	1,989
Total	**1,860**	3,556

At 30 June 2015 the amounts contracted for but not provided for in the financial information amounted to $1.9 million for the Group (31 December 2014: $3.6 million).

13. Dividend per share

An interim dividend of 4.5 pence per ordinary share (2014: 5 pence per share) was declared by the CAML Board on 11 September 2015.

14. Related party transactions

During the six month period ending 30 June 2015, the Group had no transactions with related parties with the exception of the Company's subsidiaries.

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. Consequently, KR is considered a related party in any dealings he has with the Group.

KR owns 28.67% and is a Director of JSC Kazkommertsbank (“KKB”). The Group uses the facilities of KKB within Kazakhstan for its normal day-to-day banking and has insurance agreements with a subsidiary of KKB.

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.

15. Events after the reporting period

KKB and KR
On 7 August 2015, KKB announced that KR had reached a preliminary agreement with the Alnair private equity group to combine their respective shareholdings in KKB, subject to satisfaction of regulatory and other customary conditions. As a result of the proposed transaction, KR would acquire legal ownership over the parent entity of JSC Alnair Capital Holding, which currently holds a 28.08% stake in KKB’s issued and outstanding share capital.

In connection with the proposed transaction, KR would become the General Partner of the Alnair private equity group and, as such, would effectively acquire control over voting and other rights of Alnair’s shareholding in KKB.

Upon completion, this transaction will effectively give KR full control over the voting and other rights of a combined 56.75% stake in KKB’s issued and outstanding share capital, made up of shares in KKB held by KR directly and indirectly, through Alnair.

Kazakhstan Tenge currency devaluation
During August 2015, the Kazakhstan government transitioned to a free floating exchange rate of the KZT allowing the market to set the price.

As a result, on 21 August the exchange rate of the KZT depreciated to 255 KZT for 1 US dollar, approximately 37% compared to the rate used for 30 June 2015 accounting purposes of 186.

Whilst no adjustment to the accounts has been made to reflect this devaluation, it is worth noting that it will impact the results and net asset position in future reporting periods. For example, a 30% devaluation impact on the net assets of $73.5 million denominated in KZT as at 30 June 2015 is a reduction of $22.0 million.