22 September 2017

Central Asia Metals plc

(the "Group", the "Company" or "CAML")

Interim Results for the Six Months Ended 30 June 2017

Central Asia Metals plc (AIM: CAML) is pleased to announce its unaudited interim results for the six months ended 30 June 2017 ("H1 2017" or the "Period").

The Company is also pleased to declare an interim dividend of 6.5 pence per ordinary share (H1 2016: 5.5 pence), which equates to 24% of Kounrad gross revenue for the period.

H1 2017 Operational Highlights

- Copper production of 7,027 tonnes, an increase of 2% vs. H1 2016 (6,908 tonnes)
- Copper sales of 6,870 tonnes, an increase of 8% vs. H1 2016 (6,355 tonnes)
- Leaching of Western Dumps underway, 1,300 tonnes of copper recovered
- No Lost Time Injuries ("LTIs"), LTI free man hours now exceed 1.7 million

H1 2017 Financial Highlights

- Gross revenue of $38.6 million (H1 2016: $30.9 million)
- Average copper price achieved of $5,659 per tonne (H1 2016: $4,903 per tonne)
- C1 cash cost of $0.45 per pound (H1 2016: $0.40 per pound)
- EBITDA of $24.0 million (H1 2016: $17.4 million), margin of 62% (H1 2016: 56%)
- Profit before tax up 36% to $20.4 million (H1 2016: $15.0 million)
- EPS from continuing operations of 13.50 cents per share (H1 2016: 9.57 cents per share)
- Interim dividend of 6.5 pence per share to be paid on 27 October 2017 (H1 2016: 5.5 pence)
- Group cash balance of $41.7 million as at 30 June 2017 (31 December 2016: $40.4 million), with no debt

Outlook

- On course to achieve 2017 copper production guidance of between 13,000 and 14,000 tonnes
- 40% of 2017 copper production to come from Western Dumps with increasing percentage of Western Dump copper production from 2018 onwards
- Future Kounrad annual sustaining capex of only c.$2 million
- 2017 budget of $1.8 million for Shuak drilling and wider exploration programme

Post period end

- Acquisition of Lynx Resources, a Macedonian zinc and lead producer, and associated equity issue, announced separately today

Nick Clarke, Executive Chairman, commented:

"I am pleased to report another strong set of financial results, demonstrating that Kounrad continues to be a highly profitable and cash generative operation. Our copper price received for the period was approximately $0.34 per pound higher than that received in H1 2016, whilst our C1 cash cost increased by only $0.05 per pound, leading to an increased EBITDA margin for the period of 62%.

"The 6.5p dividend that we have today declared represents 24% of our gross revenue from Kounrad and is in line with our historic policy. Once this dividend is paid, we will have returned in excess of $100 million to our shareholders in dividends and share buy-backs since we commenced production at Kounrad in 2012.

"We are particularly proud of our achievements in terms of corporate social responsibility (CSR) and are pleased that our copper is produced safely, with no lost time injuries reported during the six month period, and with minimal impact to the environment in which we operate.

"We are delighted to have announced separately today our intended acquisition of Lynx Resources and we look forward to becoming the operators of the Sasa zinc-lead mine in the near future. The Board believes that this acquisition is an excellent fit for CAML as, like Kounrad, Sasa is a low cost operation that should enable us to continue to pay the sector leading dividends for which we have become known, whilst providing us with commodity, operational and geographical diversification."

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 Friday 22 September 2017 at the offices of Peel Hunt (Moor House, 120 London Wall, London EC2Y 5ET) and will be accompanied by a live conference call.

The accompanying presentation slides will be available on the Company's website: https://www.centralasiametals.com/investors/proposed-acquisition/ . The conference call can be accessed by dialling 0808 109 0700 (from the UK) or +44 20 3003 2666 (from all other locations) and quoting 'Central Asia Metals'.

Executive Chairman Review

The Board of CAML is pleased to declare an interim dividend of 6.5 pence per ordinary share, which represents 24% of Kounrad gross revenue for the reporting period and is in line with the stated policy. This is to be paid on 27 October 2017.

H1 2017 has been another period of solid production, broadly in line with that of H1 2016. However, the copper price has been much stronger during this period and the company has received an average copper price of $5,659 per tonne, 15% higher than that of H1 2016. This, coupled with 8% higher sales volumes, has led to a 25% increase in gross revenue during the six month period. With only a $0.05 per pound C1 cash cost increase, associated primarily with the commencement of production of the Western Dumps, Kounrad's production costs remain amongst the lowest in the world. The Kazakh Tenge, which weakened in August 2015, has remained broadly stable since and, importantly, there has been little in-country inflation encountered by the Company. This has meant that CAML's profitability has increased significantly.

In addition to the Company's strong financial performance, it is important to note that these results have been delivered with safety front of mind, and the team at Kounrad have now worked over 1.7 million man hours without recording a lost time injury.

Q2 2017 was an important period of transition, as the Kounrad team began irrigating the Western Dumps. By the end of the quarter, approximately 1,300 tonnes of copper had been recovered from this material. The leaching process has been in line with our expectations and test work and, in the month of June, copper production from the Western Dumps represented c.40% of total metal recovered.

During the winter period, the Shuak exploration team undertook desk studies reviewing all historic data and, in doing so, designed the 2017 exploration programme. Together with partners, Aksu-Esil, CAML has now commenced field based work, with a TEM-FAST electromagnetic geophysics survey nearing completion and geological mapping underway. A diamond drilling programme of approximately 4,700 metres has recently commenced, together with an initial 7,000 metre core hydrotransport (CHT) drilling campaign. In total, 22,000 metres of drilling are planned for 2017 at a cost of c.$1.8 million.

CAML does not intend to develop the Copper Bay project and, in August 2017, the Board made the decision to dispose of its holding in that company and will commence the sales process during Q4 2017.

Operating Review

Kounrad

Operations

CAML is pleased to report a period of strong operational performance at Kounrad, with copper cathode production for the first six months of 2017 broadly in line with that of 2016 at 7,027 tonnes. This ensures that the company is on course to achieve its full year production guidance of between 13,000 tonnes and 14,000 tonnes of copper cathode.

H1 2017 copper cathode sales of 6,870 tonnes represent an increase of 8% on H1 2016. The copper was sold predominantly through CAML's offtake partner, Traxys, and the technical quality of the copper cathode remains high at 99.998% and continues to meet the requirements of CAML's customers.

On the Eastern Dumps, the majority of leaching during H1 2017 was from Dump 5, with some additional leaching undertaken on Dump 7. As of 30 June 2017, CAML estimates that there is a further 19,500 tonnes of copper to be recovered from the Eastern Dumps during the next three years. The new sprinkling irrigation system, which has been designed to enable CAML to recover copper resources from within the slope areas of the dumps, became operational on Dump 9-10 in July 2017.

In April 2017, the Company began irrigating the Western Dumps. Leaching began on Dumps 16 and 22, in an area known as the Initial Leach Area ("ILA") and, by the end of the quarter, approximately 1,300 tonnes of copper had been recovered from this material. Copper recovery from the Western Dumps has been in line with expectations in terms of timing and copper grade within the pregnant leach solution ("PLS").

Utilisation of the SX-EW facility remains at high levels, with an average of 99.4% achieved during the reported period.

Corporate and Social Responsibility ("CSR")

In H1 2017, CAML recorded zero Lost Time Injuries ("LTI") with the total LTI free man hours worked exceeding 1.7 million by the end of the period. During the reporting period, CAML maintained a strong focus on health and safety with a wide variety of training courses for all employees and contractors as well as further development of its health and safety management systems, particularly for the new Western Dumps operation.

In conjunction with SRK Consulting, a further programme of environmental and hydrogeological site investigations commenced in H1 2017 focussing on the northern part of the Western Dumps, outside the ILA. The studies focussed on bedrock drilling programmes to determine the geological structure and groundwater flow horizons for leaching operations in the coming years. A number of boreholes will be drilled throughout 2017, and these will be utilised as long term monitoring boreholes.

Several routine state inspections relating to health and safety and environmental aspects of the operations were undertaken during the period, with the outcome being that CAML adheres to all relevant regulations at Kounrad.

The Company continues to actively engage with the local community, with the focus remaining on health and education, particularly with regards to children, and charitable organisations based in Kounrad and Balkhash.

Shuak

Throughout the winter, the team at Shuak has reviewed historic exploration work and available data ahead of commencing field based work in Q2 2017. Together with partners, Aksu-Esil, CAML has been undertaking geological mapping and is nearing completion of a TEM-FAST electromagnetic geophysics programme, which has been designed primarily to ascertain the depth and extent of the saprolite weathering horizon.

The 2017 diamond drilling programme of approximately 4,700 metres has recently commenced, together with an initial 7,000 metre core hydrotransport (CHT) drilling campaign, which is likely to be increased by another 10,000 metres this year. Priority areas for both work programmes are Mongol V and Mongol North. In total, 22,000 metres of drilling are planned for 2017, as well as some trenching of other target areas. During August 2017, CAML became the registered owner of the Shuak sub soil user contract.

The Company remains focused on the near surface copper oxide resource potential of the licence area, and believes that in the future it could be possible to develop another SX-EW style of processing operation at Shuak, similar to that at Kounrad. In addition, the company also intends to explore the primary copper porphyry target at depth.

Copper Bay

During the reported period, CAML undertook some additional engineering studies with the intention of improving the economics of the Copper Bay project. While some capital expenditure savings were identified and there is the potential to optimise the project further in the future, the Board decided that these findings were not sufficiently material to warrant developing Copper Bay in the near term. In August 2017, the CAML Board therefore made the decision to sell the project and, consequently, a sales process will commence during Q4 2017.

Financial Review

Overview

CAML has reported a strong set of financial results, with increased revenue and EBITDA compared to H1 2016 due to a combination of higher copper prices achieved and higher sales volumes. Continued cost control has enabled the Kounrad project to continue producing copper at costs well within the lowest industry quartile.

The Group generated H1 2017 EBITDA of $24.0 million (H1 2016: $17.4 million), representing an increase of 38% from the prior corresponding period, and an EBITDA margin of 62% (H1 2016: 56%).

Income statement

Group profit after tax from continuing operations increased by 42% to $15.0 million (H1 2016: $10.6 million), primarily as a result of higher revenue. Earnings per share from continuing operations increased to 13.50 cents (H1 2016: 9.57 cents).

Revenue

A total of 6,813 tonnes (H1 2016: 6,250 tonnes) of copper cathode from Kounrad were sold as part of the Company's off-take arrangements with Traxys and a further 57 tonnes (H1 2016: 105 tonnes) were sold locally. Total Kounrad copper sales were 6,870 tonnes (H1 2016: 6,355 tonnes), representing an 8% increase in volumes.

While copper cathode sales volumes have increased when compared to H1 2016, Group revenue also benefitted from a 15% increase in the average copper price received, which was $5,659 per tonne in H1 2017 (H1 2016: $4,903 per tonne). This generated gross revenue for the Group of $38.6 million (H1 2016: $30.9 million).

CAML's off-take arrangement with metals trader, Traxys, has been fixed through to 31 December 2018 and the commitment is for a minimum of 90% of the Kounrad copper cathode production. The Group reports both a gross revenue and a net revenue line, which reflects the offset of the off-takers fixed fee from the price of the copper achieved. During H1 2017 the fixed fee was $1.3 million (H1 2016: $1.2 million).

Cost of sales

Cost of sales for the period was $10.4 million (H1 2016: $8.3 million). The increase is due to higher sales volumes, higher depreciation charges following the completion of the Kounrad Stage 2 Expansion and higher mineral extraction tax ("MET"). Depreciation and amortisation charges during the period were $3.3 million (H1 2016: $2.2 million). MET for the period was $2.3 million (H1 2016: $1.8 million) and is charged by the Kazakhstan authorities at the rate of 5.7% on the value of metal recovered during the period.

During the period, the Kazakhstan Tenge appreciated slightly against the US Dollar which also resulted in some increase in the cost base. The average exchange rate for the period was 318 KZT/USD (H1 2016: 346 KZT/USD), resulting in the Kazakhstan Tenge being worth an average 9% more in US Dollar terms in H1 2017 compared to H1 2016. Approximately 60% of the total cost base in Kazakhstan is denominated in Tenge (70% of C1 cash costs).

C1 cash cost of production

C1 cash cost of production is a standard metric used in the copper mining industry to allow comparison across the sector. In line with the Wood Mackenzie approach, CAML calculates C1 by including all direct costs of production at Kounrad (reagents, power, production labour and materials) as well as local administrative expenses, and distribution and selling costs. Local taxes including MET and depreciation and amortisation charges are excluded from C1 and reported within the fully inclusive unit cost of production.

Kounrad's C1 cash cost of production remains firmly in the lowest quartile of the industry cost curve for copper production at $0.45 per pound (H1 2016: $0.40 per pound). Production from the Western Dumps commenced in April 2017 and this resulted in slightly higher electricity consumption and additional labour costs to manage the Western Dumps operations during the period. Over the coming years, the proportion of copper that Kounrad produces from the Eastern Dumps will fall as production from the Western Dumps gradually increases. This will result in slightly higher electricity consumption and additional labour to manage the Western Dumps operations.

The Group's fully inclusive unit cost for the period was $1.08 per pound (H1 2016: $0.97 per pound). This includes depreciation and amortisation charges, local taxes including MET and corporate overheads associated with the Kounrad project. The 11% increase in the fully inclusive unit cost is due to the increased C1 cash cost, higher depreciation and amortisation charges, and larger MET obligations as explained above.

Administrative expenses

During the period, administrative expenses were $6.1 million (H1 2016: $5.9 million). The Group recognised a share based payment charge of $1.2 million (H1 2016: $1.4 million) in relation to the Company's Share Option Schemes.

Discontinued operations

In December 2016, CAML Mongolia BV signed an agreement with a third party to sell its entire interest in Monresources LLC for a cash consideration of $100 with deferred consideration dependent on the outcome of future events. Confirmation of the transfer of shares to the third party was received in February 2017. Following unsuccessful attempts to dispose of the Ereen project, CAML has taken the decision to exit its position in Zuunmod UUL LLC. It is envisaged that this process will be completed by the end of 2017. The Group continues to hold for sale the assets it owns in Mongolia in this financial period although these assets were fully written off in prior periods.

Balance sheet

During the period, there were additions to property, plant and equipment of $1.2 million (H1 2016: $9.6 million). The additions were a combination of Kounrad sustaining capital expenditure as well as costs incurred to finalise the commissioning of the Kounrad Stage 2 Expansion at the Western Dumps. Capital expenditure is significantly reduced from the prior period due to finalisation of the Stage 2 Expansion in early 2017. This expansion was completed approximately 30% below the original $19.5 million budget, due to a combination of cost savings associated with the weaker local currency and engineering efficiencies.

A further $0.4 million (H1 2016: $0.8 million) was capitalised in relation to exploration and evaluation costs incurred on the Copper Bay project.

As at 30 June 2017, current trade and other receivables were $1.0 million (31 December 2016: $0.9 million) and non-current trade and other receivables were $2.7 million (31 December 2016: $2.7 million).

During the period, the Kazakhstan authorities refunded to CAML $0.5 million of outstanding VAT. As at 30 June 2017, a total of $2.7 million (31 December 2016: $2.8 million) of VAT receivable was still owed to the Group. A further amount of $0.1 million was refunded in July 2017 and has been classified as a current receivable as at 30 June 2017. The Group is working closely with its advisors to recover the remaining VAT, a portion of which will be recovered through local sales of copper cathode to effectively offset VAT liabilities.

As at 30 June 2017, current trade and other payables were $4.8 million (31 December 2016: $6.0 million) and the Group has no debt.

The Group had cash of $41.7 million on 30 June 2017 (31 December 2016: $40.4 million).

Cash flows

The continued strong operational performance of the Kounrad project and the associated low costs of production resulted in robust cash flows for the Group during the period, with cash generated from operations increasing to $17.4 million (H1 2016: $13.8 million). During the period, $13.5 million (H1 2016: $12.5 million) was returned to shareholders as dividends.

$5.8 million of Kazakhstan corporate income tax was paid during the period (H1 2016: $3.6 million). Payments made during H1 2017 included $4.8 million towards the 2017 corporate income tax liability and $1.0 million of 2016 corporate income tax paid in April 2017.

Importantly, after completing the Stage 2 Expansion capital expenditure programme, CAML has no additional major capital programmes at Kounrad, with only annual sustaining capital expenditure at a cost of approximately $2.0 million expected going forward.

Dividend

The Company's current dividend policy is that it will return a minimum of 20% of the gross revenues generated from the Kounrad project to shareholders.

The CAML Board has declared an interim dividend for the period of 6.5 pence per ordinary share. The interim dividend equates to approximately 24% of the gross revenue for the period and will be payable on 27 October 2017 to shareholders registered on 6 October 2017.

Directors' Responsibility Statement

The Directors confirm that, to the best of their knowledge, the condensed consolidated interim financial information has been prepared in accordance with IAS 34 as adopted by the European Union.

On behalf of the Board

Nigel Robinson
Chief Financial Officer

Independent review report to Central Asia Metals plc

Report on the Interim Results for the six months ended 30 June 2017

Our conclusion

We have reviewed Central Asia Metals plc's Interim Results for the Six months Ended June 2017 (the "interim financial statements") in the half-yearly report of Central Asia Metals plc for the 6 month period ended 30 June 2017. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the AIM Rules for Companies.

What we have reviewed

The interim financial statements comprise:

- the condensed interim balance sheet as at 30 June 2017;
- the condensed interim income statement and condensed statement of comprehensive income for the period then ended;
- the condensed interim statement of cash flows for the period then ended;
- the condensed interim statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the half-yearly report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the AIM Rules for Companies.

As disclosed in the notes to the interim financial statements, the financial reporting framework that has been applied in the preparation of the interim financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The half-yearly report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly report in accordance with the AIM Rules for Companies which require that the financial information must be presented and prepared in a form consistent with that which will be adopted in the company's annual financial statements.

Our responsibility is to express a conclusion on the interim financial statements in the half-yearly report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the AIM Rules for Companies and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the half-yearly report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
London

22 September 2017

a) The maintenance and integrity of the Central Asia Metals plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim financial statements since they were initially presented on the website.

b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CONDENSED INTERIM INCOME STATEMENT (unaudited)
for the six months period ended 30 June 2017

	Note	Six months ended 30-Jun-17 $'000	30-Jun-16 $'000
Continuing operations			
Revenue		**37,320**	29,728
Presented as:			
Gross revenue		**38,580**	30,884
Less: off-take buyer's fees		**(1,260)**	(1,156)
Revenue		**37,320**	29,728
Cost of sales		**(10,374)**	(8,309)
Gross profit		**26,946**	21,419
Distribution and selling costs		**(140)**	(341)
Administrative expenses		**(6,140)**	(5,911)
Other income		**106**	72
Foreign exchange rate loss		**(342)**	(246)
Operating profit		**20,430**	14,993
Finance income		**80**	39
Finance costs		**(92)**	(71)
Profit before income tax		**20,418**	14,961
Income tax	6	**(5,411)**	(4,331)
Profit for the period from continuing operations		**15,007**	10,630
Discontinued operations			
Profit/(loss) for the period from discontinued operations		**80**	(77)
Profit for the period		**15,087**	10,553
Profit attributable to:			
- Non-controlling interests		**(49)**	(46)
- Owners of the parent		**15,136**	10,599
	5	**15,087**	10,553

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
Basic earnings/(loss) per share			
From continuing operations	7	**13.50**	9.57
From discontinued operations		**0.07**	(0.07)
From profit for the period		**13.57**	9.50
Diluted earnings/(loss) per share			
From continuing operations	7	**13.14**	9.35
From discontinued operations		**0.07**	(0.07)
From profit for the period		**13.21**	9.28

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (unaudited)
for the six months period ended 30 June 2017

	Six months ended	
	30-Jun-17	30-Jun-16
	$'000	$'000
Profit for the period	**15,087**	10,553
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences	**3,443**	405
Other comprehensive income for the period, net of tax	**3,443**	405
Total comprehensive income for the period	**18,530**	10,958
Attributable to:		
- Non-controlling interests	**(49)**	(46)
- Owners of the parents	**18,579**	11,004
Total comprehensive income for the period	**18,530**	10,958
Total comprehensive income/(expense) attributable to equity shareholders arises from:		
- Continuing operations	**18,450**	11,035
- Discontinued operations	**80**	(77)
	18,530	10,958

CONDENSED INTERIM BALANCE SHEET
as at 30 June 2017

	Note	**Unaudited 30-Jun-17 $'000**	Audited 31-Dec-16 $'000	Unaudited 30-Jun-16 $'000
Assets				
Non-current assets				
Property, plant and equipment	8	**50,361**	50,324	49,145
Intangible assets	9	**41,761**	40,759	40,178
Other non-current receivables	11	**2,653**	2,738	2,127
		94,775	93,821	91,450
Current assets				
Inventories	10	**4,406**	3,319	4,110
Trade and other receivables	11	**975**	919	3,131
Restricted cash		**122**	118	94
Cash and cash equivalents		**41,580**	40,258	30,107
		47,083	44,614	37,442
Assets of the disposal group classified as held for sale		**-**	45	72
		47,083	44,659	37,514
Total assets		**141,858**	138,480	128,964
Equity attributable to owners of the parent				
Ordinary shares		**1,121**	1,121	1,121
Treasury shares		**(7,780)**	(7,780)	(7,810)
Currency translation reserve		**(83,992)**	(87,435)	(88,064)
Retained earnings:				
At 1 January		**215,479**	209,120	209,120
Profit for the period attributable to the owners		**15,136**	26,270	10,599
Other changes in retained earnings		**(13,602)**	(19,911)	(13,479)
		217,013	215,479	206,240
		126,362	121,385	111,487
Non-controlling interests		**42**	91	218
Total equity		**126,404**	121,476	111,705
Liabilities				
Non-current liabilities				
Deferred income tax liability	12	**8,661**	8,541	10,258
Provision for other liabilities and charges		**2,023**	2,087	2,398
		10,684	10,628	12,656
Current liabilities				
Trade and other payables		**4,770**	6,020	4,166
		4,770	6,020	4,166
Liabilities of disposal group classified as held for sale		**-**	356	437
		4,770	6,376	4,603
Total liabilities		**15,454**	17,004	17,259
Total equity and liabilities		**141,858**	138,480	128,964

CONDENSED INTERIM STATEMENT OF CHANGES OF EQUITY (unaudited)
for the six months period ended 30 June 2017

	Ordinary Shares	Treasury Shares	Currency translation reserve	Retained Earnings	Total	Non-controlling interest	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 31 December 2016	**1,121**	**(7,780)**	**(87,435)**	**215,479**	**121,385**	**91**	**121,476**
Profit/(loss) for the period	-	-	-	15,136	15,136	(49)	15,087
Other comprehensive income – currency translation differences	-	-	3,443	-	3,443	-	3,443
Total comprehensive income	**-**	**-**	**3,443**	**15,136**	**18,579**	**(49)**	**18,530**
Transactions with owners							
Share based payments	-	-	-	1,235	1,235	-	1,235
Disposal of Monresources LLC	-	-	-	161	161	-	161
Exercise of options	-	-	-	(1,492)	(1,492)	-	(1,492)
Dividends	-	-	-	(13,506)	(13,506)	-	(13,506)
Total transactions with owners, recognised directly in equity	**-**	**-**	**-**	**(13,602)**	**(13,602)**	**-**	**(13,602)**
At 30 June 2017	**1,121**	**(7,780)**	**(83,992)**	**217,013**	**126,362**	**42**	**126,404**

	Ordinary Shares	Treasury Shares	Currency translation reserve	Retained Earnings	Total	Non-controlling interest	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 31 December 2015	**1,121**	**(7,810)**	**(88,469)**	**209,120**	**113,962**	**264**	**114,226**
Profit/(loss) for the period	-	-	-	10,599	10,599	(46)	10,553
Other comprehensive income – currency translation differences	-	-	405	-	405	-	405
Total comprehensive income	**-**	**-**	**405**	**10,599**	**11,004**	**(46)**	**10,958**
Transactions with owners							
Share based payments	-	-	-	1,392	1,392	-	1,392
Exercise of options	-	-	-	(2,349)	(2,349)	-	(2,349)
Dividends	-	-	-	(12,522)	(12,522)	-	(12,522)
Total transactions with owners, recognised directly in equity	**-**	**-**	**-**	**(13,479)**	**(13,479)**	**-**	**(13,479)**
At 30 June 2016	**1,121**	**(7,810)**	**(88,064)**	**206,240**	**111,487**	**218**	**111,705**

CONDENSED INTERIM STATEMENT OF CASH FLOWS (unaudited)
for the six months period ended 30 June 2017

		Six months ended	
		30-Jun-17	30-Jun-16
	Note	**$'000**	$'000
Cash flows from operating activities			
Cash generated from operations	13	**23,122**	17,395
Corporate income tax paid		**(5,765)**	(3,602)
Interest paid		**(4)**	(2)
Net cash generated from operating activities		**17,353**	13,791
Cash flows from investing activities			
Purchases of property, plant and equipment	8	**(1,177)**	(9,596)
Purchase of intangible assets	9	**(447)**	(780)
Proceeds from sale of property, plant and equipment		**76**	-
Interest received		**80**	39
Restricted cash (increase)/ decrease		**(4)**	400
Net cash used in investing activities		**(1,472)**	(9,937)
Cash flows from financing activities			
Dividend paid to owners of the parent		**(13,506)**	(12,522)
Settlement on exercise of share options		**(1,492)**	(2,349)
Net cash used in financing activity		**(14,998)**	(14,871)
Effect of foreign exchange gains/(losses) on cash and cash equivalents		**440**	(390)
Net increase/(decrease) in cash and cash equivalents		**1,323**	(11,407)
Cash and cash equivalents at 1 January		**40,258**	41,524
Cash and cash equivalents at 30 June		**41,581**	30,117

Cash and cash equivalents at 30 June 2017 includes cash at bank on hand included in assets held for sale of nil (30 June 2016: $10,000).

NOTES TO THE INTERIM FINANCIAL INFORMATION
For the six months period ended 30 June 2017

1. General information

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

The Group's principal business activity is the production of copper cathode at its Kounrad operations in Kazakhstan. The Group also owns a 75% shareholding in the Copper Bay tailings project in Chile. During the period, the Group also held for sale two exploration projects in Mongolia and in February 2017 the Group disposed of its interest in one of the projects.

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 2017 and was approved by the Directors for issue on 7 September 2017. These condensed interim financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2016 were approved by the board of directors on 4 April 2017 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

These condensed interim financial statements have been reviewed, not audited.

2. Basis of preparation

The condensed interim financial information for the six months ended 30 June 2017 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 2016, 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 2016.

Going concern
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 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 2016.

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 mining project perspective.

The Group has business segments consisting of an SX-EW copper plant at Kounrad in Kazakhstan, the Shuak exploration project in Kazakhstan and the Copper Bay exploration project in Chile. 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.

The segments results for the period ended 30 June 2017 are as follows:

Unaudited

	Shuak	Kounrad	Copper Bay	Unallocated	Total
	$'000	$'000	$'000	$'000	$'000
Gross revenue	-	38,580		-	38,580
Off-take buyers' fees	-	(1,260)		-	(1,260)
Revenue	-	37,320		-	37,320
Kounrad EBITDA	-	29,323	-	-	29,323
Shuak administrative expenses	(96)	-	-	-	(96)
Copper Bay administrative expenses	-	-	(328)	-	(328)
Unallocated costs including corporate	-	-	-	(4,897)	(4,897)
Group continuing operations EBITDA	(96)	29,323	(328)	(4,897)	24,002
Depreciation and amortisation	-	(3,273)	-	(63)	(3,336)
Foreign exchange rate (loss)/gain	(3)	(251)	31	(119)	(342)
Other income	-	106	-	-	106
Finance income	-	4	-	76	80
Finance costs	(2)	(88)	-	(2)	(92)
Profit before income tax	(101)	25,821	(297)	(5,005)	20,418
Income tax					(5,411)
Profit for the period after taxation from continuing operations					15,007
Profit from discontinued operations					80
Profit for the period					15,087

CAML signed the framework agreement to acquire the Shuak copper-gold exploration project in November 2016 and the comparative segmental results for the six month period ended 30 June 2016 do not include the results of the Shuak project. The segments results for the period ended 30 June 2016 are as follows:

				Unaudited
	Kounrad	Copper Bay	Unallocated	Total
	$'000	$'000	$'000	$'000
Gross revenue	30,884	-	-	30,884
Off-take buyers' fees	(1,156)	-	-	(1,156)
Revenue	29,728	-	-	29,728
Kounrad EBITDA	22,168	-	-	22,168
Copper Bay administrative expenses	-	(449)	-	(449)
Unallocated costs including corporate	-	-	(4,303)	(4,303)
Group continuing operations EBITDA	22,168	(449)	(4,303)	17,416
Depreciation and amortisation	(2,207)	-	(42)	(2,249)
Foreign exchange rate gain/(loss)	31	62	(339)	(246)
Other income	72	-	-	72
Finance income	5	-	34	39
Finance costs	(71)	-	-	(71)
Profit before income tax	19,998	(387)	(4,650)	14,961
Income tax	(4,331)	-	-	(4,331)
Profit for the period after taxation from continuing operations	15,667	(387)	(4,650)	10,630
Loss from discontinued operations				(77)
Profit for the period				10,553

Group segmental assets and liabilities for the six months ended 30 June 2017 are as follows:

	Segmental Assets		Segmental Liabilities	
	30-Jun-17	31-Dec-16	**30-Jun-17**	31-Dec-16
	$'000	$'000	**$'000**	$'000
Shuak	**305**	-	**(30)**	-
Kounrad	**97,554**	98,275	**(13,551)**	(13,700)
Copper Bay	**4,539**	4,766	**(164)**	(259)
Assets held for sale	**-**	45	**-**	(356)
Unallocated including corporate	**39,460**	35,394	**(1,709)**	(2,689)
Total	**141,858**	138,480	**(15,454)**	(17,004)

6. Income tax

	Six months ended	
	30-Jun-17	30-Jun-16
	$'000	$'000
Current tax on profits for the year	**5,608**	4,331
Deferred tax credit (note 12)	**(197)**	-
Income tax expense	**5,411**	4,331

Corporate income tax is calculated at 19.5% (H1 2016: 20%) of the assessable profit for the year for the UK parent company and 20% for the operating subsidiaries in Kazakhstan (H1 2016: 20%).

Deferred tax assets have not been recognised on tax losses primarily at the parent company and Copper Bay subsidiaries as it remains uncertain whether these entities will have sufficient taxable profits in the future to utilise these losses.

7. 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 period excluding Ordinary Shares purchased by the Company and held as treasury shares.

(a) Basic

	Six months ended	
	30-Jun-17	30-Jun-16
	$'000	$'000
Profit from continuing operations attributable to owners of the parent	**15,056**	10,676
Profit/(loss) from discontinued operations attributable to owners of the parent	**80**	(77)
Total	**15,136**	10,599
Weighted average number of Ordinary Shares in issue	**111,558,091**	111,558,091
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	**13.50**	9.57
From discontinued operations	**0.07**	(0.07)
From profit for the period	**13.57**	9.50

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.

(b) Diluted

	Six months ended	
	30-Jun-17	30-Jun-16
	$'000	$'000
Profit from continuing operations attributable to owners of the parent	**15,056**	10,676
Profit/(loss) from discontinued operations attributable to owners of the parent	**80**	(77)
Total	**15,136**	10,599
Weighted average number of ordinary shares in issue	**111,558,091**	111,558,091
Adjusted for:		
- Share Options	**3,033,290**	2,643,025
Weighted average number of ordinary shares for diluted earnings per share	**114,591,381**	114,201,116
Diluted earnings per share	**$ cents**	$ cents
From continuing operations	**13.14**	9.35
From discontinued operations	**0.07**	(0.07)
From profit for the period	**13.21**	9.28

8. Property, plant and equipment

	Construction in progress	Plant and equipment	Mining assets	Motor vehicles and office equipment	Total
Group	$'000	$'000	$'000	$'000	$'000
Cost					
At 1 January 2016	**2,003**	**49,408**	**1,601**	**1,301**	**54,313**
Additions	11,572	557	-	202	12,331
Disposals	-	(246)	-	(3)	(249)
Change in estimate – asset retirement obligation	-	(22)	-	-	(22)
Transfers	(10,443)	10,427	-	16	-
Exchange differences	67	985	30	26	1,108
At 31 December 2016	**3,199**	**61,109**	**1,631**	**1,542**	**67,481**
Additions	1,030	22	-	125	1,177
Disposals	-	(104)	-	(21)	(125)
Change in estimate – asset retirement obligation	-	(230)	-	-	(230)
Transfers	(2,331)	2,310	-	21	-
Exchange differences	137	1,812	60	50	2,059
At 30 June 2017	**2,035**	**64,919**	**1,691**	**1,717**	**70,362**
Accumulated depreciation					
At 1 January 2016	**-**	**12,953**	**62**	**498**	**13,513**
Provided during the year	-	3,445	38	155	3,638
Disposals	-	(246)	-	(3)	(249)
Exchange differences	-	213	-	42	255
At 31 December 2016	**-**	**16,365**	**100**	**692**	**17,157**
Provided during the period	-	2,476	20	90	2,586
Disposals	-	(102)	-	(18)	(120)
Exchange differences	-	356	4	18	378
At 30 June 2017	**-**	**19,095**	**124**	**782**	**20,001**
Net book value at 31 December 2016	3,199	44,744	1,531	850	50,324
Net book value at 30 June 2017	**2,035**	**45,824**	**1,567**	**935**	**50,361**

The reduction in estimate in relation to the asset retirement obligation of $230,000 (2016: $22,000) is due to a combination of adjusting the provision recognised at the net present value of future expected costs using an inflation rate of 5.56% (2016: 6.02%) and discount rate of 8.07% (2016: 8.07%) representing the risk-free rate (pre-tax) for Kazakhstan 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 and the estimated useful life of mine to 2034.

9. Intangible assets

Group	Goodwill	Exploration and evaluation costs	Mining licences and permits	Computer software	Total
	$'000	$'000	$'000	$'000	$'000
Cost					
At 1 January 2016	**10,106**	**2,039**	**30,631**	**38**	**42,814**
Additions	-	1,561	14	19	1,594
Exchange differences	187	-	306	1	494
At 31 December 2016	**10,293**	**3,600**	**30,951**	**58**	**44,902**
Additions	-	438	-	9	447
Exchange differences	379	-	1,083	-	1,462
At 30 June 2017	**10,672**	**4,038**	**32,034**	**67**	**46,811**
Accumulated amortisation					
At 1 January 2016	**-**	**-**	**2,524**	**23**	**2,547**
Provided during the year	-	-	1,554	9	1,563
Exchange differences	-		30	3	33
At 31 December 2016	**-**	**-**	**4,108**	**35**	**4,143**
Provided during the period	-	-	823	2	825
Exchange differences	-	-	82	-	82
At 30 June 2017	**-**	**-**	**5,013**	**37**	**5,050**
Net book value at 31 December 2016	10,293	3,600	26,843	23	40,759
Net book value at 30 June 2017	**10,672**	**4,038**	**27,021**	**30**	**41,761**

Copper Bay project

The Group has reviewed the indicators for impairment under IFRS 6 Exploration and Evaluation of Mineral Resources and has not identified any indicators of impairment.

10. Inventories

	30-Jun-17	31 Dec 16
	$'000	$'000
Raw materials	**3,781**	2,962
Finished goods	**625**	357
	4,406	3,319

11. Trade and other receivables

	30-Jun-17	31-Dec-16
Current receivables	**$'000**	$'000
Trade receivables	**22**	-
Prepayments	**443**	347
VAT receivable	**357**	548
Other receivable	**153**	24
	975	919
Non-current receivables		
Prepayments	**73**	368
VAT receivable	**2,580**	2,370
	2,653	2,738

As at 30 June 2017, the total Group VAT receivable was $2,937,000 (31 December 2016: $2,918,000) which included an amount of $2,725,000 (31 December 2016: $2,838,000) of VAT owed to the Group by the Kazakhstan authorities. During the six month period ended 30 June 2017, the authorities refunded $545,000 and a further amount of $145,000 was refunded from the authorities in July 2017 and has been classified as current trade and other receivables as at 30 June 2017. The Group is working closely with its advisors to recover the remaining VAT, a portion of which will be recovered through local sales of copper cathode to effectively offset VAT liabilities.

12. Deferred income tax liability

The movements in the Group's deferred tax assets and liabilities which are expected to be recovered or settled more than 12 months after the reporting period are as follows:

	At 1 January 2017 $'000	Currency translation differences $'000	Credit to income statement $'000	At 30 June 2017 $'000
Other timing differences	(82)	-	-	(82)
Deferred tax liability on fair value adjustment on Kounrad Transaction	(8,459)	(317)	197	(8,579)
Deferred tax liability, net	**(8,541)**	**(317)**	**197**	**(8,661)**

A taxable temporary difference arose as a result of the Kounrad Transaction, 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 this taxable temporary difference has been reduced by $197,000 to reflect the tax consequences of depreciating and amortising the recognised fair values of the assets during the period.

	At 1 January 2016 $'000	Currency translation differences $'000	Credit to income statement $'000	At 30 June 2016 $'000
Other timing differences	(134)	(18)	-	(152)
Deferred tax liability on fair value adjustment on Kounrad Transaction	(10,106)	-	-	(10,106)
Deferred tax liability, net	(10,240)	(18)	-	(10,258)

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.

13. Cash generated from operations

	Six months ended	
	30-Jun-17	30-Jun-16
	$'000	$'000
Profit before income tax including discontinued operations	**20,498**	14,884
Adjustments for:		
Depreciation	**2,511**	1,361
Amortisation	**825**	888
Gain on disposal of property, plant and equipment	**(71)**	-
Foreign exchange loss	**373**	246
Share based payments	**1,235**	1,392
Finance income	**(80)**	(39)
Finance costs	**92**	71
Charges in working capital:		
Inventories	**(1,085)**	(1,079)
Trade and other receivables	**41**	1,640
Trade and other payables	**(1,217)**	(1,969)
Cash generated from operations	**23,122**	17,395

14. Commitments

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

	30-Jun-17	30-Jun-16
	$'000	$'000
Property, plant and equipment	**-**	309
Other	**283**	1,269
Total	**283**	1,578

The reduction in commitments from the prior period is due to the completion of the Kounrad Stage 2 Expansion.

15. Dividend per share

An interim dividend of 6.5 pence per ordinary share (2016: 5.5 pence per share) was declared by the CAML Board on 22 September 2017.

16. Related party transactions

During the six month period ended 30 June 2017, the Group had no transactions with related parties with the exception of the Company's subsidiaries.

Mr Kenges Rakishev 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, Kenges Rakishev is considered a related party in any dealings he has with the Group. As part of the obligations on Kenges Rakishev for completing the Kounrad Transaction, he signed a relationship agreement with CAML setting out the terms of the relationship between himself and the Group.

In June 2017, Kenges Rakishev sold his 86.09% interest in JSC Kazkommertsbank (“KKB”) to JSC Halyk Bank and resigned as Chairman of KKB in July 2017. The Group uses the facilities of KKB and JSC Halyk Bank within Kazakhstan for its normal day-to-day banking.

Kenges Rakishev is a Director of JSC Insurance Company. The Group incurs insurance premiums with JSC Insurance Company and has made an insurance claim under which a syndicate of insurers, including JSC Insurance Company, have a potential liability.

During the period, the Group paid consultancy fees of $37,500 to Nurlan Zhakupov, a Non-Executive Director of the company, under a consultancy agreement in terms of which Mr Zhakupov provides services over and above his normal duties.

17. Events after the reporting period

Kazakhstan VAT recoverability

As at 30 June 2017 a total of $2,725,000 (31 December 2016: $2,838,000) of VAT receivable was still owed to the Group by the Kazakhstan authorities. A portion of this amount totalling $145,000 was refunded from the authorities in July 2017 and has been classified as current trade and other receivables as at 30 June 2017.

Shuak project

During August 2017, CAML became the registered owner of the Shuak sub soil user contract.

Copper Bay project

Given that CAML does not intend to develop the Copper Bay project in current market conditions, in August 2017, the CAML Board made the decision to dispose of its holding in that company and will commence the sales process during Q4 2017.

Project Lion

Acquisition of Lynx Resources, a Macedonian zinc and lead producer, and associated equity issue, announced separately today.