

# Centamin PLC Announces Q3 2021 Report

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PERTH, October 19, 2021 - [Centamin Plc](#) ("Centamin", "Group" or "the Company") (LSE:CEY)(TSX:CEE)

QUARTERLY REPORT  
for the three months ended 30 September 2021

MARTIN HORGAN, CEO, commented: "This quarter marked another period of solid operational delivery. We entered the final quarter in a good position and remain firmly on track to meet our stated guidance for 2021. As outlined at the recent Geology capital markets event, the Company has been busy progressing several growth projects at the same time as delivering the Sukari operational reset. Centamin continues to generate positive free cash flow whilst delivering increased investment into key capital projects, underpinning the long-term sustainability of Sukari. Further to this, we very much look forward to updating the market on the results of our Sukari Life of Asset optimisation work, which we expect to announce on Wednesday the 1<sup>st</sup> of December."

## HIGHLIGHTS

### Solid operational performance

- Gold production for the third quarter ("Q3") was slightly ahead of schedule at 103,546 ounces ("oz"), bringing production for the nine months of the year ("YTD") to 307,821 oz, and the Company remains on track to achieve 2021 production guidance
- Revenue generated of US\$182.9 million from gold sales of 103,514 oz at an average realised gold price of US\$1,764/oz sold
- Cash costs of US\$846/oz produced (YTD: US\$ 820/oz) and all-in sustaining costs ("AISC") of US\$1,266/oz sold (YTD: US\$1,197/oz), and the Company remains on track to achieve 2021 cost guidance
- Adjusted Group free cash flow of US\$6.9 million (YTD: US\$23.8m) was ahead of budget reflecting stronger gold price partially offset by increased mining costs driven by more open pit material mined
- Growth capital projects progressed on schedule with US\$67.6 million of capital expenditure ("capex") (YTD: US\$146.9m)
- Egyptian exploration bid round terms signed and finalised, securing c.3,000km<sup>2</sup> of highly prospective greenfield landholding within the Eastern Desert of the Egyptian Arabian Nubian Shield
- Strong balance sheet with no debt, no hedging and cash and liquid assets of US\$256.1 million, as at 30 September 2021, after US\$46.1 million interim dividend distribution on 30 September 2021
- Full COVID-19 protocols remain in place and operations, supply chains and gold shipments have not been materially impacted.

## OUTLOOK

### On track to meet full year 2021 guidance

- Gold production guidance maintained: 400,000 to 430,000 oz, targeting the midpoint of 415,000 ounces
- Cost guidance maintained: cash costs of US\$800-900/oz produced and AISC of US\$1,150-1,250/oz sold, targeting the lower half of both the guidance ranges
- Capex guidance maintained: US\$225 million, with a 65% spend in H2 (previously 55%) due to timing adjustments to the payment schedule
- Exploration expenditure guidance maintained at US\$17 million
- The Company will publish updated Sukari Mineral Reserve and Resource statements and the results of the Sukari Life of Asset (Phase 2) optimisation work programme on Wednesday 1 December 2021.

## WEBCAST AND CONFERENCE CALL

The Company will host a webcast and conference call today, Tuesday, 19 October at 08.30 BST to discuss the results, followed by an opportunity to ask questions.

Webcast link: <https://www.investis-live.com/centamin/6156f486e7d5c90c00312729/iewlw>

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## RESULTS SUMMARY

	QoQ comparative			YoY comparative		
	Q3 2021	Q2 2021	%	Q3 2020	%	YTD 2021
<b>OPEN PIT</b>						
Total material mined (kt)	31,656	25,585	24%	17,682	79%	79,824
Ore mined (kt)	2,915	3,031	(4%)	3,805	(23%)	9,708
Ore grade mined (g/t Au)	1.02	0.76	34%	1.01	1%	0.84
Ore grade milled (g/t Au)	1.05	0.87	21%	1.28	(18%)	0.94
<b>UNDERGROUND</b>						
Ore mined (kt)	201	223	(10%)	139	45%	594
Ore grade mined (g/t Au)	4.47	4.67	(4%)	5.38	(17%)	4.94
<b>PROCESSING</b>						
Ore processed (kt)	2,885	2,804	3%	2,931	(2%)	8,706
Feed grade (g/t Au)	1.29	1.18	10%	1.48	(13%)	1.21
Gold recovery (%)	88.7	89.3	(1%)	87.4	2%	89.1
Gold production (oz)	103,546	100,228	3%	128,240	(19%)	307,821
<b>COST &amp; SALES</b>						
Gold sold (oz)	103,514	97,229	6%	118,617	(13%)	307,316
Cash costs (US\$/oz produced)	846	883	(4%)	682	24%	820
AISC (US\$/oz sold)	1,266	1,232	3%	961	32%	1,197
Realised gold price (US\$/oz)	1,764	1,822	(3%)	1,933	(9%)	1,787
Revenue (US\$m)	182.9	177.5	3%	229.6	(20%)	550.3
CAPEX (US\$m)	67.6	41.6	63%	38.7	75%	146.9
Free Cash Flow (US\$m)	6.9	6.9	0%	36.3	(81%)	23.8

FOR MORE INFORMATION please visit the website [www.centamin.com](http://www.centamin.com) or contact:

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### HEALTH AND SAFETY

Operational safety remains a focus throughout the Group in creating a safe work environment which supports a healthy and productive workforce. In Q3, there were zero lost time injuries ("LTI") (YTD: four) therefore resulting in a lost time injury frequency rate ("LTIFR") of zero (YTD: 0.51 per 1,000,000 site-based hours worked). The total recordable injury frequency rate ("TRIFR") for Q3 was 3.84 per one million site-based hours worked (YTD: 3.60). Both lagging indicators are better than targeted for the year.

In Q3, Centamin experienced no material production, sales or supply chain disruptions due to COVID-19 at Sukari or the exploration projects in West Africa. Full COVID-19 protocols remain in place.

### PRODUCTION

(Q3 2021 vs Q2 2021)

Sukari gold production for the quarter was 103,546 oz, a 3% improvement QoQ and slightly ahead of budget. Year-to-date gold production for the first nine months of the year was 307,821 oz and remains on track to meet 2021 guidance.

#### Open Pit Mining

Record quarterly total material moved (waste + ore) of 31.7Mt (YTD: 79.8Mt), a 24% increase QoQ, driven by improved operating efficiencies and productivities leading to continued owner-operator fleet outperformance and contract-mining reaching capacity run rate ahead of schedule.

Open pit ore mining in Q3 continued to focus on the Stage 5 North and Stage 4 West areas. Total open pit ore mined for the quarter was 2.9Mt (YTD: 9.7Mt), a 4% reduction QoQ, at an average mined grade of 1.02 grams of gold per tonne ("g/t Au") (YTD: 0.84 g/t Au), a 34% improvement QoQ driven by scheduled higher grades delivered from Stage 4 West.

Record total open pit waste material mined for the quarter was 28.7Mt (YTD: 70.1Mt), a 27% increase QoQ, driven by the continued ramp up of the open pit waste-stripping programme. The owner-operated fleet moved 20.3Mt and the contract-miner moved 8.4Mt of waste material. The strip ratio for the quarter was 9.9:1 (waste:ore) (YTD: 7.2:1). Collectively, year to date, the owner operator and contractor have outperformed the schedule by 17%.

#### Underground Mining

Total material mined (waste + ore) of 301kt (YTD: 871kt), a 4% reduction QoQ.

Total ore mined was 201kt (YTD: 594kt) at an average combined (stopping and development) grade of 4.47g/t Au (YTD: 4.94 g/t). In line with the mine plan, this represented a 10% reduction in ore tonnes QoQ and a 4% reduction in grade QoQ.

The underground ore split was 138kt of ore mined from stopes, at an average grade of 4.69g/t Au, and 63kt of ore mined from development, at an average grade of 4.00g/t Au.

The Sukari underground mining tender process progressed well during the quarter. The independently run process has reached the evaluation phase, including assessing several competitive contractor proposals and a cost and risk benefit analysis of both contract-mining versus owner-operator mining the underground operations.

### Processing

The plant processed 2.9Mt of ore (YTD: 8.7Mt), a 3% increase QoQ, at an average feed grade of 1.29g/t Au (YTD: 1.21 g/t), a 10% improvement QoQ. There were several planned maintenance projects completed during the quarter, including mill relining and polyurethane coating spray.

The metallurgical gold recovery rate was 88.7% for the quarter (YTD:89.1%), less than a 1% reduction QoQ.

During the quarter, the low-grade stockpiles increased from 18.8Mt to 18.9Mt at 0.46g/t Au.

### CAPITAL PROJECTS

Total capex in Q3 was US\$67.6 million (YTD: US\$146.9m), which was an 63% increase QoQ and in line with full year budget. Sukari capital projects progressed well including the second tailings storage facility ("TSF2"), solar plant construction, equipment rebuild programme, development of the underground paste-fill plant and processing plant optimisation work.

### SALES AND COSTS

Gold sales for the quarter were in line with budget at 103,514oz (YTD: 307,316 oz), a 6% improvement QoQ. The average realised gold price for the quarter was US\$1,764/oz (YTD: US\$1,787/oz), down 3% QoQ. Revenues generated of US\$182.9 million (YTD: US\$550.3m), increased by 3% QoQ, driven by higher gold sales and offset by lower realised gold price.

Total cash costs of production were slightly better than budget at US\$87.6 million for the quarter (YTD: US\$252.3m), a 1% reduction QoQ, with lower underground costs partially offsetting higher fuel prices and increased open pit costs due to more material moved. Unit cash costs of production were US\$846/oz produced (YTD: US\$820/oz), a 4% reduction QoQ.

Total all-in sustaining costs ("AISC") were slightly ahead of budget at US\$131.1 million for the quarter (YTD: US\$367.9m), as the open pit contractor waste-stripping programme ramped up to full capacity. This marked an 9% increase in AISC QoQ, predominantly reflecting higher than scheduled sustaining capital expenditure in the quarter. Unit AISC of US\$1,266/oz sold (YTD: US\$1,197/oz), a 3% increase QoQ, reflecting higher costs offset by higher gold sales.

### FINANCIAL POSITION

#### Free Cash Flow

Under the terms of the Sukari Concession Agreement, the Egyptian government earned US\$5.5 million in royalty payments (YTD: US\$16.5m) and received US\$15.5 million in profit share payments during the quarter (YTD: US\$61.2m). After Sukari profit share distribution, Group exploration expenditure and corporate investing activities, Group free cash flow for the quarter was US\$6.9 million (YTD: US\$23.8m).

The Company is in a strong financial position, with net cash and liquid assets to US\$256.1 million as at 30 September 2021, and after distribution of the 2021 interim dividend totalling US\$46.1 million. The Company remains unhedged and debt-free.

## EXPLORATION

Total exploration expenditure in the quarter was US\$2.7 million (YTD: US\$7.5m).

Doropo Project (Côte d'Ivoire): Pre-feasibility study ("PFS") progressed throughout the quarter, including commencing the 70,000 metre reverse circulation and environmental and social impact assessment ("ESIA") baseline work programme. The PFS remains on track for completion during mid-2022.

ABC Project (Côte d'Ivoire): An updated Mineral Resource estimate was announced in September, doubling the gold Mineral Resource to 2.16Moz @ 0.93 g/t Inferred. A further contiguous permit was secured - the Windou permit - which extends the landholding along the Sassandra Fault system to 90km. Soil sampling ongoing across all three permits, Farako-Nafana, Kona and Windou with the aim of delineating additional exploration targets for further investigation.

Egyptian Bid Round: Finalised and signed exploration terms, securing c.3,000km<sup>2</sup> of highly prospective greenfield acreage within the Eastern Desert of the Egyptian Arabian Nubian Shield:

- Nugrus Block (1,086km<sup>2</sup>) - the licenses surrounding the Sukari Mining Concession targeting potential satellite deposits and low capex mill feed to the Sukari processing plant
- Najd Block (1,374km<sup>2</sup>) - located 100km northwest of Sukari in the Central Eastern Desert, exploring for a potential standalone operation
- Um Rus Block (524km<sup>2</sup>) - is a new block of licenses, located 40km north of Sukari, exploring for a potential standalone operation. Note: The previously announced Samyoky Block (705km<sup>2</sup>) has been relinquished for the preferred Um Rus block.

## ENDNOTES

### Guidance

The Company actively monitors the developments of the COVID-19 pandemic and guidance may be impacted if the workforce or operation are disrupted.

### Financials

Financial data points included within this report are unaudited.

### Non-GAAP measures

This statement includes certain financial performance measures which are non-GAAP measures as defined under International Financial Reporting Standards (IFRS). These include Cash costs of production, AISC, Cash and liquid assets, and Free cash flow. Management believes these measures provide valuable additional information for users of the financial statements to understand the underlying trading performance. Definitions and explanation of the measures used along with reconciliation to the nearest IFRS measures are detailed in the Company's 2020 Annual Report <https://www.centamin.com/investors/results-reports/>.

### Royalties

Royalties are accrued and paid six months in arrears.

### Cash and liquid assets

Cash and liquid assets include cash, bullion on hand, gold sales receivables and financial assets at fair value through profit or loss.

#### Forward-looking Statements

This announcement (including information incorporated by reference) contains "forward-looking statements" and "forward-looking information" under applicable securities laws (collectively, "forward-looking statements"), including statements with respect to future financial or operating performance. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "believes", "expects", "expected", "budgeted", "forecasts" and "anticipates". Although Centamin believes that the expectations reflected in such forward-looking statements are reasonable, Centamin can give no assurance that such expectations will prove to be correct. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Centamin about future events and are therefore subject to known and unknown risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. In addition, there are a number of factors that could cause actual results, performance, achievements or developments to differ materially from those expressed or implied by such forward-looking statements; the risks and uncertainties associated with the ongoing impacts of COVID-19 or other pandemic, general business, economic, competitive, political and social uncertainties; the results of exploration activities and feasibility studies; assumptions in economic evaluations which prove to be inaccurate; currency fluctuations; changes in project parameters; future prices of gold and other metals; possible variations of ore grade or recovery rates; accidents, labour disputes and other risks of the mining industry; climatic conditions; political instability; decisions and regulatory changes enacted by governmental authorities; delays in obtaining approvals or financing or completing development or construction activities; and discovery of archaeological ruins. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information or statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19. Forward-looking statements contained herein are made as of the date of this announcement and the Company disclaims any obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Accordingly, readers should not place undue reliance on forward-looking statements.

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