Centamin PLC Announces Q3 2024 Report

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PERTH, October 17, 2024 - Centamin Plc ("Centamin", "Group" or "the Company") (LSE:CEY)(TSX:CEE)

QUARTERLY REPORT
for the three months ended 30 September 2024 ("Q3")

MARTIN HORGAN, CEO, commented: "The performance at Sukari disclosed in our August trading update has been maintained through the remainder of Q3, building on the operational momentum from Q2 2024. This strong performance follows our significant investment in operational improvements which positioned us to capitalise on the current record gold price. The improved production and continued cost discipline, resulted in US$103 million in free cash flow in Q3, 730% higher year-on-year ("YoY"). We expect the Q3 gold production rate to be sustained for the rest of the year and reaffirm our 2024 production and cost guidance ranges.

At the same time, we continue to advance organic growth opportunities within our portfolio. We are actively following up on the recent exploration successes from our Eastern Desert Exploration ("EDX") drilling programme, with the second phase of drilling nearing completion. We are also making good progress with our mining license application for the Doropo project in Cote d'Ivoire, which we expect to be granted by the end of 2024, ahead of a final investment decision."

Q3 2024 HIGHLIGHTS

? Gold production of 131,726 ounces ("oz"), up 30% YoY , and gold sales of 149,659 oz, up 44% YoY, from the Sukari Gold Mine ("Sukari"). Total gold production for the nine months of the year ("YTD") is 356,465 oz.

? Cash costs of US$766/oz produced, and All-in sustaining costs ("AISC") of US$1,256/oz sold.

? Capital expenditure ("capex") of US$67 million, including raising TSF2, open pit and underground fleet purchases, equipment rebuilds, and underground infrastructure.

? Capital Ltd successfully completed additional waste mining operations in Q3 and has begun to demobilise its earthmoving fleet. This will result in normalised mining volumes from the open pit and reduction in overall open pit mining unit costs going forwards.

? US$103 million in free cash flow, a YoY increase of 730%, after Sukari profit share distribution, Group exploration expenditure and corporate investing activities, YTD we have generated US$145 million.

? Robust balance sheet: cash and liquid assets of US$242 million, as at 30 September 2024 and total liquidity of US$392 million including the undrawn US$150 million sustainability-linked revolving credit facility.

GROUP OPERATIONAL SUMMARY

	Q3-24	Q3-23	% ?	Q2-24	% ?	YTD
SAFETY						
LTIFR (1m hours)	0.65	0.00	n/a	0.33	97 %	0.43
TRIFR (1m hours)	1.96	3.83	-49 %	1.45	35 %	1.51

OPEN PIT								
Material mined (kt)	29,922	31,655	-5	%	32,312	-7	%	94,006
Ore mined (kt)	5,930	4,501	32	%	7,465	-21	%	19,626
Ore mined grade (g/t Au)	0.83	0.74	12	%	0.67	24	%	0.71
UNDERGROUND								
Ore mined (kt)	254	245	4	%	278	-9	%	762
Ore mined grade (g/t Au)	3.86	4.61	-16	%	3.33	16	%	3.46
PROCESSING								
Ore processed (kt)	3,013	2,786	8	%	3,339	-10	%	9,417
Feed grade (g/t Au)	1.43	1.25	14	%	1.19	20	%	1.24
Gold recovery (%)	89.1	88.5	1	%	87.8	2	%	88.2
Gold produced (oz)	131,726	101,370	30	%	119,917	10	%	356,465

GROUP FINANCIAL SUMMARY

	Q3-24	Q3-23	% ?		Q2-24	% ?		YTD
COST & SALES								
Gold sold (oz)	149,659	103,807	44	%	116,776	28	%	358,928
Cash costs (US$/oz produced)	766	882	-13	%	879	-13	%	899
AISC (US$/oz sold)[1]	1,256	1,266	-1	%	1,273	-1	%	1,329
Avg. realised gold price (US$/oz)	2,459	1,927	28	%	2,341	5	%	2,318
FINANCIALS								

Revenue (US$'000)	368,620	200,404	84 %	274,111	34 %	833,715
Capital expenditure (US$'000)	66,916	59,089	13 %	43,413	54 %	156,369
Adj. free cash flow[1] (US$'000)	103,156	12,422	730 %	32,400	218 %	145,899

OUTLOOK -Guidance unchanged

Production

Gold production guidance range of 470,000 to 500,000 oz per annum

? o Production is weighted towards H2, as previously guided

o Production performance is tracking towards the mid-point of guidance

Costs

? Cash cost guidance range of US$700-850/oz produced:

o We expect cash costs to be towards the upper end of the guidance range as a result of the cost of tonnes planned to be mined as waste being reclassified as ore. The waste to ore conversion has resulted in a lower strip ratio and as a result the waste stripping costs that were expected to be allocated to sustaining capex have been reported in cash costs. AISC is unaffected by the reallocation of costs.

? AISC guidance range of US$1,200-1,350/oz sold:

? The cost guidance reflects a range of diesel prices from 75-90 US cents per litre. The average realised price YTD is 79 US cents per litre.

Capex

Adjusted capex guidance of US$215 million is maintained, including:

o US$112 million of sustaining capex

? o US$103 million of non-sustaining capex, of which US$58 million is allocated to growth projects that are funded from Centamin treasury and cost recovered over three years

o Adjusted capex guidance for the full year excluded US$91 million of sustaining deferred stripping reclassified from operating costs as per IFRIC 20. As a result of the reduction in the strip ratio, these costs were reported in cash costs and were not capitalised as originally planned. We now budget up to US$25 million of sustaining deferred stripping in Q4 2024, with none capitalised YTD.

KEY MILESTONES

? Doropo Project DFS, Cote d'Ivoire (Completed) - Link to announcement (here)

? Accelerated waste-stripping programme (Completed) - Link to announcement (here)

? Eastern Desert Exploration ("EDX") drilling update (H2 2024)

? Completion of Solar Expansion Study (H2 2024)

? Sukari 50MW grid connection project completion (H2 2025)

? Doropo final investment decision (H1 2025)

WEBCAST

The Company will host a webcast today, Thursday, 17 October at 08.30 BST where the senior executives will discuss the results, followed by an opportunity to ask questions.

Webcast link :
https://sparklive.lseg.com/Centamin/events/1a99b855-aad9-4fae-bed5-3090c2da7e3d/centamin-q-3-2024-results

Please allow a few minutes to register

Print friendly version of the quarterly results: https://www.centamin.com/investors/results-reports/

ABOUT CENTAMIN

Centamin is an established gold producer, with premium listings on the London Stock Exchange and the Toronto Stock Exchange. The Company's flagship asset is the Sukari Gold Mine ("Sukari"), Egypt's largest and first modern gold mine, as well as one of the world's largest producing mines. Since production began in 2009 Sukari has produced 5.9 million ounces of gold, and today has a projected mine life to 2034.

Through its large portfolio of exploration assets in Egypt and Côte d'Ivoire, Centamin is advancing an active pipeline of future growth prospects, including the Doropo project in Côte d'Ivoire, and over 3,000km ^{2} of highly prospective exploration ground in Egypt's Arabian Nubian Shield.

Centamin practices responsible mining activities, recognising its responsibility to deliver operational and financial performance and create lasting mutual benefit for all stakeholders through good corporate citizenship.

FOR MORE INFORMATION please visit the website www.centamin.com or contact:

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HEATH AND SAFETY

In Q3, regrettably, there were two lost time injuries ("LTI"). One was within our Eastern Desert Exploration team, and the other at Sukari, resulting in a Group LTIFR of 0.65 per 1,000,000 site-based hours worked. The total recordable injury frequency rate ("TRIFR") was 1.96 per 1,000,000 site-based hours worked. Operational safety remains a key focus across the Group, proactive measures are being undertaken to understand these injuries, identify trends, and implement mitigations.

SUKARI GOLD MINE, EGYPT

(Q3 2024 vs Q3 2023)

Production

Sukari Gold Mine ("Sukari") produced 131,726oz in Q3, a 30% increase YoY, YTD production is 356,465 oz.

Production guidance range for 2024 remains 470,000 to 500,000 ounces.

Open pit mining

Total material moved (waste and ore) decreased by 5% YoY to 29.9 Mt, of which 23.9 Mt was waste split between the SGM fleet (17.3 Mt moved) with the remaining volume by contractor. Capital Ltd successfully completed additional waste mining operations in Q3 and have begun to demobilise their earthmoving fleet. This will result in normalised mining volumes from the open pit and a reduction in overall open pit mining unit costs going forwards.

Ore mined was 5.9 Mt at an average grade of 0.83 g/t Au, an increase of 32% and 12% respectively YoY. This included the reclassification of material from Stage 7 from waste to low-grade ore, leading to a reduction in the strip ratio for this area. The majority of the reclassified material was placed on the dump leach with the balance going to stockpiles.

The average milled grade from the open pit was 1.25 g/t Au.

Underground mining

Total material mined (waste and ore) was 391 kt an 9% increase YoY. Total ore mined was 254 kt at an average combined (stoping and development) grade of 3.86 g/t Au, an increase of 4% and a decrease of 16% respectively, YoY.

The underground ore mined consisted of 195 kt of ore mined from stopes at an average grade of 3.75 g/t Au, and 58kt of ore mined from development, at an average grade of 4.20 g/t Au.

Processing

The plant processed 3.0 Mt of ore, at an average feed grade of 1.43 g/t Au, an increase of 8% and 14% respectively YoY. Scheduled mill relines were completed successfully early in the quarter.

The metallurgical gold recovery rate was 89.1%, a 1% increase YoY, driven by higher feed grade.

The closing stockpile balance was 22.0 Mt at a grade of 0.48 g/t Au.

EXPLORATION PROJECTS

The total expensed exploration and development spend for the Q3 was US$6 million, YTD US$18 million.

In 2024, budgeted Group exploration spend (to be expensed) is US$23 million, including US$14 million to complete the Doropo DFS, ESIA, permitting and financing assessment, and US$9 million for EDX exploration.

Doropo Gold Project (Cote d'Ivoire)

The positive results of the definitive feasibility study ("DFS") were published (link to announcement here)

and the NI 43-101 technical report has now been filed on SEDAR.

A copy of the full technical report has also been made available on the Company website: (link here)

Based on the positive outcome of the DFS, a Mining Licence application was submitted to the Government of Côte d'Ivoire and is currently in progress with the administration. In parallel with the application process, the project team have commenced pre-development planning works to support an FID decision during H1 2025 and enable a quick start to project construction should it proceed.

ABC (Côte d'Ivoire)

A soil sampling programme was completed across the northern portion of the Farako-Nafana permit. This area was previously sampled using termite mounds as the sample medium and the programme has focussed on re-sampling using soil geochemistry to ensure better accuracy.

Geological interpretation of the soils data is ongoing with the hope of identifying soil anomalies that could be drill tested towards the end of the year at the start of the dry season.

Eastern Desert Exploration ("EDX") (Egypt)

The second phase of drilling continued across Little Sukari, this will consist of an expanded programme of core and reverse circulation ("RC") drilling. So far this year we have drilled 23.6km of RC and core, and current activities are focussed on a combination of infilling the known zone of mineralisation plus testing potential strike and depth extensions to the north west and south. We expect drilling to be completed early in Q4 with assay results expected to return over the balance of the quarter.

SALES AND COSTS

Gold sales for the quarter were 149,659 oz, a 44% increase YoY. The average realised gold price for the quarter was US$2,459/oz, up 28% YoY. Revenues generated were US$368.6 million, an 84% increase YoY, driven by higher gold sales and realised gold price.

Unit cash costs of production were US$766/oz produced, a 13% decrease YoY, leading to an AISC of US$1,256/oz Au sold, a 1% decrease YoY.

CAPITAL EXPENDITURE

Key capital projects progressed as scheduled during Q3 QTD, including raising TSF 2, fleet purchases, equipment rebuilds and underground infrastructure.

(US$m)	Q3 2024 UNAUDITED	YTD 2024 UNAUDITED	2024 Guidance
SUSTAINING CAPEX			
Underground mine development	10	25	53

Equipment rebuilds (60% funded from treasury)	5	30	44
Other sustaining capex	31	38	15
Total sustaining capex	46	93	112
NON-SUSTAINING CAPEX			
Growth capex (funded from treasury) including grid connection, fleet replacement and exploration	3	7	58
Contract waste stripping capitalised	18	53	36
Other non-sustaining capex	-	3	9
Total non-sustaining capex	21	63	103
GROSS CAPEX	67	156	306
Sustaining element of open pit waste stripping capitalised from opex [1]	-	-	(91)
TOTAL ADJUSTED CAPEX (after reclassification)	67	156	215

[1] Reclassified from operating expenditure, from 2021, the Company implemented a more granular methodology to the accounting and classification of waste-stripping costs, in line with IFRS accounting standards. As such, there is an accounting reclassification of open pit waste mining costs, resulting in a reduction in total cash costs with a corresponding equal increase in the sustaining expenditure and therefore

AISC, with no impact on net cash flow

FINANCIAL POSITION

Free cash flow

After Sukari profit share distribution, Group exploration expenditure and corporate investing activities, the free cash flow for Q3 was US$103 million, an increase of 730% YoY.

Balance Sheet

Centamin is in a strong financial position, with net cash and liquid assets of US$242 million as at 30 September 2024. The Company has a US$150 million senior secured sustainability linked revolving credit facility ("RCF") which is available and undrawn.

Liquidity

	30 September 2024 (US$m)
Cash on hand	184
Bullion on hand	12
Gold sales receivable	46
TOTAL CASH & LIQUID ASSETS	242
Sustainability-linked RCF (undrawn)	150
TOTAL LIQUIDITY	392

ENDNOTES

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. 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 2023 Annual Report www.centamin.com/investors/results-reports/ .

Adjusted capital expenditure

Excludes the sustaining capital element of the waste-stripping.

Exploration expenditure

Exploration expensed covers all exploration activities excluding the Sukari Concession Agreement and are expensed in the period they are incurred.

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. Such statements include "future-oriented financial information" or "financial outlook" with respect to prospective financial performance, financial position, EBITDA, cash flows and other financial metrics that are based on assumptions about future economic conditions and courses of action. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "believes", "expects", "expected", "budgeted", "forecasts" and "anticipates"." and include production outlook, operating schedules, production profiles, expansion and expansion plans, efficiency gains, production and cost guidance, capital expenditure outlook, exploration spend and other mine plans. 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. Financial outlook and future-ordinated financial information contained in this news release is based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information currently available. Readers are cautioned that any such financial outlook or future-ordinated financial information contained or referenced herein may not be appropriate and should not be used for purposes other than those for which it is disclosed herein. The Company and its management believe that the prospective financial information has been prepared on a reasonable basis, reflecting management's best estimates and judgments at the date hereof, and represent, to the best of management's knowledge and opinion, the Company's expected course of action. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future results. 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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