

Centamin plc

("Centamin", "Group" or "the Company")
LSE: CEY / TSX: CEE

QUARTERLY REPORT

for the three months ended 31 March 2024

MARTIN HORGAN, CEO, commented: "The scheduled processing of lower-grade ore from the open pit, alongside the planned underground ventilation upgrades and mill maintenance during Q1 contributed to slightly lower production year-on-year ("YoY"). Our commitment to cost control meant our AISC on an absolute basis decreased 3% quarter-on-quarter ("QoQ") and 6% YoY; albeit the lower production coupled with the timing of gold sales resulted in a temporary increase in reported unit costs. With improved ventilation and the processing of lower grade open pit ore substantially completed during Q1, we expect production rates to now increase for the balance of the year and reaffirm our 2024 production and cost guidance ranges.

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 and are progressing well towards completion of the DFS for the Doropo project in Cote d'Ivoire by mid-year."

HIGHLIGHTS

- **Group safety record** of 12.5 million hours worked without a lost time injury ("LTI"). Regrettably, late in the quarter we recorded our first LTI in twelve months at the Sukari Gold Mine ("Sukari"). The lost time injury frequency rate ("LTIFR") for the three months to 31 March 2024 ("Q1") was 0.32 per one million hours worked. The Group's total recordable injury frequency rate ("TRIFR") for Q1 was 1.28 per one million hours worked.
- **ISO 45001 Certification** achieved, providing external validation for Sukari's occupational health and safety ("OHS") management system.
- **Gold production of 104,821 ounces ("oz"), and gold sales 92,494 oz** from the Sukari Gold Mine ("Sukari"), with 19,241 oz of gold bullion on hand, which was sold at the start of the second quarter.
- **Cash costs of US\$1,088/oz produced, and All-in sustaining costs ("AISC") of US\$1,519/oz sold**, based on 92,494 ounces sold, noting that on an absolute basis AISC was US\$9 million lower QoQ.
- **Doropo Environmental and Social Impact Assessment ("ESIA") submitted** to the Cote d'Ivoire government, which alongside the DFS, will form the basis for the mining license application in mid-2024.
- **Capital expenditure ("capex") of US\$46 million**, including raising TSF2, open pit and underground fleet purchases, equipment rebuilds, underground ventilation upgrades and waste mining.
- **Robust balance sheet:** cash and liquid assets of US\$167 million, as at 31 March 2024 and total liquidity of US\$317 million including the undrawn US\$150 million sustainability-linked revolving credit facility.

RESULTS SUMMARY

	Q1 2024	Q1 2023	% Δ	Q4 2023	% Δ
SAFETY					
Group LTIFR (1m hours)	0.32	0.31	3%	0.00	-
Group TRIFR (1m hours)	1.28	2.77	-54%	0.97	32%
OPEN PIT					
Total material mined (kt)	31,772	32,998	-4%	32,229	-1%
Ore mined (kt)	6,231	3,273	90%	5,401	15%
Ore grade mined (g/t Au)	0.63	0.87	-28%	0.67	-6%
UNDERGROUND					
Ore mined (kt)	230	236	-3%	301	-24%
Ore grade mined (g/t Au)	3.20	4.02	-20%	4.31	-26%

	Q1 2024	Q1 2023	% Δ	Q4 2023	% Δ
PROCESSING					
Ore processed (kt)	3,066	3,006	2%	3,152	-3%
Feed grade (g/t Au)	1.12	1.2	-7%	1.35	-17%
Gold recovery (%)	87.66	88.8	-1%	89.1	-2%
Gold production (oz)	104,821	105,875	-1%	128,127	-18%
COST & SALES					
Gold sold (oz)	92,494	107,661	-14%	133,465	-31%
Cash costs (US\$000)	114,041	99,205	15%	117,236	-3%
Cash costs (US\$/oz produced)	1,088	937	16%	915	19%
AISC (US\$000)	140,453	145,127	-3%	149,481	-6%
AISC (US\$/oz sold)	1,519	1,348	13%	1,120	36%
Realised gold price (US\$/oz)	2,062	1,902	8%	1,983	4%
FINANCIALS					
Revenue (US\$000)	190,984	205,226	-7%	264,710	-28%
Capital expenditure (US\$'000)	46,040	53,842	-14%	37,868	22%
Free Cash Flow (US\$'000)	10,345	36,501	-72%	-13,905	174%

OUTLOOK - Guidance unchanged

- Gold production guidance range of 470,000 to 500,000 oz per annum weighted towards H2
- Cost guidance:
 - Cash cost guidance range of US\$700-850/oz produced
 - AISC guidance range of US\$1,200-1,350/oz sold
 - Guidance reflects a range of diesel prices from 75-90 US cents per litre
- Adjusted capex guidance is US\$215m, including:
 - US\$112m of sustaining capex
 - US\$103m of non-sustaining capex, of which US\$58m is allocated to growth projects that are funded from Centamin treasury and cost recovered over three years
 - Adjusted capex excludes US\$91m of sustaining deferred stripping reclassified from operating costs as per IFRIC 20

KEY MILESTONES

- Doropo Project, Cote d'Ivoire, completed DFS (mid-2024)
- Accelerated waste-stripping programme completion (Q2-2024)
- EDX exploration update (H2 2024)
- Sukari 50MW grid connection project construction (H2 2024)
- Completion of Solar Expansion Study (H2 2024)

WEBCAST

The Company will host a webcast today, Thursday, 18 April at 08.30 BST where the senior executives will discuss the results, followed by an opportunity to ask questions.

Webcast link: <https://www.lsegissuerservices.com/spark/Centamin/events/cf209c2f-3aea-42b2-bc7c-a6d32d8775bd>

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 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 over 5.7 million ounces of gold, and today has a projected mine life to 2035.

Through its large portfolio of exploration assets in Egypt and Cote d'Ivoire, Centamin is advancing an active pipeline of future growth prospects, including the Doropo project in Côte d'Ivoire, and over 3,000km² 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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HEALTH AND SAFETY

At Sukari there were two significant achievements during the quarter. Firstly, surpassing a new LTI (Lost Time Injury) free record of 12.5 million hours, outperforming the previous benchmark of 9.8 million hours established in March 2023. Secondly, achieving external accreditation of our Occupational Health and Safety (OHS) management system under ISO 45001:2018 standards, demonstrating our commitment to prioritising the health and safety of our workforce and stakeholders.

In Q1, there was one lost time injury ("LTI") resulting in a Group LTIFR of 0.32 per 1,000,000 site-based hours worked. The total recordable injury frequency rate ("TRIFR") for Q1 was 1.28 per 1,000,000 site-based hours worked.

SUKARI GOLD MINE, EGYPT

(Q1 2024 vs Q1 2023)

Production

Sukari Gold Mine ("Sukari") produced 104,821oz in Q1, a 1% decrease YoY.

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

Open pit mining

Total material moved (waste and ore) in Q1 decreased by 4% YoY to 31.8Mt.

Total open pit waste material mined (owner and contractor) for Q1 was 25.5Mt, a 14% decrease YoY, predominantly due to the reclassification of material from Stage 7 scheduled to be waste to low-grade ore. This reclassification of waste to ore also resulted in a reduction in the strip ratio and grade per tonne. The strip ratio for Q1 was 4.1:1 (waste:ore).

The ongoing contractor waste-stripping programme mined 7.9Mt, with 93% of the fixed volume contract mined to date, and completion expected during Q2.

During Q1, open pit ore was mined from multiple working areas with ore processed sourced primarily from Stage 5 and 7. Lower-grade ore mined from Stage 7 was primarily sent to the dump leach or stockpiled. Total open pit ore mined for Q1 was 6.2Mt, a 90% increase YoY, at an average mined grade of 0.63 g/t Au reflecting the 1.8Mt of additional low-grade ore mined from Stage 7 during the quarter. During 2024, we anticipate continued conversion of waste to ore in Stage 7; however, we currently project that this conversion rate will be lower than the levels seen in Q1.

Underground mining

Total material mined (waste and ore) in Q1 was 357kt, a 4% increase YoY. Total ore mined was 230kt at an average combined (stopping and development) grade of 3.20g/t Au. This represented a 4% increase in ore tonnes YoY and a 20% decrease in grade YoY. During the quarter upgrades were made to the primary ventilation including the installation of additional fans to increase airflow in both the Amun/Horus and Ptah regions of the mine and facilitate the planned underground expansion. Whilst this led to a reduction in material moved QoQ, we expect this to increase over the balance of the year.

The underground ore mined consisted of 162kt of ore mined from stopes at an average grade of 3.33g/t Au, and 68kt of ore mined from development, at an average grade of 2.87g/t Au.

Processing

During Q1, the plant processed 3.0Mt of ore, a 2% increase YoY, at an average feed grade of 1.12 g/t Au, a 7% decrease YoY. There were several key maintenance projects scheduled for the quarter, including mill relining, which were completed successfully with no unplanned disruption to throughput.

The metallurgical gold recovery rate was 87.7% for the quarter, a 1% decrease YoY, driven by the oxide material and lower feed grade.

During the quarter, the closing stockpile balance was 21.0Mt at a grade of 0.47g/t Au.

EXPLORATION PROJECTS

The total expensed exploration and development spend for the quarter was US\$6 million.

In 2024, budgeted Group exploration spend (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)

Work at Doropo continued to progress well, notably with submission of the draft ESIA report to government for approval and permitting. Community consultation continues in parallel alongside the commencement of a suite of pilot livelihood improvement projects.

DFS work included; preliminary whittle shell selection and ongoing cost estimates using the mining contactor submissions, metallurgical test work and infrastructure and flowsheet design finalisation, and completion of hydrology, sterilisation and geotechnical drilling.

The DFS remains expected to be completed by mid-2024.

Eastern Desert Exploration ("EDX") (Egypt)

In the Nugrus block surrounding the Sukari Mining Concession, detailed mapping of Little Sukari and Umm Majal was completed, alongside the initiation of ground-based geophysics consisting of induced polarisation ("IP") and magnetic surveys over these targets. Additionally, a contractor has been selected for the second phase of drilling, scheduled to commence in Q2. In the Um Rus block, follow-up work on soil and rock chip samples from BLEG anomalies was completed. Finally, in the Nadj block, a remote camp was established, and the BLEG sampling program was successfully concluded with the collected samples being prepared for analysis in overseas laboratories.

The EDX exploration update remains expected H2 2024

SALES AND COSTS

Gold sales for the quarter were 92,494 oz, a 14% decrease YoY. However we closed the period with 19,241 oz of gold bullion on hand which was sold at the start of the second quarter. The average realised gold price for the quarter was US\$2,062/oz, up 8% YoY. Revenues generated were US\$191.0 million, a 7% decrease YoY, driven by lower gold sales partially offset by a higher realised gold price.

Unit cash costs of production were US\$1,088/oz produced, a 16% increase YoY. The AISC of US\$1,519/oz Au sold, a 13% increase YoY, reflected the lower gold sales. In absolute terms, AISC decreased both YoY and QoQ, by US\$5 million and US\$9 million respectively.

CAPITAL EXPENDITURE

Key capital projects progressed as scheduled during Q1, including the TSF2 embankment raise, the north dump leach expansion, underground ventilation upgrades – namely the installation of additional fans, underground and open pit equipment purchases and the ongoing waste-stripping programme which remains on track for completion during Q2.

(US\$m)	Q1-24	2024 Guidance
SUSTAINING CAPEX		
Underground mine development	8	53
Equipment rebuilds (60% funded from treasury)	7	44
Other sustaining capex	9	15
Total adjusted sustaining capex	24	112

NON-SUSTAINING CAPEX		
Growth capex (<i>funded from treasury</i>) including grid connection, fleet replacement and exploration	-	58
Contract waste stripping capitalised	19	36
Other non-sustaining capex	3	9
Total non-sustaining capex	22	103
TOTAL ADJUSTED CAPEX (after reclassification)	46	215
Sustaining element of open pit waste stripping capitalised from opex ¹	-	91
GROSS CAPEX	46	306

¹Reclassified 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

Balance Sheet

Under the terms of the Sukari Concession Agreement, the Egyptian government earned US\$6 million in royalty payments and alongside Centamin received an equal US\$21 million in profit share payments during the quarter. After Sukari profit share distribution, Group exploration expenditure and corporate investing activities, the free cash flow for the quarter was US\$10.3 million.

Balance Sheet

Centamin is in a strong financial position, with net cash and liquid assets of US\$167 million as at 31 March 2024. The Company has a US\$150 million senior secured sustainability linked revolving credit facility (“RCF”) which is available and undrawn.

Liquidity

	31 March 2024 (US\$m)
Cash on hand	103
Bullion on hand	43
Gold sales receivable	22
Financial assets at fair value through profit or loss*	1
TOTAL CASH & LIQUID ASSETS	167
Sustainability-linked RCF (undrawn)	150
TOTAL LIQUIDITY	317

*The financial assets at fair value through profit or loss relate to the open gold put options purchased by the Company in FY2022 as part of the gold price protection programme

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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