

Centamin plc

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

QUARTERLY REPORT

for the three months ended 31 December 2023 (unaudited)

MARTIN HORGAN, CEO, commented: "In 2023, Centamin delivered another excellent performance, underpinned by our improved safety results. We have extended our track record of meeting production guidance to a third year and importantly through our culture of continuous improvement we have beaten our AISC guidance for 2023.

We look forward to 2024, guiding for another increase in annual gold production. Combined with our disciplined approach to managing operating costs, Centamin is extremely well-positioned to benefit from the current strong gold price environment, as we complete our capex reinvestment programme and connect Sukari to the Egyptian national grid.

Our strategic focus remains on growth as we continue to define and convert resources to reserves at Sukari, build on our recent exploration success at EDX and progress towards a financial investment decision at Doropo in Cote d'Ivoire.

I would like to thank the whole team for their ongoing hard work and dedication to deliver this outcome, and to our broader stakeholders for their support as we position Centamin for 2024 and beyond."

HIGHLIGHTS

2023 production guidance delivered

- **Achieved 9.5 million hours worked at the Sukari Gold Mine ("Sukari") with zero lost time injuries ("LTI").** The Group recorded zero LTIs in the fourth quarter ("Q4") across all assets and one LTI for the twelve months ended 31 December 2023 ("FY"). The Group's total recordable injury rate ("TRIFR") for Q4 was 0.97 per one million hours worked, representing 67% improvement compared to Q4 2022 ("YoY")
- **Annual gold production delivered in line with 2023 guidance (450-480koz):** Q4 production of 128,127 ounces ("oz"), totalling 450,058 oz produced for 2023
- **Annual revenue of US\$892 million:** Q4 revenue of US\$265 million, generated from gold sales of 133,465 oz at an average realised gold price of US\$1,983/oz sold; FY23 revenue of US\$892 million, generated from gold sales of 456,625 oz at an average realised gold price of US\$1,948/oz sold
- **Annual cash costs delivered at the lower half of the 2023 guidance range (US\$840-990/oz):** Q4 cash costs of US\$984/oz produced, resulting in an average annual cash cost of US\$895/oz produced for 2023
- **Annual all-in sustaining costs ("AISC") beat 2023 guidance (US\$1,250-1,400/oz sold):** Q4 AISC of US\$1,172/oz sold, resulting in an average annual AISC of US\$1,220/oz for 2023, beating the bottom end of guidance by US\$30/oz
- **Annual capital expenditure ("capex") of US\$202 million below guidance of US\$272 million:** Q4 spend of US\$36 million, impacted by savings from lower diesel prices, lower than expected capitalisation of operating costs, deferral of the grid power project deposit payment to Q1 2024 and changes to the equipment rebuild schedule
- **New Sukari Life of Mine Plan completed:** the plan delivers increased gold production, lower operational costs, reduced operational risk and significantly reduced carbon emissions. Link to full announcement [here](#)
- **Group Proven & Probable ("P&P") Mineral Reserves increased by 3.5 million ounces ("Moz") since 2020,** before depletion, and exceeding the Company's stated multi-year target of 3.0Moz. This growth has been driven by an increase in Sukari reserves by approximately 1.6Moz and declaration of maiden reserves at Doropo of 1.9Moz. Link to full announcement [here](#)
- **Robust balance sheet:** cash and liquid assets of US\$153 million, as at 31 December 2023 and total liquidity of US\$303 million including the undrawn US\$150 million sustainability-linked revolving credit facility
- The Company will publish its audited full year 2023 financial results on 21 March 2024.

OUTLOOK

2024 guides to a year of higher production at lower costs

- **Gold production guidance** range of 470,000 to 500,000 oz per annum weighted evenly between H1:H2 (50:50)
- **Cost guidance:**
 - Cash cost guidance range of US\$700-850/oz produced, and
 - 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

RESULTS SUMMARY

All financial data points included within this report are unaudited

	Q4 2023	Q4 2022	% Δ	Q3 2023	% Δ	FY 2023	FY 2022	% Δ
SAFETY								
LTIFR (1m hours)	0.00	0.00	0%	0.00	0%	0.08	0.08	0%
TRIFR (1m hours)	0.97	2.95	-67%	3.83	-75%	2.83	2.61	8%
OPEN PIT								
Total material mined (kt)	32,229	36,401	-11%	31,655	2%	129,186	136,420	-5%
Ore mined (kt)	5,401	3,032	78%	4,501	20%	16,784	11,696	44%
Ore grade mined (g/t Au)	0.67	0.96	-30%	0.74	-9%	0.78	0.99	-21%
UNDERGROUND								
Ore mined (kt)	301	233	29%	245	23%	1,004	829	21%
Ore grade mined (g/t Au)	4.31	4.25	1%	4.61	-7%	4.33	4.75	-9%
PROCESSING								
Ore processed (kt)	3,152	3,045	4%	2,786	13%	12,020	12,114	-1%
Feed grade (g/t Au)	1.35	1.23	10%	1.25	8%	1.27	1.26	1%
Gold recovery (%)	89.1	88.6	1%	88.5	1%	88.7	88.2	1%
Gold production (oz)	128,127	109,564	17%	101,370	26%	450,058	440,974	2%
COST & SALES								
Gold sold (oz)	133,465	108,441	23%	103,807	29%	456,625	438,638	4%
Cash costs (US\$/oz produced)	984	997	-1%	882	12%	895	913	-2%
AISC (US\$/oz sold)	1,172	1,441	-2%	1,266	-7%	1,220	1,399	-13%
Realised gold price (US\$/oz)	1,983	1,735	14%	1,927	3%	1,948	1,794	9%
FINANCIALS								
Revenue (US\$'000)	265,246	188,523	41%	200,404	32%	891,262	788,424	13%
Adjusted capex (US\$'000)	48,056	64,828	-26%	56,528	-15%	201,550	224,270	-10%
Gross capex (US\$'000)	36,248	69,981	-48%	59,089	-39%	202,392	283,543	-29%

KEY MILESTONES

- Doropo Project, Cote d'Ivoire, completed DFS (mid-2024)
- Sukari accelerated waste-stripping programme completion (mid-2024)
- EDX exploration update (H2 2024)
- Sukari 50MW grid connection (H2 2024)

WEBCAST

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

- **Webcast link:** <https://www.lsegissuerservices.com/spark/Centamin/events/7e02f555-5752-4816-ad8a-cc6070561d9b>

PRINT-FRIENDLY VERSION of the quarterly results: 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 million ounces of gold, and today has a projected mine life to 2035.

Through its large portfolio of exploration assets in Egypt and West Africa, 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

Operational safety continues to be a key focus across the Group with no LTIs being reported in the quarter (FY: 1 LTI).

The Q4 LTIFR was zero per 1,000,000 site-based hours worked (FY: 0.08). The total recordable injury frequency rate ("TRIFR") for Q4 was 0.97 per 1,000,000 site-based hours worked (FY: 2.83), down 67% year on year ("YoY"). TRIFR for 2023 was 2.83, which was marginally above our 2023 target of 2.78. At Sukari, we continue to advance our preparations for certification of our OHS management system against ISO 45001 with our first certification audit scheduled in Q1 2024.

SUKARI GOLD MINE, EGYPT

(Q4 2023 vs Q4 2022)

Production

Sukari Gold Mine ("Sukari") produced 128,127oz (FY: 450,058 oz) in Q4, a 17% increase YoY driven largely by an increased contribution from underground ore mined during the quarter and high-grade ore stockpiled from the previous quarter.

Production guidance range for 2024 is 470,000 to 500,000 ounces representing an increase in annual production from 2023.

Open pit mining

Total material moved (waste and ore) in Q4 decreased by 11% YoY to 32.3Mt (FY: 129.8Mt) as mining increased at the top of the Sukari hill in Stage 7, which has a lower mining rate given the topography.

Total open pit waste material mined (owner and contractor) for Q4 was 26.8Mt (FY: 112.4Mt), a 24% decrease YoY, predominantly due to the reclassification of material scheduled to be waste to low-grade ore from Stage 7. This reclassification of waste to ore also resulted in a reduction in the strip ratio and grade per tonne. The strip ratio for Q4 was 5.0:1 (waste:ore) (FY: 6.7:1). The ongoing contractor waste-stripping programme mined (10.0Mt), further improving mining flexibility within the open pit.

During Q4, open pit ore was mined from multiple working areas with ore processed sourced primarily from Stage 5 North and East. Lower-grade ore mined from Stage 7 was sent to the dump leach. Total open pit ore mined for Q4 was 5.4Mt (FY: 16.8Mt), a 78% increase YoY, at an average mined grade of 0.67 g/t Au (FY: 0.78g/t Au), reflecting the 2.2Mt of low-grade ore mined from Stage 7 during the quarter.

During 2023 the accelerated waste-stripping programme outperformed against budgeted tonnes by 22%. The programme is currently 86% complete and expected to be concluded by the middle of 2024.

Underground mining

Total material mined (waste and ore) in Q4 was 413kt (FY: 1,469kt), a 37% increase YoY. Total ore mined was 301kt (FY 2022: 1,004kt) at an average combined (stopping and development) grade of 4.31g/t Au (FY: 4.33g/t Au). This represented a 29% increase in ore tonnes YoY and a 1% increase in grade YoY.

The underground ore mined consisted of 223kt of ore mined from stopes at an average grade of 4.12g/t Au, and 79kt of ore mined from development, at an average grade of 4.85g/t Au.

Processing

During Q4, the plant processed 3.2Mt of ore (FY: 12.0Mt), a 5% increase YoY, at an average feed grade of 1.35 g/t Au (FY: 1.27g/t Au), a 10% increase YoY reflecting the increased underground ore mined during the quarter and high-grade ore stockpiled during the plant maintenance in Q3.

The metallurgical gold recovery rate was 89.1% for the quarter (FY: 88.7%), above budget, driven by higher grades, usage of new reagents and improved comminution control.

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

EXPLORATION PROJECTS

The total exploration and development spend for the quarter was US\$7 million (FY: US\$31m).

Doropo Gold Project (Cote d'Ivoire)

During Q4, work at Doropo continued progressing the ESIA and DFS including updated scheduling and cost estimates using the latest resource model, metallurgical test work and infrastructure and flowsheet design with technical field work primarily the ongoing hydrology, sterilisation and geotechnical drilling.

The DFS and ESIA work is expected to be completed by June 2024.

Eastern Desert Exploration ("EDX") (Egypt)

During Q4, the focus was on completing our maiden drill programme on the Nugrus block, adjacent to the Sukari mining concession. The initial 10,000 metre drill programme was increased to 16,216 metres with the identification of additional drill targets. A recent comprehensive update on EDX is available [here](#).

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.

SALES AND COSTS

Gold sales for the quarter were 133,465 oz (FY: 456,625oz), a 23% increase YoY. The average realised gold price for the quarter was US\$1,983/oz (FY: US\$1,948/oz), up 2% YoY. Revenues generated were US\$264.7 million (FY: US\$889.4m), a 40% increase YoY, driven by higher gold price and gold sales, reflecting the deferred production from Q3 due to the mill maintenance.

Unit cash costs of production were US\$984/oz produced (FY: US\$895/oz), reflecting an 1% improvement YoY. The AISC of US\$1,172/oz Au sold (FY: US\$1,220/oz) a 19% improvement YoY, reflecting higher gold sales.

In Q4, we reached our US\$150 million multi-year cost savings target. Despite the continuing inflationary pressures, we remain firmly focussed on stringent cost control and identifying new potential cost savings opportunities.

Cost guidance for 2024 reflects the Company's ongoing prudent approach to input cost assumptions recognising ongoing inflationary pressures and global geopolitical tensions. For example, the cost ranges reflect assumed diesel prices ranging from 75-90 US cents per litre. Cash cost guidance is between US\$700-850/oz produced and AISC guidance is between US\$1,200-1,350/oz sold.

CAPITAL EXPENDITURE

As part of the reinvestment programme at Sukari, key capital projects progressed as scheduled during Q4, including TSF2 embankment raise, north dump leach expansion, long-lead deposit on open pit dump trucks and ongoing waste-stripping programme.

The gross capex in Q4 was US\$36 million (FY: US\$202m) and after removing the impact of this waste mining accounting treatment which has no impact on net cash flow, adjusted capex was US\$48 million (FY: US\$202m). Adjusted capex for Q4 is greater than gross capex driven by the year-end reconciliation. Gross capex guidance for 2023 was US\$272 million including US\$48 million of sustaining waste stripping capitalised. Actual sustaining waste-stripping capitalised was US\$1m due to the increased ore mined from Stage 7 which had been budgeted as waste. At the Q3, the Company flagged capex savings resulting from lower than budgeted realised fuel price and revised equipment rebuild scheduling in line with the updated Sukari Life of Mine plan released in October 2023.

2024 capex guidance

In 2024, adjusted capex guidance is US\$215 million, including 2023 deferred capex, US\$112 million of sustaining capex and US\$103 million non-sustaining capex, of which US\$58 million is allocated to growth projects that are funded from Centamin treasury and under the Sukari Concession Agreement are cost recovered over three years. These discreet projects include grid, fleet expansion and underground expansion. Adjusted capex excludes US\$91 million of sustaining deferred stripping reclassified from operating costs.

All capex calculations prudently assume diesel price of 90 US cents per litre.

	2024 Guidance (US\$m)	2024 Sukari LOM Plan¹ (US\$m)
SUSTAINING CAPEX		
Underground mine development	53	57
Equipment rebuilds	44	37
Other sustaining capex	15	16
Total adjusted sustaining capex	112	110

NON-SUSTAINING CAPEX		
Growth capex (<i>funded from treasury</i>) including grid connection, fleet replacement and exploration	58	55
Contract waste stripping capitalised	36	34
Other non-sustaining capex	9	-
Total non-sustaining capex	103	89
TOTAL ADJUSTED CAPEX (after reclassification)	215	199
Sustaining element of open pit waste stripping capitalised from opex ²	91	Included in opex

¹ As per the new Sukari life of mine plan published on 12 October 2023.

² 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

Balance Sheet

Centamin is in a strong financial position, with net cash and liquid assets to US\$153 million as at 31 December 2023. The Company has a US\$150 million senior secured sustainability linked revolving credit facility (“RCF”) which is available and undrawn.

Liquidity

	31 December 2023 (US\$m)
Cash on hand	93
Bullion on hand	14
Gold sales receivable	45
Financial assets at fair value through profit or loss*	1
TOTAL CASH & LIQUID ASSETS	153
Sustainability-linked RCF (undrawn)	150
TOTAL LIQUIDITY	303

*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

Systems upgrade - SAP implementation

Throughout 2023, Centamin has been transferring the Group’s financial accounting systems to SAP. SAP is intended to streamline operations and improve data insights, data integrity and an overall stronger business framework – a key to the Company’s digital transformation and long term strategic objectives. The project was launched over a period of 10 months across the organisation with November 2023 as the first month under the new SAP system.

All financial data points included within this report are unaudited and subject to internal and external verification. Full year 2023 results are due out on 21 March 2024.

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 2022 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 and gold sales receivables.

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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