

Centamin plc

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

QUARTERLY REPORT

for the three months ended 31 December 2021

MARTIN HORGAN, CEO, commented: *"The final quarter delivered what was a highly successful 2021, resulting in Centamin delivering annual gold production and costs at the midpoint of our guidance. 2021 has been characterised by solid delivery against our stated plans and completion of the Sukari Life of Asset study, confirming the high-quality and long life of the mine, in addition to identifying significant upside growth opportunities. Excellent progress was made against our key capital projects as we continue to invest in the future of our assets. We continued to improve our safety performance, beating our annual targets, as we strive to achieve a zero-harm workplace.*

We have commenced 2022 with confidence and excitement and look forward to delivering on our clear roadmap to growing and unlocking further value from Sukari and our exploration portfolio, as outlined at the capital markets event on 8 December 2021."

HIGHLIGHTS

2021 guidance delivered

- **Strong safety performance:** Q4 Lost Time Injury Frequency Rate ("LTIFR") of 0.31 per one million site-based hours worked; FY LTIFR of 0.46, 28% better than the annual target of 0.65 as the Company strives to create a zero-harm workplace
- **Annual gold production delivered in line with guidance** (400,000-430,000 ounces): Gold production of 107,549 ounces ("oz") for the three months to 31 December 2021 ("Q4"), totalling 415,370 oz for the twelve months of 2021 ("FY") and at the midpoint of guidance
- **Strong revenue generation as well as elevated gold sales receivables:** Q4 revenue of US\$183 million, generated from gold sales of 99,936 oz at an average realised gold price of US\$1,828/oz sold; FY revenue of US\$733 million, generated from gold sales of 407,252 oz at an average realised gold price of US\$1,797/oz sold
- **Annual costs delivered in line with guidance:** Q4 cash costs of US\$972/oz produced and all-in sustaining costs ("AISC") of US\$1,256/oz sold; FY cash costs of US\$859/oz produced and all-in sustaining costs ("AISC") of US\$1,211/oz sold were delivered at the midpoint of annual guidance (Cash costs: US\$800-900/oz produced; AISC: US\$1,150-1,250/oz sold)
- **Excellent progress on essential capital projects:** Q4 capital expenditure ("capex") of US\$86 million; FY capex of US\$233 million, exceeding the annual guidance of US\$225 million due to the waste-stripping outperformance
- **Exploration activities on schedule:** Q4 exploration spend of US\$6 million advancing the Doropo and ABC projects in Côte d'Ivoire; FY exploration spend was US\$14 million and US\$3 million below the annual guidance
- **Strong balance sheet with no debt and no hedging:** Cash and liquid assets of US\$257 million, as at 31 December 2021
- **No material impacts due to COVID-19:** Full COVID-19 protocols remain in place, and supply chains and gold shipments have not been materially impacted
- The Company will publish its full year 2021 financial results and propose the final dividend in mid-March 2021.

OUTLOOK

2022 guidance unchanged

- Gold production of 430,000 to 460,000 oz
- Cash costs of US\$900-1,000/oz produced
- AISC of US\$1,275-1,425/oz sold
- Capex of US\$215 million, including US\$25 million of deferred solar and paste-fill plant construction expenditure from 2021
- Exploration expenditure is expected to be US\$25 million, predominantly focussed on the Doropo Pre-Feasibility Study (scheduled for completion in H2 2022), ABC fieldwork and drill testing, and commencing exploration on the Egyptian Eastern Desert 3,000km² highly prospective landholding.

RESULTS SUMMARY

	Q4 2021	Q4 2020	% Δ	FY 2021	FY 2020	% Δ
SAFETY						
LTIFR (1m hours)	0.31	0.89	(65%)	0.46	0.84	(45%)
OPEN PIT						
Total material mined (kt)	30,397	21,324	43%	110,222	79,774	38%
Ore mined (kt)	2,683	3,553	(24%)	12,391	15,656	(21%)
Ore grade mined (g/t Au)	0.93	0.74	26%	0.86	0.97	(11%)
UNDERGROUND						
Ore mined (kt)	145	165	(12%)	739	625	18%
Ore grade mined (g/t Au)	4.97	3.66	36%	4.95	4.99	(1%)
PROCESSING						
Ore processed (kt)	3,210	2,911	10%	11,916	11,913	0%
Feed grade (g/t Au)	1.11	0.86	29%	1.18	1.35	(12%)
Gold recovery (%)	87.0	88.6	(2%)	88.6	87.8	1%
Gold production (oz)	107,549	67,996	58%	415,370	452,320	(8%)
COST & SALES						
Gold sold (oz)	99,936	79,535	26%	407,252	468,681	(13%)
Cash costs (US\$/oz produced)	972	1,080	(10%)	859	719	20%
AISC (US\$/oz sold)	1,256	1,613	(22%)	1,211	1,036	17%
Realised gold price (US\$/oz)	1,828	1,887	(3%)	1,797	1,766	2%
Revenue (US\$m)	183.0	150.3	22%	733.3	828.7	(12%)
CAPEX (US\$m)	86.1	47.9	80%	233.0	138.4	68%

WEBCAST AND CONFERENCE CALL

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

Webcast link: <https://www.investis-live.com/centamin/61d46777b81c471200d87831/tnye>

Dial-in telephone numbers:

United Kingdom (and all other locations) +44 (0) 203 936 2999
 United States +1 646 664 1960
 Participation access code: 432466

HEALTH AND SAFETY

Operational safety has been a key focus across the Group. Prioritised management oversight and empowering employees to be safety leaders has resulted in an improved safety performance, beating our annual targets. In Q4, there was one lost time injury (“LTI”) (FY: five) therefore resulting in a lost time injury frequency rate (“LTIFR”) of 0.31 per 1,000,000 site-based hours worked (FY: 0.46), representing a 65% improvement compared to the corresponding quarter in 2020 (“YoY”). The total recordable injury frequency rate (“TRIFR”) for Q4 was 1.57 per one million site-based hours worked (FY: 3.01), a 79% improvement YoY.

Throughout 2021 Centamin experienced no material 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.

SUKARI GOLD MINE, EGYPT

(Q4 2021 vs Q4 2020)

Production

Sukari gold production for the quarter was 107,549 oz, a 58% improvement YoY, due to mining higher grade from the open pit and underground.

Open Pit Mining

Total material moved (waste and ore) of 30.4Mt (FY: 110.2Mt), a 43% increase YoY, driven by scheduled increased material movement and improved operating efficiencies and productivities.

Total open pit waste material mined for the quarter was 27.7Mt (FY: 97.8Mt), a 56% increase YoY, driven by the successful execution of the accelerated waste-stripping programme, improving the long-term flexibility and stability of the open pit. The strip ratio for the quarter was 10.3:1 (waste:ore) (FY: 7.9:1).

Open pit ore mining in Q4 continued to focus on the Stage 5 North and Stage 4 West areas. Total open pit ore mined for the quarter was 2.7Mt (FY: 12.4Mt), a 24% reduction YoY, at an average mined grade of 0.93 grams of gold per tonne (“g/t Au”) (FY: 0.86 g/t Au), a 26% improvement YoY, driven by scheduled higher grades delivered from Stage 4 West.

Underground Mining

Total material mined (waste and ore) was 205kt (FY: 1.1Mt), a 29% reduction YoY. Total ore mined was 145kt (FY: 739kt) at an average combined (stopping and development) grade of 4.97g/t Au (FY: 4.95 g/t). This represented a 12% reduction in ore tonnes YoY and a 36% improvement in grade YoY. Tonnes mined were below schedule due to issues driven by contractor staffing levels impacted by COVID-19 travel restrictions. This was partially offset by improved mining flexibility resulting in better than scheduled mined grades.

The underground ore split was 86kt of ore mined from stopes, at an average grade of 6.46g/t Au, and 59kt of ore mined from development, at an average grade of 2.79g/t Au.

The Company is on track to complete an assessment of the underground operating model imminently, including an independent contractor-mining tender process. The independently run process involved assessing several competitive contractor proposals and a cost-risk benefit analysis of both contractor-mining and owner-operator mining the underground operations.

Processing

The plant processed 3.2Mt of ore (FY: 11.9Mt), a 10% increase YoY, at an average feed grade of 1.11 g/t Au (FY: 1.18 g/t), a 29% improvement YoY.

The metallurgical gold recovery rate was 87.0% for the quarter (FY:88.6%), a 2% reduction YoY, reflecting mill feed contribution from low-grade stockpiles in the quarter. The focus on improving processing productivity and efficiencies through the plant upgrades resulted in better than scheduled annualised 2021 metallurgical recoveries.

During the quarter, the low-grade stockpiles were drawn down from 18.9Mt to 18.6Mt at 0.46g/t Au.

Capital Projects

Total capex in Q4 was US\$86 million (FY: US\$233m), which was an 80% increase YoY. Excellent progress was made in the quarter on key capital projects. The tailing storage facilities (TSF1 and TSF2), underground development and the waste stripping programmes were progressed ahead of schedule. The project development and construction of the solar project and paste fill plant both remained largely on track and scheduled for commissioning in Q3 and Q4 2022 respectively although the slight delays in spend have resulted in US\$25 million of capex deferred from 2021 to 2022. Solar project activities completed in the quarter included foundations for the battery storage facility, MV cable installation for the solar panel network and trenching for the LV cable installation. The paste fill plant earthworks were completed in the quarter.

In Q4, surface exploration on the 160km² Sukari Mining Concession commenced with a prioritised 10,000m drilling programme, targeting potential satellite deposits to the Sukari processing facility. The programme is near completion and assay results are expected in Q1 2022.

SALES AND COSTS

Gold sales for the quarter were 99,936 oz (FY: 407,252 oz), a 26% improvement YoY. The average realised gold price for the quarter was US\$1,828/oz (FY: US\$1,797/oz), down 3% YoY. Revenues generated of US\$183 million (FY: US\$733m), increased by 22% YoY, driven by higher gold sales and marginally offset by lower realised gold price. At the end of the quarter, there was US\$20 million gold bullion on hand due to the shipment of the final pour being after 31 December 2021.

Total cash costs of production were US\$104.6 million for the quarter (FY: US\$356.9m), a 42% increase YoY, 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\$972/oz produced (FY: US\$859/oz), a 10% reduction YoY.

Total all-in sustaining costs ("AISC") were US\$125.5 million for the quarter (FY: US\$493.1m), a 2% reduction in YoY, as the open pit contractor waste-stripping programme outperformed. Unit AISC of US\$1,256/oz sold (FY: US\$1,211/oz), a 22% reduction in YoY costs, reflecting lower costs complimented by higher gold sales.

EXPLORATION PROJECTS

Total exploration expensed in Q4 was US\$6.4 million, a 170% increase YoY, including the below key activities:

- **Doropo Project (Côte d'Ivoire)** – US\$5.8m spend - work was focussed on the PFS during the quarter with 22,862 metres ("m") of RC completed as part of the infill drilling campaign and a further 7,329m of core drilling dedicated to the metallurgical and resource infill drilling programmes. By the end of the period, the RC infill programme at the Main Cluster of deposits was 65% complete with an anticipated completion during Q1 2022. In parallel, the Environmental and Social Impact Assessment ("ESIA") work continued with stakeholder engagement, preliminary land use mapping, and detailed scopes of work defined for technical field studies that are scheduled to commence in Q1 2022.
- **ABC Project (Côte d'Ivoire)** – US\$0.4m spend - soil sampling has been completed over all three permits (1,200km²), which has delineated numerous new gold-in-soil anomalies. Soil anomalism has been confirmed southwards along the Lolosso structural corridor (which hosts the current Kona Mineral Resource¹) within the new Windou permit over a strike length of 25km. Several other soil anomalies have also been delineated by soil sampling within the project permits. These are now being followed-up with an extensive trenching programme. Drill testing will follow during 2022.
- **Eastern Desert Exploration (Egypt)** – programme preparations continued with logistical support preparations and remote data analysis and exploration programme planning completed.
- **Batie West Project (Burkina Faso)** – asset held for sale – discussions are ongoing with the potential interested parties and the Burkinabe government, as we seek a mutually beneficial outcome.

FINANCIAL POSITION

Free Cash Flow

Under the terms of the Sukari Concession Agreement, the Egyptian government earned US\$5.2 million in royalty payments (FY: US\$21.7m) and received US\$14.0 million in profit share payments during the quarter (FY: US\$75.2m). After Sukari profit share distribution, Group exploration expenditure and corporate investing activities, Group free cash flow for the quarter was negative US\$29 million (FY: negative US\$5m), reflecting the peak growth capex quarter and impacted by US\$20 million in unsold gold bullion on hand as at 31 December 2021.

Balance Sheet

Centamin is in a strong financial position, with net cash and liquid assets to US\$257 million as at 31 December 2021. The Company remains unhedged and debt-free.

ABOUT CENTAMIN

Centamin is an established gold producer, with premium listings on both 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 circa 5 million ounces of gold, and today has a projected mine life of 12 years.

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 the Egypt's Arabian Nubian Shield.

¹ 72Mt at 0.93g/t for 2.16Moz in Inferred Resources

Centamin practices responsible mining activities, recognising its responsibility to not only deliver operational and financial performance but to 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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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. 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/>.

Exploration expenditure

Exploration expensed covers all exploration activities excluding the Sukari Concession Agreement.

Royalties

Royalties are accrued and paid six months in arrears.

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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