

21 October 2020

Centamin plc

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

QUARTERLY REPORT AND UPDATED OUTLOOK

for the three months ended 30 September 2020¹

MARTIN HORGAN, CEO, commented: *"The third quarter marked another solid performance, bringing 2020 year to date free cash flow generated to US\$137 million, with a strong balance sheet of US\$345 million in net cash and liquid assets.*

Following our operational update on 2 October, today we have refined our 2020 guidance to 445,000 - 455,000 ounces of gold produced. Reflecting the continued work required to improve operational flexibility in the open pit, 2021 production is forecast at 400,000 - 430,000 ounces. We have already commenced an increased waste stripping programme to improve optionality in the open pit, the benefits of which are expected to start to flow through in 2022.

We will present the conclusions of the Phase 1 Life of Asset review on 2 December 2020. This will cover in more detail the three-year outlook for Sukari, as well as a series of initiatives targeted at improving costs and productivity.

Operational safety remains a primary focus for management, and this quarter's safety record is evidence of the continued progress in this area. We have strengthened the leadership team, notably in the areas of geology, projects and environmental & social. These appointments add further depth to our management capacity and operational capability.

During September, Centamin submitted applications for several new exploration licences in Egypt and we look forward to continuing to work with our partners at EMRA and the Ministry of Petroleum to further develop Egypt's gold industry."

HIGHLIGHTS²

- Zero Lost Time Injuries ("LTI") during Q3, resulting in a Group Lost Time Injury Frequency Rate ("LTIFR") of zero (YTD: LTIFR of 0.16³). The COVID-19 management plan continues to successfully support operations
- Gold production⁴ in the third quarter ("Q3") of 128,240 ounces ("oz") from the Sukari Gold Mine ("Sukari"), bringing production for the nine months of the year ("YTD") to 384,324 oz. Revenue generated of US\$230 million (YTD: US\$678m) from gold sales of 118,617 oz at an average realised gold price of US\$1,933/oz sold
- Cash costs for Q3 of US\$682/oz produced (YTD: US\$655/oz) and all-in sustaining costs ("AISC") of US\$961/oz sold (YTD: US\$918/oz), reflecting the scheduled increase in capital expenditure
- Adjusted Group free cash flow of US\$36 million was generated in Q3 (YTD: US\$137m), after US\$39 million of capital expenditure (YTD: US\$90m) and US\$64 million was distributed to the Egyptian government in profit share payments and royalties accrued (YTD: US\$178m)
- Net cash and liquid assets⁵ of US\$345 million, as at 30 September 2020, after payment of the second interim dividend of US\$69 million on 11 September 2020

¹ Financial data points included within this report are unaudited

² Cash costs of production, AISC, Cash and cash equivalents, bullion on hand, gold and silver sales debtor and financial assets at fair value through profit and loss (also known as cash and liquid assets) and Adjusted free cash flow are Non-GAAP Financial Measures as defined in the 2019 Annual Report

³ Lost Time Injury Frequency Rate calculated per 200,000 workplace hours

⁴ Gold produced is gold poured and does not include gold in circuit at the period end

⁵ Cash and cash equivalents, bullion on hand, gold and silver sales debtor and financial assets at fair value through profit and loss (also known as cash and liquid assets)

OUTLOOK⁶

- On 2 December 2020, the Company will host a virtual investor presentation on the results of the Phase 1 Life of Asset (“LOA”) review, including a detailed three-year outlook for Sukari, cash flow scenario analysis and a series of initiatives targeted at improving costs and productivity

2020

- Following the operational update published on 2 October 2020, the Company has rescheduled the open pit mining sequence and confirms 2020 guidance of 445,000-455,000 oz of gold produced, at cash costs of US\$740-790/oz produced and AISC of US\$950-1,050/oz sold
- Q4 production guidance of circa 60,000-70,000 oz, at an estimated cash cost of US\$950-1,050/oz produced and AISC of US\$1,450-1,650/oz sold, which includes capital spend of US\$30-40 million (a total of US\$120-130 million for the year)
- Consequently, free cash flow⁷ expectations for Q4 are expected to be largely neutral, bringing 2020 full year free cash expectations to US\$135-145 million. The Board expects to announce the 2020 final dividend with the 2020 Preliminary Results

2021

- In order to increase the number of production areas available within the open pit and thereby improve operational optionality, the Company has commenced an increased waste stripping programme, the costs of which are reflected in the below guidance
- Due to the rescheduling of the open pit operations the Company forecasts 2021 gold production of 400,000-430,000 oz, at cash costs of US\$875-950/oz produced and AISC of US\$1,200-1,275/oz sold

GROUP PRODUCTION SUMMARY^{1,2,4}

	Q3 2020	QoQ comparative		YoY comparative		YoY comparative		
		Q2 2020	%	Q3 2019	%	YTD 2020	YTD 2019	%
Open pit								
Total material mined (kt)	17,682	20,266	(13%)	19,762	(11%)	58,449	61,005	(4%)
Ore mined (kt)	3,805	4,122	(8%)	3,625	5%	12,103	10,366	17%
Ore grade mined (g/t Au)	1.01	0.98	3%	0.75	35%	1.04	0.72	43%
Ore grade milled (g/t Au)	1.28	1.27	1%	0.83	54%	1.29	0.81	60%
Underground								
Ore mined (kt)	139	168	(17%)	275	(50%)	460	856	(46%)
Ore grade mined (g/t Au)	5.38	5.99	(10%)	3.94	37%	5.47	5.02	9%
Processing								
Ore processed (kt)	2,931	2,994	(2%)	3,207	(9%)	9,002	9,815	(8%)
Feed grade (g/t Au)	1.48	1.52	(3%)	1.10	34%	1.50	1.18	27%
Gold recovery (%)	87.4	88.0	(1%)	85.6	2%	87.6	87.6	0%
Gold production (oz)	128,240	130,994	(2%)	98,045	31%	384,324	332,141	16%
Gold sold (oz)	118,617	130,745	(9%)	108,826	9%	389,146	332,955	17%
Cash costs (US\$m produced)	87.5	81.9	7%	83.9	4%	251.7	243.4	3%
AISC (US\$m sold)	114.0	117.1	(3%)	123.6	(8%)	357.2	331.0	8%
Cash costs (US\$/oz produced)	682	625	9%	860	(21%)	655	742	(12%)
AISC (US\$/oz sold)	961	896	7%	1,141	(16%)	918	1,006	(9%)
Avg gold price (US\$/oz)	1,933	1,731	12%	1,478	31%	1,741	1,362	28%

STAGE 4 WEST UPDATE

As announced on 2 October 2020, movement was detected in a localised area of waste material in the Sukari open pit Stage 4 West wall. The area was identified by the on-site geotechnical team, and early detection enabled a quick response which stabilised the area and therefore safeguarding our workforce and the short to medium term open pit operations.

The localised area of instability is immediately above a higher-grade ore zone and mining scheduled for Q4 and into 2021 was immediately deferred until the area has been rehabilitated.

A comprehensive geotechnical risk assessment is underway to identify the cause and develop a rehabilitation plan. Initial assessment indicates a combination of steep slope angles and the localised presence of groundwater in the West Wall of the pit as contributing factors.

⁶ The Company is actively monitoring the developments of the COVID-19 pandemic and guidance may be impacted if the workforce or operation are disrupted

⁷ Free cash flow is a non-GAAP financial measure and defined as cash available after profit share distribution and investing activities. More detail around non-GAAP definitions can be found in the Company's 2019 Annual Report

Supported and reviewed by the Company's geotechnical and hydrogeological specialist advisors, the remediation plan includes both the mining of the waste above the area of instability and simultaneously dewatering the area with the use of boreholes. The waste material to be mined is part of the scheduled Stage 5 waste stripping push back and therefore, at no additional cost outside of planned operating costs. Current scheduling indicates that the remediation work will be completed during H1 2021 and the deferred higher-grade Stage 4 West material can be rescheduled into the open pit mine plan in H2 2021 and into 2022. This rescheduling work is being included in the open pit mine plan being developed as part of the LOA.

Due to historical open pit scheduling, there are limited alternative production areas available to be mined. Open pit mining in Q4 and into 2021 will be focussed on the lower grade (0.7-0.9 g/t Au) Stage 5 North area. 2020 production guidance is consequently confirmed at 445,000 to 455,000 ounces. Improving future mining optionality and flexibility is a key focus of the open pit mining planning.

Any shortfall from the open pit will be provided from low-grade surface stockpiles (average grade 0.47g/t Au). The underground operations remain unimpacted by the changes to the open pit mine sequencing.

CONFERENCE CALL

The Company will host a conference call today, Wednesday, 21 October at 12.30 BST (UK time) to discuss the results with investors and analysts, followed by an opportunity to ask questions. Please find below the required participation details for the call:

Dial-in telephone numbers:

United Kingdom (all other locations)	+44 (0) 203 936 2999
United States	+1 646 664 1960
South Africa	+27 (0)87 550 8441

Participation access code: 523748

A replay will be made available on the Company website by the close of business today.

The person responsible for the release of this announcement on behalf of the Company is Martin Horgan, CEO.

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

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HEALTH & SAFETY

Creating a safe work environment supports a healthy and productive workforce. Safety remains at the centre of our workplace culture with a policy of continual improvement with the objective to creating a zero-harm workplace. In Q3, there were no LTIs, resulting in a zero LTIFR. As at 30 September, a total of 2,354,419 hours had been worked without an LTI.

Hazard awareness and emergency preparedness is fundamental to effective safety management. Technology, supported by clear emergency response protocols, meant that early detection and effective action was taken to secure the localised area of pit instability within Stage 4 West⁸, thereby protecting the safety of our workforce and securing the asset.

Throughout 2020, Centamin has been proactive in how it manages and mitigates the impacts within its control, from the COVID-19 pandemic. With continued external uncertainty around the impact and potential duration of the COVID-19 pandemic, the Company continues to adapt the processes and procedures to operate responsibly and sustainably during the pandemic, referred to within the Group as "*Co-existing with COVID*". This includes routine pre-screening and mandatory testing of all personnel prior to entering or exiting site, with a clear response framework in line with the test, track and isolate model.

Year to date, costs associated with Centamin's COVID-19 response are approximately US\$10 million, primarily relating to on-site salary increases and logistics, including rostered workforce travel and gold shipments.

⁸ As announced in the Sukari Operational Update on 2 October 2020

In collaboration with some of our on-site partners, medical equipment has been donated to the Marsa Alam Hospital, situated in Sukari's local community. The donation includes diagnostic equipment, which is capable of detecting, amongst other diseases, COVID-19. Further to this, Sukari has its own dedicated equipment to support additional testing capability.

SUKARI GOLD MINE, EGYPT

(Q3 2020 vs Q3 2019)

PRODUCTION & SALES

Gold production for the quarter was 128,240 oz, which is a 31% improvement compared to the corresponding quarter in 2019 ("YoY"), driven primarily by higher mined grades. Gold sales for the quarter were 118,617 oz, a 9% increase YoY. Due to timing of gold shipments, there were 14,578 unsold ounces at 30 September 2020 which have subsequently been sold.

A stronger gold price resulted in a 31% increase YoY in the average realised price of gold to US\$1,933/oz. Revenue for the quarter was US\$230 million, a 43% improvement YoY, driven by both price and volume sold.

COSTS

Absolute cash costs of production were US\$88 million for the quarter, a 4% increase YoY. Unit cash costs of production were US\$682/oz produced, 21% less YoY due to higher production volumes.

Absolute all-in sustaining costs ("AISC") were US\$114 million for the quarter, an 8% reduction YoY, mainly due to mining inventory increasing in Q3 2020 and the associated costs being capitalised reducing the AISC, while the inverse occurred in Q3 2019. Unit AISC was US\$961/oz sold, 16% less YoY, the reduction was further compounded by the increase in gold ounces sold as detailed above.

OPEN PIT MINING

During Q3, total open pit waste material mined was 13.9Mt, was 14% less YoY, and excluded 680kt scheduled as waste material which was reclassified as low-grade ore based on preproduction drilling and stockpiled. This had the impact of increasing ore tonnes and reducing both the mined grade and strip ratio. The strip ratio for the quarter was 3.65:1.

Total open pit ore mined was 3.8Mt at an average grade of 1.01 grams of gold per tonne ("g/t Au"), a 5% increase in tonnes and a 35% improvement in average grade YoY. This was predominantly driven by mining in the higher-grade Stage 4 West area of the open pit during the period.

In Q3, 2.8Mt of ore was delivered to the mill at an average grade of 1.28g/t Au and 92kt was delivered to the dump leach pads. The balance of 0.9Mt of ore was placed on stockpiles for future processing. During the quarter the low-grade stockpiles increased from 15.8Mt at 0.47g/t Au to 16.7Mt at an average grade of 0.46g/t Au.

UNDERGROUND MINING

Underground mining in the quarter focussed on the Ptah zone. Total ore mined was 139kt at an average total grade of 5.4g/t Au. This represented a 50% decrease in tonnes YoY and a 37% improvement in grade YoY. The underground ore split was:

- 72kt of ore mined from stopes, at an average grade of 6.4g/t Au
- 67kt of ore mined from development, at an average grade of 4.3g/t Au

The improvement in grade and reduction in tonnes YoY is attributed to improved mine planning and the use of backfill which resulted in improved dilution control in the underground operations.

In Q3, the initial phase of the underground ventilation upgrades were substantially completed, including connecting the ventilation raises to complete the ventilation circuit. Installation of the ventilation fans, doors and bulkheads will be completed in Q4. These upgrades will maintain air quality and temperature as the mine develops further to depth, allowing for the maintenance of material movement. The underground operations remain unimpacted by the changes to the open pit mine sequencing. The focus for Q4 will remain on the mining of sequenced stopes while preparing for 2021 and beyond.

PROCESSING

The plant processed 2.9Mt of ore, a 9% decrease YoY, at a higher average feed grade of 1.48g/t, a 34% improvement YoY.

The metallurgical gold recovery rate was 87.4% for the quarter, a 2% increase YoY. In the quarter, routine plant maintenance was successfully executed without the use of external contractors, including the replacement of the mill liners.

Dump leach operations contributed 1,418 ounces.

CAPITAL PROJECTS

Total capital expenditure ("capex") in Q3 was US\$39 million, a 65% increase YoY, reflecting the 2020 second-half weighted capital spend profile:

- Construction of the second downstream tailings storage facility ("TSF2") is 85% complete, and on track for commissioning in Q4. Based on current production rates, TSF2 will extend tailings deposition beyond 2030
- Progress on the Sukari Solar project focussed on Front-End Engineering and Design ("FEED") work, construction contract development and preparatory site works across the 60-hectare site area

Total forecast capex for 2020 has been revised to US\$120-130 million from US\$150-170 million, including Sukari sustaining and non-sustaining capex, excluding exploration expensed in West Africa. Whilst this reflects some cost savings from supply contract negotiations, it predominantly reflects capital spend timelines shifting into 2021.

LIFE OF ASSET REVIEW ("LOA")

The Company commenced a LOA at Sukari in 2019, to develop medium to long term plans which seek to optimise the Sukari operations. The review comprises of a series of independent optimisations studies across the various sections of the Sukari operations (open pit, underground, processing), assessing mineral resource management, mine planning, geotechnical evaluation, plant performance, water and waste management, energy usage and exploration.

A focus on the open pit fleet capacity and replacement strategy has been undertaken seeking to provide increase in mining capacity against a capital and operating cost trade off. With an increase in waste stripping required to support the development of the open pit, the potential use of mining contracting services against fleet purchases has been independently assessed as part of the LOA.

Consistent with our strategic focus to create value over volume, a key priority of the LOA review is to identify cost-saving opportunities and operational efficiencies. These opportunities, including programmes to reduce the Group's carbon emissions, will be incorporated as part of the Phase 2 optimised life of mine plan.

- Phase 1 of the review is in its final stages and will be presented to the market on 2 December 2020. This will include the initial results, a medium-term production profile and detail further identified workstreams
- Phase 2 will comprise of an updated and optimised Life of Mine plan. This is expected to be delivered in the second half of 2021

EXPLORATION

EGYPT

Following a review of the current dataset for the 160km² Sukari tenement, an updated exploration strategy has been developed, with the core objective of fully exploring the current licence potential using modern exploration techniques.

The Company's government partners, EMRA, launched an exploration bid round process for a series of blocks covering the Eastern Desert in Egypt. The Arabian Nubian Shield is one of the few remaining underexplored geological terranes which we believe has excellent potential for further discoveries to be made. Centamin is seeking to leverage off of its +10-year operating experience and established infrastructure to assess the potential of the Egyptian Eastern Desert and bring any discoveries to account quickly and in a cost-effective manner.

This is the first bid round under the proposed new tax, rent, royalty framework that will be applied to new applications in the country. It is important to note that the terms of the Concession Agreement on our 160km² Sukari tenement remain unchanged.

This first round submission deadline was 15 September 2020. Centamin submitted bids for several prospective blocks. Updates on the bid round are expected before year end.

CÔTE D'IVOIRE

During Q3, drilling continued across the Doropo and ABC exploration projects in Côte d'Ivoire. At the Doropo project in northeast Côte d'Ivoire approximately 27,000 metres (YTD: 74,000 metres) of reverse circulation ("RC") drilling was completed across the Kilosegui, Vako and Atirre prospects. At the ABC project, located in western Côte d'Ivoire, approximately 5,000 metres (YTD: 7,800 metres) of air-core and RC drilling was completed on the Kona prospect.

In addition to the extensive drilling works carried out on both projects a hi-resolution airborne geophysical (magnetics and radiometrics) survey is currently underway at the ABC project covering 60km of strike along the Sassandra fault zone which traverse from north to south through Centamin's Farakonafa and Kona exploration permits. The airborne survey is scheduled for completion during October.

The 2020 drill programmes at both Doropo and ABC have been completed, and prior to recommencing exploration and project work in 2021, Mineral Resource Estimate ("MRE") updates and project reviews will be undertaken in Q4 and early Q1 2021.

FINANCIAL POSITION (*unaudited*)

BALANCE SHEET



The Company is in a strong financial position, building net cash and liquid assets to US\$345 million, as at 30 September 2020. The Company remains unhedged and debt-free. The Company paid US\$69 million to shareholders as a second interim dividend on 11 September 2020.

FREE CASH FLOW

Under the terms of the Sukari Concession Agreement, the Egyptian government earned US\$6.9 million⁹ in royalty payments and received US\$56.8 million in profit share payments¹⁰ during the quarter. After Sukari profit share distribution and Group investing activities, Group adjusted free cash flow for the quarter was US\$36 million, a 784% improvement YoY, reflecting both the higher gold sales volumes and average realised gold price, offset by the final step change of the profit share mechanism⁹ to a 50:50 split between the Company and its Egyptian partner, EMRA, increased capex profile and unsold gold bullion on hand.

CORPORATE

During Q3, the Company made several leadership appointments in key areas to support the company's current operations and development strategy. Reporting to the CEO and complementing the existing team at Centamin, the appointments have been made to support our medium to long term development strategy of maximising the value of Sukari while seeking both organic and acquisitive growth opportunities.

- Craig Barker has joined the Company as Group Mineral Resource Manager. Craig is a geologist with over 20 years' experience working in the gold mining industry having previously worked at Randgold Resources, Barrick Gold Corporation and Dundee Precious Metals. Craig will be responsible for managing Centamin's mineral resources and mine geology to ensure we sustainably extract the optimal value from the ore bodies we operate.
- Paul Cannon has joined as Group Environmental and Social Manager and will help to manage and develop our environmental and social commitments and capabilities across the group. Paul has over 20 years' experience supporting companies with the integration of sustainability into systems of corporate governance, management assurance and operational practice, having previously worked at Resolute Mining, Toro Gold and Teranga Gold. Paul will be responsible for developing and managing the sustainability strategy which underpins the business model.
- Russell White has joined as Group Projects Manager and will be supporting both the Sukari operations and the West Africa portfolio of projects. Russell has over 33 years' experience in both operations and projects, ranging from engineering, design, construction commissioning, contract development across a number of commodities and jurisdictions, having most recently worked at Toro Gold and Endeavour Mining. Russell will support both the current projects under development and execution as well as managing study work as part of the evaluation of Sukari and West Africa.

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; 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. 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.

⁹ Accrued royalties are paid every six months in arrears

¹⁰ Under the terms of the Concession Agreement with Centamin's Egyptian partners, EMRA, on 1 July 2020, the profit share mechanism changed to 50:50, from 55:45 in favour of Centamin, and will remain at this level for the remainder of the tenure