Centerra Gold (NYSE: CGAU / TSX: CG) - Q2 2026 Results, the Gold Cycle & Valuation

Second quarter ended June 30, 2026, reported in US dollars. Centerra is a Canadian-based gold and copper producer with two operating mines, Mount Milligan (British Columbia) and Öksüt (Türkiye), a US molybdenum business, and an organic growth pipeline. Record gold prices drove revenue up 54% and adjusted EBITDA up 81%; the company raised gold guidance and expanded its buyback to $200 million.

A factual snapshot built from Centerra's public filings and verified market data. It contains no Blackspear forecast, price target, or recommendation.

REVENUE (Q2'26)	ADJUSTED EPS (Q2'26)	REALIZED GOLD PRICE	AISC (BY-PRODUCT)
$442.7M	**$0.40**	**$3,437**	**$1,707**
▲ 54% YoY; adj. EBITDA $157.5M (+81%)	GAAP $0.35 diluted; net earnings $72.1M	per oz; vs $4,506 market (Royal Gold stream)	per oz gold; within $1,650-1,750 guidance

PRODUCTION BY ASSET - Q2 2026

ASSET	GOLD (OZ)	AISC BY-PROD. ($/OZ)	MINE CASH FLOW
Mount Milligan (BC, gold + copper)	38,175	$1,269	$117.6M
Öksüt (Türkiye, gold)	32,552	$1,952	$15.8M
US Moly (molybdenum, ramping)	-	-	$(45.0)M
Consolidated gold	**70,727**	**$1,707**	**-**

Mount Milligan also produced 13.1M lbs of copper (realized $5.30/lb) and generated $89.1M of free cash flow; it is the portfolio's lowest-cost mine on a by-product basis, aided by copper credits at currently high copper prices. Öksüt beat plan on higher grades, prompting a 9% increase to its 2026 gold guidance. US Moly (the Thompson Creek restart and Langeloth facility) used cash as it ramps toward first molybdenum production in mid-2027. Consolidated 2026 gold guidance was raised to 260,000-290,000 oz.

RESULTS & CASH HIGHLIGHTS - Q2 2026

Gold sold / realized price	72,114 oz / $3,437
Copper sold / realized price	13.4M lb / $5.30
Cash from operating activities	$66.2M
Total capital expenditures	$120.3M
Free cash flow (deficit)	$(23.0)M
Cash / total liquidity	**$450.9M / $850.9M**

Free cash flow was negative $23.0M because capex of $120.3M (including $81.0M of non-sustaining spend on Thompson Creek and Goldfield) exceeded operating cash flow, with the shortfall covered from cash. The balance sheet is debt-free, with $450.9M of cash and an undrawn credit facility (upsized to $600M in July 2026, taking liquidity to about $1.05B).

HOW TO READ THE NUMBERS

- Earnings are highly leveraged to gold, which is near record highs (about $4,375/oz spot, an all-time high of $5,608 in January 2026); a lower gold price would sharply cut cash flow.
- Realized gold ($3,437) is well below the market price ($4,506) because Royal Gold buys 35% of Mount Milligan's gold at a fixed $435/oz under a streaming agreement.
- Adjusted figures are non-GAAP; AISC ("all-in sustaining cost") is a by-product measure that credits copper sales against gold cost.
- Heavy growth capex is depressing near-term free cash flow (see page 2).

CAPITAL ALLOCATION, BALANCE SHEET & GROWTH - AT JUNE 30, 2026 (FACILITY UPSIZED JULY 2026)

A DEBT-FREE BALANCE SHEET FUNDING BUYBACKS AND ORGANIC GROWTH

CASH / LIQUIDITY	FY2026 BUYBACK	DIVIDEND	GROWTH PIPELINE
$450.9M / $1.05B	**$200M**	**C$0.28/yr**	**3 projects**
debt-free; $600M facility undrawn	expanded; $72.2M done in first half	C$0.07/qtr; ~1% yield	Thompson Creek, Goldfield, Kemess

Centerra is developing an organic growth pipeline, predominantly in North America, funded from its debt-free balance sheet: the Thompson Creek molybdenum restart (first production targeted mid-2027, total capital $425-450M), the Goldfield gold project in Nevada (first production targeted late 2028, $252M), and the Kemess gold-copper project in British Columbia (a January 2026 preliminary economic assessment estimated an after-tax net present value of about $1.1B at $3,000/oz gold). These projects consume capital now and their economics and timelines are not yet certain.

VALUATION SNAPSHOT - NEAR ITS 52-WEEK HIGH (MID-AUGUST 2026)

Share price (NYSE, recent)	**~$21.24**	Adjusted EPS (Q2 / H1'26)	**$0.40 / $0.84**
Market capitalization (~196M sh.)	**~$4.2B**	P / E (trailing GAAP TTM ~$3.18)	**~6.7x**
Cash / total debt	**$450.9M / nil**	Fwd P / E (consensus ~$1.98)	**~10.7x**
Enterprise value (less net cash)	**~$3.7B**	EV / adj. EBITDA (annualized ~$655M)	**~5.7x**
Dividend (C$0.28/yr) & yield	**~1%**	Adj. EBITDA (Q2 / H1'26)	**$157.5M / $327.3M**
52-week range	**$6.99-$22.30**	Earnings reflect record gold	**yes**

The low multiples (~6.7x trailing earnings, ~5.7x EV/EBITDA) sit on **cyclically high gold prices**: metal prices are volatile and the current quarter reflects gold near record highs. On mid-cycle gold, earnings and these multiples would be materially different. The trailing P/E is flattered by a very strong prior twelve months as gold surged; forward consensus (~$1.98) puts the forward multiple near 11x. Multiples move with the share price and the gold price, refresh before relying on them.

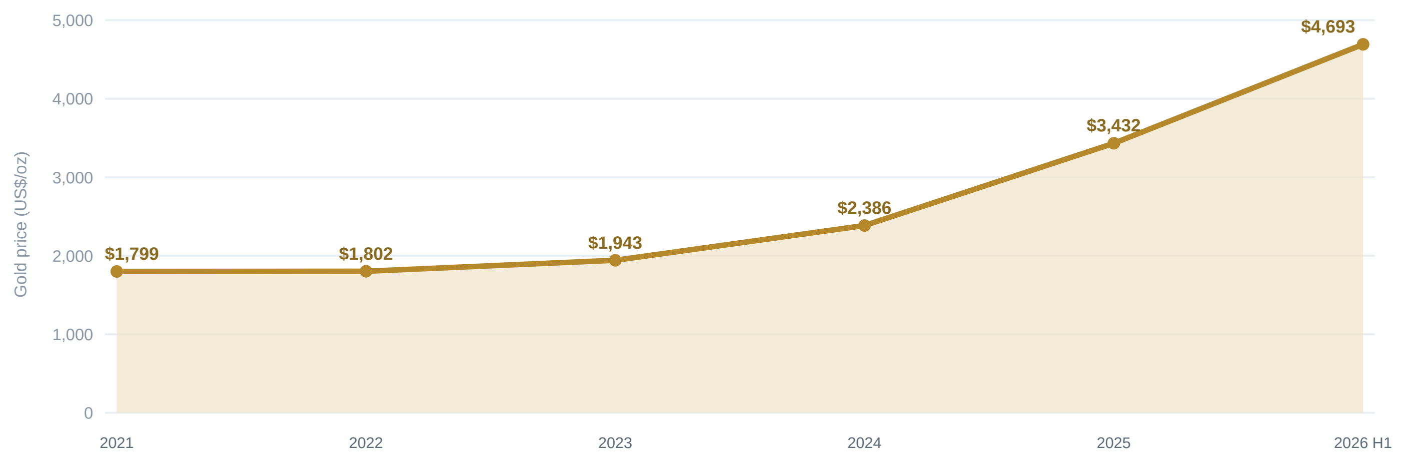
Full Excel model - linked tabs (mine-by-mine build, gold/copper price sensitivity, Royal Gold stream, growth-capex model, valuation, source tie-outs) - available on request. Email **info@blackspearllc.com** for a copy.

Centerra Gold (NYSE: CGAU / TSX: CG) - Valuation, the Gold Cycle & Key Risks

A gold and copper producer whose earnings and share price are leveraged to a gold price near record highs. The optically low multiples (~7x trailing earnings, ~6x EV/EBITDA) rest on those elevated prices; the debate is whether a debt-free balance sheet, buybacks, and an organic growth pipeline justify the re-rating, or whether metal prices mean-revert.

History from public gold-price and Centerra data; the growth pipeline is company guidance; multiples are Blackspear calculations. Nothing here is a Blackspear price target or recommendation.

AVERAGE GOLD PRICE - THE DRIVER OF EARNINGS, 2021-2026



TRAILING P/E (GAAP)	EV / ADJ. EBITDA	NET CASH	FREE CASH FLOW (Q2)
~6.7×	**~5.7×**	**$450.9M**	**$(23.0)M**
on TTM ~$3.18; above run-rate	on ~$655M annualized	debt-free; $1.05B liquidity	growth capex; H1 +$26.1M

VALUATION & THE CYCLE

Recent price (NYSE)	**~$21.24**
Market cap / EV	**~$4.2B / ~$3.7B**
Adjusted EPS (Q2 / H1'26)	**$0.40 / $0.84**
Trailing P/E (GAAP TTM)	**~6.7×**
Forward P/E (consensus ~$1.98)	**~10.7×**
EV / adj. EBITDA (annualized)	**~5.7×**
Realized vs market gold (Q2)	**$3,437 vs $4,506**
AISC by-product / cash & debt	**$1,707 · $450.9M / nil**

CHEAP ON PEAK EARNINGS, OR VALUE?

LEVERAGED TO GOLD NEAR RECORD HIGHS

Low multiples, on peak-cycle metal prices

CGAU trades at ~7x trailing earnings and ~6x EV/EBITDA, which look cheap largely because gold is near record highs (spot ~$4,375, an all-time high of $5,608 in January 2026). Bulls point to a debt-free balance sheet, a $200M buyback, strong margins, and a self-funded growth pipeline (Thompson Creek, Goldfield, Kemess). Bears note earnings are highly leveraged to volatile metal prices, the Royal Gold stream caps Mount Milligan's upside, growth capex is consuming free cash flow, and on mid-cycle gold the same price would imply a much higher multiple. This frames both sides; it is not a Blackspear view.

TOP RISK FACTORS - SUMMARIZED FROM THE COMPANY'S FILINGS

- **Metal-price cyclicality.** Earnings and cash flow are highly leveraged to gold, copper and molybdenum prices, which are volatile; the current quarter reflects gold near record highs, and a price decline would sharply reduce margins and free cash flow.
- **Growth-project execution.** The Thompson Creek restart, Goldfield, and Kemess consume large amounts of capital and carry cost, schedule, and permitting risk; heavy non-sustaining capex is pressuring near-term free cash flow.
- **Operations, reserves and reclamation.** Grades, recoveries, mine sequencing, reserve life, tailings-storage integrity, and large reclamation obligations can all affect output, costs, and cash flow.
- **Royal Gold streaming drag.** Royal Gold buys 35% of Mount Milligan's gold at a fixed $435/oz and 18.75% of copper at 15% of spot, so realized prices sit well below market and the mine participates only partly in higher prices.
- **Jurisdiction and single-asset risk.** Öksüt is in Türkiye (tax, royalty, permitting, currency, and a prior operating-suspension history), and the portfolio depends heavily on two producing mines, so a problem at either would be material.
- **Cost inflation and sustaining capital.** AISC and sustaining capital can rise with input and labour inflation; if costs climb while gold falls, margins compress quickly.

On the numbers. Reported results are from Centerra's Q2 2026 news release and interim financial statements (US dollars). The chart shows the average market gold price by year (2021-2025 annual averages; 2026 is the first-half average of about $4,693 per the filing, with spot near $4,375 in mid-August 2026); Centerra's realized gold price is materially lower because of the Royal Gold streaming agreement at Mount Milligan. Net cash is cash of $450.9M against nil borrowings. EV/EBITDA uses adjusted EBITDA annualized from the first half (~$655M); the trailing P/E uses a trailing-twelve-month earnings base lifted by the 2025 gold surge, while forward consensus is about $1.98, near an 11x forward multiple. All are mechanical Blackspear calculations on cyclically high metal prices, not estimates, price targets, or recommendations.