

SSRM Earnings Call Transcript

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Operator: Hello, everyone, and welcome to SSR Mining's Third Quarter 2025 Conference Call. This call is being recorded. At this time, for opening remarks and introduction, I would like to turn the call over to Alex Hunchak from SSR Mining. Please go ahead.

Alex Hunchak: Thank you, operator, and hello, everyone. Thank you for joining today's conference call to discuss SSR Mining's Third Quarter Financial Results. Our consolidated financial statements have been presented in accordance with U.S. GAAP. These financial statements have been filed on EDGAR and SEDAR, and they are also available on our website. There is an online webcast accompanying this call, and you will find the information to access the webcast in this afternoon's news release and on our corporate website. Please note that all figures discussed during the call are in U.S. dollars unless otherwise indicated. Today's discussion will include forward-looking statements, so please read the disclosures in the relevant documents. Additionally, we will refer to non-GAAP financial measures during our discussion and in the accompanying slides. Please see our press release for information about the comparable GAAP measures. Rod Antal, Executive Chairman, will be joined by Michael Sparks, Chief Financial Officer; and Bill MacNevin, EVP, Operations and Sustainability on today's call. I will now turn the line over to Rod.

Rodney Antal: Great. Thanks, Alex, and good afternoon to you all. Our third quarter results have us tracking to close out the year in the lower half of our production guidance, where we continue to expect a stronger fourth quarter. Our full year all-in sustaining costs are trending towards the high end of annual guidance, and this is largely due to the impacts of higher gold prices on royalties as well as the share price performance over the year-to-date impacting share-based compensation calculations. Generally, the third quarter results were in line with our expectations. Before working capital adjustments, we generated \$72 million of free cash flow, and we maintain a very healthy cash and liquidity profile to support the continued investment in growth opportunities across the business. We also made great progress on a number of other initiatives in the quarter. The Cripple Creek & Victor technical report should be ready for publication in the coming weeks. This will provide our initial view of the potential at Cripple Creek, where the technical report will feature mineral reserves that are aligned with the already in progress Amendment 14 expansion permit. At Hod Maden, we have now spent \$44 million advancing the project this year and remain on track for our full year growth capital guidance of \$60 million to \$100 million. A key milestone of the work this year will be the comprehensive update included with the new technical report. This will form the basis of the project and construction decision in the coming months. To this end, Hod Maden remains one of the most compelling undeveloped copper-gold projects in the entire sector and work completed to date reinforces our view of extremely attractive asset returns. Across the rest of the portfolio, we have continued to make great progress in advancing organic development projects, including Buffalo Valley at Marigold, Porky at Seabee and Cortaderas at Puna. We're seeing some very encouraging results from the summer drill campaigns across all of these targets, where we hope to emulate the initial success of adding the initial 3 years of mine life extension at Puna. Bill will speak more of this later in the call. And lastly, we continue to make good progress at Çöpler and remain fully committed to a restart. We are in close communication with the relevant government authorities as we seek approvals to bring the mine back online. Overall, it was a solid quarter and as expected with good progress made on a number of initiatives across the portfolio. So now I'm going to call -- turn the call over to Michael to bring you through the quarter 3 financials, starting on Slide #4.

Michael Sparks: Thank you, Rod, and good afternoon, everyone. In the third quarter, we produced 103,000 gold equivalent ounces at an all-in sustaining cost of \$2,359 per ounce or \$2,114 per ounce,

excluding costs incurred at Çöpler during the quarter. For the full year, production of 327,000 gold equivalent ounces is in line with plan, and we are on track to finish within our full year guidance of 410,000 to 480,000 gold equivalent ounces, albeit in the lower half of that range. As Rod noted, higher-than-forecasted royalty costs and share-based compensation, coupled with production in the lower half of guidance is pushing our AISC towards the top end of our full year cost guidance range. We ended the quarter in a strong financial position with \$409 million in cash and total liquidity of over \$900 million. Our strong balance sheet ensures capacity to fund our numerous growth initiatives across the portfolio, which includes Hod Maden, where we incurred another \$17 million in capital during the quarter. We are very excited about the progress of Hod Maden and look forward to sharing an updated life of mine plan and construction decision for the project in the coming months. Let's move on to our quarterly financial results on Slide 5. In the third quarter, we sold 105,000 gold equivalent ounces at an average realized gold price above \$3,500 per ounce. Net income attributable to SSR Mining shareholders was \$65.4 million or \$0.31 per diluted share, while adjusted net income was \$68.4 million or \$0.32 per diluted share. As highlighted in the table, free cash flow in this quarter was impacted by working capital movements, particularly inventory movements at Marigold and CC&V; as well as prepayments associated with development activities at Hod Maden. Accordingly, free cash flow before changes in working capital was \$72 million, highlighting our strong margins despite continued investment in growth initiatives across the portfolio. Now over to Bill for an update on the operations, starting on Slide 6.

William MacNevin: Thanks, Michael. I'll first start with EHSS. We continue to advance initiatives aimed at ensuring our purpose and values are reflected in everything we do. I'll share some examples of this. We've seen improvements in how we're applying risk review and mitigation in both our planning and field execution. There's also been great progress on integrating progressive closure into our life of mine plans, which has the potential to reduce overall cost to the business. Now on to Slide 7 for Marigold. In the third quarter, Marigold produced 36,000 ounces of gold at an AISC of \$1,840 per ounce. These results were in line with plan, and we continue to expect a strong fourth quarter, albeit slightly below our initial expectations for the period. As we have advanced mining at Red Dot Phase 2, we have encountered a consistent grade profile aligned with our internal models. However, the ore has had more fines than expected, resulting in the need for additional blending to ensure pad recovery performance. Our technical teams at both Marigold and CC&V; have been working collaboratively this year to improve ore body knowledge, focusing on processing planning. Through these efforts, we're improving our approach to ore blending at Marigold to ensure that we appropriately deal with the final ore we are encountered. With respect to growth, we're advancing work on Buffalo Valley deposit with the goal of fully integrating the project into the Marigold life of mine plan. This work is progressing positively so far, and we expect Buffalo Valley will provide a meaningful mine life extension opportunity for Marigold and potentially complement our Mineral Reserve growth at New Millennium. Now on to Slide 8 for CC&V.; CC&V; had a solid quarter, producing another 30,000 ounces of gold with an AISC of \$1,756 per ounce. Key to highlight is the mine has now generated nearly \$115 million in asset level free cash flow since acquisition, an incredible result given the \$100 million in upfront consideration we paid to the asset earlier this year. The CC&V; technical report is well on track for completion within the fourth quarter, and we're excited to showcase the initial mineral reserve life of mine plan. for which CC&V; has clearly established itself as a core operation in our portfolio. We expect this technical report will showcase a 10-plus year life of mine and also highlight significant mineral resource upside to further extend the mine life. The key bottleneck to converting these mineral resources to reserves is the advancement of permitting for additional heap leach capacity. And our teams are working hard to set up -- set us on the right path for success for decades to come. Now on to Seabee. Seabee had a challenging quarter, producing 9,000 ounces at an AISC of \$3,003 per ounce. These results reflected our continued focus on underground development as we noted in quarter 2 as well as some lower grade-than-expected grades. We expect production to improve incrementally in the fourth quarter, but we remain focused on prioritizing underground development into year-end as we aim to improve available stope inventory moving forward. Work at Porky targets continues, and we had some good success with the drill this summer as we aim to improve confidence in the existing mineral resources at the project and also test further opportunities for growth. We're excited about the potential here and

look forward to providing updates to the market next year. On to Puna on Slide 10. Puna continued its track record of solid performance in the third quarter, producing 2.4 million ounces of silver, an AISC of just \$1,354 per ounce. With the initial extension to Chinchillas operations announced in the third quarter, we are working to advance other opportunities to extend mining at Chinchillas while also continuing to evaluate the Cortaderas target. We're excited about the potential here, and we'll provide further updates as warranted. On to Slide 11. Lastly, at Hod Maden, we spent \$17 million on engineering and site establishment work in the quarter. Year-to-date, we have spent \$44 million advancing preconstruction activities of the project and remain on track for our full year guidance range of \$60 million to \$100 million in growth capital. Our technical teams have continued to advance an updated technical report for the project as we move towards a construction decision in the coming months. And the results continue to demonstrate an incredibly compelling project that could represent one of the highest margin projects in the sector once in production. We look forward to providing more detail on these initiatives to the market in the coming months. Now I'll turn back to Rod for closing remarks.

Rodney Antal: Great. Thanks, Michael. Thanks, Bill. Progress in the quarter was solid on a number of fronts, and we're well positioned for a strong close to the year with consolidated production aligned to our full year guidance. We're making great progress at key projects across the portfolio and with updated technical reports for Cripple Creek & Victor and Hod Maden on the horizon, where we are keen to showcase a bright future for each of those assets and their upside potential. And of course, with continued efforts towards a restart of Çöpler, we firmly believe SSR Mining still represents a compelling value proposition moving forward. So with that, I'll turn the call over to the operator for any questions.

Operator: [Operator Instructions] The first question comes from Ovais Habib with Scotiabank.

Ovais Habib: Congrats on a pretty good quarter. A couple of questions from me. Just first one, starting off with your expectations of Q4. As you guys said, Q4 is expected to be a strong quarter. Is this basically strength coming from Marigold and CC&V.; And then just a follow-up question to that, in terms of Marigold and the fines you are encountering at Red Dot, based on how much you can blend, could some of that production expected in Q4 spill into Q1 of next year?

Rodney Antal: Thanks, Ovais. Look, I'll answer some of the questions and Bill and Michael can go ahead and add any other color if they feel. The answer to your first question around the quarter 4, yes, that was right. Predominantly, it was coming from Marigold. As we've talked about before, a stronger fourth quarter was always sort of set up that way to be the primary difference to quarter 3. And I think Cripple Creek itself will be more of what you've seen. And then from the answer to your question around the fines, yes, it certainly presents us with the necessity to handle them differently in terms of their placement and having available more durable material to be able to blend. So that is what we're working through at the moment on how we get the best result for Marigold for the last quarter by managing through the ore placement. In some regards, where we don't have durable ore available, we'll stack that ore on the higher portions of the leach pad. But where we do, we're obviously stacking on the new leach cell that Bill mentioned last quarter that we completed. So that's the -- that will be the key to finishing strongly at Marigold for quarter 4.

Ovais Habib: And then just at Seabee, obviously, grade came in lower than expected. Again, was this a negative reconciliation issue? Or were you not able to access the stope or stopes that you were expecting to mine from in Q3? I was a little bit -- I didn't really understand the justification of the lower grade.

Rodney Antal: I'll hand that one over to Bill.

William MacNevin: Yes, Ovais, Seabee in the quarter had a good quarter increasing the amount of development we were doing, which is our focus. So we do have more available stope material. At the same time, we did have some of the material -- we had an increased proportion of material from the Gap Hanging Wall and some of that material came in at lower grade than we had expected. So that was -- that happens at some times, but they were the drivers.

Ovais Habib: And based on the development that you've done, obviously, you're expecting a better kind of Q4 and better understanding of the stopes that you have in hand kind of going into 2026?

William MacNevin: Yes. We still have some more -- a lot of development focus ahead of us for Q4 as

well. And we will continue to work diligently in both Gap Hanging Wall and Santoy to get the best out of the ore body that we can. There was no surprises in what we found, so to speak.

Ovais Habib: And then just my last question, I guess, on Çöpler. Rod, you mentioned you guys are having discussions with the regulatory bodies and things seem to be progressing. Any kind of -- again, is it more on the remediation side or on the restart side that the focus has been -- and obviously, I'm guessing you guys are pushing pretty hard on the restart side. But what I'm trying to understand is also, is there any community support that you guys are getting right now that is, let's say, pushing the regulators to make some sort of a decision moving into 2026?

Rodney Antal: Yes. It's less about the last point of your question, Ovais. I think if you sort of take a step back since the incident itself, the early work was on -- and I'll say it again because it's important on securing the site, returning the -- our lost folks back to the families. We moved into remediation, which really focused on the clearing out of the Sabirli Valley, which was done and completed. And then remember, in the last sort of 6 months, the efforts have been around providing the -- all of the technical aspects to the regulators for approval of the storage facility and the closure of the -- the final closure of the heap leach pad. So it's sort of been a normal sequence of events that you would expect to go through. And we've been in constant dialogue with regulators. It's not a new occurrence. This has been going on since day 1 of the incident itself. But we're closing off some of those technical aspects for the regulators to approve it. And that will be the key to getting the approval to start the operations. But as it happens, more recently, and particularly you've seen it in the press, so it's nothing that is not public. There has been definitely a higher level of public support for a reopening, very, very marches, a lot of senior local folks supporting a reopening in the press and on TV and within the media more generally. So that actual uptick is actually more naturally occurred because of the fact that the community, the local community, in particular, are hurting around economic activity with the mine shut. So it's probably a coincidence in timing, but it really doesn't have a bearing on the -- it helps, but it certainly -- it's not the driver of getting the government to give us the approval.

Operator: The next question comes from Don DeMarco with National Bank Financial.

Don DeMarco: First off, yes, encouraging to hear what you just mentioned about the high level of public support for the reopening. But to my first question, I think I'll turn to Hod Maden. Of course, as you mentioned, there's a go-forward decision that's pending in the coming months. Looking at the guidance, you've reiterated guidance, but it seems like you might be tracking the low end of the range. Is there any items that may have been in the scope this year that's going to be carried into 2026?

Rodney Antal: You're talking in particular in terms of the spend of Hod Maden.

Don DeMarco: Yes, that's right. You're at \$44 million year-to-date. I think guidance is \$60 million to \$100 million. So it seems that you're on a pace to kind of hit the lower end of that range.

Rodney Antal: Look, I think -- sorry, Michael is going to say something, but I'll jump in. He pause for a second. We'll actually probably be more towards the midpoint of that guidance range. It's sort of a ramp-up, a normal type of -- as you would expect, there's a ramp-up of spend. But the committed spend that we have for the work that we wanted to get through this year is well advanced. So we're on track to spend what we had allocated to the project. It just happens to be the timing of the cash out the door.

Don DeMarco: Was there anything else on that?

Rodney Antal: The work has actually gone along very well. The effort that we put in this year was all predicated on using that information for the comprehensive update to the tech report, which is all coming together. And that is really the basis of what we'd be using to make a project approval decision to move forward. So everything is moving along on track in those regards and very pleased with the work that's been done at the site.

Don DeMarco: So we'll look forward to that go-forward decision. Will there be a mine plan that's published at around the same time? And is the go-forward decision tied into Çöpler in any way? Like do you first want to see the Çöpler mine restarted before you commit to building another mine in the country? So just 2 parts to that question asking about the report and the potential connection with Çöpler.

Rodney Antal: Yes. Well, look, it will be a comprehensive refresh of the technical report, Don, which will publish. And we haven't -- remember, when we acquired the asset, there was a tech report available at the time that we said that we wanted to do the work to ensure that what was contained therein is a

project that we could actually deliver to. So the effort around the time since we acquired it has been going through all of the technical components around flow sheets, process flow sheets, all the met models, the geomet models, the geotechnical work around the site. It's a complex site from that perspective. And then moving forward with the early stage, some of the earthworks and civil works that are going on right now to ensure when we look at the critical path tasks to get the project underway and on schedule once we finally release the new schedule, we've got a head start on it. So as I mentioned, all of that goes into the update as well as then the sort of market work around going out to market and getting new pricing in today's dollars for the project itself. So all going very well, as I mentioned. In terms of the dependency, I guess, around the project decision itself on Çöpler, I've said all along, we're treating them as mutually exclusive from that point. It's an entirely different project in an entirely different region of Turkey. It has a completely different set of stakeholder groups. If you remember, the project is fully permitted, and that's really important. So we're not waiting on any permits. And the efforts on the ground around ensuring we have good community relations and good social support have been going along with the project development itself because they're a completely different group. So we're not attaching a dependency on Çöpler to the Hod Maden decision.

Don DeMarco: And then just as a final question, if we just take a step back, a question about your strategy. I mean, certainly, you've got a lot of organic opportunities within the portfolio and then there's potential other growth levers with respect to M&A.; Can you share any bias whether for potential growth or how your strategy looks ahead over the next, say, 5 or so years?

Rodney Antal: Really no change, Don. I think we've always been fairly transparent around the criteria that we look at from an M&A; perspective. And M&A; can be everything from strategic to bolt-on acquisitions like we had with Cripple Creek & Victor. There is a number of criteria that we look for, and it needs to fit within those criteria for it to be a strategic fit, and we've always been very true to that. And we'll continue to follow that because I think it does provide a discipline to the way we look at the business. So no change at all, building on the core jurisdictions we have, building on the platforms that we've got in Canada, U.S., Argentina and Turkey is sort of a first order of priority for us, and then looking for those value-accretive opportunities that might be available from time to time. So look, we'll stay true to that. I think it's good practice. And it means that when we bring something to market that we like, you know that it has gone through a fairly rigorous due diligence process, and it fits on strategy.

Operator: This concludes the question-and-answer session and today's conference call. You may disconnect your lines. Thank you for participating, and have a pleasant day.