CENTAMIN

POSITIONED FOR GROWTH

ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2011

CENTAMIN PLC

Centamin plc ("Centamin" or "the Company") is the ultimate holding company in a mining group ("Centamin group" or "the group") that has been actively exploring in Egypt since 1995.

The principal asset of Centamin is its interest in the Sukari Gold Mine ('Sukari'), located in the Eastern Desert of Egypt. Construction at the Sukari Gold Mine commenced in March 2007 with first gold being produced on 26 June 2009.

The Sukari Gold Mine is the first large-scale modern gold mine in Egypt. Centamin's operating experience in Egypt gives it a significant first-mover advantage in acquiring and developing other gold projects in the prospective Arabian-Nubian Shield.

In 2011 the Group acquired Sheba Exploration (UK) Plc and now has interests in four exploration licences in Ethiopia where it is conducting further exploration activities.

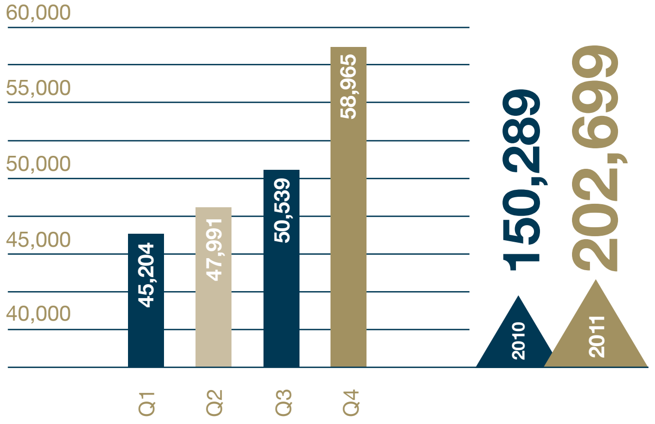
On 30 December 2011, the Centamin group successfully implemented a Scheme of Arrangement whereby Centamin plc, a company incorporated under the laws of Jersey, became the ultimate holding of the group ("the Redomicile"). Under the Scheme the shares in Centamin plc were exchanged on a one for one basis for shares in Centamin Egypt Limited. Trading in the shares of Centamin plc on the London Stock Exchange and on the Toronto Stock Exchange began on 30 December 2011, immediately following the cessation of trading of shares in Centamin Egypt Limited.

For the purposes of this document, references to acts, omissions, operations, results, plans and intentions of Centamin plc shall, as the context may require, include references to acts, omissions, operations, results, plans and intentions of Centamin Egypt Limited.

CONTENTS

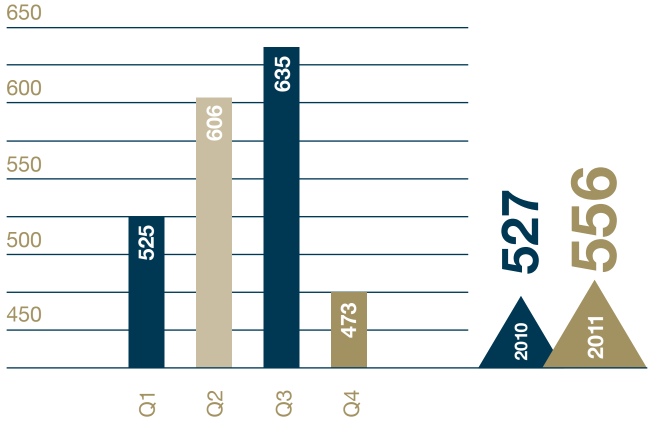
2011 PERFORMANCE HIGHLIGHTS

Production
(ounces)



Revenue
(US$'000)

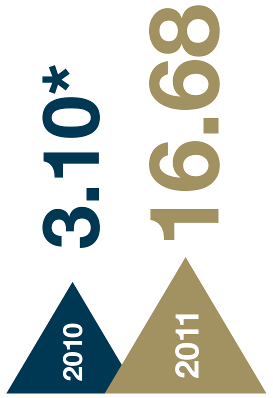
Operating cash costs
(US$ per ounce)



Net Profit
(US$'000)

	2010	2011
CASH ON HAND AT YEAR END (US$'000)	154,338	164,231
RESOURCES & RESERVES (million ounces)		
Proven & Probable	9.1	10.1
Measured & Indicated	10.99	13.13
Inferred	3.5	2.3
SAFETY (lost time injury frequency rate)	0.5	1.25

Earnings per share
(cents)



*Centamin changed year end in 2010 so the figure is for the 6 months to 31 December 2010

CENTAMIN AT A GLANCE

Centamin has a strong growth profile and a robust balance sheet. Although, the Group faced a number of challenges in 2011 and at the start of 2012, we are well positioned among mid-tier gold producers to generate value for shareholders.

Our investment case can be encapsulated in five key points:

1. RAPID PRODUCTION GROWTH

Centamin achieved robust financial results in 2011 with revenue of over US$ 340 million (2010: US$ 87 million) from gold production of 202,699 oz (2010: 83,432) and a rising gold price, we delivered strong earnings. Our aim is to ramp up production from both a mixture of the surface and underground mines at Sukari to 500,000 ounces of gold per annum. We are investing US$287 million to double the processing plant's capacity from 5 million tonnes per annum (Mtpa) to 10Mtpa, with commissioning due to begin in Q1 2013.

2. EXPLORATION UPSIDE POTENTIAL

Centamin has a large resource and reserve base and through the continued exploration of the Sukari hill and surrounding 160km2 Sukari tenement area there is significant upside potential. In addition, we took our first strategic step into diversifying geographically with the acquisition of Sheba Exploration (UK) Plc in Q3 2011, which has interests in four exploration licences in Ethiopia. Exploration work will continue on these licences in 2012 to drive our growth in the longer term.

3. FIRST MOVER ADVANTAGE

Sukari is the only producing gold mine in Egypt. Our operating experience in Egypt gives us significant first mover advantage in acquiring and developing other gold projects in Egypt and in the prospective Arabian-Nubian shield and beyond.

4. AN EXPERIENCED TEAM

Centamin's management team and Board of Directors have considerable expertise in the gold mining industry. This ranges from the early stage identification of deposits, project financing, construction and development, to the operating of large mines. Some of the leadership team has been based at Sukari for almost a decade, taking it from an early stage exploration project to the operating gold mine it is today.

5. FINANCIAL STRENGTH AND FLEXIBILITY

With close to US$194 million (2010: US$ 154 million) of cash and liquid assets (Cash and cash equivalents and gold sales debtors) on our balance sheet and strong cash flow generation from Sukari, we have financial flexibility to grow our business both organically as well as through strategic acquisitions in the Arabian-Nubian Shield and beyond. Centamin has no debt or hedging so is well positioned to benefit from the high gold price environment.

CHAIRMAN'S STATEMENT

Dear Shareholder,
2011 was a year where Centamin continued to reach significant milestones whilst facing some of its greatest challenges to date; in what was also a turbulent year for the global economy and where the gold price rose to record highs of over US$1900/oz. It is in this environment that we delivered a record operational performance, achieved robust financial results and took some key strategic steps to secure our future growth path. Your company is well positioned for a strong performance in 2012 and the years that follow, as we continue to ramp up production at the Sukari Gold Mine and expand our footprint in the highly prospective and under-explored Arabian-Nubian Shield.

The difficult background of Egypt's Revolution was the operating environment for our second year of production, and yet we delivered gold production of 202,699 ounces at a cash cost of US$556/oz. It is a great credit to our operating team that we were able to meet our revised full year production guidance while maintaining an emphasis on rigorous cost control, which bodes well for our ability to be a large scale, low cost gold producer.

Importantly, the second half of 2011 saw the commencement of engineering for the Stage 4 expansion, which will double the processing plant's capacity to 10 million tonnes per annum and is an important step towards achieving our stated target of reaching a production rate in excess of 500,000 ounces per annum. The majority of the key contractors for the project have been appointed, the long lead time items have been ordered and plant earthworks and civil works have now begun. The estimated total capital cost for the expansion is US$287 million, with US$52.6 million spent to 31 December 2011.

Sukari's safety performance was also in line with international industry standards with a lost time injury frequency rate of 1.25 per 200,000 man-hours achieved during the period. In addition, it was pleasing to note no significant environmental incidents took place in 2011.

While the ramp up of Sukari continues to be a key focus, we advanced all three pillars of our growth strategy during the year. The first pillar is the expansion of Sukari, which encapsulates not only the increase in production with the commencement of the Stage 4 expansion, but also the growth of our Reserves and Resources to 10.1Moz Reserves, 13.13Moz Measured and Indicated Resources and 2.3Moz Inferred Resources. 600,000 ounces of this updated reserve are attributable to the underground mine, which delivered its maiden quarter of production in Q2. The underground headgrade has proved to be significantly higher than expected, consistently, providing ore of 10-12g/t. Construction of the second underground decline (the Ptah decline) also commenced in 2011 and this should facilitate long term, large tonnage underground production in excess of 500,000 tpa as well as providing further drilling access in the northern end of Sukari Hill.

The second pillar of our strategy is growth on our existing licence (regional exploration). Besides Sukari Hill, seven other prospects within trucking distance of the Sukari plant have been identified on the 160km2 Sukari mining lease. We have continued to receive encouraging results from the exploration programmes at both Quartz Ridge and V-Shears and further regional drilling is planned in 2012.

The third pillar of our strategy is growth beyond Sukari in the highly prospective Arabian-Nubian Shield. In mid-2011 we took our first step, with the acquisition of Sheba Exploration (UK) Plc. Through Sheba we have interests in four exploration licences in northern Ethiopia, where drilling is expected to commence in early 2012 at the 10km long gold anomaly Una Deriam.

Financially, our position remains strong with approximately US$194 million held in cash and liquid assets, no debt and no hedging. With revenues of US$340 million and a net profit before tax of US$181.9 million, Sukari remains highly cash generative and is well placed to fund the Stage 4 expansion from Sukari cash flow.

2011 also saw transformation at Board level, with Stuart Bottomley, Colin Cowden and Tom Elder retiring in early 2011. I would like to thank them for their contributions and guidance as the Group moved along the difficult path from explorer to producer. I was delighted during the year to welcome Ed Haslam, Mark Bankes, Mark Arnesen and, more recently, Kevin Tomlinson to the Board. These gentlemen each bring something different to Centamin, and I am confident their wealth of experience and common desire to see the Group grow at Sukari and beyond will serve us very well in the coming years.

Very sadly though, 2011 was also marked by the sudden and tragic passing of Harry Michael, our Chief

Executive Officer. I had the privilege of first meeting Harry 20 years ago on a small gold project in Western Australia. I clearly remember him then as a man of incredible drive, intelligence and enthusiasm and most of all a man who intended to make a difference. Twenty years later and Harry had built many projects, friendships and careers and, along the way, had made a very big difference. This year we will look to fill the vacant CEO position. However we will never replace Harry who was a unique and talented individual whom we all benefited from having known.

I would like to close by thanking all those at Sukari, in Alexandria, Perth and London for their tireless efforts in 2011 as Centamin continued on its journey to becoming an established gold producer. Furthermore, I would like to thank the Board for their counsel during the year, as well as the Ministry of Petroleum and the Egyptian Mineral Resource Authority (EMRA).

Despite and because of the challenges we have faced in 2011, your company is now well positioned to deliver the next phase of growth and I look forward to updating you further over the course of 2012.

Josef El-Raghy
Chairman

QUESTIONS ANSWERED

by the Centamin Team

Josef El-Raghy,
Chairman

Trevor Schultz,
Executive Director of Operations

Pierre Louw,
Chief Financial Officer

Andrew Pardey,
General Manager, Sukari Gold Mine

What are the next steps in the development of Sukari?

AP: In 2012 we will ramp up Sukari's production to 250,000 ounces of gold, while maintaining tight control on our cash costs. We will continue with the Stage 4 expansion project, which will double our processing capacity to 10Mtpa whilst also continuing to expand our underground mine. On the exploration front we will further explore the Sukari hill and below to increase our resources and reserves, while continuing with our regional exploration programme. We will also begin drilling the first of our four exploration licences in northern Ethiopia, which forms the first step of our strategy to diversify geographically.

What is the planned capital expenditure programme for 2012?

TS: Centamin's capex programme has two key focuses in 2012: the Stage 4 project and the expansion of the underground. Stage 4 capex is expected to be US$287 million, excluding contingencies, and it will grow Sukari's processing capacity from 5Mtpa to 10Mtpa. Construction of Stage 4 began in H2 2011 and will continue throughout 2012, with commissioning expected to begin in Q1 2013.
The underground expansion budget is US$18 million and it will take the underground workings away from the open pit shell, allowing Centamin to maintain two production sources and ramp up production to above 500,000 tonnes per annum.

How strong is Centamin's financial position?

PL: Centamin's financial position is both strong and flexible. At the end of December 2011, we had US$194m cash and liquid assets and Sukari is highly cash generative, with revenue of over US$340 million in 2011. We will be able to fund all of our capex commitments from Sukari cash flow and our robust balance sheet will allow us to act decisively if we find a sound acquisition opportunity in the Arabian-Nubian Shield and beyond.

How important is your relationship with the Egyptian Government?

JEL: We have been working with the Egyptian Mineral Resources Authority, or EMRA, since 1995, when we first began exploring in Egypt. Our relationship with EMRA has always been important to Centamin, and we continue to work closely with them today. Our concession agreement was enshrined in law, and thus it has not been subject to revisions to date. Once our capex has been recovered we will begin profit sharing with the Egyptian Government and for this reason, Centamin's success directly benefits Egypt.

Have the local communities been supportive of Centamin's operations?

AP: Yes, we treat good community relations as a key component of continued operational success as well as a corporate requirement. Centamin has maintained its dialogue with the local community and has joined two Marsa Alam-based development associations. Centamin is the largest local employer and currently has over 1000 direct employees with up to 3000 further indirect. Where possible, we tender contracts to local companies to aid local economic activity and progress.

How significant is the exploration potential of Centamin's licences in Ethiopia?

AP: Exploration is the heart of Centamin's growth's strategy and a budget of US$13-15 million has been assigned to exploration in 2012. The first part of the exploration strategy is the growth of Sukari hill. The deposit already has resources of 13.13oz M&I and 2.3Moz Inferred and reserves of 10.1Moz and we are confident that there is further upside potential, through the drilling of the northern part of the hill from the exploration drive below. The second part of the strategy is growth on the existing 160km2 tenement area. Besides Sukari hill there are 7 other defined prospects on the licence area and in 2012, further exploration work will be done on the Quartz Ridge and V-Shear prospects to explore the potential for relatively high grade satellite pits. The third element of the exploration strategy is growth beyond Sukari and we will begin drilling the first of our four projects in Ethiopia in Q1 2014. Una Deriam is a grassroots project and we believe we can add value to it in the same way as we added value to Sukari.

What milestones will the Company reach in 2012?

JEL: The key milestones are the completion of construction of the second underground decline (known as the Ptah Decline), the commencement of drilling in Ethiopia, further drilling results from regional exploration and the continuation of construction of the Stage 4 project. We are also focused on delivering our full year production and cash cost guidance.

Is Centamin going to introduce a dividend in the near term?

PL: Currently Centamin is still in its growth phase and does not have a dividend policy in place. During 2012 we have an extensive capex programme and when this nears completion then a review of the Company's financial position and dividend policy will be undertaken.

How would you sum up Centamin's investment case in 100 words or less?

JEL: Centamin's Sukari Gold Mine is one of the largest resources and reserves not owned by a major and currently in production. Our track record of exploration, development and production in circumstances that are often quite challenging positions us well for further success in the highly prospective Arabian-Nubian Shield. We have expanding production, growing resources and reserves, a strong financial position and an experienced team who are motivated to grow the Company in a manner which we believe will see shareholders benefit greatly in the years ahead.

KEY PERFORMANCE INDICATORS

We monitor our performance in implementing our strategy with reference to the following key performance indicators (“KPIs”):

- Health and Safety (Lost time incident frequency rate (‘LTIFR’))
- Ore mined
- Ore processed
- Gold recovery
- Gold produced
- Revenue
- Cash operating cost of production
- Net Profit before tax
- Earnings Per Share (‘EPS’)

These KPIs are applied on a group wide basis. Performance in 2011 against these targets is set out in the table below, together with the prior year performance data. No changes have been made to the source of data or calculation methods used in the year.

INDICATOR		12 months ended 31 December 2011	6 months ended 31 December 2010(1)
Health and Safety	Frequency rate per 200,000 man hours	1.25	0.47
Open Pit Ore Mined	‘000t	6,306	3,805
Ore Processed	‘000t	3,612	1,378
Gold Recovery	%	84.4	85.4
Gold Produced	ounces	202,699	83,432
Revenue	US$’000	340,379	86,882
Cash Operating Cost of Production	US$ per ounce	556	549
Net Profit before tax	US$	181,945	32,042
EPS	Cents	16.68	3.10

Note (1) - This column shows data for the year immediately prior to the year ended 31 December 2011, which was a short period of six months ended on 31 December 2010 due to changes in our financial year-end.

Health and Safety performance is indicated by LTIFR of 1.25 for the year ended 31 December 2011 (2010: 0.47) which has increased over the year. All HSE incidents are investigated and corrective actions are taken.

Open pit ore tonnes mined amounted to 6.3Mt in the year ended 31 December 2011 (2010: 3.8Mt). Production was hampered by the shortage in supply of explosives and blasting accessories in the first half of 2011 which was offset by record volumes mined in the fourth quarter of 2011.

Ore processed had a record year of 3.6Mt for the year ended 31 December 2011 (2010: 1.4Mt). The increase is attributed to the increased mill throughput rate as a result of the commissioning of the secondary crusher in the second quarter of 2011 and the installation of steel liners in the fourth quarter of 2011.

Gold recovery rates declined 84.4% in the year ended 31 December 2011 (2010: 85.4%). Circuit optimisation planning is ongoing to improve the recovery rates.

Gold produced for the year ended 31 December 2011 amounted to 202,699 (2010: 83,432). The increase is due to improved mill throughput and higher plant feed grades.

Cash operating cost of production was US$ 556/ounce (2010: US$ 549/ounce) an illustration of the success of the cost monitoring controls that were implemented throughout the year.

Revenue has increased due to increases in production as higher gold prices obtained in 2011 as compared to 2010.

Profit for the year has increased due to the increase in revenue and production compared to 2010 which has also driven the increase in the EPS.

FINANCIAL HIGHLIGHTS

Set out in the table below are the financial highlights for the year ending December 2011 and for immediately preceding financial period ending 31 December 2010.

(US$’000)	Year ended 31 December 2011	Six months ended 31 December 20101	Percentage Change
Revenue	340,479	86,882	292%
Profit before tax	181,945	32,042	467%
Basic EPS (cents per share)	16.68	3.10	438%
Diluted EPS (cents per share)	16.66	3.09	439%
EBITDA 3	234,971	52,782	345%
Net cash generated from operations	180,044	33,953	430%
Cash and cash equivalents	164,231	154,338	6%
Group production (ounces)	202,699	83,432	143%
Attributable sales (ounces)	211,909	66,375	219%
Group cash operating costs per ounce3 (US$)	556	549	1%
Total assets (US$’000) 4	834,522	640,832	30%

(1) This column shows data for the year immediately prior to the year ended 31 December 2011, which was a short period of six months ended on 31 December 2010 due to a change in our financial year-end.
(2) See total revenue which is analysed in note 5.
(3) EBITDA and Cash Operating Costs are non-GAAP financial performance measures with no standard meaning under International Financial Reporting Standards (IFRS) as adopted by the European Union and Article 4 of the IAS Regulation IFRS. For further information and a detailed reconciliation, please see page 24 of this report.
(4) The Group has no non-current financial liabilities in 2011 and 2010

Revenues from gold sales amounted to US$340.5 million for the year ended 31 December 2011 (2010: US$86.9 million) which was mainly driven by a 219% increase in the volume of gold sold as well as higher prices obtained in 2011 when compared to 2010.

Profit before tax of US$181.9 million was 467% higher compared to the period ending 31 December 2010 resulting in an increase of 439% in Basic Earnings per Share. Earnings per share (EPS) serve as an indicator of profitability, and are used in determining the share price and value of companies. Earnings per share are calculated as the net profit and divided by the weighted average of the number of Ordinary Shares issued. Earnings per share amounted to US$16.68 cents for 2011, an increase of 439% on 2010. The increase was driven by net profit for the year.

EBITDA (earnings before interest, taxes, depreciation and amortisation) is the net profit or loss for the period excluding income tax cost, finance cost, finance income and depreciation and amortisation. EBITDA is a gauge of the group’s ability to generate operating cash flow to fund its working capital needs and capital expenditures. EBITDA and Net cash from operations increased period on period by 345% and 430% respectively, in line with profit. Cash increased by 26% due to an increase in the operating cash flows.

The group maintained tight control on cash costs with a cash operating cost for the group for the year ended 31 December 2011 of US$556/oz which means it remained flat compared to the six months ended 31 December 2010 at US$549/oz. Cash cost is calculated by dividing the aggregate of production cash costs by attributed gold ounces produced. Cash cost per ounce is a key indicator used by Centamin to monitor and manage those factors that impact production costs on a monthly basis. Both EBITDA and Cash Costs are non-IFRS financial performance measures with no standard meaning under IFRS. Management uses these measures internally to better assess performance trends. For further information and a detailed reconciliation, please see page 24 of this report.

OPERATIONAL AND EXPLORATION REVIEW

OVERVIEW

Centamin's principal asset is the Sukari Gold Mine, which is located in the Eastern Desert of Egypt, approximately 700km from Cairo and 25km from the Red Sea. For the 12 months ended 31 December 2011, production from Sukari was 202,699 ounces (2010: 150,289 ounces) of gold at an operating cash cost of US$556/oz. A total of 6.3Mt of ore at 1.07g/t Au was mined for the period from Stage 1 and 2 of the open pit at an average waste to ore ratio of 2.34:1, and a total of 212,000t of ore at 13.51g/t was mined from the underground.

During 2011, open pit mine development has continued to access the higher grade sulphide zones with improving production rates. Mining was completed in the Stage 1 pit area and in the Stage 2 area it progressed down to the 1004RL and 1076RL respectively. Pioneering work continued in the Stage 3 pit in preparation for large scale load and haul activities to commence in 2012.

The underground mine delivered its maiden quarter of production in Q2 2011 and saw the commencement of work on the second decline. Grades were consistently high and the ramp up progressed smoothly during the following two quarters. Construction has begun on the Stage 4 expansion whic will double the processing plant's capacity from 5Mtpa to 10Mtpa.

Installation and commissioning of a new secondary crushing circuit was completed in July 2011. The secondary crushing circuit is designed to reduce the ore feed size to the SAG mill from the initial design of P80 of 105mm to a P80 of 50mm improving the efficiency of the SAG mill and allowing an increase in the plant throughput rate from the initial design of 500tph to a new nominal 625tph.

Since commissioning of the secondary crushers in July mill throughput rates have increased from 540tph in August 2011 to 656tph in December 2011. The final quarter of 2011 was a record with mill throughput of 1,066Kt.

Our exploration team also continued to reap positive results, both on the Sukari Hill and in the wider Sukari tenement area. Sukari's reserves increased to 10.1 Moz (2010: 9.1 Moz) and its resources increased to 13.13 milllion ounces Measured and Indicated and 2.3 Moz inferred, and there remains significant further upside potential both at Sukari Hill and regionally. Centamin's first step to diversify geographically into the wider Arabian-Nubian Shield also came with the acquisition of exploration tenements in northern Ethiopia where exploration activities have begun and drilling will commence in Q1 2012.

EGYPT - SUKARI GOLD MINE

Health and Safety

The Lost Injury Time (LTI) incident rate for 2011 was 1.25 per 200,000 man-hours, with 7,166,555 LTI-free hours achieved during 2011. Developing the Health and Safety culture on site has resulted in improved reporting of incidents compared to previous years and although there is room for improvement, Centamin views its LTI frequency rate as a solid achievement considering Sukari is the first modern gold mine in Egypt.

Stage 4 Expansion

The first pillar of Centamin's growth strategy is the expansion of Sukari, which includes the growth of Sukari hill's resources and reserves, the development of the underground mine and the Stage 4 expansion, which will double the plant's processing capacity from 5Mtpa to 10Mtpa.

Design for the Stage 4 expansion continued throughout 2011, led by GBM Minerals Engineering Consultants (UK) who were awarded the Engineering, Procurement, and Construction Management contract for the project. Construction commenced in late 2011 and by the year end all the long lead time items had been ordered, the key contractors had been mobilised to Sukari and the earth works and civil works had begun. The capital expenditure estimate for the project is US$287 million, excluding contingencies, and by 31 December 2011 US$52.6 million had been spent.

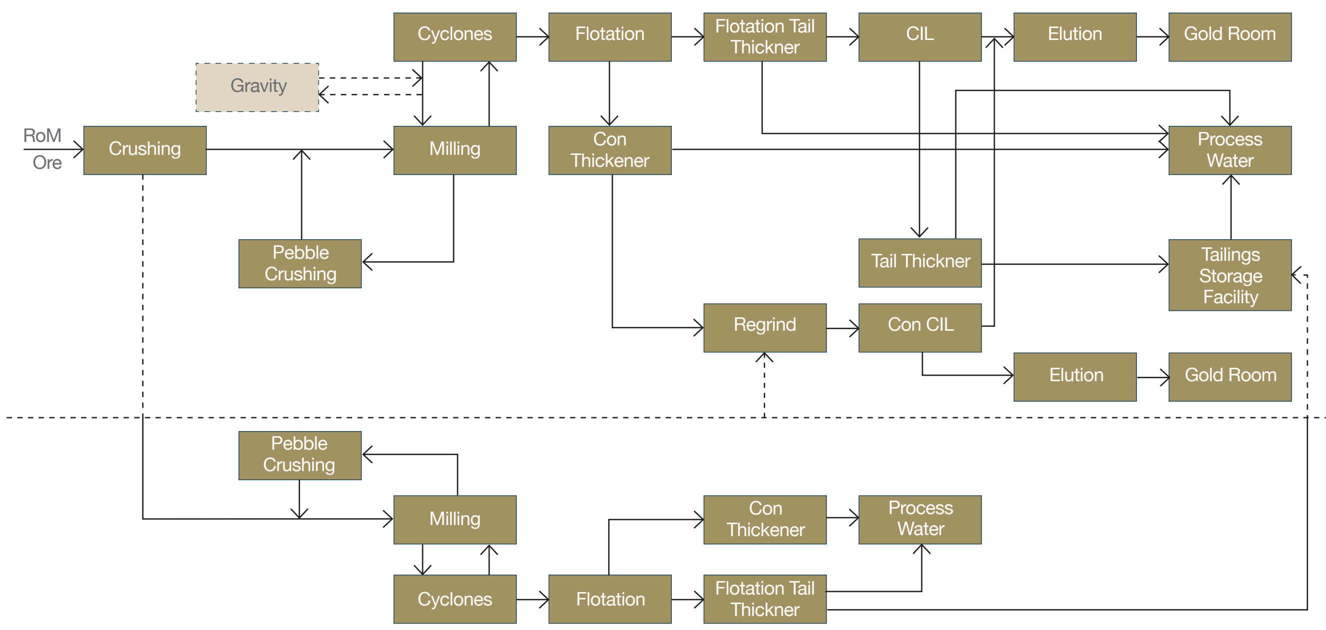
The Stage 4 expansion will incorporate additional milling, flotation and thickening capabilities to provide a parallel processing route, as well as upgrade to the existing regrind circuit. Secondary crushed ore with a P80 of 50mm will be transferred to a second crushed ore stockpile prior to grinding through a new milling circuit. The new milling circuit will be a two stage circuit, consisting of a SAG mill and ball mill, with hydrocyclone classification and a pebble crushing facility.

Milled ore with a particle size of 150μm will be sent to a new flotation circuit to recover the bulk sulphide concentrate. The concentrate will be thickened and discharged to an upgraded regrind circuit, capable of treating up to 100tph of concentrate to achieve a final milled particle size of 10μm. The regrind circuit will combine the two concentrate streams from each of the separate flotation circuits.

The regrind product will be treated through the two CIL circuits in series to maximise leach circuit residence time.

The flotation tails of the new circuit will be thickened and discharged to the tailings storage facility. It is expected that the ore treated through the new flotation circuit will be predominantly sulphide based ore, amenable to recovery by flotation. Any ore that may be oxide or transitional in nature will be treated through the existing processing circuit by adjustment of the crushed ore product splits to each of the crushed ore stockpiles.

Stage 2 Processing (Existing Plant)



Stage 4 Expansion

UNDERGROUND MINE DEVELOPMENT

The underground operations advanced a total of 3,342 metres in 2011, of which 2,330metres were driven through ore. The project development total to date is 6,995metres, of which 2,882m were through ore.

The Amun decline, which is under the current open pit workings, reached the 841 level, 235m below the "portal wadi" area. Ore development has been mined on the 920, 905, 890, 875, and 860 levels and stoping commenced on the 920, 905 and 890 levels. Broken ore is removed with a conventional bogger until the brow is open and then a teleremote bogging system is employed. The teleremote system was commissioned in November and it has helped to significantly increase the ratio of stoping ore to development ore being delivered from the underground mine. Stoping has produced 40,000 tonnes for the year, with development contributing 17,000 tonnes.

The expansion of the underground mine continued with the commencement of construction of the Ptah decline, which is due for completion in 2012 and is budgeted to cost US$18 million. This secondary decline will provide a ventilation intake and haulage way to the central and northern portion of Sukari hill and give access to ore blocks under the current ultimate pit base once the Amun decline is removed by the open pit in the coming years. This will allow Centamin to maintain two separate underground production areas and thus significantly increase the current production rates which are currently sourced solely from the Amun Deeps.

Grade control diamond drilling completed 7,845m for a project total of 8,517m. Diamond drilling from the 850 level indicated a continuation of the high grade zone encountered on the southern side of the 875 level, which will be targeted in 2012. Deeper exploration drilling has also commenced from the Amun decline on the 895 level to explore the porphyry at lower depths. Centamin reported its maiden underground reserve in Q2 2011 of 126,000t at 11.9g/t and announced an updated reserve of 1.1Mt at 16.4 g/t Au in Q1 2012.

EXPLORATION ACTIVITIES

Growth of Sukari Hill

Centamin's exploration team's main focus to date has been on the Sukari porphyry. Drilling has continued north through the Ra and Gazelle zones and into the northern Pharaoh Zones. In 2011, our target was to move ounces up through the resource categories and expand the underground reserve. We increased Sukari hill's reserves by 1Moz to 10.1Moz and its resources to 13.13Moz Measured and Indicated and 2.3Moz Inferred, which represent an 11% and 7% increase respectively.

As highlighted in our Reserves and Resources Statement published in January, Measured and Indicated resources represent approximately 85% of total resources.

Drilling results show there is potential to increase the Sukari resource base down dip of current mineralisation in the Amun Zone, and along strike to the north in the Ra, Gazelle and Pharaoh zones, in both near surface and deeper environments. The ore body is not closed off to the north or at depth.

Significant gold assay results reported in 2011 include:

- 48m @ 1.53 g/t Au from surface including 11m @ 6.07g/t Au from 1m
- 67m @ 5.89g/t Au from 702m
- 106m @3.02g/t Au from 511m
- 80m @ 2.95 g/t Au from 599m

Further exploration of the Sukari deposit will take place in 2012 and predominantly from both the Amun and Ptah declines, which will allow easier drilling access to test the Sukari resource at depth.

Table 1 - Sukari Resource (as at 30 September 2011)

Mineral resources at Sukari, as at 30 September 2011, are shown in the following table. The resources are presented in accordance with the 2004 Australian Code for the Reporting of Mineral Resources and Ore Reserves ("JORC Code") which provides an equivalent presentation to NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum Standards (the "CIM Standards").

	Measured		Indicated		Total Measured + Indicated			Inferred		
Cut-off g/t Au	Tonnes (Mt)	Grade (g/t Au)	Tonnes (Mt)	Grade (g/t Au)	Tonnes (Mt)	Grade (g/t Au)	Gold (Moz)	Tonnes (Mt)	Grade (g/t Au)	Gold (Moz)
0.3	**150.04**	**1.00**	**238.90**	**1.08**	**388.9**	**1.05**	**13.13**	**66.0**	**1.1**	**2.3**
0.4	120.72	1.16	196.27	1.23	317.0	1.21	12.33	53.0	1.2	2.0
0.5	98.72	1.32	164.85	1.38	263.6	1.36	11.53	43.3	1.4	1.9
0.7	69.57	1.63	120.81	1.67	190.4	1.65	10.10	30.4	1.8	1.8
1.0	44.97	2.06	80.53	2.09	125.5	2.08	8.39	15.1	2.7	1.3

Notes to Table:
(1) Figures in table may not add correctly due to rounding.
(2) The resources are estimates of recoverable tonnes and grades using Multiple Indicator Kriging with block support correction.
(3) Measured resources lie in areas where drilling is available at a nominal 25 x 25 metre spacing, Indicated resources occur in areas drilled at approximately 25 x 50 metre spacing and Inferred resources exist in areas of broader spaced drilling.
(4) The resource model extends from 9700mN to 12200mN and to a maximum depth of 2mRL (a maximum depth of approximately 1050 metres below wadi level).

Table 2 - Sukari Mineral Reserves (as published in January 2012)

	Proven		Probable		Mineral Reserve		
	Tonnes (Mt)	Au (g/t)	Tonnes (Mt)	Au (g/t)	Tonnes (Mt)	Au (g/t)	Cont Au (Moz)
New Reserve (1)(2)(3)	125.5	1.04	151.5	1.21	277	1.13	10.1
Previous Reserve(4)	102.4	1.09	142.9	1.19	245.4	1.15	9.1

Notes to Table:
1. Includes:
Open Pit reserves totalling 266.6Mt @ 1.09g/t
Underground reserves totalling 1.1Mt @ 16.30g/t
Surface stockpiles totalling 9.4Mt @ 0.57g/t
2. Based on mined surfaced as at 31 December 2011 and a gold price of US$1,100/oz
3. Ultimate Open Pit design has a waste to ore ratio of 5.6:1
4. Announced 15 September 2010 at US$900/oz Au

Regional Exploration

The second pillar of Centamin's growth strategy is regional exploration. Seven other prospects besides Sukari Hill have been identified on the 160km2 Sukari tenement area and it would be the intention to truck any ore from these prospects to the existing processing plant.

Geochemistry, reverse circulation and diamond drilling programmes have been underway on the Quartz Ridge and V-Shear prospects to the east and north-east of the hill respectively during 2011.

Results to date have been encouraging, although these prospects are still at too early a stage to be converted to a resource. Further exploration drilling will be carried out regionally during 2012. Some of the most significant gold intercepts from V-Shears are as follows:

- 10m @ 4.71 g/t (from 151m)
- 28m @ 2.98 g/t (from 11m)
- 4m @ 100.7 g/t (from 30m)

ETHIOPIA

Growth Beyond Sukari

The third pillar of Centamin's strategy is growth beyond Sukari. In Q3 2011 we acquired Sheba Exploration (UK) Plc, which has interests in 4 exploration licences in northern Ethiopia. This acquisition was the first step in the Company's diversification strategy within the Arabian-Nubian Shield. We will continue to grow and diversify our asset base through targeted acquisitions in this region and beyond in the coming years.

The four land packages have had extensive mapping, sampling and trenching work over many years with the Una Deriam prospect ready for drilling. The Una Deriam prospect is a 10km long gold anomaly with strong surface mineralisation that indicates wide zones of mineralisation. Drilling will commence in Una Deriam, in Q1 2012.

AUSTRALIAN PROJECTS

The group is entitled to a royalty over the Nelson's Fleet gold project near St Ives, Western Australia, from the St Ives Gold Mining Co Pty Ltd, a subsidiary of Gold Fields Ltd. The Company has not been informed of any mining of the tenement to date.

COMPETENT PERSONS STATEMENT

Refer to the technical report entitled "Mineral Resource and Reserve Estimate for the Sukari Gold Project, Egypt" dated 14 March 2012 and filed on SEDAR at www.sedar.com, for further discussion of the extent to which the estimate of mineral resources/reserves may be materially affected by any known environmental, permitting, legal, title, taxation, socio-political, or other relevant issues.

The information in this report that relates to ore reserves has been compiled by Mr Andrew Pardey. Mr Pardey is a Member of the Australasian Institute of Mining and Metallurgy and is a full time employee of the Company. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking, to qualify as a "Competent Person" as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and is a "Qualified Person" as defined in the "National Instrument 43-101 of the Canadian Securities Administrators" and "CIM Definition Standards For Mineral Resources and Mineral Reserves" of December 2005 as prepared by the CIM Standing Committee on Reserve Definitions of the Canadian Institute of Mining. Mr Pardey's written consent has been received by the Company for this information to be included in this report in the form and context which it appears.

The information in this report that relates to open pit mineral resources is based on work completed independently by Mr Nicolas Johnson, who is a Member of the Australian Institute of Geoscientists. Mr Johnson is a consulting geologist of MPR Geological Consultants Pty Ltd Group, and is a professional mining engineer with 24 years' experience in mining both open pit and underground and evaluation of mineral properties Internationally. Boreham is a Member of the AusIMM and has the appropriate relevant qualifications and experience to be considered a "Competent Person" for this purpose and is a "Qualified Person" as defined in "National Instrument 43-101 of the Canadian Securities Administrators". His written consent has been received by the Company for this information to be included in this report in the form and context which it appears.

All exploration and resource samples were analysed by Ultra Trace Pty Ltd, Canning Vale, Western Australia. All mine based production samples were analysed by Sukari Assay Laboratory, Egypt.

2006-2011: THE PATH FROM DEVELOPER TO PRODUCER

2006

26 April 2006:
Sukari resource rose above 5 million ounces (3.56Moz M&I, 2.2Moz Inferred)

10 October 2006:
Centamin acquired Kori Kollo processing plant from a subsidiary of Newmont Mining Corporation for US$11 million

2007

19 February 2007:
Centamin approved Definitive Feasibility Study for Sukari Gold Project

05 April 2007:
Centamin listed on the Toronto Stock Exchange

2 May 2007:
Environmental Approval for the Sukari Gold Project received from the Egyptian Environmental Affairs Agency

Q2 2007:
Construction of the Sukari Gold Project began

20 September 2007:
Sukari resource rose above 10 million ounces (7.46Moz M&I, 3.7 Inferred)

24 October 2007:
Kori Kollo processing plant arrived in Egypt

2008

06 February 2008:
Centamin discovered a new high grade zone below Amun deeps (significant intercepts of >5,000g/t)

2009

01 February 2009:
Blasting and mining activities commenced in the Amun zone

09 April 2009:
Sukari reserve rose above 5 million ounces to 6.4Moz (from 3.7Moz previously)

26 June 2009:
The first gold bar was poured at the Sukari Gold Project

06 November 2009:
Centamin migrated from AIM to the Main Market of the London Stock Exchange

2010

11 January 2010:
Gold exports commenced from the Sukari Gold Project to the Johnson Matthey refinery in Canada

01 April 2010:
Commercial production commenced at the Sukari Gold Project

21 June 2010:
Centamin became a constituent of the FTSE250 index

31 December 2010:
Centamin delivered 150,289 ounces of gold in its maiden year of production

2011

11 July 2011:
Centamin acquired Sheba Exploration plc, marking the first step in the Company's strategy to diversify geographically

Q2 2011:
Sukari underground mine delivered its first quarter of production

14 November 2011:
Centamin opened its London office

31 December 2011:
Centamin delivered 202,689 ounces of gold in its second year of production and Sukari reserve rose above 10 million ounces

MANAGEMENT DISCUSSION & ANALYSIS AND BUSINESS REVIEW

The following Discussion and Analysis of the Financial Condition and Results of Operations ("MD&A") for Centamin plc (the "Company" or "Centamin") should be read in conjunction with the Directors' Report and the audited Financial Statements for the year ended 31 December 2011. The effective date of this MD&A is 30 March 2012.

The financial information presented in this MD&A has been prepared in accordance with the applicable securities laws of the United Kingdom and Canada, as the Company is listed on both the Main Board of the London Stock Exchange and the Toronto Stock Exchange. Additional information relating to the Company, including other public announcements and the Company's Annual Information Form, is available at www.centamin.com and www.sedar.com.

All amounts in this MD&A are expressed in United States dollars (US$) unless otherwise stated. Comparative information for 2010 is for 6 months to 31 December 2010.

FORWARD LOOKING STATEMENTS

The report contains certain forward-looking statements and attention is drawn to the cautionary statement that appears at the front of this document.

HIGHLIGHTS FOR THE YEAR

Despite a challenging year, Centamin delivered strong operational and financial results in 2011, producing 202,699 ounces of gold (2010: 83,432 ounces) and generating profit for the year of US$181.9 million (2010: US$32.0 million). Through the Group's emphasis on rigorous cost control, Centamin has continued to reap the benefits of the high gold price, and this was enhanced further by its debt-free and unhedged position. Now in its second year of production, the Sukari Gold Mine is highly cash generative, with EBITDA of US$235.0 million (2010: US$52.8 million), a 345% increase on 2010, and a robust cash and cash equivalents balance of US$164.2 million (2010: US$154 million) as at 31 December 2011. See non-GAAP measures section (page 24) for the definition of EBITDA.

Operationally, the first half of 2011 was challenging, but a solid third quarter and a record fourth quarter of production have shown that a substantially larger production profile is achievable for Sukari. Although Egypt is undergoing political transition, this potential for production growth combined with the Group's growing reserves, a significant expansion programme, a solid financial position, and an experienced team means Centamin is well positioned for 2012.

Sukari Gold Mine – Operational Performance

The key highlights for the Sukari Gold Mine, both on a quarterly basis and in total for the 2011 reporting year are as follows:

		Year ended 31 Dec 2011	Q4 2011	Q3 2011	Q2 2011	Q1 2011	6 month period ended 31 Dec 2010
Ore Mined – Open Pit(1)	('000t)	6,306	1,988	2,129	1,039	1,212	3,805
Ore Grade Mined – Open Pit	Au g/t	1.07	1.12	0.96	NR	NR	NR
Total Open Pit Material Mined	('000t)	21,248	7,701	5,847	3,030	4,552	10,891
Strip Ratio	waste/ore	2.34	2.9	1.8	1.9	2.8	1.85
Ore Mined - Underground Development	('000t)	172	45	47	39	41	40
Ore Mined - Underground Stopes	('000t)	40	25	11	4	-	-
Ore Grade Mined - Underground	Au g/t	13.51	13.31	10.4	NR	NR	NR
Ore Processed	('000t)	3,612	1,066	954	850	741	1,378
Head Grade	(g/t)	1.91	2.02	1.82	1.82	1.94	2.06
Gold Recovery	(%)	85.30%	84.0	85.5	85.0	86.7	85.4
Gold Produced - Dump Leach	(oz)	10,664	2,302	2,921	2,765	2,676	5,436
Gold Produced - Total(2)	(oz)	202,699	58,965	50,539	47,991	45,204	83,432
Cash Operating Cost of Production(3)	$/oz	556	473	635	606	525	549
Gold Sold	(oz)	211,909	46,837	51,570	50,262	63,240	66,378
Average Sales Price	US$/oz	1,574	1,671	1,721	1,545	1,405	1,308

Notes:-
(1) Ore mined in Q4 2011 includes 472,568t @ 0.48g/t delivered to the dump leach. Gold produced is gold poured and does not include gold-in-circuit at period end. Cash operating costs exclude royalties, exploration and corporate administration expenditure.
(2) Gold produced is gold poured and does not include gold-in-circuit at period end.
(3) Cash operating costs exclude royalties, exploration and corporate administration expenditure. Cash cost is a non-GAAP financial performance measure with nostandard meaning under GAAP.

Production

Centamin bettered its quarter on quarter gold production throughout the year. It achieved record gold production in Q4 bringing the 2011 production to 202,699 ounces. For detailed information on each quarter's performance see various press releases available on our website.

Open Pit

Material movement from the pit was 21.2Mt for the year. Ore mined was at 6.3Mt at an average grade of 1.07 grams per tonne and a stripping ratio of 2.34:1 of waste to ore. The open pit performed strongly in Q4, delivering more than 6.3Mt for October and November and 2.8Mt in December, achieving total material movement of over 7.7Mt for the quarter, an increase of 33% on the previous quarter (5.8Mt).

Staged pit development progressed well. Mining in Stage 1 was completed and continued in Stage 2 down to the 1004RL and 1076RL respectively. Pioneering work continued in the Stage 3 pit in preparation for large scale load and haul activities to commence in 2012.

Underground Mine

The underground mine continued to ramp up smoothly during the year, with ore production reaching 212kt, in stoping and development combined.

Grades were consistently high, as several very well grading structures on levels 890 and 875 were mined. The ratio of stoping ore to development ore mined continued to increase as a teleremote bogging system was commissioned at the end of November and further stopes came on line.

Development of the Amun Decline advanced reaching the 845 level take off point. After establishing the 860 access, the level was opened further into the porphyry for over 55 metres, while ore development continued on the 875 level (223m) and 890 level (257m). Diamond drilling from the 850 level indicated a continuation of the high grade zone encountered on the southern side of the 875 level.

With higher material movements from the open pit and underground, the run of mine ore stockpile balance increased to 720kt by the end of the year.

Development of the Ptah Decline, which will move towards the north of Sukari Hill and provide access to the high grade Julius zone, began in October 2011 and had advanced 140 metres by year end. The Ptah Decline will take underground activity away from the pit shell over the next two years, allowing Centamin to maintain two separate production sources once the Amun Decline becomes part of the open pit.

The underground production rate is expected to increase to 350,000 tonnes per annum in 2012 and the introduction of the Ptah Decline will increase it further to approximately 500,000tpa from 2013. The anticipated capital cost of the Ptah Decline is US$18 million.

Processing

The processing plant delivered throughput of 3.6Mt for 2011 and showed quarter on quarter improvement throughout the year driven by improved productivity and overall plant availability. The plant continued to progress towards achieving an annualised rate of 5 million tonnes per annum on a consistent basis and construction is due to begin on the Stage 4 expansion to double the processing capacity to 10Mtpa in Q1 2012.

Plant metallurgical recoveries were lower than anticipated, partly due to increases in throughput, but are expected to increase with improvements to plant automation and carbon management techniques.

The dump leach operation continued to perform in line with expectations, producing 10,664oz for the year. Total low grade oxide ore continues to be delivered to the pads in preparation for irrigation, bringing the total ore placed on the dump leach to approximately 5,536,450 at an average grade of 0.51g/t.

Costs

The operating cash cost for the year was US$556/oz and Q4 operating cash costs were US$473/oz which was 4% lower than the corresponding quarter in 2010 and 26% lower than the previous quarter. This reduction in costs reflected the lower unit costs as a result of the increase in production and the absence of the various one-off maintenance costs that were incurred in Q2 and Q3. We expect to maintain our focus on a low cash cost profile in 2012 as Sukari continues to ramp up production.

RESULTS OF OPERATIONS

The Group recorded net profit before tax for the year ended 31 December 2011 of US$181.9 million (2010: US$32.0 million). The increase is driven by higher volumes of gold sold, higher gold prices obtained and lower costs due to management's rigorous cost control.

SELECTED ANNUAL FINANCIAL INFORMATION

The following table provides a guide to a summary of the financial results of the Group's operation for the period ending 31 December 2011 in comparison with the six month period ending 31 December 2010:

Summary of Financial Performance

		2011	2010 (3)	US$ Change	% change
Revenue	US$'000	340,479	86,882	253,597	292
Profit before tax	US$'000	181,945	32,042	149,903	467
Basic EPS (cps) (1)	cents	16.68	3.10	13.58	438
Diluted EPS (cps) (1)	cents	16.66	3.09	13.57	439
EBITDA 2	US$'000	234,971	52,782	182,189	345
Total assets	US$'000	834,522	640,832	193,960	30
Non -current liabilities	US$'000	2,630	2,624	6	0%

(1) Calculated using weighted average number of shares outstanding under the basic method.
(2) EBITDA is a non-GAAP financial performance measure with no standard meaning under IFRS. For further information and a detailed reconciliation, see page 24 of this report.
(3) This column shows data for the financial period immediately prior to the year ended 31 December 2011, which was a short period of six months ended on 31 December 2010, due to the company changing their end from June to December.

Revenue comprises proceeds from gold and silver sales. Revenue increased by US$254 million from 2010 where the financial period was only 6 months. Revenue increased due to an increase in production of 119,267oz from the prior year and a consistently higher gold price. The average price for 2010 was approximately US$1,308/oz, whereas for the 2011 year the average price was US$1,574/oz.

Profit before tax increased by 467% for the year ended 31 December 2011 primarily from the increase in revenue of 292%. Cost of sales increase by a smaller amount of 178% and lower increase in cost of sales of 178% as production costs have not been affected by the increase in the gold price and have been kept low due to the effective management of costs. The net profit include depreciation of US$54million and re-domicile costs of US$2.6 million relating to expenses incurred in moving the parent company from Australia to Jersey. Finance income of US$1.3 million (2010: US$0.3million) has been earned on the short term deposits during the year and has been included in the profit for the year.

Earnings per share (EPS) are calculated as the profit for the year attributable to the shareholders of the company divided by the weighted average of the number of ordinary Shares issued. The increase in EPS is mainly driven by the increase in profit attributable to ordinary shareholders of US$149,903k compared to a weighted average increase of 1,090,834,599 shares.

Earnings per share amounted to US$16.68 cents for 2011, an increase of 438% on 2010.

Diluted EPS is calculated by dividing the profit for the year attributable to shareholders of the company divided by the weighted average of all outstanding shares including all options issued under the ESOP, EDLFSP and EELFSP. The increase in the diluted EPS is mainly driven by the profit for the year attributable to the company compared to a weighted average increase of 1,092,336,900 shares. The higher dilutive shares are as a result of the options issued during 2011 and the partial dilutive effect of the 1,504,085 options exercised during the year.

EBITDA (earnings before interest, taxes, depreciation and amortisation) is the profit for the year attributable to the company excluding income tax cost, finance cost, finance income and depreciation and amortisation. EBITDA is a gauge of the Group's ability to generate operating cash flow to fund its working capital needs and capital expenditures. EBITDA increased period on period by 345%.

Selected Balance Sheet items and Key Financial Ratios

The following table illustrates and compares the selected balance sheet items and key ratios of the Group for the reporting years 2010 and 2011.

		As at 31 December 2011	As at 31 December 2010
Current assets	US$'000	265,555	192,943
Current liabilities	US$'000	25,670	19,112
Total assets	US$'000	834,522	640,832
Total shareholders' equity	US$'000	806,223	619,096
Total non-current liabilities	US$'000	2,630	2,624
Total shares outstanding (1)	Shares	1,096,297,381	1,081,946,250
Key financial ratios:			
Current ratio (2)		10.34:1	10.09:1
Return on equity (3)	%	22	5

Notes:
(1) Total ordinary shares outstanding do not include 1,630,150 (2010: 3,325,150) share options issued but not exercised;
(2) Represents current assets divided by current liabilities and;
(3) Represents profit for the year attributable to the shareholders of the company divided by average shareholders' equity.

Current assets (include cash, cash equivalents, receivables, prepayments and inventory) increased by 37% year on year and illustrate the strong cash position of the Group. The increase in current assets is driven by the increase in the Group's production during 2011. Current assets principally include cash and cash on short term deposit of US$164m (2010: US$154m).

The total assets have increased by US$194m mainly due to the following increases:

i) Increase in current assets of US$72m, as explained above,
ii) Increase in Property, plant and equipment ('PPE') of US$143m mainly relating to the net capitalised work-in-progress costs in 2011 of US$68.5m, additions of US$20m mine development property, US$33m of plant and equipment and US$21m of motor vehicles as we increase our operations. A depreciation and amortisation charge of US$54m has been recognised.
iii) Increase in exploration and evaluation assets due to the acquisition of Sheba Exploration (UK) Plc for US$10.2m and 2011 exploration and evaluation expenditure of US$16m incurred on Sukari Hill and Sukari tenement area.

The increases in current liabilities highlight the increased level of operation activity at the Group's Sukari Gold Mine.

Shareholders' equity increased year on year by 30% to US$806 million from US$619 million). The increase is driven by an increase in the profit for the year attributable to the shareholders of the company of US$ 181.9 million.

Current ratio is calculated by dividing the current assets by the current liabilities. The improvement in the current ratio is a result of the increase in cash and cash on short term deposit which has increased the liquidity position of the Group as illustrated in Note 25 to the Financial Statements.

The return on equity ratio is calculated by dividing the profit for the year attributable to the shareholders of the company for the period by total shareholders' equity and measures the return on ownership. The return on equity ratio showed a strong increase from 5 for 2010 to 22 for 2011 as a result of the increase in the net profits and reflects an improvement in the Group's performance and yields higher return on equity for investors.

QUARTERLY INFORMATION

For more information regarding Q4 for 2011, refer to the press release 'Results for the 31 December 2011 – Correction' published on 31 January 2012 which is available on our website.

LIQUIDITY AND CAPITAL RESOURCES

At 31 December 2011, the Group had cash and cash equivalents of US$164 million compared to US$154 million at 31 December 2010. The majority of funds have been invested in short term deposits. The increase in cash position is due to increased production and favourable gold prices.

Liquidity risk is the risk associated with not having access to sufficient funds to meet planned and unplanned cash requirements. Centamin manages its exposure to liquidity risk by warranting that its operating and strategic liquidity levels are well above minimum company requirements.

In the day to day business, the Group receives cash from its operations and is required to fund working capital and capital expenditure requirements. The cash is managed to ensure surplus funds are invested to maximise returns while ensuring that capital is safeguarded to the maximum extent possible by investing only with financial institutions with a strong credit rating.

The Group's primary source of liquidity is operating cash flow. The principal risk factor affecting operating cash flow is cost and gold prices.

The Group's financial commitments are limited to planned and discretionary spending on work programmes at the Sukari Gold Mine, planned and discretionary spending on work programmes at the exploration licences owned by Sheba, administration expenditure at the Egyptian, Australian and London office locations and for general working capital purposes.

Management considers that the Group has adequate current assets and forecast cash flow from operations to manage liquidity risks arising from settlement of current liabilities and non-current liabilities.

We had no debt for both 2011 and the 2010 period.

The following is a summary of the Group's outstanding commitments as at 31 December 2011:

	Total US$'000	< 1 year US$'000	1 to 5 years US$'000	Payments due US$'000
Employee benefits	717	717	-	-
Creditors	24,509	24,509	-	-
Restoration and rehabilitation provision	2,630	-	-	2,630
Current tax liabilities	444	444	-	-
Operating lease commitments (Note 19)	56	56	-	-
Capital commitments (Note 19)	40,026	40,026	-	-
Total commitments	**68,382**	**65,752**	**-**	**2,630**

The Group's financial commitments are limited to planned and discretionary spending on work programmes at the Sukari Gold Mine, planned and discretionary spending on work programmes at the exploration licences owned by Sheba, administration expenditure at the Egyptian, Australian and London office locations and for general working capital purposes.

OUTSTANDING SHARE INFORMATION

As at 30 March 2012, the Company had 1,096,297,381 fully paid ordinary shares issued and outstanding.

As at 30 March 2012	Number
Shares in Issue	1,096,297,381
Options issued but not exercised	1,630,150
	1,097,927,531

SEGMENT DISCLOSURE

The Group is engaged in the business of exploration for precious and base metals only, which is characterised as one business segment only. See Note 8 of the Notes to the Financial Statements.

SIGNIFICANT ACCOUNTING ESTIMATES

In the application of the group's accounting policies, which are described in Note 4 of the Notes to the Financial Statements, management is required to make judgments, estimates, and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgments that management has made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in the Financial Statements:

Recovery of Capitalised Exploration Evaluation and Development Expenditure

The Group's accounting policy for exploration and evaluation expenditure results in exploration and evaluation expenditure being capitalised for those projects where such expenditure is considered likely to be recoverable through future extraction activity or sale or where the exploration activities have not reached a stage which permits a reasonable assessment of the existence of reserves. This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether the Group will proceed with development based on existence of reserves or whether an economically viable extraction operation can be established. Such estimates and assumptions may change from period to period as new information becomes available. If, subsequent to the exploration and evaluation expenditure being capitalised, a judgement is made that recovery of the expenditure is unlikely or the project is to be abandoned, the relevant capitalised amount will be written off to the income statement.

Accounting treatment of Sukari Gold Mines (SGM)

SGM is wholly consolidated within the Centamin Group of companies, reflecting the substance and economic reality of the Concession Agreement (see note 23).

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Provision for restoration and rehabilitation costs

The Group is required to decommission, rehabilitate and restore mines and processing sites at the end of their producing lives to a condition acceptable to the relevant authorities. The provision has been calculated taking into account the estimated future obligations including the costs of dismantling and removal of facilities, restoration and monitoring of the affected areas. The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date.

Ore reserve estimates

Estimates of recoverable quantities of reserves include assumptions on commodity prices, exchange rates, discount rates and production costs for future cashflows. It also involves assessment and judgement of difficult geological models. The economic, geological and technical factors used to estimate ore reserves may change from period to period. Changes in ore reserves affect the carrying values of mine properties, property, plant and equipment, provision for rehabilitation assets and deferred taxes. Ore reserves are integral to the amount of depreciation and amortisation charged to the Statement of Comprehensive Income and the calculation of inventory.

ACCOUNTING POLICIES

There have not been any changes to the Group's accounting policies during the year.

GOING CONCERN STATEMENT

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in this business review. The financial position of the group, its cash flows, liquidity position and borrowing facilities are also described in this business review on pages 18 to 31. In addition, note 26 of the Financial Statements includes the group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposure to credit risk and liquidity risk.

As highlighted in note 26, the group meets its day to day working capital requirements through cash generated by its operations. The current economic conditions create uncertainty particularly over a) the level of demand of the group's products; b) the price at which its products can be sold; and c) the price at which its main raw materials can be procured.

The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that group should be able to continue generating sufficient cash in order to finance its operations and capital expansions.

The directors have a reasonable expectation that the group will have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the Annual Financial Statements.

NON-GAAP FINANCIAL MEASURES

Three non-GAAP financial measures are used in this report:

1) EBITDA: "EBITDA" is a non-GAAP financial measure, which excludes the following from profit before tax:
- Finance costs;
- Finance income; and
- Depreciation and amortisation.

Management believes that EBITDA is a valuable indicator of the Group's ability to generate liquidity by producing operating cash flow to fund working capital needs and fund capital expenditures. EBITDA is also frequently used by investors and analysts for valuation purposes whereby EBITDA is multiplied by a factor or "EBITDA multiple" that is based on an observed or inferred relationship between EBITDA and market values to determine the approximate total enterprise value of a company. EBITDA is intended to provide additional information to investors and analysts and does not have any standardized definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. EBITDA excludes the impact of cash costs and income of financing activities and taxes, and therefore is not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate EBITDA differently. The following table provides a reconciliation of EBITDA to profit for the year attributable to the company.

Reconciliation of profit before tax to EBITDA

	Year ended 31 December 2011 US$'000	Six month period ended 31 December 2010 US$'000
Profit before tax	181,945	32,042
Finance income	(1,288)	(321)
Depreciation and amortisation	54,314	21,061
EBITDA	234,971	52,782

2) Cash Cost per Ounce Calculation: "Cash costs per ounce" is a non-GAAP financial measure. Cash Cost per ounce is a measure of the average cost of producing an ounce of gold, calculated by dividing the operating costs in a period by the total gold production over the same period. Operating costs represent total operating costs less administrative expenses, royalties, depreciation and amortization. Management uses this measure internally to better assess performance trends for the Company as a whole. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use such non-GAAP information to evaluate the Company's performance and ability to generate cash flow. The Company believes that these measures better reflect the Group's performance for the current period and are a better indication of its expected performance in future periods. Cash costs is intended to provide additional information, does not have any standardized meaning prescribed by GAAP and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. This measure is not necessarily indicative of operating profit or cash flow from operations as determined under GAAP. Other companies may calculate these measures differently.

3) Cash and Liquid Assets: Cash and Liquid Assets include Cash and cash equivalents and gold sales debtors. This is a non-GAAP financial measure.

INTERNAL CONTROLS

Financial reporting controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to management, including the CEO and CFO, on a timely basis so that appropriate decisions can be made regarding public disclosure. Management, with the participation of the certifying officers, has evaluated the effectiveness of the design and operation, as of 31 December 2011, of the Company's disclosure controls and procedures (as defined by the Canadian Securities Administrators). Based on that evaluation, the certifying officers have concluded that such disclosure controls and procedures are effective and designed to ensure that material information relating to the Company and its subsidiaries is known to them by others within those entities.

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of our financial reporting and compliance with generally accepted accounting principles in our Financial Statements. Management has evaluated the design of internal control over financial reporting and has concluded that such internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles in Canada. In addition, there have been no changes in the Company's internal control over financial reporting during the year ended 31 December 2011 that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

FINANCIAL INSTRUMENTS

At 31 December 2011, the Group has exposure to interest rate risk which is limited to the floating market rate for cash.

The Group does not have foreign currency risk for non-monetary assets and liabilities of the Egyptian operations as these are deemed to have a functional currency of United States dollars. The Group has no significant monetary foreign currency assets and liabilities apart from Australian dollar and United States dollar cash term deposits.

The Group currently does not engage in any hedging or derivative transactions to manage interest rate or foreign currency risks.

FOREIGN INVESTMENT IN EGYPT

Foreign investments in the petroleum and mining sectors in Egypt are governed by individual production sharing agreements (concession agreements) between foreign companies and the Ministry for Petroleum and Mineral Resources or EMRA (as the case may be) and are individual Acts of Parliament.

Title, exploitation and development rights to the Sukari Gold Project are granted under the terms of the Concession Agreement promulgated as Law No. 222 of 1994, signed on 29 January 1995 and effective from 13 June 1995. The Concession Agreement was issued by way of Presidential Decree after the approval of the People's Assembly in accordance with the Egyptian Constitution and Law No. 61 of 1958. The Concession Agreement was issued in accordance with the Egyptian Mines and Quarries Law No. 86 of 1956 which allows for the Ministry to grant the right to parties to explore and mine for minerals in Egypt.

While the Company is the first foreign company to develop a modern large-scale gold mine in Egypt there is significant foreign investment in the petroleum sector. Several large multinational oil and gas companies operate successfully in Egypt, some of which have long histories in the country and have dedicated significant amounts of capital. The Group believes that the successful track record of foreign investment established by these companies in the petroleum sector is an important indication of the ability of foreign companies to attract financing and receive development approvals for the construction of major projects in Egypt.

OVERVIEW OF SUKARI CONCESSION AGREEMENT

Pharaoh Gold Mines NL ("PGM") a 100% wholly owned subsidiary of the Company, EGSMA (now "EMRA") and the Arab Republic of Egypt ("ARE") entered into the Concession Agreement dated 29 January 1995, granting PGM and EMRA the right to explore, develop, mine and sell gold and associated minerals in specific concession areas located in the Eastern Desert of Egypt identified in the Concession Agreement. The Concession Agreement came into effect under Egyptian law on 13 June 1995.

A summary of the main terms of the Concession Agreement is as follows:

- PGM provides funding to the Operating Company, Sukari Gold Mining Company, (SGM) and is responsible for the day-to-day management of that company.
- PGM is entitled to recover:
  - all current operating expenses incurred and paid after the initial commercial production;
  - exploration costs, including those accumulated to the commencement of commercial production (at the rate of 33.3% per annum); and
  - exploitation capital costs, including those accumulated prior to the commencement of commercial production (at the rate of 33.3% per annum).
- The ARE is entitled to a royalty of 3% of net sales revenue from the sale of gold and associated minerals from the Sukari Gold Mine.
- Commencing on the date of commercial production, PGM is entitled to a 15 year exemption from any taxes imposed by the Egyptian government, with an option to extend this entitlement for further 15 years.
- After the deduction of recoverable expenses and the payment of the 3% royalty, the profits are shared equally between PGM and EMRA (with an additional 10% of proceeds paid to PGM in the first 2 years that there are net proceeds and an additional 5% in the following 2 years).
- PGM, EMRA and the Operating Company are exempt from custom taxes and duties with respect to the importation of machinery, equipment and consumable items required for the purpose of exploration and mining activities at Sukari.
- PGM, EMRA, the Operating Company and their respective buyers will be exempt from any duties or taxes on the export of gold and associated minerals produced from the Sukari Gold Mine.

For the accounting treatment of the Concession Agreement refer to Note 23 of the Financial Statements.

PRINCIPAL RISKS AFFECTING THE CENTAMIN GROUP

The group faces a variety of risks which could adversely affect its performance, earnings, financial position and prospects. A summary of those which management believe represent the principal risks set below. In addition, there may be additional risks unknown to Centamin and other risks, which are currently believed to be immaterial and could turn out to be material. These risks, whether they materialise individually or simultaneously, could significantly affect the group's business and financial results. In addition, Centamin could also be affected by risks relating to the gold mining industry generally and the risks and hazards involved in the business of mining metals, which are largely outside its control.

Centamin has taken a number of steps to mitigate some of these risks and will continue to evaluate ways in which it can manage and mitigate risks accordingly. Notwithstanding this, due to the very nature of risks no assurance can be given that mitigating actions taken or planned will be wholly effective.

RISK	COMMENT AND MITIGATING ACTIONS
Single project dependency The Sukari Gold Mine currently constitutes all of the group's mineral resources and reserves and the potential for the future generation of revenue (with the exception of the group's small exploration portfolio in Ethiopia). Any adverse development affecting the progress of the Sukari Project such as, but not limited to, unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, or any other event leading to a reduction in production or closure of mines or other producing facilities, damage to life or property, environmental damage, hiring suitable personnel and engineering contractors, or securing supply agreements on commercially suitable terms, could have a material and adverse effect on the group's financial performance and results.	In order to ensure continued growth, the group intends to identify new resources and development opportunities through exploration and acquisition targets. Centamin assesses a wide range of potential growth opportunities both within Egypt and the wider area of the Arabian-Nubian Shield.
Single country risk All of the group's operational revenue is derived from production at the Sukari Gold Mine in Egypt and there is no assurance that future political and economic conditions there will not result in the Government of Egypt adopting different policies respecting foreign development and ownership of mineral resources. Any such change in policy may result in changes in laws affecting ownership of assets, land tenure and mineral concessions, fuel subsidies, taxation, royalties, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, which may affect both the group's ability to undertake exploration, development and operational activities in respect of future properties as well as its ability to continue to explore, develop and operate those properties in respect of which it has obtained mineral exploration and exploitation rights to date.	The current political situation in Egypt has not affected the safety of the Group's employees or its day-to-day operations at its flagship project, Sukari. The Directors of the Group continue to monitor the situation and there are no matters to report outside of what is already publicly available. See mitigating controls above.
Reserves and resource estimates The group's stated mineral reserves and resources are estimates based on a range of assumptions, including geological, metallurgical and technical factors; there can be no assurance that the anticipated tonnages or grades will be achieved.	Management has implemented processes to continuously monitor and evaluate the current life of the Sukari Gold Mine, mine plans and production targets. The group's resources and reserves are regularly reviewed. Centamin's resources are presented in accordance with the 2004 Australian Code for the Reporting of Mineral Resources and Ore Reserves ("JORC Code") which provides an equivalent presentation to NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum Standards (the "CIM Standards").
Gold price The group's financial performance is highly dependent upon the price of gold, which is affected by a number of factors beyond the group's control. Rapid fluctuations in pricing of gold will have a corresponding impact on the financial position.	The group's objective is to provide maximum exposure to the price of gold and, as such, a policy of not hedging gold has been adopted. The group retains its focus on keeping operating costs as low as possible.
Construction and operational risks Planned construction and commissioning of the remainder of the expansion of the Sukari Gold Mine (and any further expansion projects) may be delayed by a number of factors. Projects of this scale can suffer delays in startup and commissioning due to late delivery of components, adverse weather or equipment failures or delays in obtaining, or renewing where applicable, the required permits or consents. Other factors which may cause delays in the development of the remainder of Sukari Gold Mine (and any further expansion projects) include delays in obtaining construction and operating permits, or renewing where applicable approvals and permits; delays in procuring new equipment and supplies; and delays as a result of the group being unable to source skilled and professional labour.	Management closely monitor progress of the expansion project and the Board receives regular updates on developments.
Political, legal and regulatory developments The group's exploration, development and operational activities are subject to extensive laws and regulations governing various matters in the jurisdictions in which it operates. Changes to existing law and regulations, or more stringent application or interpretation of current laws and regulations by relevant government authorities, could adversely affect the group's operations and development projects. In particular, operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, maintenance of claims, environmental legislation, land use, land claims of local people, water use and safety regulations. In consequence, Centamin's revenue is currently derived exclusively from Sukari, its business operations and financial condition may be adversely affected by legal and regulatory changes and developments in Egypt.	The group actively monitors legal and political developments in Egypt and Ethiopia. The group actively engages in dialogue with the Egyptian government and legal policy makers to discuss all key legal and regulatory developments applicable to its operation environmental legislation.

RISK	COMMENT AND MITIGATING ACTIONS
Loss of critical processes The group's mining, processing, development and exploration activities depend on the continuous availability of its operational infrastructure, in addition to reliable utilities and water supplies and access to roads. Any failure or unavailability of operational infrastructure, for example through strike action, equipment failure or disruption, could adversely affect production output and/or impact exploration and development activities. Deficiencies in core supply chain availability could also affect operations.	Management assesses the critical components of the group's operational infrastructure on a continuous basis.
Civil and/or labour unrest The group's operations could be adversely affected by civil or labour unrest, war, fighting, terrorism or similar events in Egypt, Ethiopia or elsewhere. Furthermore, Egyptian employment law affords extensive protection to employees. Although management believes its labour relations, with both employees and contractors, are now satisfactory, there can be no assurance that a work slowdown, a work stoppage or strike will not occur at the Sukari Gold Mine or at any of the group's possible future development projects or exploration prospects.	The group has established HR practices and policies, and is committed to keeping the pay and conditions for its Egyptian worker competitive. Following the recent labour unrest, the group has promoted the establishment of a workers representative group for the purpose of facilitating a better dialogue with those employed at the Sukari Gold Mine.
Employees and contractors The group's business significantly depends upon its ability to recruit and retain qualified personnel, in particular members of the senior management team and its skilled team of engineers and geologists. The loss of skilled workers and a failure to recruit and train equivalent replacements may negatively impact on the group's operations and production.	The Group depends on certain key contractors and interruptions in contracted services could result in loss of production. The group regularly assesses its staff recruitment and retention policies to assist with labour stability, and maintains appropriate investment in training and development to safeguard the skills of its work force. Assessments of arrangements with key contractors are undertaken on a regular basis to ensure that contracted services and support meet business requirements and expectations. Regular reviews of reward structures and incentive plans are carried out in order to attract, retain and incentivise key employees, including the expatriate workforce.
Environmental hazards and rehabilitation Mining operations have inherent risks and liabilities associated with pollution of the environment and the disposal of waste products occurring as a result of mineral exploration and production. The group may be liable for losses and costs associated with environmental hazards at its operations, have its licences and permits withdrawn or suspended as a result of such hazards, or may be forced to undertake extensive clean-up and remediation action in respect of environmental hazards and incidents relating to its operations. Any such action could have a material adverse effect on the group's business, operations and financial condition.	Laws and regulations involving the protection and remediation of the environment and the governmental policies for implementation of such laws and regulations are constantly changing and are generally becoming more restrictive. Although the Directors believe that the group is in compliance in all material respects with applicable environmental laws and regulations and holds all necessary approvals, licences and permits under those laws, compliance with these standards is monitored by the HSES committee. Remediation and rehabilitation costs are assessed and reviewed on at least an annual basis.

RISK	COMMENT AND MITIGATING ACTIONS
The cost of self-generated electricity The Sukari Gold Mine relies on self-generation by diesel power generators located on site, the cost of which may fluctuate significantly depending on the market price of diesel fuel and the extent to which the group can continue to take advantage of the fuel subsidies currently offered by the ARE. The increased cost of production associated with the loss of the fuel subsidy could be significant and may be in excess of US$150/ounce. Any increases in energy costs may adversely affect the results of operations or financial condition of the group.	Management is reviewing alternative energy sources of grid power and gas pipelines.
Community relations A failure to adequately engage or manage relations with local communities and stakeholders could have a direct impact on the group's ability to operate at Sukari.	In addition to its existing corporate social responsibility programmes, the group is implementing a number of additional initiatives to improve and build on local community relations, and has increased its social management capacity.
Relationship with EMRA The successful management of the Sukari Gold Mine is in part dependent on maintaining a good working relationship with EMRA. Should a dispute with EMRA arise that cannot be amicably settled by arbitration or other means, this might adversely affect the group's ability to manage the Sukari in the most effective way.	The group has regular meetings with officials from EMRA and invests time in liaising with relevant ministry and other governmental representatives.
Current Egyptian political situation The current Egyptian political situation may affect the safety of the group's employees and adversely affect the group's ability to operate the Sukari Gold Mine.	The current political situation in Egypt has not to date affected the safety of the Group's employees or its day-to-day operations at Sukari nor has it had any material adverse impact on the group's investment. However, management continues to monitor very closely the situation.

RELATED PARTY TRANSACTIONS

The following related party transactions have been identified in line with IAS 24: Related Party Disclosures.

a) Key management personnel equity holdings

The details of the movement in key management personnel equity holdings of fully paid ordinary shares in Centamin plc during the financial period are as follows:

31 December 2011	Balance at 1 January 2011	Granted as remuneration (LFSP)	Received on exercise of options	Net other change (1)	Balance at 31 December 2011	Balance held nominally
J El-Raghy	69,195,086	1,000,000	-	1,250,000	71,445,086	-
T Schultz	-	1,000,000	1,000,000	(1,000,000)	1,000,000	-
G Haslam	-	-	-	50,000	50,000	-
M Arnesen	-	-	-	15,000	15,000	-
M Bankes	-	-	-	60,000	60,000	-
K Tomlinson	-	-	-	-	-	-
P Louw	-	600,000	-	37,500	637,500	-
H Brown	250,000	225,000	-	-	475,000	-
C Aujard	-	-	-	-	-	-
Y El-Raghy	-	-	-	-	-	-

31 December 2010	Balance at 1 January 2010	Granted as remuneration (LFSP)	Received on exercise of options	Net other change (1)	Balance at 31 December 2010	Balance held nominally
C Cowden	1,203,626	-	-	-	1,203,626	-
J El-Raghy	69,195,086	-	-	-	69,195,086	-
T Schultz	-	-	-	-	-	-
H S Bottomley	2,650,000	-	-	(500,000)	2,150,000	-
T Elder	250,000	-	-	-	250,000	-
H Michael	75,000	-	-	-	75,000	-
M Di Silvio	-	-	125,000	-	125,000	-
H Brown	-	-	250,000	-	250,000	-

(1) 'Net other change' relates to the on market acquisition or disposal of fully paid ordinary share.

b) Key management personnel share option holdings

The details of the movement in key management personnel options to acquire ordinary shares in Centamin plc are as follows:

31 December 2011	Balance at 1 January 2011	Granted as remuneration	Exercised	Other changes	Balance at 31 December 2011	Balance vested during the financial	Balance vested and exercisable at 31 December period
C Cowden	-	-	-	-	-	-	-
T Elder	-	-	-	-	-	-	-
T Schultz	1,000,000	-	(1,000,000)	-	-	-	-
J El-Raghy	-	-	-	-	-	-	-
H Bottomley	-	-	-	-		-	-
H Michael	-	-	-	-	-	-	-
M Di Silvio	475,000	-	(125,000)	(350,000)	-	-	-
H Brown	-	-	-	-	-	-	-

31 December 2010	Balance at 1 January 2010	Granted as remuneration	Exercised	Other changes	Balance at 31 December 2010	Balance vested during the financial	Balance vested and exercisable at 31 December period
C Cowden	-	-	-	-	-	-	-
T Elder	-	-	-	-	-	-	-
T Schultz	1,000,000	-	-	-	1,000,000	-	1,000,000
J El-Raghy	-	-	-	-	-	-	-
H Bottomley	-	-	-	-	-	-	-
H Michael	-	-	-	-	-	-	-
M Di Silvio	600,000	-	(125,000)	-	475,000	175,000	475,000
H Brown	250,000	-	(250,000)	-	-	-	-

Apart from the details disclosed in this note, no key management personnel has entered into a material contract with the Company or the economic entity since the end of the previous financial year and there were no material contracts involving key management personnel interests at year-end.

c) Other transactions with key management personnel

The related party transactions for the year ended 31 December 2011 are summarised below:

Josef El-Raghy is a director and shareholder of El-Raghy Kriewaldt Pty Ltd ("El-Raghy Kriewaldt"). El-Raghy Kriewaldt provides office premises to the Company. All dealings with El-Raghy Kriewaldt are in the ordinary course of business and on normal terms and conditions. Rent and office outgoings paid to El-Raghy Kriewaldt during the period were A$62,356 or US$65,365 (six months ended 31 December 2010: A$33,480 or US$ 32,192). Colin Cowden, a Non Executive Director until his resignation on 26 May 2011, is also a director and shareholder of Cowden Limited, which provides insurance broking services to the Company. All dealings with Cowden Limited are on normal terms and conditions. Cowden Limited was paid A$2,293 or US$2,397 during the six months ended 30 June 2011 (31 December 2010: A$32,873 or US$1,661), with A$11,815 or US$12,349 paid to Cowden Limited to be passed on to underwriters for premiums during the six months ended 30 June 2011 (31 December 2010: A$220,687 or US$212,548).

d) Transactions with other related parties

Other related parties include the parent entity, subsidiaries, and other related parties.

During the prior financial period, the Company recognised tax payable in respect of the tax liabilities of its wholly owned subsidiaries. Payments to/from the Company are made in accordance with terms of the tax funding arrangement.

During the financial period the Company provided funds to and received funding from subsidiaries.
All amounts advanced to related parties are unsecured. No expense has been recognised in the period for bad or doubtful debts in respect of amounts owed by related parties.

Transactions and balances between the Company and its subsidiaries were eliminated in the preparation of consolidated financial statements of the Group.

SUBSEQUENT EVENTS

For further information, see the directors' report section on page 36.

THE BOARD OF DIRECTORS

The Board comprises:

From left to right: Mr Josef El-Raghy, Mr Trevor Schultz, Mr G. Edward Haslam, Professor G. Robert Bowker, Mr Mark Arnesen, Mr Mark Bankes and Mr Kevin Tomlinson.

Mr Josef El-Raghy
Executive Chairman and acting CEO, age 40 Appointed 26 August 2002

Mr Josef El-Raghy was Managing Director/CEO of the Company until 3 March 2010, following which he assumed the role of Chairman. Since the sudden death of the group's CEO, Harry Michael, in November 2011, Mr El-Raghy has taken on the additional role of acting CEO. Mr El-Raghy holds a Bachelor of Commerce Degree from the University of Western Australia and had a ten year career in stock broking. He was formerly a director of both CIBC Wood Gundy and Paterson Ord Minnett. His expertise in international capital markets has greatly assisted the Company in its fundraising and development activities.

Mr Trevor Schultz
Executive Director, age 70 Appointed 20 May 2008

Mr Schultz has a Masters Degree in Economics from Cambridge University, a Masters of Science Degree in Mining from the Witwatersrand University and completed the Advanced Management Program at Harvard University. With more than 40 years' experience at the executive management and board level with leading international mining companies, including BHP, RTZ/CRA, Pegasus Gold and Ashanti Goldfields, Trevor was most recently the President and CEO of Guinor Gold Corporation. His roles have included development of several new mining operations in Africa, South America and the U.S.A., negotiations with various governments and their agencies and project financing and capital raisings. Mr Schultz is currently a director of Pacific Road Capital Management. From 1 April 2003 until 31 December 2005, Mr Schultz was a director of Guinor Gold Corporation, from 1 December 2003 to 15 June 2006 was a director of Southern Era Pty Ltd and from 1 October 1996 to 31 December 2003 was a director of Ashanti Goldfields Pty Ltd.

Mr G. Edward Haslam
Senior Non Executive Director, age 66 Appointed 22 March 2011

Mr Haslam is currently Chairman of the LSE listed Talvivaara plc (since 1 June 2007) and since 1 May 2004 has been a non-executive director of Aquarius Platinum Ltd. In addition, Mr Haslam has been the Senior Independent Director of the LSE listed South African Namakwa Diamonds Ltd since 19 December 2007. In 1981, Mr Haslam joined Lonmin plc where he was appointed a director in 1999 and Chief Executive Officer in November 2000 before retiring as such in April 2004. Mr Haslam has also held various positions with Falconbridge Nickel Mines and British Steel Corporation, was a director of Cluff Gold Plc until September 2007, and is a Fellow of the Institute of Directors (IOD) (UK).

Professor G. Robert Bowker
Non Executive Director, age 62 Appointed 21 July 2008

Professor Bowker retired from the Australian Foreign Service in June 2008 after a 37 year career specialising in Middle East issues. He was Australian Ambassador to Egypt (2005 to 2008) and Jordan (1989 to 1992), in addition to postings in Syria (1979 to 1981) and Saudi Arabia (1974 to 1976). Professor Bowker was accredited from Cairo as a non-resident ambassador to Libya, Sudan, Syria and Tunisia. Professor Bowker has a PhD from the Centre for Arab and Islamic Studies, Australian National University 2001, an MA from the Centre for Middle East and Central Asian Studies, Australian National University 1995, a BA (Hons) Indonesian and Malayan Studies and Political Science, Melbourne University 1970 and completed an RAF Arabic course, Beaconsfield, UK 1988.

Mr Mark Arnesen
Non Executive Director, age 52 Appointed 24 February 2011

Mr Arnesen has extensive expertise in the structuring and negotiation of finance for major resource projects. He is a Chartered Accountant with over 20






years' experience in the international resources industry, including a role with the Billiton/Gencor group companies where he was a corporate Treasurer from 1996 to 1998. In 2000 Mr Arnesen joined Ashanti Goldfields Company Limited as Managing Director - International Treasury and held the position until 2004. From 2004 until 2006 he worked with Equinox Minerals Limited and put in place the Lumwana project financing. In November 2006 he joined Moto Goldmines limited as the financial Director and held the position until the company was taken over by Randgold Resources Limited in late 2009. He was a Non-Executive Director of Natasa Mining Limited (2006-2010) and now sits on their Advisory Board. He was a Non -Executive Director of Asian Mineral Resources during 2010. He is currently the sole director of ARM Advisors Proprietary Limited and joined the board of Gulf Industrials Limited as CEO in February 2012. Mr Arnesen serves as a Member of the South African Institute of Chartered Accountants and holds a Bachelor of Commerce and Bachelor of Accounting degrees from the University of the Witwatersrand.

Mr Mark Bankes
Non Executive Director, age 51 Appointed 24 February 2011

Mr Bankes is an international corporate finance lawyer. Mr Bankes has an MA from Cambridge University and joined Norton Rose in 1984. He worked in both London and Hong Kong and was a partner at Norton Rose LLP from 1994 to 2007 before starting his own business, Bankes Consulting EURL, in October 2007. Mr Bankes specialises in international securities, mining policy and agreements, mergers and acquisitions and international restructurings for the resource sector. Mr Bankes has not held any other directorships in public companies during the previous five years.

Mr Kevin Tomlinson
Non Executive Director, age 51 Appointed 17 January 2012

Mr Tomlinson was previously Managing Director of Investment Banking at Westwind Partners/Stifel Nicolaus Weisel, a US, Canadian and UK full-service broker, where he advised a number of gold, base metal and nickel companies, including Centamin. Prior to that he was the Director of Natural Resources at Williams de Broë, a London-based broker, and Head of Research for the Australian broking, corporate finance and research house, Hartley's Ltd. Mr Tomlinson holds a Master of Science degree in Geology from the University of Melbourne in Victoria, Australia. He began his career as a geologist 30 years ago and has worked with various Australian and Canadian-based natural resources companies, including Austminex N.L, where he held the position of Chief Executive Officer, and Plutonic Resources Limited, where he was Exploration Manager. In addition, he was Non-Executive Chairman of the ASX, AIM and TSX-listed Philippines gold producer, Medusa Mining Limited, from October 2005 to January 2010 and the Non-Executive Chairman of Dragon Mountain Gold, an ASX-listed Chinese gold explorer and developer, from January 2006 to October 2008. Tomlinson is also a non executive director of TSX listed Samco Gold and TSX/ASX listed gold producer Olympus Pacific Limited. Mr Tomlinson is a Fellow of the Chartered Institute for Securities & Investment.

During the course of the year the following directors retired from the Board:

- Mr H Stuart Bottomley, Non Executive Director (retired 2 February 2011)
- Dr Thomas G Elder, Non Executive Director (retired 26 May 2011)
  Mr Colin Cowden, Non Executive Director (retired 26 May 2011)

Furthermore, as noted in the Chairman's Statement, Mr Harry Michael, the Company's Chief Executive Officer from 3 March 2010, passed away suddenly on 17 November 2011.

GOVERNANCE

SENIOR MANAGEMENT

In addition to Centamin's Executive Directors listed previously, Senior Management includes the following:

Mr Christopher Aujard
General Counsel and Company Secretary

Before joining Centamin in May 2011 Mr Aujard was the group Legal Director and Company Secretary of Royal London, a large UK-based life assurer, prior to which he held senior legal and company secretarial positions at a number of major financial institutions and banks in London. He has over 25 years' experience as a lawyer and has worked on corporate transactions in a variety of sectors and geographies. Mr Aujard holds a Master's degree in law from Cambridge University and undergraduate degrees in law and science from Monash University in Victoria.

Mrs Heidi Brown
Company Secretary

Mrs Brown is a Fellow Chartered Secretary with over 13 years' experience in the finance and securities industries. She holds a Graduate Certificate of Applied Finance and Investment and a Diploma of Financial Advising through the Financial Services Institute of Australasia.

Mr Pierre Louw
Chief Financial Officer (since 13 May 2011)

Mr Louw is a senior manager with 25 years hands-on experience within the Mining Industry in both major and mid-tier gold and copper mining companies. Mr Louw is a member of the South African Institute of Professional Accountants and has extensive international experience having worked in Tanzania, Australia, Zambia and his native South Africa. Mr Louw previously worked as Finance Director for the Lumwana Copper Mine, an Equinox Limited development in Zambia from 2005 to 2010. Prior to joining Equinox, he worked as Business and Financial Manager for Geita Gold Mine (AngloGold Ashanti) in Tanzania for the period 2000 to end 2004. During this time he served as Honorary Treasurer on the Chamber of Mines of Tanzania and as an executive member of the Tanzanian Tax Stakeholders Forum representing the Tanzanian Mining sector. He has held management roles in the AngloGold corporate office where he worked as Divisional Manager and with JCI (Johannesburg Consolidated Investment Co) where he started his career in 1986. He holds a National Diploma in Financial Accounting from the University of Johannesburg and completed a Leadership Development Programme through the University of South Africa (UNISA).

Mr Youssef El-Raghy
General Manager - Egyptian Operations

An officer graduate of the Egyptian Police Academy, Mr El-Raghy held senior management roles within the Egyptian Police force for a period in excess of ten years, having attained the rank of captain, prior to joining the Group. He has extensive contacts within the government and industry and maintains excellent working relationships with all of the Company's stakeholders within Egypt.

DIRECTORS' REPORT

PRINCIPAL ACTIVITIES & BUSINESS STRATEGY

The consolidated entity's principal activities during the course of the year were the exploration for precious and base metals, production of gold and ongoing development at the Sukari Gold Mine. The Group has a considered growth path and strategy in place whereby it seeks to maximise shareholder value from investment opportunities within Egypt and also other opportunities which may arise throughout the Middle East and Northern African regions.

NEW HOLDING COMPANY

On 30 December 2011, pursuant to a re-domicile (the "Redomicile") by way of court-approved scheme of arrangement (the "Scheme") under Part 5.1 of the Australian Corporations Act 2001, Centamin plc, a public company limited by shares, incorporated in Jersey with number 109180, became the new ultimate parent company of the Centamin group. The Scheme was approved by shareholders at a Scheme meeting held on 14 December 2011 and by the Supreme Court of Western Australia on 20 December 2011.

Centamin was incorporated under the Companies (Jersey) Law 1991 on 10 October 2011 for the purposes of the Redomicile.

Pursuant to the Redomicile, ordinary shares in Centamin were admitted to the UK Listing Authority's Official List on 30 December 2011 and trading on the London Stock Exchange's market for listed securities and on the Toronto Stock Exchange commenced on 30 December 2011. The listing of Centamin Egypt Limited's ("Old Centamin") ordinary shares on the UK Listing Authority's Official List was cancelled on 30 December. Under the terms of the Redomicile, shareholders in Old Centamin received one share in Centamin for every share held in Old Centamin.

202,699
ounces of gold produced

$556
cash cost per ounce

Upon the Scheme becoming effective, Old Centamin became a wholly-owned subsidiary of Centamin.

Further information on the terms of the Redomicile is set out in the Prospectus published by the Company in connection with the Redomicile on 20 December 2011, which can be viewed on the Company's website at www.centamin.com.

The Directors of Old Centamin each joined the Board of Centamin prior to 30 December 2011 and continued to serve as Directors of the Company following the Scheme becoming effective. The Board committees, charters and policies in place at Old Centamin prior to the Scheme becoming effective were each established or adopted in substantially the same terms by the Company. In order to give a view across the year, references in this report and in the Remuneration reports and Corporate Governance report on pages 40 and 46, to the Directors, the Board or any Board committees, charters or policies refer to those of Old Centamin up to 29 December 2011 and to those of the Company from 30 December 2011.

BUSINESS REVIEW

The requirements of the business review are contained in the operational and exploration review and management discussion and analysis sections of this report and an overview of the principal risks and uncertainties faced by the group is provided on pages 18 to 31. On pages 56 to 60 is set out information on environmental, employee and social and community matters. All of these matters are incorporated by reference into this Directors' Report.

CREDITOR PAYMENT POLICY

It is the Group's policy to settle all debts with creditors on a timely basis and in accordance with terms and conditions agreed in advance with each creditor. Further details on trade creditors are provided in Note 15 to the Financial Statements. The average number of creditor days is 45 days (2010: 119 days).

SUPPLIERS

It is Centamin's policy that, subject to compliance with trading terms by the supplier, payments are made in accordance with terms and conditions agreed in advance with the supplier.

DIVIDENDS

No dividends have been declared or paid since the end of the current and previous financial year. The Group's dividend policy for the coming year is to direct all cash flows towards the organic growth of the Sukari Gold Mine. The Group's policy will continue to be reviewed on an annual basis.

CHANGES IN STATE OF AFFAIRS

During the year, the Company suffered the tragic and sudden death of its incumbent CEO and saw the start of the Stage 4 expansion programme. Save for this, there were no other significant changes to the state of affairs in the Company during that period.

FUTURE DEVELOPMENTS

It is the objective of the Group to continue to drill at the Sukari Gold Mine, so as to increase the overall size of the geological resource whilst at the same time, increasing gold production.

CORPORATE GOVERNANCE COMPLIANCE

The statement on compliance with the UK Corporate Governance Code for the reporting period is contained on page 46 of this report.

ARTICLES OF ASSOCIATION

The Company's articles of association may be amended by special resolution of the shareholders.

CAPITAL STRUCTURE

Issued capital (including shares issued under the Loan Funded Share Plans below)	1,096,297,381
Unlisted options (expiring 31 December 2012)	1,630,150
Total shares in issue under the Loan Funded Share Plans, comprising:	8,840,000
Executive Director Loan Funded Share Plan 2011 (GBP1.258521)	3,000,000
Employee Loan Funded Share Plan 2011	
GBP1.258521	4,615,000
GBP1.171055	825,000
GBP0.981836	400,000

ENVIRONMENTAL REGULATIONS

The Group is currently complying with relevant environmental regulations and has no outstanding environmental orders against it, to the best of our knowledge.
There is a current legal obligation under Egyptian Environmental Laws to perform site rehabilitation and restoration work, in addition to the requirement of the Sukari Concession Agreement, under Article XVI, to undertake the rehabilitation and restoration work. The provision for restoration and rehabilitation for 2011 is set out in note 16 and has been estimated at US$2.6 million (2010: US$2.5 million).

SUBSTANTIAL SHAREHOLDERS

The Company has been notified that the following persons were, as at the date of this document, directly or indirectly interested in 3 per cent or more of the issued ordinary share capital of or voting rights in Centamin.

Investor Name	Ordinary Shares	% of issued share capital
El-Raghy Family	71,445,086	6.52
Legal and General Investment management	55,193,655	5.03
Baring Asset Management Ltd.	54,861,745	5.00
Franklin	52,659,502	4.80
Threadneedle Asset Management Ltd.	51,838,295	4.79
Kames Capital	43,806,115	4.00

The substantial shareholders do not have any different voting rights to other shareholders.

To the extent known to the Company:
(a) No person other than the substantial shareholders has an interest of three percent or more in the company's capital. The Company is not aware of any persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company; and
(b) There are no arrangements, the operation of which may at a subsequent date result in a change of control of the Company.

POLITICAL DONATIONS

Centamin does not make donations to any organisations with stated political associations.

EMPLOYEES

Information relating to employees is contained on page 58 - 60 and the corporate responsibility section. Centamin abides by anti-discrimination legislation in all jurisdictions in which it operates. These principles are also set out in the Company's Code of Conduct which sets out the framework in which Centamin expects all staff to operate.

SUBSEQUENT EVENTS

Subsequent to year end the company acquired a further interest in Nyota Minerals Limited for US$4 million. In addition there was loss of a number of days of production due to illegal strike action at the Sukari Gold Mine in March 2012.

Mr. Kevin Tomlinson was appointed to the board of directors on 17 January 2012.

Sukari currently benefits from the national industry subsidy in Egypt for diesel, when compared with international prices, has a beneficial effect of some US$150 per oz on the forecast cash costs for 2012. As announced there have been moves to withdraw this subsidy and whilst negotiations are ongoing it has been necessary during the first quarter of 2012 to pay the international fuel price for roughly half of the Company's fuel supply to ensure continuous operations pending the outcome of the negotiations.

There were no other significant events occurring after the reporting date requiring disclosure in the Financial Statements.

6.5%
of issued share capital held by El-Raghy family

DIRECTORS' INDEMNITY INSURANCE

In accordance with Centamin's articles of association and to the extent permitted by law, Centamin may indemnify its Directors out of its own funds to cover liabilities incurred as a result of their office.

The Company has entered into indemnity agreements with each Director to indemnify each Director to the extent permitted by applicable law and excluding any matters involving fraud, dishonesty, wilful default or bad faith on the part of a Director.

During the year, the Company paid a premium in respect of a contract insuring the Directors and officers of the Company and any related body corporate against a liability incurred as a director or officer to the extent permitted by law. This provides insurance cover for any claim brought against Directors or officers for wrongful acts in connection with their positions. The insurance provided does not extend to claims arising from fraud or dishonesty and it does not provide cover for civil or criminal fines or penalties imposed by law.

ROUNDING OF AMOUNTS

Amounts in the Financial Report and the Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

DIRECTORS' INTERESTS

Details of the interests of Directors and their connected persons in Centamin's shares or in related derivate or financial instruments are outlined in the Directors' Remuneration report on page 40.

AUDITORS

Each of the persons who are a director at the date of approval of this annual report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that he/she ought to have taken as a director in order to make himself/ herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By order of the Board,

Chris Aujard

Chris Aujard
General Counsel and Company Secretary

REMUNERATION REPORT

The following section of this remuneration report has not been audited by Deloitte LLP

Introduction

I became a director of Centamin on 22 March 2011 and upon joining became chair of the Remuneration Committee. I would like to thank Thomas Elder, whom I replaced as chair, for all his hard work in steering the committee as the Company developed and grew to become a FTSE 250 company.

As indicated in the Chairman's Statement, very sadly at the end of the year Harry Michael, our former Chief Executive Officer, passed away suddenly. Josef El-Raghy has taken over the additional responsibility of the CEO role until a new CEO is appointed. The remuneration information relating to Harry Michael is included in this report up until his death, as well as proposed payments to his estate.

I am joined on the committee by Mark Arnesen and Robert Bowker. The Chairman/Interim CEO attends the meeting by invitation, but not when matters relating to his own remuneration are discussed. I am supported by the Company Secretary who also acts as secretary to the Committee.

During the year the Committee has had four meetings at which it has considered the following:

- Review of base salaries and Non-Executive director fees
- Grant of awards under the share plans
- Implications of the change of residence of the Company and the adoption of a rollover share plan and the share plan for UK participants
- The annual bonus plan for 2011
- The annual bonus plan for 2012

This year there will be a review of long term incentive arrangements to ensure that they are in-line with the evolving strategy of the Company. Any changes to the current arrangements will be reported next year, or if necessary, shareholder approval will be sought during the year.

During 2011 Centamin commissioned research papers from Meis on executive remuneration levels and practices. These papers were made available to the Committee. Advice was also received from the Company's legal counsel, Blake Dawson in Australia, Charles Russell in London and Blake, Cassel & Graydon LLP in Toronto in respect of the rollover of the share plans and adoption of the UK plan in conjunction with the change of domicile of the Company.

Special Circumstances

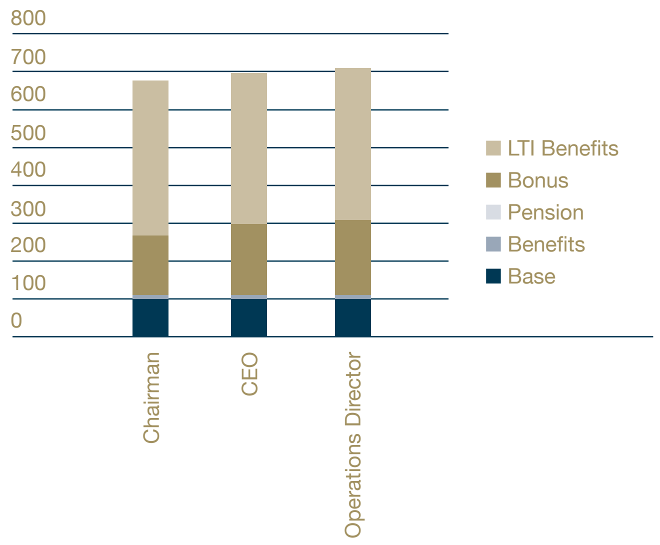
As indicated above, Harry Michael passed away very suddenly on 17 November 2011 after having served as CEO for a year and a half. The Committee has given due consideration to the contribution that he made to the successful development of the Group during that period. While the annual bonus scheme did not envisage the death of a participant and hence on cessation of employment the entitlement to a bonus would normally lapse, the Committee has decided that it is only right and proper to make a special payment to his estate in recognition of the amount that would have otherwise have been paid in relation to the period of his employment, but for the tragic circumstances. This amount is A$750,000 (US$774,675).

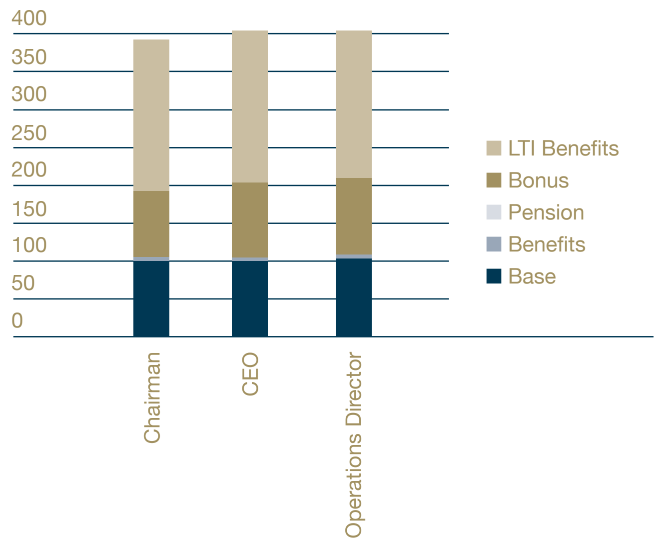
Policy

The remuneration policy sets base salaries competitively against the market, aiming to be fair but not excessive. The rewards for the executive directors have been established on a collegiate basis with the base pay being very similar for each director and the bonus opportunity being the same. The weighting of the overall package is in favour of variable pay, with the annual bonus scheme being primarily focused on shorter term financial and production targets and the long-term bonus scheme being focused on relative shareholder return. It is intended that this policy will continue for the coming year, subject to the review referred to below.

Balance of Remuneration

As indicated above the balance of remuneration is toward variable pay. The following graphs show the balance of remuneration in relation to the base salary, based upon maximum pay out (first graph) and expected pay-out (second graph), where the base salary is 100.

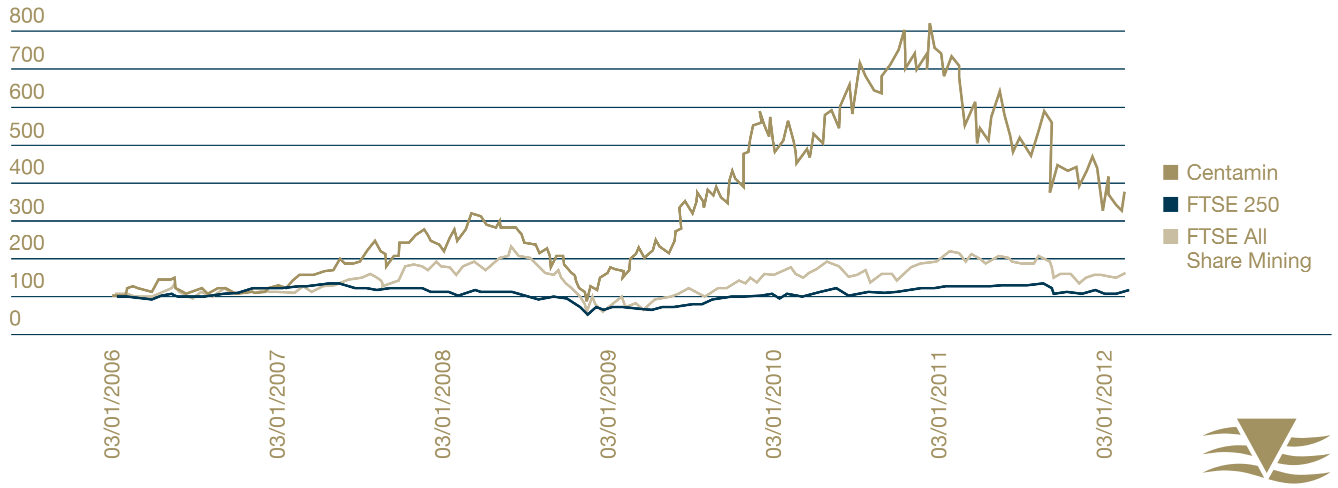




(1) Maximum award assumes full annual bonus is achieved. The LTI assumes an award of 400% and 200%.
(2) Expected pay-out assumed that half the maximum bonus is paid and that 50% of the annual LTI award is achieved i.e. 200% each year.
(3) Where payments are made in foreign currency the equivalent US$ amount is provided in this report for convenience using appropriate average exchange rates.

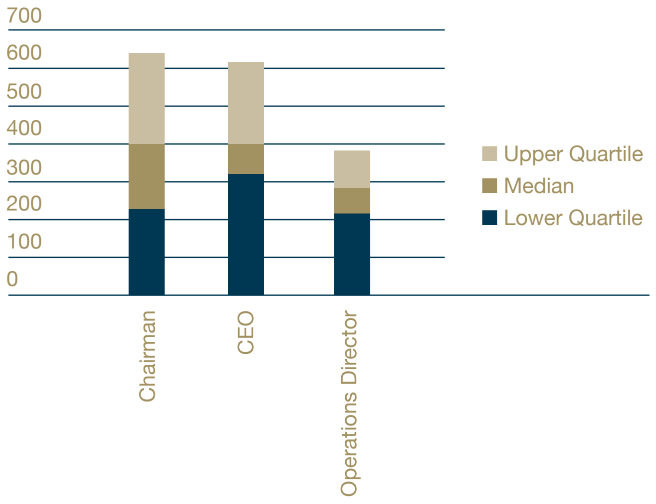
Comparative Group Performance

The following graph shows Centamin's performance against the FTSE 250 and the All Share Mining indices, which are regarded as being appropriate comparator groups for the Company.



Base salaries

Base salaries are usually reviewed in the first quarter of each year. Salaries in £ are compared with those paid in the FTSE 250 index, the mining sector, companies with similar turnover and those with a similar market capitalisation. While the base pay in £ (represented by the blue arrows below) is very similar for each executive director, the positioning of the base against the market data is not. The Director of Operations is paid towards the upper quartile of the range, while the other executive directors are paid just below the median. The Director of Operations' enhanced base salary reflects his considerable experience in the mining industry, which is invaluable to the Group.



2012

The salary review for 2012 has resulted in no change in base pay, as indicated in the table below.

Director	Salary for 2011	Proposed Salary for 2012
Chairman	A$ 600,000 (£383,000)	A$ 600,000 (£383,000)
Chief Executive Officer	A$ 550,000 (£351,000)	N/A
Director of Operations	A$ 550,000 (£351,000)	A$ 550,000 (£351,000)

While the Chairman is acting in the additional role of CEO, neither his base pay nor other aspects of his remuneration will be increased to reflect these additional responsibilities.

Annual Bonus

Centamin's bonus plan supports the collegiate nature of our executive director team. Each director can earn the same maximum amount of A$1,000,000 (US$1,032,900), which is unusual, as well as receiving very similar base pay.

Payment of the bonus to the executive directors is based upon the achievement of four performance measures and the weighting of each measure differs for each director:

- Share price performance
- Production/cost performance against budget
- Expansion capital cost within time and budget
- Securing of addition exploration acreage

Director	Stock Price	Production	Expansion Capital Cost	Acreage	Max bonus as % of base
Chairman	50%	20%	10%	20%	166%
Chief Executive Officer	30%	50%	10%	10%	182%
Director of Operations	20%	20%	50%	10%	182%

Bonus achieved for 2011

In the 18 month period up to the review date, the Committee was of the view that the production and additional acreage targets had been achieved and that the capital expansion target was not achieved. Furthermore, the Committee's view was that, but for discount attributable to the political instability in Egypt, over which management had no control, the share price criteria would have been satisfied. Accordingly, the committee decided that a discretionary award of half the allocated percentage would be paid. The bonus payments are therefore as follows:

Director	%	Amount As$ (£)
Chairman	65%	A$650,000
CEO	75%	A$750,000
Director of Operations	40%	A$400,000

2012

The Remuneration Committee intends to review of the current arrangements with the aim of ensuring that the criteria used to determine the bonuses better reflects the fact that the Group is now an established gold producer. However, it is also intends to introduce a safety target, which if not achieved, will operate to reduce any bonus otherwise payable by a proportionate amount.

Pension Arrangements

Other than statutory superannuation for Australian resident directors, Professor Robert Bowker and Mr Mark Arnesen no pensions or payments in lieu of pensions are made.

Benefits in Kind

Medical insurance is provided at the Company's expense to Josef El-Raghy and Trevor Schultz, both of whom work in Egypt. The Company also pays Josef El-Raghy and Trevor Schultz's Egyptian salary taxes.

Service Agreements for Executive Directors

The executive directors have contracts that provide for the service of notice of six months for Josef El-Raghy and three months for Trevor Schultz.

Josef El-Raghy has an enhanced notice period of 24 months in the event of a change of control. Harry Michael also had such a provision.

Non-Executive Directors

Under the Articles of Association adopted by the Company as part of the re-domicile, all directors are now subject to annual re-election. All members of the Board offered themselves for either election or re-election at the last Annual General Meeting of the Company.

Long Term Incentive Arrangements - Current Arrangements

The Company has one primary long-term incentive arrangement, which is similar to an option scheme and was designed to allow the recipient to benefit from growth in the share price over a three year period. The arrangement has three plans that are all intended to achieve similar benefits. These are:

- The Employee Share Loan Funded Share Plan 2012 (Employee Plan) - this is the roll -over plan for the Centamin Egypt Ltd 2011 Employee Loan Funded Share Plan. Under the plan, employees receive a loan to buy shares in the Company. The shares are then held in trust for the employee and at the end of three years the employees can repay the loan and receive the shares. The loan is subject to a maximum repayment period of 3 years. Shares under the Employee Plan vest in tranches on the first, second and third year following grant and vesting is subject to the satisfaction of applicable performance criteria.
- The Director Loan Funded Share Plan 2012 (Director Plan) - this is again a roll-over plan of the Centamin Egypt 2011 Executive Director Loan Funded Share Plan. The plan operates in exactly the same way as the Employee Plan, except that there are mandatory performance conditions attached to the Director Plan, and that the shares vest in one tranche, three years from grant.
- The Employee Share Option Plan. This plan was introduced for UK participants in order to provide similar benefits to those which were available to participants in the other plans. This plan was established as part of the re-domicile given that the provision of loans and the holding of shares was not appropriate for UK participants.

The maximum award level under each plan is 400% of base salary at the date of grant. Awards are expected to be made on an annual basis. Options must be exercised/loans repaid after three years from the date of grant.

The release of benefits under the Director Plan is dependent upon the achievement of comparative Total Shareholder Return with 50% based upon the FTSE 250 and 50% based upon comparator companies. 25% of the award will vest for median performance and 100% for upper quartile performance under each element. There is no formal performance requirement for the release of benefits under the Employee or Option plans, although performance criteria are included in respect of senior management based upon share price, financial, production or key tasks. Comparator companies are selected by the Remuneration Committee from peers in the mining sector.

The awards made under the plan during the year are shown in the share awards table on page 45.

Past Arrangements

Options were previously issued to Directors and senior management under the Employee Option Plan 2006 (previously under the Employee Option Plan 2002) as part of their remuneration. The Company has not issued any options under the plan since 6 August 2009 and there is no current intention to issue any further options under the Plan. No options were issued to Directors and senior management up to 31 December 2011

Shareholding

There is no formal shareholding requirement but the directors are encouraged to hold a meaningful quantity of shares. The following table shows the current shareholding of each of the directors and in addition, for the executive directors the shareholding is shown as a percentage of their base salary.

Name	As at 31 Dec 2011 Number of shares	As at 31 Dec 2010 Number of shares
Executive Directors		
Josef El-Raghy	71,445,086	69,195,086
Harry Michael	N/A	75,000
Trevor Schultz	1,000,000	-
Non-Executive Directors		
Thomas Elder	N/A	250,000
Colin Cowden	N/A	1,203,626
H. Stuart Bottomley	N/A	2,150,000
Robert Bowker	-	-
Gordon Edward Haslam	50,000	N/A
Mark Bankes	60,000	N/A
Mark Arnesen	15,000	N/A
Kevin Tomlinson	-	N/A

The following section of this remuneration report had been audited by Deloitte LLP Non-Executive Director Fees

Non-executive directors receive annual fees within an aggregate Directors' fee pool limited to an amount which is approved by shareholders. The Committee reviews and recommends, for Board approval, remuneration levels and policies for Directors within this overall Directors' fee pool. The fees which are paid are also periodically reviewed and were reviewed and increased during the year. The current annual fee rate for non-executive directors is as follows:

	Previous	Current
Annual Base Fee	A$40,000 (US$41,316)	£50,000 (US$77,000)
Chairman of a Board Committee	A$10,000 (US$10,329)	£10,000 (US$15,400)
Member of a Board Committee	A$5,000 (US$5,165)	£5,000 (US$7,700)
Senior Independent Non Executive Director	A$Nil (US$Nil)	£10,000 (US$15,400)

These amounts include any statutory superannuation payments where applicable.

The Company reviewed the fees of the non-executive directors during the year and determined that no increase in non-executive director fees should be awarded during the year.

The non-executive directors do not participate in any of the Company's share plans or incentive plans.

Remuneration Table

Name		Base Pay	Annual Bonus	Benefits	Pension	Total 2011	Total 2010 (4)
Executive Directors							
Josef El-Raghy	USD	619,740	-	-	-	619,740	1,208,861
Harry Michael	USD	426,071	-	-	-	412,501	271,875
Trevor Schultz	USD	568,095	-	-	-	568,095	657,521
Sub-total	USD	1,613,906	-	-	-	1,613,906	2,138,257
Non-Executive Directors							
H. Stuart Bottomley	USD	5,207	-	-	-	5,207	27,307
Thomas Elder	USD	20,559	-	-	-	20,558	27,307
Colin Cowden	USD	5,831	-	-	548	6,379	-
Robert Bowker	USD	54,229	-	54,229	20,556	129,015	49,650
Gordon Edward Haslam	USD	99,505	-	-	-	99,505	-
Mark Bankes	USD	94,483	-	-	-	94,483	-
Mark Arnesen	USD	86,681	-	-	7,801	94,483	-
Kevin Tomlinson	USD	-	-	-	-	-	-

Notes on remuneration table:
(1) Harry Michael passed away on 17 November 2011 and his remuneration is shown up to that date.
(2) Kevin Tomlinson joined on 17th January 2012 after the year end so no fees are shown.
(3) Where state superannuation is payable in respect of non-executive directors, this is included in the fees shown above
(4) Remuneration for 2010 is for 6 months from 1 July 2010 to 31 December 2010.
(5) Directors' remuneration paid in foreign currency was converted at an average rate for the year. The average AUD:US exchange rate for 2011 is 1.0329.

Shares Award Table (EDLFSP and ESOP)

Name	Plan	Date of Grant	Exercise Price	Balance 31 Dec 2010	Awards	Vesting	Forfeited	Balance 31 Dec2011
Josef El-Raghy	EDLFSP	21 March 2011	US$2.045	-	1,000,000	-	-	1,000,000
Harry Michael	EDLFSP	21 March 2011	US$2.045	-	1,000,000	-	(777,778)	222,222
Trevor Schultz	EDLFSP	21 March 2011	US$2.045	-	1,000,000	-	-	1,000,000
	ESOP	1 December 2008	AS$1.00 (£0.675)	1,000,000	-	(1,000,000)	-	-

Notes on the Shares Award Table:
(1) Trevor Schultz exercised his ESOP option during 2011
(2) There were no other options outstanding during the year.

This report was approved by the board of directors and signed on its behalf by:

Gordon Edward Haslam
Chair of the Remuneration Committee
30 March 2012

GOVERNANCE

CORPORATE GOVERNANCE STATEMENT

Letter from the Chairman

Corporate governance is both a framework by which the interests of various stakeholders are balanced and a structure through which the objectives of a company are set. It also includes how the path to achieving those objectives is outlined and how performance is measured along the way. As a company with a premium listing on the Main Market of the London Stock Exchange, the Company is subject to the Financial Services Authority's Listing Rules and the requirement to explain how it has applied the Main Principles of the Financial Reporting Council's UK Corporate Governance Code ("the Code"). A copy of the Code is available from the FRC's website, www.frc.org.uk. The Listing Rules also require a company with such a company to confirm that it has complied with all relevant provisions of the UK Corporate Governance Code or explain areas of non compliance.

The Board is also committed to the principles of corporate governance contained in the best practice recommendations of the Toronto Stock Exchange and the best practice recommendations prescribed under National Policy 58-201 – Corporate Governance Guidelines ("NP 58-201"), for which the board is accountable to shareholders.

Throughout the year, the Board considers that the Company has complied with the relevant provisions of the 2010 UK Corporate Governance Code and has applied such best practice recommendations with the exception that, for part of the period under review, the roles of Chairman and Chief Executive were both exercised by me. This was due to the sudden and unexpected death of Mr Harry Michael, our Chief Executive Officer in November 2011. It is intended that the two roles will cease to be combined once a new Chief Executive is recruited. It should also be noted that both the Code and the best practice recommendations favour that the Chairman be an independent Director whereas until 3 March 2010 the Company retained my services as Managing Director/CEO and accordingly I am not an independent non executive Chairman within the meaning of the Code. The reasons why the Board believed that my appointment to the position of Chairman was appropriate were set out in last year's Annual Report and Accounts, and in compliance with the Code, major shareholders were consulted before my appointment was confirmed. In addition, the effectiveness of the group's risk management and internal control systems and the policy on how concerns could be raised by staff were not reviewed in the period ended 31 December 2011.

"I believe strongly that the blend of behaviours and skills around the Centamin Board table are well suited to the task and consistent with the Company's values"

A formal review of these matters is scheduled for the second quarter of this year, which review will cover all material controls, including financial, operational and compliance controls.

Succession planning

A key part of my role as Chairman is to ensure the right people are doing the right jobs and that there is a sufficient core of individuals being nurtured throughout the Company to enable effective succession planning. Centamin's ability to succession plan suffered a severe setback in 2011 due to the untimely passing of Harry Michael.

The Board remains committed to succession planning and the sad events of 2011 reinforced its importance to us. Reviews of management capabilities and potential are performed on a routine basis and I am satisfied that sufficient resource within the Group exists and continues to be developed. Where a need for improvement to management resources is identified, the necessary attention is provided to ensure full strength is attained as soon as practicable, which was demonstrated by Chris Aujard's appointment as General Counsel and Company Secretary in the first half of the year. Chris spearheaded the two transactions undertaken by Centamin in 2011 (the acquisition of Sheba Exploration (UK) Plc and the redomicile to Jersey) and his experience in corporate transactions across a number of geographies has already proven to be a great asset to the Group.

Board appointments

The Board has been strengthened during 2011 by the appointments of Ed Haslam, Mark Bankes and Mark Arnesen; in addition Kevin Tomlinson joined our ranks in January 2012. Their combined knowledge and experience of law, finance, investment banking and the mining sector will further support our growth strategy. The Company accordingly remains compliant with the principles of the UK Corporate Governance Code, which dictates the Board should have a greater number of non-executive directors than executive directors.

Board committees

Our committees are a valuable part of Centamin's corporate governance structure. The workload of the committees is far greater than the table of scheduled meetings would indicate, as ad hoc meetings and communications between meetings frequently require considerable amounts of time. Our appointment of three non-executive Directors early in 2011 enabled us to review the committee allocations during the year to ensure their composition matched the resources available.

I believe strongly that the blend of behaviours and skills around the Centamin Board table are well suited to the task and consistent with the Company's values, and I am keen for a formal system to reconfirm this. With a Board that is free to openly express concerns comes more considered outcomes emphasising collective responsibility, transparency, clarity and sustainable conduct.

Shareholder communication

I would like to encourage all shareholders to find the time to attend our AGM on 30 May 2012. It is an excellent opportunity to meet the Board, the Executive Board and members of our Senior Management team.

Josef El-Raghy
Chairman

THE BOARD – COMPOSITION AND BALANCE

The Board currently comprises the Chairman and acting CEO, five non-executive and one other executive director.

One of the non-executive directors has been appointed Senior Independent Director. All the non-executive directors are considered by the Board to be independent and biographies of all the directors appear on pages 32 and 33, together with descriptions of their expertise, experience and qualifications and a note of their other significant commitments. Membership of the Board's Committees is set out in this statement. The Board is satisfied that this range of expertise, experience and qualifications is appropriate for the current needs of the business.

The names of the Directors of the Company in office at the date of this Report are:

Name	Position	Committees
Josef El-Raghy	Chairman and acting CEO	-
Trevor Schultz	Executive Director	-
Mark Arnesen	Independent Non Executive Director	Audit and Risk Committee (Chairman) Nomination and Remuneration Committees HSES Committee
Mark Bankes	Independent Non Executive Director	Compliance/Corporate Governance(Chairman) Committee Audit and Risk Committee HSES Committee
G. Edward Haslam	Senior Independent Non Executive Director	Audit and Risk Committee Nomination and Remuneration Committees (Chairman)
Kevin Tomlinson	Independent Non Executive Director	Not as yet appointed to any Committees
Professor G Robert Bowker	Independent Non Executive Director	HSES Committee (Chairman) Nomination and Remuneration Committees Compliance/Corporate Governance Committee

Non Executive directors have the right to seek independent professional advice in the furtherance of their duties as directors, at the Group's expense. Written approval must be obtained from the Chief Executive Officer prior to incurring an expense on behalf of the Group.

When determining whether a Director is independent, the Board has established a Directors' Test of Independence Policy, which is based predominantly on the definition of independence as defined in Canadian Securities Administrators' National Instrument 52-110 – Audit Committees ("NI 52-110"), and is available on the Company's website or to shareholders upon request. The criteria in NI 52-110 are mandatory and are more stringent in certain respects than the independence criteria suggested by the Code. Based on this Policy, the majority of the Board are considered by the Board to be independent Non Executive directors.
The Company is currently considering certain recommendations put forward in the UK in respect of gender diversity on the boards of listed companies.

HOW THE BOARD OPERATES

The Board of Directors supervises the management of the business and affairs of the Company. The Board of Directors assumes responsibility for the stewardship of the Group, and the functions the Company has established that are reserved to the Board include:

- Strategic Planning: The Board of Directors regularly reviews and approves strategic plans and initiatives of the Company at Board of Directors meetings, and otherwise as required.
- Risk Assessment: The Board of Directors has primary responsibility to identify principal risks in the Company's business and ensure the implementation of appropriate systems to manage these risks. See "Managing Risks" below.
- Succession Planning: The Board of Directors is responsible for succession planning, including the appointment, training and monitoring of senior management.
- Communications: The Board of Directors oversees the Company's public communications with shareholders and others interested in the Company.
- Internal Control: The Board of Directors and the audit committee of the Board of Directors oversee the Group's internal control and management information systems.

In addition to its general oversight responsibilities, significant transactions out of the ordinary course of the Company's business or which may be material to the Company are considered and approved by the Board of Directors. The Board of Directors generally has at least 7 regularly scheduled meetings in each year. Additional meetings may be held depending upon opportunities or issues to be dealt with by the Company from time to time.

A full copy of the Company's Board Charter is available on the Company's website or upon request.

The following table sets out the number of Directors' meetings (including meetings of the Board) held during the year and the number of meetings attended by each Director (while they were a Director or committee member). During the year ended 31 December 2011, 7 Board meetings, 4 Nomination and Remuneration Committee meetings, 2 Compliance/Corporate Governance Committee meeting, 1 HSES Committee meeting and 10 Audit Committee meetings were held. In addition, a Board Committee consisting of any 2 directors was established for both the Sheba transaction and the re-domiciliation of the Company. 2 Board Committee meetings were held with regards to the Sheba transaction and 3 with regards to the re-domiciliation of the Company.

	Board of Directors		Nomination and Remuneration Committee		Compliance/ Corporate Governance Committee		Audit Committee		HSES Committee	
Director	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Mr J El-Raghy	7	7								
Mr H Michael	4	4								
Mr T Schultz	7	5								
Mr M Arnesen	7	7	2	2			9	9	1	1
Mr M Bankes	7	7			2	2	8	8	1	1
Prof G R Bowker	7	7	4	4	2	2	2	2	1	1
Mr Ed Haslam	7	7	2	2	2	2	8	5		
Mr K Tomlinson										
Mr Dr T Elder	3	2	2	2						
Mr H Bottomley							1	1		
Mr C Cowden	3	3	2	2			2	2		

This above table includes attendance at board and committee meetings of Centamin Egypt Limited, where applicable.

Meetings of Independent Directors

Mr Ed Haslam was appointed Senior Independent Director Centamin Egypt Limited on 22 March 2011 and has retained this position with the Company. He has regular meetings with the other Non Executive Directors and, in connection with the evaluation of the Board's performance referred to below, will be undertaking a performance evaluation of the Chairman, taking into account the views of the other executive director and the Company Secretary.

Allocation of responsibilities

The roles of Chairman and Chief Executive Officer are strictly separated as defined in the Group's Board Charter and their individual employment contracts. However, as discussed elsewhere in this report, following the sudden passing away of Harry Michael, the group's former CEO, Josef El- Raghy has assumed the role of CEO until a successor can be found.

BOARD COMMITTEES

As indicted by the table above, the Board has established Audit and Risk, Compliance / Corporate Governance, Nomination, Remuneration and the Health Safety Environmental and Sustainability ("HSES") committees. Copies of the current Board and Committee Charters and Policies are available on the Group's website www.centamin.com.

Audit and Risk Committee

As at the date of this report, the Audit Committee comprises Mr Mark Arnesen (Chairman), Mr Mark Bankes and Mr Ed Haslam, all of whom are considered by the Board to be independent within the terms of Group's Directors' Test of Independence Policy. Mr Bottomley, Mr Colin Cowden and Professor Robert Bowker were members of the committee until 2 February 2011, 1 April 2011 and 1 April 2011 respectively.

GOVERNANCE

The responsibilities of the Audit Committee are laid out in its charter, and amongst other things, include the responsibility to ensure that an effective internal control framework exists within the entity, and to review quarterly, half yearly and annual Financial Statements for submission to the Board for approval. The Committee receives regular reports from management and external auditor on accounting and internal control matters. This includes the safeguarding of assets, the maintenance of proper accounting records, the need for an internal audit function and the reliability of financial information as well as non-financial considerations. The Audit Committee will also recommend the appointment, and will review the fees, of external auditors.

The Code states that the Board should satisfy itself that at least one member of the Audit Committee has recent and relevant financial experience. Furthermore, all members of the Audit Committee are expected to be financially literate as per the definition of financial literacy contained in section 1.5 of National Instrument 52-110. For the purposes of that instrument, an individual is financially literate if he or she has the ability to read and understand a set of Financial Statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Group's Financial Statements. Both these conditions were satisfied during the relevant period.

During the year the Committee particularly focused on the following areas:

- consideration and approval of the audit plan:
- consideration and approval of the scope of external audit and related processes
- consideration and review of the full-year and interim results
- considering announcements to the London Stock Exchange by the Group on its performance; and
- consideration and review of the accounting implications of the re-domicile.

External auditor

The Audit Committee is responsible for the development, implementation and monitoring of the group's policy on external audit. The policy assigns oversight responsibility for monitoring the independence, objectivity and compliance with ethical and regulatory requirements to the Audit Committee, and day to day responsibility to the Group Finance Director. It states that the external auditor is jointly responsible to the board and the Audit Committee and that the Audit Committee is the primary contact. The policy also sets out the categories of non-audit services which the external auditor will and will not be allowed to provide to the group, including those that are pre-approved by the Audit Committee and those which require specific approval before they are contracted for, subject to de minimis levels.

To fulfil its responsibility regarding the independence of the external auditor, the Audit Committee reviewed:

- the external auditor's plan for the current year, noting the role of the senior statutory audit partner, who signs the audit report and who, in accordance with professional rules, has not held office for more than five years, and any changes in the key audit staff;
- the arrangements for day-to-day management of the audit relationship;
- a report identifying the number of former external audit staff now employed by the group and their positions within the group;
- a report from the external auditor describing their arrangements to identify, report and manage any conflicts of interest; and
- the overall extent of non-audit services provided by the external auditor, in addition to its case-by-case approval of the provision of non-audit services by the external auditor.

A policy has been approved by the Audit Committee in relation to the provision of non-audit services by the auditors. Essentially the policy states that the auditor may not provide certain defined services that are considered to be inconsistent with the role of the auditor. For other services, an authorisation procedure is in place. Any significant work must be authorised by the Chairman of the Audit Committee.

During 2011 the auditor provided both tax advisory and other services in relation to the re-domicile, the corresponding scheme of arrangement and related matters. In the prior financial period, other non-audit services included the provision of advice and undertaking due diligence investigations in relation to the main board listing on the London Stock Exchange.

The auditor obtained pre-approval from the Audit Committee before performing these services and have used separate teams for the tax advisory services and other related services, than the team performing the audit. There were no contingent fee arrangements in placed during 2011 and 2010.

The Committee has considered the likelihood of a withdrawal of the auditor from the market and noted that there are no contractual obligations to restrict the choice of external auditors.

To assess the effectiveness of the external auditor, the Audit Committee reviewed:

- the arrangements for ensuring the external auditor's independence and objectivity;
- the external auditor's fulfillment of the agreed audit plan and any variations from the plan; and
- the robustness and perceptiveness of the auditor in their handling of the key accounting and audit Judgements.

The auditors of the Group, Deloitte LLP ("Deloitte"), have open access to the Board of Directors at all times. Deloitte have audited the group and its subsidiaries for a number of years and have adopted a policy of rotating audit partners every five years. The last rotation of the audit partner occurred as a consequence of the re-domicile on the 30 December 2011.

It is the Group's policy to put the Group's audit out to tender at least every five years.

Following the above, the Audit Committee has recommended to the Board that Deloitte LLP is re-appointed.

Internal Audit

In light of the size and relative complexity of the Group, no internal audit function has to date been established, but it is the intention of the Group, following a recommendation of the Audit Committee, to do so as the Stage 4 project draws nearer to completion.

A copy of the Audit Committee Charter is available on the Company's website or to shareholders upon request.

Overview

As a result of its work during the year, the Audit Committee has concluded that it has acted in accordance with its terms of reference and has ensured the independence and objectivity of the external auditor. The Chairman of the Audit Committee will be available at the Annual General Meeting to answer any questions about the work of the committee.

Compliance/Corporate Governance Committee

The Compliance/Corporate Governance Committee is chaired by Mr Mark Bankes (since 24 February 2012) and its other members are Mr Ed Haslam and Professor Robert Bowker.

The Committee assists the Board in fulfilling its fiduciary responsibilities by making recommendations to the Board with respect to the formulation or re-formulation of and implementation, maintenance and monitoring of the Company's Corporate Compliance Program and Code of Conduct as may be modified, supplemented or replaced from time to time, designed to ensure compliance with corporate governance policies and legal rules and regulations. Fundamental to the Company's corporate governance policy and practice is that all Directors and employees reflect the Company's key values of accountability, fairness, integrity and openness. The Committee oversees the Company's activities in the area of corporate compliance that may impact the Company's business operations or public image, in light of applicable government and industry standards, legal and business trends and public policy issues.

Health Safety Environmental and Sustainability Committee

The Health Safety Environmental and Sustainability Committee comprises Professor Robert Bowker (Chairman), Mr Mark Arnesen and Mr Mark Bankes all of whom are independent Directors of the Company. The key functions of the Committee are to:

- Review and monitor the sustainability, environmental, safety and health policies, systems and activities of the Group in order to ensure compliance with applicable health, safety, and environment and community legal and regulatory requirements.
- Encourage, assist, support and counsel management in developing short and long-term policies and standards to ensure that the principles set out in the sustainability, environmental, health and safety policies are being adhered to and achieved.
- Regularly review community, environmental, health and safety response compliance issues and incidents to determine on behalf of the Board, that the Group is taking all necessary action in respect of those matters and that the Company has been duly diligent in carrying out its responsibilities and activities in that regard.
- Ensure that principal areas of community, environmental, health and safety risk and impacts are identified and that sufficient resources are allocated to address these.
- Ensure that the Company monitors trends and reviews current and emerging issues in the field of sustainability, environment, health and safety and evaluates their impact on the Group.
- Review and make recommendations to the Board with respect to environmental aspects of acquisitions and dispositions with material environmental implications.
- Provide oversight and guidance with respect to managing relationships with local governments and community relations.

Nomination Committee

The Nomination Committee comprises Mr Ed Haslam (Chairman), Mr Mark Arnesen and Professor Robert Bowker all of whom are independent Directors of the Company.

The Nomination Committee's primary functions are to:

- Make recommendations for the structure, size and composition of the Board and Board committees;
- Review the necessary and desirable competencies, skills, knowledge and experience of Directors;
- Review the Board succession plans; and
- Make recommendations for the appointment, re-election and removal of Directors to/from the Board.

The Nomination Committee establishes guidelines for the future nomination and selection of potential new Directors. The full Board (subject to members' voting rights in general meeting) is ultimately responsible for selection of new Directors and will have regard to a candidate's experience and competence in areas such as mining, exploration, geology, finance, administration and other areas of relevance that can assist the Group in meeting its corporate objectives and plans.

Remuneration Committee

The Remuneration Committee comprises Mr Ed Haslam (Chairman), Mr Mark Arnesen and Professor Robert Bowker.

The Remuneration Committee's primary functions are to make recommendations to the Board on:

- The Company's remuneration, recruitment, retention, termination, superannuation and incentive policies and procedures for Directors and senior executives;
- The 2011 Employee Option Loan Funded Share Plan, the 2011 Executive Loan Funded Share Plan and the 2011 Share Option Scheme or any other employee or executive incentive scheme.

Orientation and Continuing Education

The Company's formal orientation or education programme for new Directors begins with new Board members receiving an orientation package which includes reports on operations and results, and public disclosure filings by the Company. Board meetings are combined with presentations by the Company's management and employees to give the Directors additional insight into the Group's business. In addition, management of the Group makes itself available for discussion with all members of the Board of Directors. New Board members are also encouraged to broaden their skills and knowledge by undertaking continuing education.

Managing risks

The Board meets regularly to evaluate, control, review and implement the Group's operations and objectives.

Regular controls established by the Board include:

- timely and detailed monthly financial and operational reporting;
- implementation of operating plans, cash flows and budgets by management and Board monitoring of progress against projections; and
- procedures to allow Directors, and management in the furtherance of their duties, to seek independent professional advice via the utilisation of various external technical consultants.

The Board is responsible for reviewing and approving the Group's risk management strategy, policy and key risk parameters, including determining the group's appetite for country risk and major investment decisions. Management reports to the Board on the Group's key risks and the extent to which it believes these risks are being managed. This is performed periodically. The Board is also responsible for satisfying itself that management has developed and implemented a sound system of risk management and internal control. The Board has delegated oversight of the Risk Management Policy, including review of the effectiveness of the Group's internal control framework and risk management process, to the Audit Committee, which is reviewed at least annually. Management is responsible for designing, implementing, reviewing and providing assurance as to the effectiveness of the Policy. This responsibility includes developing business and functional risk identification, specific risk treatment, controls, monitoring and reporting capability. A standardized approach to risk assessment is used to ensure that risks are consistently assessed and reported to an appropriate level. The Board regularly discusses risks associated with the Group's business and operations along with the Group's risk tolerance. The Group has developed a series of operational risks which the Group believes to be inherent to the Group. These operational risks are summarized in the Management, Discussion and Analysis section of this annual report. Mitigation and optimization strategies are considered equally important in risk management.

The Risk Management Policy is available on the Company's website or upon request.

Monitoring of the Board's performance

In order to ensure that the Board continues to discharge its responsibilities in an appropriate manner, the performance of all Directors is constantly reviewed by the Chairman. The Company deployed a formal process for evaluation of the Board, the Board members, and Board committees during the relevant period. A formal Board evaluation questionnaire was delivered to each member of the Board for completion. The questionnaire covered questions on the structure of the Board, the selection of management, strategy determination, etc, as well questions on each Director's personal contribution to the board and the Company's Committees. However, given that the majority of the Directors were appointed in Q1 2011 and, further, that the Board believes that a meaningful evaluation of performance cannot be properly undertaken until such time as the Board had had a reasonable amount of time to work together, as at the date of this Report, the Board had as yet to review and discuss the results of this exercise. The Company did not utilize any external search consultancy or open advertising during this process, however, it will consider doing so in due course, and will do so at least every three years, as required by the Code.

Under the Company's current Articles of Association:

- the minimum number of Directors is two and there is no maximum;
- a Director may not retain office for more than one year without submitting for re-election; and
- any Director appointed by the Board must have their election confirmed by shareholders at the next AGM.

Where a Non Executive Director has served six years or longer on the Board, his or her re-election will be subject to particularly rigorous review and will take into account the need for progressive refreshing of the Board.

The Company has established a Remuneration Policy which sets out the structure of the remuneration of key senior executives, Executive Directors, Non Executive Directors, termination, disclosure of remuneration etc. The Board has also established a Selection, Appointment and Re-Appointment of Directors Policy which details the procedures for the selection, appointment, re-appointment and evaluation of the Company's Directors. The Committee considers both policies before making recommendations to the Board on nomination and remuneration matters. Both Policies, along with the Charters of the Nomination and Remuneration Committees are available on the Company's website or to shareholders upon request.

All compensation arrangements for Directors and senior executives are determined by the Remuneration Committee and approved by the Board, after taking into account the current competitive arrangements prevailing in the market.

The amount of remuneration for all Directors including the full remuneration packages, comprising all monetary and non-monetary components of the Executive Directors and executives, are detailed in the Remuneration Report. Non Executive Directors receive annual fees within an aggregate Directors' fee pool limited to an amount which is approved by shareholders. The Board Nomination and Remuneration Committee reviews and recommends, for Board approval, remuneration levels and policies for Directors within this overall Directors' fee pool. The fees which are paid are also periodically reviewed. The current annual fee for Non Executive Directors is a base fee of US$77,000 p.a. Due to the additional time required, the Chairperson of the Board's various Committees receives an additional fee (currently US$15,400 p.a) for Chairing that Committee, and the members of each committee also receive an additional fee (currently US$7,700 p.a) for being a Committee member. The Senior Non Executive Director also receives an additional US$15,400 p.a. These amounts include any statutory superannuation payments where applicable.

Although no formal written policy has been established, the senior executives are responsible for:

- developing corporate strategy, performance objectives, business plans, budgets etc for review and approval by the Board;
- managing the day to day business of the Company;
- managing the risk and compliance frameworks including reporting to the Board and, where necessary, the market;
- appointing staff, evaluating their performance and training requirements as well as development of Company policies; and
- ensuring all available information in connection with items to be discussed at a meeting of the Board is provided to each Director prior to the meeting.

The Chief Executive Officer is responsible for ensuring senior executives properly discharge the responsibilities delegated and for keeping the Board informed on these matters.

The performance of senior executives is evaluated by the Remuneration Committee, often taking into account recommendations from the Chief Executive Officer and/or Chairman. The Board can exercise its discretion in relation to approving incentives, bonuses and options and can recommend changes to the Committee's recommendations. All executives receive base salary and superannuation (if applicable) and in some cases, performance incentives and fringe benefits. These packages are reviewed on an annual basis. All remuneration paid to executives is valued at the cost to the Company and is measured in accordance with the applicable accounting standards.

The performance of our senior executives was evaluated in the current year by the Remuneration Committee. The Committee reviewed recommendations received from the Chairman, considered the performance of the senior executive, his/her current contract, and whether a bonus and/or the grant of employee options were warranted. In the previous financial year, the Board believed it to be appropriate to base performance on how well the executive performs his/her role, and not necessarily base it on the Company meeting financial objectives. The Company has now established a structured short term incentive scheme, details of which can be found in the Remuneration Report contained within this Annual Report.

Historically, the Directors, executives and employees have in the past been invited to participate in the shareholder approved Centamin Egypt's 2006 Employee Option Plan, and separate shareholder approval was sought before any Director could be issued options under the plan. However, Centamin Egypt ceased issuing options under the 2006 Employee Option Plan in August 2009 and received approval from shareholders in February 2011 to establish the Executive Director Loan Funded Share Plan 2011 and the Employee Loan Funded Share Plan 2011. These two plans were rolled over into equivalent plans in Centamin PLC as part of the re-domicile referred to elsewhere in this report. In addition, a new employee option plan was created (the "2011 Employee Option Plan").

No shares or options have been issued under these new plans other than in connection with the re domiciliation of the Company. However, it is intended to issue shares and options as soon as practicable after this report is published.

Non Executive Directors are encouraged to hold shares in the Company to align their interests more closely to those of the Company's shareholders. However, share ownership is not enforced by the Company.

The Board expects that the remuneration structure that is implemented will result in the Company being able to attract and retain the best executives to manage the Group. It will also provide the Executives with the necessary incentives to grow long-term shareholder value. Please refer to the Remuneration Report which forms part of the Directors' Report for information on remuneration paid to Directors and executives during the financial year.

There are no schemes for retirement benefits other than statutory superannuation for Non Executive Directors.

Securities Trading Policy

The Company has adopted a formal Securities Trading Policy restricting Directors, senior executives and employees from acting on material information until it has been released to the market in accordance with the requirements of continuous disclosure. Directors and senior management of premium listed companies on the LSE are restricted in a number of ways, by statute, common law and by the Model Code to deal in the Company's securities. This rule imposes restrictions beyond those imposed by law in that the Directors and certain employees and persons connected with them do not abuse and do not place themselves under suspicion of abusing price-sensitive information that they have or are thought to have, especially in periods leading up to announcement of results (close periods). The Company's Securities Trading Policy is available on the Company's website or to shareholders upon request.

Commitment to stakeholders and ethical standards

The Board supports the highest standards of corporate governance and requires its members and the management and staff of the Company to act with integrity and objectivity in relation to:

- Compliance with laws and regulations affecting the Group's operations;
- Listing rules, the UK Corporate Governance Code, and NP 58-201;
- Employment practices;
- Responsibilities to the community;
- Responsibilities to the individual;
- The environment;
- Conflict of interests;
- Confidentiality;
- Ensuring that shareholders and the financial community are at all times fully informed in accordance with the spirit and letter of the Model Code and the Canadian Securities Administrators' National Instrument 51-102;
- Corporate opportunities or opportunities arising from these for personal gain or to compete with the Group;
- Protection of and proper use of the Group's assets; and
- Active promotion of ethical behaviour.

The Company has a formal Code of Conduct, which all Directors, employees and contractors are required to observe, and a range of corporate policies which detail the framework for acceptable corporate behaviour. These set out the procedures that personnel are required to follow in a range of areas, including compliance with the law, dealing with conflicts of interest, use of knowledge and information, gifts and entertainment, responsibility to shareholders and the financial community etc. The Company's policies are reviewed periodically.

A copy of the Code of Conduct is available on the Company's website or to shareholders upon request.

Communication to shareholders

The Board of Directors aims to ensure that shareholders are provided with important information in a timely manner through written and electronic communications. It is for this reason that the Company established a Shareholder Communications Policy.

The Board of Directors aims to ensure that the shareholders, on behalf of whom they act, are informed of all information necessary to assess the performance of the Company. Information is communicated to the shareholders through:

- the Annual Report;
- the Annual Information Form;
- the availability of the Company's Quarterly Report, Half-Yearly Report and other announcements distributed to shareholders so requesting;
- adherence to continuous disclosure requirements;
- webcasts of the Company's quarterly results;
- the Annual General Meeting and other meetings called to obtain shareholder approval for Board action as appropriate; and
- the provision of the Company's website containing all of the above mentioned reports and its constant update and maintenance.

The Chairman and acting CEO and other Directors, communicate with major shareholders on a regular basis in the way of face to face contact, telephone conversations, and analyst and broker briefings, to help better understand the views of the shareholders. Any material feedback is then discussed at Board level.

The Board recognises the importance of keeping the market fully informed of the Group's activities and of communicating openly and clearly with all stakeholders. The Company established a formal Continuous Disclosure Policy to ensure that this occurs. The Policy is designed to ensure compliance with the listing rules in all jurisdictions in which the Company is listed. A copy of this Policy is available on the Company's website or by request.

In accordance with the Policy, Company information considered to be material is announced immediately to the LSE and TSX. All key communications are placed immediately on the Company website, and when necessary, provided directly to shareholders. As a premium listed company on the Main Market of the London Stock Exchange, the Company also complies with the various obligations imposed on it pursuant to the Disclosure Rules and the Transparency Rules ("DTRs").

Statement by the Chief Executive Officer and Chief Financial Officer

The Board receives written assurance from the Chief Executive Officer and Chief Financial Officer to confirm that to the best of their knowledge and belief, the group's financial position presents a true and fair view and that the Financial Statements are founded on a sound system of risk management, internal compliance and control. Further, it is confirmed that the group's risk management and internal compliance is operating efficiently and effectively. The Board notes that due to its nature, internal control assurance from the Chief Executive Officer and Chief Financial Officer can only be reasonable rather than absolute, and therefore is not and cannot be designed to detect all weaknesses in control procedures.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

Centamin is committed to working with the highest level of respect for our employees and the communities and environments in which we operate, while pursuing value for our shareholders.

Centamin is committed to working with the highest level of respect for our employees and the communities and environments in which we operate, while pursuing value for our shareholders. Sustainable development considerations form an integral part of our business plan and decision making processes.

As 2010 was the Sukari Gold Mine's first year of commercial production, many of our sustainability initiatives are in their infancy. In 2011 we published our second Corporate Social Responsibility ("CSR") report and our reporting process continues to evolve, as we strive to attain best practice levels of transparency and accountability.

Our Approach

Sukari is the only operating gold mine in Egypt and we take our position as a pioneer of modern mining seriously. We are mindful we are setting a benchmark for how mining activities should be conducted and as a result, we monitor our performance closely against the four key areas that impact our non-financial performance:

- The safety and wellbeing of our employees;
- The training and development of our employees;
- Environmental responsibility;
- Our relationship with our stakeholders, including the communities in which we operate and our partners in the development and operation of Sukari - the Egyptian Mineral Resource Authority (EMRA) and the Arab Republic of Egypt.

Centamin understands that maintaining our social licence to operate is central to our culture of responsible mining.

Health and Safety

Centamin strives for an injury-free workplace. We are committed to performing every job in a safe manner, minimising health and safety risks to the reasonable practical level. We have established a safety conscious culture, as we believe this is the only way of operating a successful business. Our key objective is for every employee to go home healthy and safe after every shift and we have a 'zero harm' goal.

Although we instil in our employees that safety is the responsibility of each individual, we have a dedicated Health, Safety and Environment (HSE) department, which oversees the health and safety performance of the Group. Guided by our corporate health and safety policy, the HSE department is responsible for providing a comprehensive health, safety and risk management system. We also require all contractors to maintain a healthy work environment and we ask that they comply with our health and safety standards as a minimum.

At Centamin, we believe strongly in the importance of education and training. We have invested in various health and safety training initiatives to give our employees the skills and knowledge to perform their jobs in a safe and reliable way. To reflect our commitment to the safety and wellbeing of our people, in 2011 we began the process of establishing a Safety Community, with a representative from each department. The Community meets for regular safety-related discussions, it undertakes monthly safety inspections and it acts as Sukari's emergency response team.

	2011 Frequency Rate*	2010 Frequency Rate*
Fatality (FA)	0	0
Lost Time Injury (LTIF)	1.25	0.47
Medical Treatment Injury (MTIF)	1.07	2.87

*based on 200,000 working hours over 12 months – see page 12 for an explanation of the reason for this increase in the Operational Review and Exploration

We are proud that Centamin has never experienced any safety-related employee fatalities and we strive to improve our safety performance as Sukari continues to expand.

Our Employees

Our people are our most valuable resource. Centamin's activities provide direct and indirect employment, training and work experience to many Egyptians, as well as creating an immediate revenue stream for the local economy and the Government. At the end of 2011, Centamin had just over 1,000 employees on site and 93% were Egyptian. Approximately 50% of our employees are from Upper Egypt, the area where Sukari is situated, which typically has less economic activity than the richer areas around the Nile delta. Centamin is committed to providing new employment opportunities and assisting the economic advancement of Upper Egypt.

The table below sets out the number of people employed by the group by country, during the years stated.

	Year ended 31 December 2011	6 months ended 30 June 2011	6 months ended 31 December 2010	Year ended 30 June 2010	Year ended 30 June 2009	Year ended 30 June 2008
Egypt	1,106	1,008	985	816	362	210
Australia	3	3	3	3	2	2
UK	2	2	-	-	-	-
Total	1,111	1,013	988	819	364	212

As at 31 December 2011, less than 1% of employees were employed in management activities; approximately 20% were employed in finance administration activities; 78% in operations and 1% in construction. The Group also uses contractors, primarily involving construction activities with some involved in drilling and blasting activities. During the peak of construction activities for the Sukari Gold Mine in 2009-2010 there were more than 700 contractors on site. The number of employees and contractors involved in construction is expected to rise and fall in future in line with the further development of expansion projects at Sukari.

Training and Development

The training and development of our team at Sukari and in our offices around the world is an ongoing programme. It involves a variety of theoretical, practical and on-the-job courses and takes place both at Sukari and abroad. We strongly encourage our employees to realise their ambitions and we support employees who aspire to progress up the career ladder and learn new skills. Through an inter-departmental mobility programme, we offer our people the chance to rotate into other teams to gain new knowledge and experience. In 2011, several of our employees took part in this programme and they have shown great potential in a number of roles.

Social and Community Activities

In addition to creating a positive work environment, we believe in the importance of helping our employees to enjoy their time before and after work. The majority of our people live in the Sukari camp, and thus we have invested in a variety of leisure facilities such as playing fields, a gymnasium, a library, internet access, satellite television and a swimming pool. Special barbecue dinners are also held at the beach or around Sukari and sports tournaments are regularly organised.

For our married employees, we have implemented a relocation programme that allows them to live in Marsa Alam, a coastal town 25km from the mine, with their spouses. We provide transportation to and from Sukari and we plan to expand this programme further in coming years.

We are proud to have brought mining back to a country that was once an important gold-producing country and we are paving the way for new investment in Egypt's mining industry.

CASE STUDY 1

Badawi Mashhour
Drill and Blast Supervisor

Badawi is one of Centamin's Drilling and Blast Supervisors at Sukari. He joined Centamin in 2002 and although he was a graduate of an industrial school, Badawi says his experience of mining was limited. His first job at Sukari was as part of the labour force, although he quickly showed interest in the drilling activities so he was given the opportunity to train as a drilling assistant.

As part of his training, Badawi gained the skills to operate a drilling rig and also became certified as an operator of heavy equipment. He learnt how to operate different types of mining machinery and also how to fix any problems that arose. Badawi became a core member of the exploration team at Sukari as a result of his newly-learned skills.

When the blasting team was formed, Badawi was taken on board as part of his career development plan. He undertook comprehensive theoretical and practical training under the supervision of our team of expatriates. Through this training programme and the gradual allocation of responsibility, Badawai has gained the technical competency required to manage the drilling and blasting programme at Sukari. He has also introduced several ideas that have increased both the efficiency and cost effectiveness of the process. Badawi says the next step in his career development is to strengthen his knowledge of geology.

The Environment

Centamin is committed to minimising the environmental impact of our operations to the reasonable practical level. We have adopted an environmental management system to ensure the environment is taking into consideration at each phase of our exploration, development, mining and processing activities. Our efforts in this area are guided by our Environment Policy, which outlines our dedication to minimising pollution and educating our employees in sustainable business practices.

A core element of our environmental management system is to continually assess our performance against our objectives. We evaluate progress through several tools including visual inspection, auditing, data collection, inventories, measurements and systematic observations. We use the results to implement corrective measures and as inspiration for ways we can improve our performance in the future.

In 2011, we did not have any significant environmental incidents, and all incidents recorded were categorised as level 1 or 2 (low severity). All incidents occurred onsite and did not impact areas outside our boundaries.

Materials

We use ore and process materials such as consumables and reagents to extract gold and to produce gold doré. Key consumables used are diesel fuel, explosives, lubricants and oils, sodium cyanide, lime and grinding media. Our environmental management systems include processes to manage all consumables and as a minimum, we import, transport, store, use and dispose of residues of such material according to local regulations. All chemical solutions used in the process plant are recycled and reused after regeneration.

Water

Sukari is situated in the eastern desert of Egypt, a hot, dry region with very low annual rainfall (<10mm/annum). There are no fresh water sources in the area and no productive groundwater reservoirs. Water is very important to a mining operation and is mainly used for ore processing, dust suppression and rock blasting. We obtain our water through a pipeline to the Red Sea, which is approximately 25km from Sukari hill. Beach wells where seawater infiltrates into groundwater are also used as a secondary source of water. In 2011, Sukari used nearly 4 million cubic metres of water, almost double our consumption in 2010 due to the growth of our operations. We actively pursue water conservation opportunities and through an internal recycling technique, we optimise the use of water.

Energy

We obtain our energy from diesel fuel oil with low sulphur content. Direct energy produced and consumed at Sukari includes fuel to run mobile equipment, to produce power and heat onsite and for explosives used to mine ore. In 2011, Sukari consumed 58.2 million litres of diesel, which is similar to the amount we consumed in 2010, despite the ramp up in production. The largest consumption represents power generation (c.70%).

Emissions, effluents and wastes

We monitor emissions, effluents and waste generated by Sukari. Programmes are in place to manage dust, hazardous and non-hazardous non-process waste, waste rock and tailings. We recycle and reuse our waste to the maximum practical level. Material that cannot be recycled is disposed of in a manner that is environmentally sound. We maintain an inventory of all types of waste, their quantities and the method of management and disposal as part of our waste management programme.

Biodiversity

The 160km2 Sukari tenement area has very low coverage of flora, with mostly barren soil. Due to the scarcity of water in the area, desert animals such as the Dorcas Gazelle and the red fox are not found, but they do inhabit the nearby Wadi El-Gemal protectorate. Centamin is committed to protecting the wildlife unique to the eastern desert through minimising the negative impact of our operations. Biodiversity conservation principles are applied to all of our activities and they were integrated into the project design from the outset. During 2011, there were no incidents involving wildlife.

CASE STUDY 2

Embedding Conservation in Construction

Centamin built a 25km pipeline from the Red Sea to provide a sustainable water supply to the mine, but given the Red Sea's rich biodiversity, environmental management was taken into account from the first stages of selecting a water intake location.

A bathometric survey of the area was conducted to identify locations with no or minimal cover of coral reef. The criteria was clear: we wanted to minimise any environmental impact of the pipeline intake during construction and during its operational lifetime to the greatest extent possible. The location that was chosen is devoid of reef coverage and during the construction process, every effort was taken to suppress dust and other negative impacts on the area's biodiversity.

GOVERNANCE

Centamin used innovative construction techniques to ensure disruption was minimized, and once the pipeline was in place, we undertook delicate rehabilitation activity so that the sea floor retained its original depth and shape and the shoreline was returned to its previous state. The process was managed by Centamin's construction team, in alliance with experienced contractors and local authorities.
We are proud that the project set a positive example for responsible construction in an environmentally sensitive area.

Community and Society
Centamin's concession agreement gives us 30 years of operation at the Sukari Gold Mine with a potential extension for another 30 years. With such a long tenure, which is supported by a long life-of-mine, we take a long term view in matters relating to the local community.

Centamin recognises that it has a responsibility to support and enhance the community in which it operates. We treat good community relations as a key component of continued operational success as well as a corporate requirement. The four key ways in which we do this are:

1. Identifying and mitigating any potential negative impacts of our activities

Sukari is situated in barren desert, so the closest town (Marsa Alam) is 25km from site. We do not have any resettlement, relocation or compensation requirements as a result of the development of Sukari, however we take into account the potential impact of our operations on local people at every stage of our activities.

2. Engaging in dialogue with our stakeholders and listening to their suggestions and concerns

As part of the Environmental and Social Impact Assessment (ESIA) study we undertook as part of our permitting process for Sukari, we held a series of public consultations about the project. As Sukari continues along its growth path, Centamin has maintained its dialogue with the local community and has joined two Marsa Alam-based development associations. In 2011, no material concerns were raised concerning our operations.

3. Optimising the opportunity for people from the area (Upper Egypt) to gain employment at Sukari

50% of Sukari's employees are from Upper Egypt and Centamin also recognises the importance of using local contractors. Where possible, we tender contracts to local companies to aid local economic activity and progress.
We use more than 1,000 suppliers and 20 contractors, providing jobs and income to a much larger group of people than our 1,000 direct employees.

4. Assisting the local community with its economic development

From the commencement of our activities in 1995, we have strived to contribute to the development of Marsa Alam. The ESIA identified which aspects of development we should focus on, and it was decided that infrastructure and education were the priorities. As a result, in 2011 we undertook the following projects:

- Completing the electricity connections for the Bedouin family of approximately 200 people living 30km from Sukari
- Furnishing a number of Mosques in Marsa Alam
- Furnishing a number of schools and building a school library for a primary school
- Establishing a public garden in Marsa Alam
- Providing financial support to the Community Support Association
- Building two rest houses for students from the suburbs of Marsa Alam.
- Providing financial assistance for medical programmes in the area.
- Provided practical training for 85 Science and Engineering-focused university students during the summer vacation.

CASE STUDY 3

Good Neighbours

Sukari's kitchens are equipped to feed 1,500 people three times a day, and as such our food waste represents a large portion of the daily solid waste we generate. Centamin has been committed to implementing innovative schemes to maximise the reuse and recycling of waste since we first began operating at Sukari. As a result of this, our food waste is stored in a refrigerated room and then transported off-site to a nearby Bedouin family to be used as animal fodder.

Halima is the head of the Bedouin family and her husband was a guard at Sukari when mining activity was taking place in the early 1940s. Although her family has a house in Marsa Alam, she lives in a shack with one of her daughters and has been there almost all of her life. The family grazes sheep and goats, which she eventually sells to provide income for her family. She says that in the past couple of years her herd has doubled in size due to the food provided by Centamin, which in turn provides more income for the family.

We are proud to work with Halima and her family in this way.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation. Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom and Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge:
- the financial statements, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the group and the undertakings included in the consolidation taken as a whole; and
- the management report, which is incorporated into the directors' report, includes a fair review of the development and performance of the business and the position of the group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

By order of the Board

Chairman
Josef El-Raghy
30 March 2012

Chief Financial Officer
Pierre Louw
30 March 2012

INDEPENDENT AUDITOR'S REPORT
to the members of centamin plc

We have audited the group financial statements (the "financial statements") of Centamin plc for the year ended 31 December 2011 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity and the related notes 1 to 30. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by European Union.

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's affairs as at 31 December 2011 and of the group's profit for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by European Union;
- have been properly prepared in accordance with the Companies (Jersey) Law 1991.

Separate opinion in relation to IFRS as issued by the IASB

As explained in the accounting policies to the financial statements, the group, in addition to complying with its legal obligation to comply with IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB). In our opinion the group financial statements comply with IFRSs as issued by the IASB.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- proper accounting records have not been kept by the parent company, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review the part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review.

Other matters

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the provisions of the UK Companies Act 2006 as if that Act had applied to the company.

We have reviewed the directors' statement, contained within the Directors' Report, in relation to going concern as if the company had been incorporated in the UK and have nothing to report to you in that respect.

D Thomas

Deborah Thomas
for and on behalf of Deloitte LLP
Chartered Accountants and Recognised Auditor
London, UK
30 March 2012

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2011

		31 December 2011 12 months US$'000	31 December 2010 Restated 6 months US$'000
Revenue	5	340,479	86,882
Cost of sales	6	(140,250)	(50,410)
Gross profit		200,229	36,472
Finance income	6	1,288	321
Other operating costs		(19,572)	(4,751)
Profit before tax	6	**181,945**	**32,042**
Tax	7	-	-
Profit for the year attributable to the Company		181,945	32,042
Other comprehensive income			
Losses on available for sale financial assets (net of tax)		(3,957)	-
Other comprehensive income for the year		(3,957)	
Total comprehensive income attributable to the Company		**177,988**	**32,042**
Earnings per share:			
Basic (cents per share)	24	16.68	3.10
Diluted (cents per share)	24	16.66	3.09

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2011

		31 December 2011 US$'000	31 December 2010 Restated US$'000
NON-CURRENT ASSETS			
Property, plant and equipment	12	532,727	444,137
Exploration and evaluation	13	31,113	3,752
Available-for-sale financial assets	14.1	1,831	-
Interests in associates	14.2	3,296	-
Total non-current assets		**568,967**	**447,889**
CURRENT ASSETS			
Inventories	10	69,750	38,017
Trade and other receivables	9	29,998	128
Prepayments	11	1,576	460
Cash and cash equivalents	25	164,231	154,338
Total current assets		**265,555**	**192,943**
Total assets		**834,522**	**640,832**
NON-CURRENT LIABILITIES			
Provisions	16	2,630	2,624
Total non-current liabilities		**2,630**	**2,624**
CURRENT LIABILITIES			
Trade and other payables	15	24,509	18,002
Tax liabilities	7	444	444
Provisions	16	717	666
Total current liabilities		**25,670**	**19,112**
Total liabilities		**28,299**	**21,736**
Net assets		**806,223**	**619,096**
EQUITY			
Stated capital	17	608,596	600,500
Share option reserve	18	2,006	1,050
Other reserves	18	-	2,295
Accumulated profits		195,621	15,251
Total equity		**806,223**	**619,096**

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 30 March 2012 and signed on its behalf by:

Josef El-Raghy
Chairman and Chief Executive Officer

Pierre Louw
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2011

	Stated Capital US$'000	Other reserves US$'000	Share options reserve US$'000	Accumulated profits US$'000	Total US$'000
Balance as at 31 December 2010	**600,500**	**2,295**	**1,050**	**15,251**	**619,096**
Profit for the year	-	-	-	181,945	181,945
Other comprehensive loss for the year	-	-	-	(3,957)	(3,957)
Total comprehensive income for the year	**-**	**-**	**-**	**177,988**	**177,988**
Transfer to accumulated profits	-	(2,295)	(88)	2,383	-
Share options exercised	1,568	-	-	-	1,568
Issue of shares under LFSP	2,038	-	-	-	2,038
Recognition of share based payments	-	-	1,496	-	1,496
Transfer from share options reserve	452	-	(452)	-	-
Other placements	4,152	-	-	-	4,152
Share issue costs	(114)	-	-	-	(114)
Balance as at 31 December 2011	**608,596**	**-**	**2,006**	**195,621**	**806,223**

	Stated Capital US$'000	Other reserves US$'000	Share options reserve US$'000	Accumulated profits US$'000	Total US$'000
Balance as at 30 June 2010	465,096	2,295	1,942	(16,791)	452,542
Profit for the period	**-**	**-**	**-**	**32,042**	**32,042**
Total comprehensive income for the period	465,096	2,295	1,942	15,251	484,584
Recognition of share based payments	-	-	14	-	14
Transfer from share options reserve	906	-	(906)	-	-
Issues of shares under ESOP	2,382	-	-	-	2,382
Other placements	136,549	-	-	-	136,549
Share issue costs	(4,433)	-	-	-	(4,433)
Balance as at 31 December 2010	**600,500**	**2,295**	**1,050**	**15,251**	**619,096**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2011

	Note	31 December 2011 12 months US$'000	31 December Restated 2010 6 months US$'000
Cash flows from operating activities			
Cash generated in operating activities	25(b)	181,332	34,274
Finance income		(1,288)	(321)
Net cash generated by operating activities		**180,044**	**33,953**
Cash flows from investing activities			
Acquisition of property, plant and equipment	12	(142,903)	(40,700)
Acquisition of exploration and evaluation		(23,209)	(6,829)
Acquisition of financial assets	14	(17,403)	-
Acquisition of interests in associates	14	(3,296)	-
Proceeds from sale of available-for-sale financial assets		11,191	-
Net cash used in investing activities		**(175,620)**	**(47,529)**
Cash flows from financing activities			
Proceeds from the issue of equity and conversion of options	17	3,606	138,931
Share issue costs	17	(114)	(4,433)
Finance income		1,288	321
Net cash provided by financing activities		**4,780**	**134,819**
Net increase in cash and cash equivalents		**9,204**	**121,243**
Cash and cash equivalents at the beginning of the period	25	154,338	31,326
Effect of foreign exchange rate changes		689	1,769
Cash and cash equivalents at the end of the period	**25**	**164,231**	**154,338**

[This page has been left blank intentionally]

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2011

1. GENERAL INFORMATION

Centamin plc (the Company) is a listed public company, incorporated in Jersey and through subsidiaries operating in Egypt, Ethiopia, United Kingdom and Australia. It is the parent company of the Group, comprising the Company and its subsidiaries. During the year the Group was re-domiciled from Australia to Jersey by means of the Company becoming the holding company of the Group.

Registered Office
Centamin plc
Ogier House, The Esplanade
St Helen, Jersey JE4 9WG

Principal Place of Business
361 El-Horreya Road
Sedi Gaber
Alexandria, Egypt

The nature of the Group's operations and its principal activities are set out in the directors' report on pages 36 to 39 and the operating review on page 12 to 17.

2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

In the current year, the following new and revised Standards and Interpretations have been adopted and have affected the amounts reported in these financial statements.

Standards affecting the financial statements

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments	The Interpretation provides guidance on the accounting for 'debt for equity swaps' from the perspective of the borrower. No impact to the Group was noted.

The following amendments were made as part of Improvements to IFRSs (2010).

Amendment to IFRS 3 Business Combinations	IFRS 3 has been amended such that only those non-controlling interests which are current ownership interests and which entitle their holders to a proportionate share of net assets upon liquidation can be measured at fair value or the proportionate share of net identifiable assets. Other non-controlling interests are measured at fair value, unless another measurement basis is required by IFRSs. The amendment had no impact on the Group's financial statements.
Amendment to IFRS 7 Financial Instruments: Disclosures	The amendment clarifies the required level of disclosure around credit risk and collateral held and provides relief from disclosure of renegotiated financial assets. The impact of this amendment has been to reduce the level of disclosure provided on collateral that the Group holds as security on financial assets that are past due or impaired.

Standards not affecting the reported results nor the financial position

The following new and revised Standards and Interpretations have been adopted in the current year. Their adoption has not had any significant impact on the amounts reported in these financial statements but, with the exception of the amendment to IFRS 1, may impact the accounting for future transactions and arrangements.

Amendment to IFRS 1 Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters	The amendment provides a limited exemption for first-time adopters from providing comparative fair-value hierarchy disclosures under IFRS 7.
IAS 24 (2009) Related Party Disclosures	The revised Standard has a new, clearer definition of a related party, with inconsistencies under the previous definition having been removed.
Amendment to IAS 32 Classification of Rights Issues	Under the amendment, rights issues of instruments issued to acquire a fixed number of an entity's own non-derivative equity instruments for a fixed amount in any currency and which otherwise meet the definition of equity are classified as equity.
Amendments to IFRIC 14 Prepayments of a Minimum Funding Requirement	The amendments now enable recognition of an asset in the form of prepaid minimum funding contributions.
Improvements to IFRSs 2010	Aside from those items already identified above, the amendments made to standards under the 2010 improvements to IFRSs have had no impact on the Group.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

IFRS 1 (amended)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
IFRS 7 (amended)	Disclosures – Transfers of Financial Assets
IFRS 9	Financial Instruments
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
IAS 1 (amended)	Presentation of Items of Other Comprehensive Income
IAS 12 (amended)	Deferred Tax: Recovery of Underlying Assets
IAS 19 (revised)	Employee Benefits
IAS 27 (revised)	Separate Financial Statements
IAS 28 (revised)	Investments in Associates and Joint Ventures
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

The directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Group in future periods, except as follows:

- IFRS 9 will impact both the measurement and disclosures of Financial Instruments;
- IFRS 11 will affect joint venture accounting;
- IFRS 12 will impact the disclosure of interests Group has in other entities;
- IFRS 13 will impact the measurement of fair value for certain assets and liabilities as well as the associated disclosures;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS (CONTINUED)

Standards not affecting the reported results nor the financial position (continued)

- IAS 12 (amended) will impact the measurement of deferred tax on the Group's investment properties, by introducing the rebuttable presumption that the carrying amount will be recovered entirely through sale; and
- IAS 19 (revised) will impact the measurement of the various components representing movements in the defined benefit pension obligation and associated disclosures, but not the Group's total obligation. It is likely that following the replacement of expected returns on plan assets with a net finance cost in the income statement, the profit for the period will be reduced and accordingly other comprehensive income increased.

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) adopted by the European Union ('EU IFRS') and therefore the Group financial statements comply with Article 4 of the EU IAS Regulation

There are no changes in these accounting policies for the year ended 31 December 2011 except as noted below. As a consequence of the re-domicile referred to on page 36, the ultimate holding of the Group changed from Centamin Egypt Limited, a company incorporated under the laws of South Australia, to Centamin plc, a company incorporated under the laws of Jersey. Although these financial statements have been released in the name of the parent, Centamin plc, it represents in substance continuation of the existing Group, headed by Centamin Egypt Limited and the following accounting treatment has been applied:

- the consolidated assets and liabilities of the subsidiary Centamin Egypt Limited were recognised and measured at the pre-redomicile carrying amounts, without restatement to fair value;
- the retained earnings and other equity balances recognised in the consolidated financial position reflect the consolidated retained earnings and other equity balances of Centamin Egypt Limited immediately prior to the re-domicile, and the results of the period from 1 January 2011 to the date of the re-domicile are those of Centamin Egypt Limited; and
- comparative numbers presented in the consolidated financial statements are those reported in the consolidated financial statements of Centamin Egypt Limited, for the six months ended 31 December 2010, except for the presentation of the share capital and other reserves, which have been restated to reflect the change in the nominal value of the ordinary shares resulting from the restructuring as if Centamin plc had been the parent company during that period. In 2011 the Group changed its financial year end from June to December. Consequently, information for the prior period presented in these financial statements comprise of financial information for the period from 1 July to 31 December 2010.

In addition, as a consequence of the re-domicile referred to on page 36, the Group is now reporting under EU IFRS. The 31 December 2010 consolidated financial statements were prepared under Australian equivalents to International Financial Reporting Standards ("A-IFRS"). Compliance with A-IFRS ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards ("IFRS") and hence there are no differences noted. The 2011 financial statements will make reference to EU IFRS.

These financial statements are denominated in United States Dollars, which is the functional currency of Centamin plc. All companies in the group use the United States Dollar as their functional currency except for Sheba Exploration (UK) plc and Sheba Exploration Limited that use Great British Pound. All financial information presented in United States Dollars has been rounded to the nearest thousand dollars, unless otherwise stated.

These financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. Judgments made by management in the application of EU IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Principles of consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the company (the parent entity) and its subsidiaries as defined in IAS 27 "Consolidated and Separate Financial Statements". Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

The consolidated financial statements include the information and results of each subsidiary from the date on which the company obtains control and until such time as the company ceases to control such entity. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full.

Sukari Gold Mines ("SGM") is jointly controlled by PGM and EMRA on a 50% equal basis. For accounting purposes, SGM is wholly consolidated within the Centamin Group of companies reflecting the substance and economic reality of the Concession Agreement (see note 23). Pursuant to the Concession Agreement, PGM solely funds SGMs activities. PGM is also entitled to recover the following costs and expenses payable from sales revenue (excluding the royalty payable to ARE) (a) all current operating expenses incurred and paid after the initial commercial production; (b) exploration costs, including those accumulated to the commencement of commercial production (at the rate of 33.3% of total accumulated cost per annum); and (c) exploitation capital costs, including those accumulated prior to the commencement of commercial production (at the rate of 33.3% of total accumulated cost per annum).

EMRA is entitled to a share of SGM's net production surplus (defined as revenue less payment of the fixed royalty to ARE and recoverable costs. Accordingly, no EMRA entitlement has been recognised to date. Any payment made to EMRA pursuant to these provisions of the Concession Agreement will be recognised as a variable royalty charge in the income statement.

2010 Restatement

With the change in the domicile of the holding company of the Group from Australia to Jersey, management reviewed the 2010 Annual report with a view to produce financial statements that are in compliance with EU IFRS and Jersey Companies Act and restated the 2010 figures accordingly. Management do not consider the restatements to be material and thus a third statement of financial position has not been presented.

Going concern

These financial statements for the year ended 31 December 2011 have been prepared on a going concern basis, which contemplate the realisation of assets and liquidation of liabilities during the normal course of operations. Having carried out a going concern review in preparing these consolidated financial statements for the year ended 31 December 2011, the Directors have concluded that there is a reasonable basis to adopt the going concern principle.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ACCOUNTING POLICIES

Accounting policies are selected and applied in a manner which ensures that the resulting financial statements satisfy the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant policies have been adopted in the preparation and presentation of these financial statements:

Cash and cash equivalents
Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial instruments
Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities
Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL
Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.
- A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:
- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a Group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the income statement.

Other financial liabilities
Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Financial assets
Financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through the profit or loss which are initially measured at fair value.

Subsequent to initial recognition, investments in subsidiaries are measured at cost in the company financial statements. Other financial assets are "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method
The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Available for sale financial assets
Listed shares and listed redeemable notes held by the Group that are traded in an active market are classified as being AFS and are stated at fair value. The Group also has investments in unlisted shares that are not traded in an active market but that are classified as AFS financial assets and stated at fair value (because the directors consider that fair value can be reliably measured). Fair value is determined in the manner described in note 26. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is reclassified to profit or loss.

Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the balance sheet date. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest rate method less impairment. Interest is recognised by applying the effective interest rate except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised in other comprehensive income.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably. Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash flows to be made by the consolidated entity in respect of services provided by employees up to reporting date.

Superannuation

The Company contributes to, but does not participate in, compulsory superannuation funds on behalf of the Employees and Directors in respect of salaries and directors' fees paid. Contributions are charged against income as they are made.

Exploration, evaluation and development expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

i) the rights to tenure of the area of interest are current; and
ii) at least one of the following conditions is also met:
a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploration drilling, trenching and sampling and associated activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances (as defined in IFRS 6 "Exploration for and Evaluation of Mineral Resources") suggest that the carrying amount of exploration and evaluation assets may exceed its recoverable amount. The recoverable amount of the exploration and evaluation assets (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment, reclassified to development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Exploration, evaluation and development expenditure (continued)

Development expenditure is recognised at cost less accumulated amortisation and any impairment losses. When commercial production in an area of interest has commenced, the associated costs are amortised over the estimated economic life of the mine on a units of production basis.

Changes in factors such as estimates of proved and probable reserves that affect unit-of-production calculations are dealt with on a prospective basis.

Foreign currencies

The individual financial statements of each Group entity are presented in its functional currency being the currency of the primary economic environment in which the entity operates. For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in United States dollars, which is the functional currency of the Group and the presentation currency for the consolidated financial statements. All companies in the group use the United States Dollar as their functional currency except for Sheba Exploration (UK) plc and Sheba Exploration Limited that use Great British Pound.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

Inventories

Inventories are valued at the lower of cost and net realisable value. Costs including an appropriate portion of fixed and variable overhead expenses are assigned to inventory on hand by the method appropriate to each particular class of inventory, with the majority being valued on a weighted average cost basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

Ore stockpiles, gold in circuit and bullion are valued applying absorption costing.

Interests in joint ventures

Jointly controlled entities

Where the Group is a venturer (and so has joint control) in a jointly controlled entity, the Group recognises its share of the assets, liabilities, income and expenses, line by line, in the consolidated financial statements.

SGM is wholly consolidated within the Centamin Group of companies, reflecting the substance and economic reality of the Concession Agreement (see note 23).

Leased assets

Leased assets are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where other systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Property, plant and equipment ('PPE')

Plant and equipment is stated at cost less accumulated depreciation and impairment. Plant and equipment will include capitalised development expenditure. Cost includes expenditure that is directly attributable to the acquisition of the item as well as the estimated cost of abandonment. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on plant and equipment. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual financial period, with the effect of any changes recognised on a prospective basis.

Freehold land is not depreciated.

The following estimated useful lives are used in the calculation of depreciation:

Plant and Equipment	-	2- 50 years
Office Equipment		5 - 6 years
Motor Vehicles	-	2 - 8 years
Land and Buildings	-	4 - 20 years

The gain or loss arising on the disposal or scrappage of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Mine development properties

Where mining of a mineral resource has commenced, the accumulated costs are transferred to mine properties. Amortisation is first charged to new mine development ventures from the date of first commercial production. Amortisation of mine properties is on a unit of production basis resulting in an amortisation charge proportional to the depletion of the proved and probable ore reserves. The unit of production can be on a tonnes or an ounce depleted basis.

Impairment of assets (other than exploration and evaluation and financial assets)

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash generating unit) in prior years.

A reversal of an impairment loss is recognised immediately in profit or less, unless the relevant asset is carried at a revalued amount, in which case the reversal of an impairment loss is treated as a revaluation increase.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue
Revenue is measured at the fair value of the consideration received or receivable for goods and services in the normal course of business, net of discounts, VAT and other sales-related taxes.

Sale of goods
Revenue from the sale of mineral production is recognised when the Group has passed the risks and rewards of the mineral production to the buyer.

Pre-production revenues
Income derived by the entity prior to the date of commercial production (being 1 April 2010) was offset against the expenditure capitalised and carried in the Consolidated Statement of Financial Position. All revenues recognised after 1 April 2010 are recognised in accordance with the revenue policy stated above. 1 April 2010 was selected as the commencement date of commercial production due to the fact that sufficient, stable and sustained production capacity had been achieved as at that date.

Interest revenue
Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Production royalty
The Arab Republic of Egypt ("ARE") is entitled to a royalty of 3% of net sales revenue as defined from the sale of gold and associated minerals from the Sukari Project. This royalty is calculated and recognised on receipt of the final certificate of analysis document received from the refinery. Due to its nature, the production is not recognised in cost of sales.

Business combinations
Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRSs. Changes in the fair value of contingent consideration classified as equity are not recognised.

Where a business combination is achieved in stages, the Group's previously-held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3(2008) are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share based
- payment awards are measured in accordance with IFRS 2 Share-based Payment; and
- assets (or disposal Groups) that are classified as held for sale in accordance with IFRS 5 Noncurrent.

Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Investments in associates
An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where a Group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Share-based payments

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at grant date. Fair value is measured by the use of the Black and Scholes model. Where share-based payments are subject to market conditions, fair value was measured by the use of a Monte-Carlo simulation. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the consolidated entity's estimate of shares that will eventually vest.

Equity-settled share based transactions with other parties are measured at the fair value of the goods or services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counter party renders the service.
The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. Further details on how the fair value of equity-settled share-based transactions has been determined can be found in Notes 27. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with corresponding adjustment to the equity-settled employee benefits reserve.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other periods and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Special considerations

In Australia, Centamin Egypt Limited and Pharaoh Gold Mines NL have elected to form a tax consolidated group and therefore are treated as a single entity for Australian income tax purposes. Pharaoh Gold Mines NL has elected into the 'Branch Profits Exemption' whereby foreign branch income will generally not be subject to Australian income tax.
In Egypt, Centamin has entered into a concession agreement that provides that the income generated by Sukari Gold Mining Company's activities is granted a long-term tax exemption from all taxes imposed in Egypt.

Restoration and rehabilitation

A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of exploration, development and production activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of dismantling and removal of facilities, restoration and monitoring of the affected areas. The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each reporting date.

The initial estimate of the restoration and rehabilitation provision relating to exploration, development and mining production activities is capitalised into the cost of the related asset and amortised on the same basis as the related asset, unless the present obligation arises from the production of the inventory in the period, in which case the amount is included in the cost of production for the period. Changes in the estimate of the provision of restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. CRITICAL ACCOUNTING JUDGEMENTS

i) Critical Judgements in Applying the Entity's Accounting Policies

The following are the critical judgements that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Accounting treatment of Sukari Gold Mines (SGM)

SGM is wholly consolidated within the Centamin Group of companies, reflecting the substance and economic reality of the Concession Agreement (see note 23).

Recovery of Capitalised Exploration Evaluation and Development Expenditure

The Group's accounting policy for exploration and evaluation expenditure results in exploration and evaluation expenditure being capitalised for those projects where such expenditure is considered likely to be recoverable through future extraction activity or sale or where the exploration activities have not reached a stage which permits a reasonable assessment of the existence of reserves. This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether the Group will proceed with development based on existence of reserves or whether an economically viable extraction operation can be established. Such estimates and assumptions may change from period to period as new information becomes available. If, subsequent to the exploration and evaluation expenditure being capitalised, a judgement is made that recovery of the expenditure is unlikely or the project is to be abandoned, the relevant capitalised amount will be written off to the income statement.

ii) Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Provision for restoration and rehabilitation costs

The Group is required to decommission, rehabilitate and restore mines and processing sites at the end of their producing lives to a condition acceptable to the relevant authorities. The provision has been calculated taking into account the estimated future obligations including the costs of dismantling and removal of facilities, restoration and monitoring of the affected areas. The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date.

Ore reserve estimates

Estimates of recoverable quantities of reserves include assumptions on commodity prices, exchange rates, discount rates and production costs for future cashflows. It also involves assessment and judgement of difficult geological models. The economic, geological and technical factors used to estimate ore reserves may change from period to period. Changes in ore reserves affect the carrying values of mine properties, property, plant and equipment, provision for rehabilitation assets and deferred taxes. Ore reserves are integral to the amount of depreciation and amortisation charged to the Statement of Comprehensive Income and the calculation of inventory.

5. REVENUE

An analysis of the Group's and Company's revenue for the year, from continuing operations, is as follows:

	31 December 2011 12 months US$'000	31 December Restated 2010 6 months US$'000
Gold sales	339,779	86,820
Silver sales	700	62
	340,479	86,882
Finance income	1,288	321
	341,767	**87,203**

6. PROFIT BEFORE TAX

Profit for the year has been arrived at after crediting/ (charging) the following gains/(losses) and expenses:

	31 December 2011 12 months US$'000	31 December Restated 2010 6 months US$'000
Cost of sales		
Mine production costs	(85,891)	(32,447)
Movement in inventory	(45)	3,098
Depreciation and Amortisation	(54,314)	(21,061)
	(140,250)	(50,410)
Finance income		
Interest received	1,288	321
Other operating costs		
Corporate compliance	(1,506)	(555)
Corporate consultants	(383)	(510)
Employee entitlements	(33)	(56)
Salary and wages	(1,598)	(1,885)
Travel and accommodation	(694)	(201)
Other administration expenses	(608)	(467)
Employee equity settled share based payments	(1,496)	(14)
Fixed royalty – Attributable to the Egyptian government	13,360	2,604
Gain on sale of scrap and waste	-	39
Foreign exchange gain, net	584	1,593
Investment loss, net	93	-
Provision for restoration and rehabilitation – 2011 movement	(89)	(23)

Exceptional items included in Other operating costs

The Directors consider that items of income or expense which are material by virtue of their unusual, irregular or non-recurring nature should be disclosed separately if the consolidated financial statements are to fairly present the financial position and underlying business performance. In order to allow a better understanding of the financial information presented within the consolidated financial statements, and specifically the Group's underlying business performance, the effect of exceptional items are shown below.

	31 December 2011 12 months US$'000	31 December Restated 2010 6 months US$'000
Re-domicile Costs	(2,645)	-

The re-domicile costs relate to the expenses incurred in moving the Group from Australia to Jersey by means of the Company becoming the holding company of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. TAX

Tax recognised in profit is summarised as follows:

	31 December 2011 12 months US$'000	31 December 2010 6 months US$'000
(a) Tax expense		
Current tax	-	-
Current tax expense in respect of the current year	-	-
Adjustments recognised in the current year in relation to the current tax in prior period	-	-
Deferred tax		
Deferred tax expense relating to the origination and reversal of temporary differences	222	750
Tax losses and temporary differences not recognised	(222)	(750)
Total tax expense	-	-

The tax expense for the year can be reconciled to the profit per the income statement as follows:

	31 December 2011 12 months US$'000	31 December 2010 6 months US$'000
Profit before income tax	181,945	32,042
Tax expense calculated at 30% (2010: 30%) of profit before tax	54,584	9,613
Tax effect of amounts which are not deductible/taxable in calculating taxable income:		
Non-deductible expenses	48,703	17,038
Tax effect of income not taxable in determining taxable profit	(103,595)	(26,651)
Tax Losses and temporary differences not recognised	308	-
Tax expense for the year	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under the Australian tax law. There has been no change in the corporate tax rate when compared to the previous financial period.

	31 December 2011 12 months US$'000	31 December 2010 6 months US$'000
Current tax liabilities		
Current tax payable	444	444

Tax consolidation

Relevance of tax consolidation to the consolidated entity

The Company and its wholly-owned Australian resident entities formed a tax-consolidated Group with effect from 1 July 2003. The head entity within the tax-consolidated Group is Centamin Egypt Limited. The members of the tax-consolidated Group are identified at Note 21.

Nature of tax funding arrangements and tax sharing agreements

Entities within the tax-consolidated Group have entered into a tax funding arrangement and a tax-sharing agreement with the head entity. Under the terms of the tax funding agreement, Centamin Egypt Limited and each of the entities in the tax-consolidated Group has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity. Such amounts are reflected in amounts receivable from or payable to other entities in the tax-consolidated Group.

The tax sharing agreement entered into between members of the tax-consolidated Group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

8. SEGMENT REPORTING

The Group is engaged in the business of exploration and mining of precious and base metals only, which represents a single operating segment. The Board is the Group's chief operating decision maker within the meaning of IFRS 8.

9. TRADE AND OTHER RECEIVABLES

	31 December 2011 US$'000	31 December 2010 US$'000
Gold sales debtors	29,976	-
Other receivables	22	128
	29,998	**128**

Trade and other receivables are classified as loans and receivables and are therefore measured at amortised cost. The average age of the receivables is 32 days (2010: 1 day). No interest is charged on the receivables. There are no trade receivables past due and impaired at the reporting date, and thus no allowance for doubtful debts has been recognised. Of the trade receivables balance, the gold sales debtor is all receivable from Johnson Matthey of Canada. The amount due has been received subsequent to year-end and was considered to be fully recoverable.

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

10. INVENTORIES

	31 December 2011 US$'000	31 December 2010 US$'000
Mining stockpiles and ore in circuit	10,493	10,539
Stores	59,257	27,478
	69,750	**38,017**

During the year US$295,000 (2010: US$ nil) of inventory has been written off to other operating costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. PREPAYMENTS

	31 December 2011 12 months US$'000	31 December 2010 6 months US$'000
Prepayments	1,576	460

12. PROPERTY, PLANT AND EQUIPMENT

Consolidated	Office equipment US$'000	Land and buildings US$'000	Plant and equipment US$'000	Motor vehicles US$'000	Mine Development properties US$'000	Capital Work in progress US$'000	Total Restated US$'000
Cost							
Balance at 31 December 2010	2,243	14	241,140	56,338	145,976	40,275	485,986
Additions	9	-	-	-	20,392	122,502	142,903
Transfers	475	-	32,800	20,736	-	(54,011)	-
Balance at 31 December 2011	2,727	14	273,940	77,074	166,368	108,766	628,889
Accumulated depreciation							
Balance at 31 December 2010	(1,417)	(8)	(6,242)	(12,073)	(22,109)	-	(41,849)
Depreciation and amortisation	(510)	(1)	(8,641)	(7,437)	(37,724)	-	(54,314)
Balance at 31 December 2011	(1,928)	(9)	(14,883)	(19,510)	(59,833)	-	(96,162)
Cost							
Balance at 30 June 2010	2,145	14	237,192	56,320	91,179	16,821	403,671
Additions	2	-	-	-	13,437	27,516	40,955
Transfers	96	-	3,948	18	-	(4,062)	-
Transfer from exploration and evaluation assets	-	-	-	41,360	-	-	41,360
Balance at 31 December 2010	2,243	14	241,140	56,338	145,976	40,275	485,986
Accumulated depreciation							
Balance at 30 June 2010	(1,142)	(7)	(2,476)	(8,974)	(8,189)	-	(20,788)
Depreciation and amortisation	(275)	(1)	(3,766)	(3,099)	(13,920)	-	(21,061)
Balance at 31 December 2010	(1,417)	(8)	(6,242)	(12,073)	(22,109)	-	(41,849)
Net book value							
As at 31 December 2010	826	6	234,898	44,265	123,867	40,275	444,137
As at 31 December 2011	**799**	**5**	**259,057**	**57,564**	**106,536**	**108,766**	**532,727**

In the prior year the commencement of the commercial production of the open pit mine has resulted in US$41,360,000 of exploration and evaluation assets being transferred to mine development properties. The costs transferred were incurred before commercial production commenced and were capitalised to exploration and evaluation assets in note 13.

13. EXPLORATION AND EVALUATION

	31 December 2011 US$'000	31 December Restated 2010 US$'000
Balance at the beginning of the period	3,752	38,714
Acquisition of Sheba Exploration (UK) plc – exploration rights	10,413	-
Expenditure for the period	16,948	6,398
Transfer to PPE – development assets	-	(41,360)
Balance at the end of the period	**31,113**	**3,752**

The exploration and evaluation asset relates to the drilling, geological exploration and sampling of potential ore reserves. During the year the Group acquired the exploration rights in Sheba Exploration (UK) plc of US$10.2 million for the licences of Werie Lehe and Saharti Licences, granted until 29 November 2013, and the Una Deriam Licence, granted until 19 March 2013. Both licences are renewable for a period of two years.

The transfer to PPE – development assets relate to the commencement of the commercial production of the Sukari Gold Mine in 2010. Capitalised exploration and evaluation costs of US$ 41,360,000 incurred before commercial production were transferred to mine development properties in PPE in note 12.

14. AVAILABLE-FOR- SALE FINANCIAL ASSETS AND INTERESTS IN ASSOCIATES

14.1 Available-for-sale financial assets

	31 December 2011 US$'000	31 December 2010 US$'000
Balance at the beginning of the period	-	-
Acquisitions	17,403	-
Disposals	(11,408)	-
Loss on foreign exchange movement	(207)	-
Loss on fair value of investment – other comprehensive income	(3,957)	-
Balance at the end of the period	**1,831**	**-**

The available for sale financial asset at year-end relates to a 14% equity interest in Nyota Minerals Limited ("NYO"), a listed public company. Management are not planning on divesting from this investment in the foreseeable future. Subsequent to year end the Group announced that it had subscribed for 67,000,000 new ordinary shares for a consideration of US$4.0 million in the conditional placing announced by Nyota Minerals Limited ("Nyota") on 6 February 2012.

During 2011 the Group acquired shares in Auryx Gold Corporation ("AYX") a listed public company for US$11,408,000 and the investment was sold for US$11,191,490 during the year. A profit on disposal of US$92,754 and a foreign exchange loss of US$207,000 were realised.

14.2 Interests in associates

The interest in associate relate to the Group's 33% equity interest in Sahar Minerals Limited which was acquired in July 2011. The interest in associate is held at the cost of US$3,296,000 at year-end and no movement in the investment has been recorded as there is no financial information available for the associate since the acquisition. The associate holds exploration rights and continues to explore.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. TRADE AND OTHER PAYABLES

	31 December 2011 US$'000	31 December 2010 US$'000
Trade payables	12,909	17,881
Other creditors and accruals	11,600	121
	24,509	**18,002**

Trade payables principally comprise the amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 45 days (2010: 119 days). Trade payables are interest free for periods ranging from 30 to 180 days. Thereafter interest is charged at commercial rates. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

The directors consider that the carrying amount of trade payables approximate their fair value.

16. PROVISIONS

	31 December 2011 US$'000	31 December 2010 US$'000
Current		
Employee benefits (i)	717	666
Non-current		
Employee benefits	-	83
Restoration and rehabilitation (ii)	2,630	2,541
	2,630	**2,624**
Movement in restoration and rehabilitation provision		
Balance at beginning of the period	2,541	2,451
Additional provision recognised	89	67
Interest expense – unwinding of discount	-	23
Balance at end of the period	**2,630**	**2,541**

(i) Employee benefits relate to annual, sick and long service leave entitlements. The current provision for employee benefits as at 31 December 2011 includes US$707,780 (31 December 2010: US$375,000) of annual leave entitlements.
(ii) The provision for restoration and rehabilitation represents the present value of the directors' best estimate of the future outflow of economic benefits that will be required to remove the facilities and restore the affected areas at the Group's sites. This estimate has been made on the basis of benchmark assessments of restoration works required following mine closure and after taking into account the projected area to be disturbed over the life of the mine.

17. ISSUED CAPITAL

	31 December 2011 US$'000	31 December 2010 US$'000
Balance at beginning of the period	600,500	465,096
Issue of shares upon exercise of options and warrants	3,606	2,382
Transfer from share options reserve	452	906
Other placements	4,152	136,549
Share issue costs	(114)	(4,433)
Balance at end of the period	**608,596**	**600,500**

During 2011 the Company have re-domiciled to Jersey and the presentation below is line with the requirements of the Jersey Companies Act.

	31 December 2011		31 December 2010 Restated	
	Number	$'000	Number	$'000
Fully paid ordinary shares				
Balance at beginning of the period	1,081,946,250	600,500	1,028,818,333	465,096
Issue of shares upon exercise of options	11,312,500	4,058	1,625,000	3,288
Other placements (net of share issue costs)	3,038,631	4,038	51,502,917	132,116
Balance at end of the period	**1,096,297,381**	**608,596**	**1,081,946,250**	**600,500**

Fully paid ordinary shares carry one vote per share and carry the right to dividends. See Note 27 for more details of the share options.

18. RESERVES

	31 December 2011 US$'000	31 December Restated 2010 US$'000
Option reserve	-	1,857
Asset realisation reserve	-	438
Other reserves – sub-total	-	2,295
Share option reserve	2,006	1,050
	2,006	3,345
Option reserve		
Balance at beginning of the period	1,857	1,857
Movements during the period	(1,857)	-
Balance at the end of the period	**-**	**1,857**

The option reserve and share option reserve have been created from the issuing of options for a consideration greater than their then nominal or par value.
The asset realisation reserve has been created from the realisation of particular assets.
The capital reserve was created from the cancellation of shares in the Company held by Pharaoh Gold Mines NL.

	31 December 2011 US$'000	31 December Restated 2010 US$'000
Share option reserve		
Balance at beginning of the period	1,050	1,942
Cost of share-based payments	1,496	14
Transfer to issued capital	(452)	(906)
Transfer to retained earnings	(88)	-
Balance at the end of the period	**2,006**	**1,050**

The share option reserve arises on the grant of share options to employees under the employee share option plan and on grant of broker warrants. Amounts are transferred out of the reserve and into issued capital when the options and warrants are exercised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. COMMITMENTS FOR EXPENDITURE

	31 December 2011 US$'000	31 December 2010 US$'000
(a) Capital expenditure commitments		
Plant and equipment		
Not longer than 1 year	40,026	13,607
Longer than 1 year and not longer than 5 years	-	-
Longer than 5 years	-	-
	40,026	**13,607**
(b) Operating lease commitments		
Office premises		
Not longer than 1 year	56	62
Longer than 1 year and not longer than 5 years	-	-
Longer than 5 years	-	-
	56	**62**

Operating lease commitments are limited to office premises in London.

20. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

At year-end the Company has provided a guarantee to Mantrac Free Zone of US$10 million and to no other party (31 December 2010: nil). There were no contingent assets at year-end (31 December 2010: nil).

21. SUBSIDIARIES

The parent entity of the Group is Centamin plc, incorporated in Jersey, and the details of its subsidiaries are as follows:

		Ownership interest	
	Country of incorporation	31 December 2011 %	31 December 2010 %
Centamin Egypt Limited	Australia	100	-
Viking Resources Limited	Australia	100	100
North African Resources NL	Australia	100	100
Pharaoh Gold Mines NL	Australia	100	100
Egyptian Pharaoh Investments	Egypt	100	100
Sukari Gold Mining Co	Egypt	50	50
Centamin UK Limited	United Kingdom	100	-
Sheba Exploration (UK) plc	United Kingdom	100	-
Sheba Exploration Limited	Ethiopia	100	-
Centamin Limited	Bermuda	100	100

For the period ended 31 December 2010, Centamin Egypt Limited was the parent entity and as a result of the re-domicile occurring on 30 December 2011, Centamin plc became the parent entity.

22. AUDITOR'S REMUNERATION

	31 December 2011 US$'000	31 December 2010 US$'000
Audit fees		
Statutory audit	231	179
Non audit fees:		
Tax advisory services for tax implications of the re-domicile	247	-
IPO and related services	308	-
Preparation of tax returns	90	49
	876	**228**

The auditor of the Centamin plc Group of companies is Deloitte LLP in 2011. During 2011 Deloitte performed tax advisory services for the various tax implications and considerations for the re-domicile, and for the IPO and related services. In the prior financial period, other non-audit services included the provision of advice and due diligence activities in relation to the main board listing on the London Stock Exchange.

Deloitte obtained pre-approval from the Audit Committee for performing these services and have used separate teams for the tax advisory services and the IPO and related services, than the team performing the audit.

The Audit Committee and the external auditor have safeguards in place to avoid the possibility that the auditor's objectivity and independence could be compromised. These safeguards include the implementation of a policy on the use of the external auditor for non-audit related services.

Where it is deemed that the work to be undertaken is of a nature that is generally considered reasonable to be completed by the auditor of the Company for sound commercial and practical reasons, the conduct of such work will be permissible provided that it has been pre-approved. All these services are also subject to a predefined fee limit. Any work performed in excess of this limit must be approved by the Audit Committee.

23. JOINTLY CONTROLLED ENTITIES

The consolidated entity has material interests in the following ventures:

Name of joint venture	Principal activities	Percentage Interest	
		31 December 2011 %	31 December 2010 %
Egyptian Pharaoh Investments	Exploration	50	50
Sukari Gold Mines	Exploration and Production	50	50

The Group's interest as a joint venture partner, in the above jointly controlled entities, is detailed below. The amounts are included in the consolidated financial statements of the Group using the line-by-line reporting format.

	31 December 2011 US$'000	31 December Restated 2010 US$'000
Statement of financial position		
Current assets		
Cash	32,100	11,069
Trade and other receivables	29,976	-
Inventories	69,750	27,894
Prepayments	247	309
	132,073	39,272
Non-current assets		
Exploration, evaluation and development	18,699	52,212
	18,699	52,212
Current liabilities		
Trade and other payables	21,639	16,340
	21,639	**16,340**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. JOINTLY CONTROLLED ENTITIES (CONTINUED)

	31 December 2011 US$'000	31 December Restated 2010 US$'000
Statement of comprehensive income		
Revenue	340,479	87,203
Cost of sales	(140,250)	(50,501)
Gross profit	200,229	36,702
Other operating income	700	39
Other operating costs	(1,631)	-
Profit before income tax	199,298	36,741
Tax expenses	-	-
Net profit for the year	**199,298**	**36,741**

Capital commitments arising from the Group's interests in joint ventures are disclosed in Note 19.

Through its wholly owned subsidiary, PGM, the Company entered into the Concession Agreement with EMRA and the Arab Republic of Egypt granting PGM and EMRA the right to explore, develop, mine and sell gold and associated minerals in specific concession areas located in the Eastern Desert of Egypt. The Concession Agreement came into effect under Egyptian law on 13 June 1995.

In 2001 PGM, together with EMRA, were granted an Exploitation Lease over 160 square kilometers surrounding the Sukari Project site. The Exploitation Lease was signed by PGM, EMRA and the Egyptian Minister of Petroleum and gives tenure for a period of 30 years, commencing 24 May 2005 and extendable by PGM for an additional 30 years upon PGM providing reasonable commercial justification.

In 2006 SGM, was incorporated under the laws of Egypt. SGM was formed to conduct exploration, development, exploitation and marketing operations in accordance with the Concession Agreement. Responsibility for the day-to-day management of the Project rests with the General Manger, who is appointed by PGM.

The fiscal terms of the Concession Agreement require that PGM solely funds the SGM. PGM is however entitled to recover from sales revenue recoverable costs, as defined in the Concession Agreement. EMRA is entitled to a share of SGM's net production surplus (defined as revenue less payment of the fixed royalty to ARE and recoverable costs). As at 31 December 2011, PGMs has not recovered its cost and accordingly, no EMRA entitlement has been recognized to date, It is anticipated that the first payment to EMRA will become payable during 2012, Any payment made to EMRA pursuant to these provisions of the Concession Agreement will be recognised as a variable royalty charge to the income statement.

The Concession Agreement grants certain tax exemptions, including the following:

- From 1 April 2010, being the date of Commercial Production, the Sukari Project is entitled to a 15 year exemption from any taxes imposed by the Egyptian government on the revenues generated from the Sukari Project. PGM and EMRA intend that SGM will in due course file an application to extend the tax-free period for a further 15 years. The extension of the tax-free period requires that there has been no tax problems or disputes in the initial period and that certain activities in new remote areas have been planned and agreed by all parties;
- PGM and SGM are exempt from custom taxes and duties with respect to the importation of machinery, equipment and consumable items required for the purpose of exploration and mining activities at the Sukari Project. The exemption shall only apply if there is no local substitution with the same of similar quality to the imported machinery, equipment or consumables. Such exemption will also be granted if the local substitution is more than 10% more expensive than the imported machinery, equipment or consumables after the additional of the insurance and transportation costs;
- PGM, EMRA and SGM and their respective buyers will be exempt from any duties or taxes on the export of gold and associated minerals produced from the Sukari Project;
- PGM at all times is free to transfer in US dollars or other freely convertible foreign currency any cash of PGM representing its share of net proceeds and recovery of costs, without any Egyptian government limitation, tax or duty; and
- PGM's contractors and sub-contractors are entitled to import machinery. Equipment and consumable items under the "Temporary Release System" which provided exemption from Egyptian customs duty.

24. EARNINGS PER SHARE

	Consolidated	
	31 December 2011 12 months Cents per share	31 December 2010 6 months Cents per share
Basic earnings per share	16.68	3.10
Diluted earnings per share	16.66	3.09

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	Consolidated	
	31 December 2011 12 months US$'000	31 December 2010 6 months US$'000
Earnings used in the calculation of basic EPS	181,945	32,042

	Consolidated	
	31 December 2011 12 months No.	31 December 2010 6 months No.
Weighted average number of ordinary shares for the purpose of basic EPS	1,090,834,599	1,034,672,993

Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of diluted earnings per share are as follows:

	Consolidated	
	31 December 2011 12 months US$'000	31 December 2010 6 months US$'000
Earnings used in the calculation of diluted EPS	181,945	32,042

	Consolidated	
	31 December 2011 12 months US$'000	31 December 2010 6 months US$'000
Weighted average number of ordinary shares for the purpose of diluted EPS	1,092,336,900	1,035,850,664
Weighted average number of ordinary shares for the purpose of basic EPS	1,090,834,599	1,034,672,993
Shares deemed to be issued for no consideration in respect of employee options	1,502,301	1,177,671
Weighted average number of ordinary shares used in the calculation of diluted EPS	1,092,336,900	1,035,850,664

No potential ordinary shares were excluded from the calculation of weighted average number of ordinary shares for the purpose of diluted earnings per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. NOTES TO THE STATEMENTS OF CASH FLOWS

(a) Reconciliation of cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand and at bank and deposits.

	31 December 2011 12 months US$'000	31 December 2010 6 months US$'000
Cash and cash equivalents	164,231	154,338

(b) Reconciliation of profit for the year to cash flows from operating activities 31 December

	31 December 2011 12 months US$'000	31 December 2010 6 months US$'000
Profit for the year	181,945	32,042
Add/(less) non-cash items:		
Depreciation/ amortisation of property, plant and equipment	54,314	21,061
Stock write-off	295	-
Increase in provisions	171	112
Foreign exchange rate gain, net	(584)	(1,593)
Listed shares- unrealized gain	(93)	-
Share based payments	1,496	14
Changes in working capital during the period :	`	
(Increase) in trade and other receivables	(29,870)	3,188
Increase in inventories	(31,733)	(16,156)
Increase in prepayments	(1,116)	(192)
Increase/(decrease) in trade and other payables	6,507	(4,202)
Cash flows generated from operating activities	181,332	34,274

(c) Non-cash financing and investing activities

During the year 3,038,631 ordinary shares valued at US$4.2 million and cash of US$6.2 million totalling US$10,413,000 as per note 13 and were issued/paid to the owners of Sheba Exploration (UK) plc as consideration for the acquisition of interests in four exploration licences in Ethiopia.

26. FINANCIAL INSTRUMENTS

(a) Group risk management

The Group manages its capital to ensure that entities within the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the cash and equity balance. The Group's overall strategy remains unchanged from the previous financial period.

The group has no debt and thus not geared at year-end or in the prior year. The capital structure consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital and reserves as disclosed in Notes 17 and 18. The Group operates in Australia and Egypt. None of the Group's entities are subject to externally imposed capital requirements.

The Group utilises inflows of funds toward the ongoing exploration and development of the Sukari Gold Project in Egypt.

(a) Group risk management (continued)

Categories of financial assets and liabilities:

	31 December 2011 US$'000	31 December 2010 US$'000
Financial assets		
Available for sale assets	1,831	-
Cash and cash equivalents	164,231	154,338
Trade and other receivables	29,998	128
	196,060	**154,466**
Financial liabilities		
Other financial liabilities		
Trade and other payables	24,509	18,002
	24,509	**18,002**

(b) Financial risk management and objectives

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential risk adverse effects and ensure that net cash flows are sufficient to support the delivery of the Group's financial targets whilst protecting future financial security. The Group continually monitors and tests its forecast financial position against these objectives.

The Group's activities expose it to a variety of financial risks: market; commodity; credit; liquidity; foreign exchange; and interest rate. These risks are managed under Board approved directives through the Audit Committee. The Group's principal financial instruments comprise interest bearing cash and cash equivalents. Other financial instruments include trade receivables and trade payables, which arise directly from operations.

It is, and has been throughout the period under review, Group policy that no speculative trading in financial instruments be undertaken.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Market risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Australian dollar and Egyptian pound. Exposure to Canadian dollars has diminished considerably when compared to prior periods. As a fixed currency, Egyptian pounds are tied to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency. The risk is measured by regularly monitoring, forecasting and performing sensitivity analyses on the Group's financial position.

Financial instruments denominated in Australian Dollar and Eqyptian Pound are as follows:

	Australian dollar		Egyptian Pound	
	31 December 2011 US$'000	31 December 2010 US$'000	31 December 2011 US$'000	31 December 2010 US$'000
Financial assets				
Cash and cash equivalents	31,567	4,542	7,713	7,602
Trade and other receivables	-	30	-	-
	31,567	4,572	7,713	7,602
Financial liabilities				
Trade and other payables	671	3,543	16,371	16,515
	671	3,543	16,371	16,515
Net exposure	**30,896**	**1,029**	**(8,658)**	**(8,913)**

The following table summarises the sensitivity of financial instruments held at the reporting date to movements in the exchange rate of the Australian and Canadian dollar to the United States dollar, with all other variables held constant. The sensitivities are based on reasonably possible changes over a financial period, using the observed range of actual historical rates.

	Impact on profit		Impact on equity	
	31 December 2011 US$'000	31 December Restated 2010 US$'000	31 December 2011 US$'000	31 December 2010 Restated US$'000
US$/A$ increase by 10%	(2,961)	(379)	(2,961)	(379)
US$/A$ decrease by 10%	2,961	379	2,961	379
US$/E£ increase by 10%	(127)	-	(127)	-
US$/E£ decrease by 10%	127	-	127	-

The Group's sensitivity to foreign currency has increased at the end of the current period mainly due to the increase in foreign currency cash holdings in Australian dollars and Egyptian pound.

The Group has not entered into forward foreign exchange contracts. Natural hedges are utilised wherever possible to offset foreign currency liabilities. The Company maintains a policy of not hedging its currency positions and maintains currency holdings in line with underlying requirements and commitments.

(d) Commodity price risk

The Group's future revenue forecasts are exposed to commodity price fluctuations, in particular gold prices. The Group has not entered into forward gold hedging contracts.

(e) Interest rate risk

The Group's main interest rate risk arises from cash and short term deposits and is not considered to be a material risk due to the short term nature of these financial instruments. Cash deposits are placed on term period of no more than 30 days at a time.

The financial instruments exposed to interest rate risk and the Group's exposure to interest rate risk as at balance date were as follows:

	Weighted Average Effective Interest Rate %	Less than 1 month US$'000	1-12 months US$'000	>12 months US$'000	Total US$'000
Consolidated 31 December 2011					
Financial assets					
Variable interest rate instruments	0.75	-	147,970	-	147,970
Non- interest bearing	-	16,261	-	-	16,261
		16,261	147,970	-	164,231
Financial liabilities					
Variable interest rate instruments	-	-	-	-	-
Non-interest bearing	-	24,323	1,346	-	25,669
		24,323	1,346	-	25,669
31 December 2010 Financial assets					
Variable interest rate instruments	1.60	-	149,941	-	149,941
Non- interest bearing		4,397	-	-	4,397
		4,397	149,941	-	154,338
Financial liabilities					
Variable interest rate instruments	-	-	-	-	-
Non-interest bearing	-	18,002	1,110	82	19,194
		18,002	**1,110**	**82**	**19,194**

(f) Liquidity risk

The Group's liquidity position is managed to ensure that sufficient funds are available to meet its financial commitments in a timely and cost effective manner.

Ultimate responsibility or liquidity risk management rests with the Board of Directors, who has established an appropriate management framework for the management of the Group's funding requirements. The Group manages liquidity risk by maintaining adequate cash reserves and management monitors rolling forecasts of the Group's liquidity on the basis of expected cash flow. The tables above reflect a balanced view of cash inflows and outflows and shows the implied risk based on those values. Trade payables and other financial liabilities originate from the financing of assets used in the Group's ongoing operations. These assets are considered in the Group's overall liquidity risk. Management continually reviews the Group liquidity position including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. FINANCIAL INSTRUMENTS (CONTINUED)

(f) Liquidity risk (continued)

Liquidity risk:	31 December 2011 US$'000	31 December 2010 US$'000	31 December 2011 US$'000	31 December 2010 US$'000
Consolidated 31 December 2011				
Financial assets				
Variable interest rate instruments	-	147,970	-	147,970
Non- interest bearing	16,261	-	-	16,261
	16,261	147,970	-	164,231
Financial liabilities				
Variable interest rate instruments	-	-	-	-
Non-interest bearing	24,323	1,346	-	25,670
	24,323	1,346	-	25,670
31 December 2010				
Financial assets				
Variable interest rate instruments	-	149,941	-	149,941
Non- interest bearing	4,397	-	-	4,397
	4,397	149,941	-	154,338
Financial liabilities				
Variable interest rate instruments	-	-	-	-
Non-interest bearing	18,002	1,110	-	19,112
	18,002	**1,110**	**-**	**19,112**

(g) Credit risk

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with credit-worthy counter-parties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group measures credit risk on a fair value basis. The Group's credit risk is concentrated on one entity, but the group has good credit checks on customers and none of the trade receivables from the customer has been past due. Also, the cash balances held in Canadian and Australian dollars which are held with a financial institution with a high credit rating.
The gross carrying amount of financial assets recorded in the financial statements represents the Group's maximum exposure to credit risk without taking account of the value of collateral or other security obtained.

(h) Fair value

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective fair values, principally as a consequence of the short term maturity thereof.

(i) Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, Grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	2011			
	Level 1	Level 2	Level 3	Total
Available for sale financial assets	1,831	-	-	1,831

	2010 Restated			
	Level 1	Level 2	Level 3	Total
Available for sale financial assets	-	-	-	-

There were no financial assets or liabilities subsequently measured at fair value on Level 3 fair value measurement bases.

27. SHARE BASED PAYMENTS

Employee Share Option Plan (ESOP)

The consolidated entity had an Employee Share Option Plan (ESOP) in place for executives and employees. Options were issued to key management personnel under the Employee Option Plan 2006 (previously the Employee Option Plan 2002) as part of their remuneration. Options were offered to key management personnel at the discretion of the Directors, having regard, among other things, to the length of service with the consolidated entity, the past and potential contribution of the person to the consolidated entity and in some cases, individual performance.

Executive Directors Loan Funded Share Plan (EDLFSP) & Employee Loan Funded Share Plan (ELFSP)

Shares were issued to Executive Directors under the Executive Directors Loan Funded Share Plan EDLFSP 2011 and Employees under the ELFSP as part of their remuneration package.

Under the terms of the EDLFSP and ELFSP, the Company has provided a limited recourse and interest free loan to certain employees of the Company for the purpose of acquiring the New Shares (the "Loan"). The purchase of the shares has been funded by the Loan and the shares will not vest until certain performance conditions are met. In the event the performance conditions are not met, or the shares are forfeited by the participant, the Company can either re-acquire the shares or direct the trustee to sell them on, offsetting the proceeds against the outstanding loan amount and waiving the remainder of the loan. Subject to performance conditions and time based hurdles being met, the loan will be repayable by the relevant employee in full on the earlier of the termination date of the loan (three years from the date of issue) or the date on which the shares are disposed of.

Further details of the EDLFSP and ELFSP can be found in the Company's Annual Report or Notice of General Meeting for the shareholder meeting held on Tuesday, 15 February 2011, and full copies of the plan are available upon request.

Share option terms, vesting requirements and options outstanding at 31 December 2011

Each share option converts into one ordinary share of the Company on exercise. The options carry neither rights to dividends nor voting rights and are not transferable. Options vest over a period of 12 months, with 50% vesting and exercisable after six months and the other 50% vesting and exercisable after 12 months of issue. All options are issued with a term of three years. At the discretion of the Directors part or all of the options issued to an executive or employee may be subject to performance based hurdles. No performance based hurdles have been applied for options granted to date. Upon exercise of the options the ordinary shares received rank equally with the existing ordinary shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. SHARE BASED PAYMENTS (CONTINUED)

1) The following ESOP share-based payment arrangements existed at 31 December 2011:

- Series 13: 3,500,000 share options over ordinary shares in Centamin granted to employees under the ESOP on 16 April 2008. The options allowed employees to take up ordinary shares at an exercise price of A$1.7022 each. The options were exercisable on or before 16 April 2011. At reporting date, 3,440,000 of the options had been taken up and 60,000 were forfeited.
- Series 14: 250,000 share options over ordinary shares in Centamin granted to Mark Di Silvio (former Chief Financial Officer) under the ESOP on 25 August 2008. The options allowed Mark to take up ordinary shares at an exercise price of A$1.20 each. The options were exercisable on or before 25 August 2011. At reporting date, all the options had been taken up.
- Series 17: 1,000,000 share options over ordinary shares in Centamin granted to Trevor Schultz (Executive Director of Operations) under the ESOP on 19 December 2008. The options allowed Trevor to take up ordinary shares at an exercise price of A$1.00 each. The options were exercisable on or before 19 December 2011. At reporting date, all the options had been taken up.
- Series 18: 1,630,150 options (Series 18) were issued on 15 April 2009 pursuant with the agreement with Macquarie Bank Limited to provide a corporate loan facility of up to US$25 million (as announced on 2 April 2009). The options allowed Macquarie Bank Limited to take up ordinary shares at an exercise price of A$1.20 each. Those options are exercisable any time on or before 31 December 2012. All of these options remain unexercised.
- Series 19: 350,000 share options over ordinary shares in Centamin granted to Mark Di Silvio (former Chief Financial Officer) under the ESOP on 6 August 2009. The options allowed Mark to take up ordinary shares at an exercise price of A$1.8658 each. The options were exercisable on or before 6 August 2012. At reporting date, all the options had been forfeited.
- Series 20: 1,000,000 share options over ordinary shares in Centamin granted to Ambrian Partners Limited under the ESOP on 28 November 2009. The options allowed Ambrian Partners Limited to take up ordinary shares at an exercise price of A$1.50 each. The options were exercisable on or before 20 November 2010. At reporting date, all the options had been forfeited. At reporting date, all the options had been taken up.

2) The following EDLFSP and ELFSP share-based payment arrangements existed at 31 December 2011:

- Series 21: 1,000,000 shares were issued to three Executive Directors (Harry Michael (former Chief Executive Officer), Josef El Raghy (Executive Chairman and Chief Executive Officer) and Trevor Schultz) under the EDLSFP on 21 March 2011. The share based payment arrangement is exercisable on 21 March 2014. At reporting date, 777,778 shares issued to Harry Michael were forfeited.
- Series 22: 200,000 shares were issued to Mark Di Silvio and 75,000 shares were issued to Heidi Brown (Company Secretary) under the ELFSP on 21 March 2011. The share based payment arrangement is exercisable on 21 March 2012. At reporting date, the 200,000 shares issued to Mark Di Silvio were forfeited.
- Series 23: 200,000 shares were issued to Mark Di Silvio and 75,000 shares were issued to Heidi Brown (Company Secretary) under the ELFSP on 21 March 2011. The share based payment arrangement is exercisable on 21 March 2013. At reporting date, the 200,000 shares issued to Mark Di Silvio were forfeited.
- Series 24: 200,000 shares were issued to Mark Di Silvio and 75,000 shares were issued to Heidi Brown (Company Secretary) under the ELFSP on 21 March 2011. The share based payment arrangement is exercisable on 21 March 2014. At reporting date, the 200,000 shares issued to Mark Di Silvio were forfeited.
- Series 25: 4,917,500 shares were issued to employees under the ELFSP on 21 March 2011. The share based payment arrangement is exercisable on 21 March 2014. At reporting date, 892,500 shares issued to employees were forfeited.
- Series 26: 225,000 shares were issued to Robert Williams under the ELFSP on 21 June 2011. The share based payment arrangement was exercisable on 21 June 2014. At reporting date, all 225,000 shares issued were forfeited.

2) The following EDLFSP and ELFSP share-based payment arrangements existed at 31 December 2011 (continued)

- Series 27: 200,000 shares were issued to Pierre Louw (Chief Financial Officer) under the ELFSP on 21 June 2011. The share based payment arrangement is exercisable on 21 June 2012. At reporting date, none of the shares had been taken up or had lapsed.
- Series 28: 200,000 shares were issued to Pierre Louw (Chief Financial Officer) under the ELFSP on 21 June 2011. The share based payment arrangement is exercisable on 21 June 2013. At reporting date, none of the shares had been taken up or had lapsed.
- Series 29: 200,000 shares were issued to Pierre Louw (Chief Financial Officer) under the ELFSP on 21 June 2011. The share based payment arrangement is exercisable on 21 June 2014. At reporting date, none of the shares had been taken up or had lapsed.
- Series 30: 400,000 shares were issued to Greg Winch under the ELFSP on 21 June 2011. The share based payment arrangement was exercisable on 30 Sept 2014. At reporting date, none of the shares had been taken up or had lapsed.

The following ESOP share based payment arrangements expired during the current year:

Options series	Number Originally Issued	Grant date	Expiry / Exercise Date	Exercise price A$	Fair value at grant date A$	Exercise price US$	Fair value at grant date US$
Series 13	3,500,000	16 Apr 2008	16 Apr 2011	1.7022	0.4015	1.5979	0.3763
Series 14	250,000	25 Aug 2008	25 Aug 2011	1.1999	0.3070	1.0409	0.2656
Series 17	1,000,000	19 Dec 2008	19 Dec 2011	1.0000	0.3568	0.6799	0.2425
Series 19	350,000	6 Aug 2009	6 Aug 2012	1.8658	0.7960	1.5664	0.6671
Series 20	1,000,000	28 Nov 2009	28 Nov 2010	1.5000	0.9258	1.3613	0.84393
	6,100,00						

The following ESOP share based payment arrangements existed at 31 December 2011:

Options series	Number Originally Issued	Number Outstanding at 31 December 2011	Grant date	Expiry / Exercise Date	Exercise price A$	Fair value at grant date A$	Fair value at exercise price US$	Fair value at grant date US$
Series 18	1,630,150	1,630,150	15 Apr 2009	31 Dec 2012	1.2	0.4326	1.9228	0.3129

The weighted average fair value of shares during 2011 is C$1.9955 or US$2.0193 (2010: C$2.75 or US$2.7017). Options were priced using the Black-Scholes option pricing model. Where relevant, the expected useful life in the model has been adjusted based on management's best estimate of the effects of non-transferability, exercise restrictions and behavioural considerations. The volatility input into the model was 75.00% based on the historical share price volatility over the past three years and the government rate similar to the term of the option used was 5.75%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. SHARE BASED PAYMENTS (CONTINUED)

Inputs into the Black Scholes Model were as follows:

The table below expresses pricing in Australian Dollars. At the time of grant, the Company was listed on the Australian Securities Exchange and consequently, financial modelling and pricing structure was determined in Australian Dollars.

	Option series						
	Series 5	Series 13	Series 14	Series 17	Series 18	Series 19	Series 20
Grant date	31 Oct 2005	16 Apr 2008	25 Aug 2008	19 Dec 2008	15 Apr 2009	6 Aug 2009	28 Nov 2009
Grant date share price	A$0.38	A$1.490	A$1.09	A$0.95	A$1.14	A$1.89	A$2.35
Exercise price	A$0.35	A$1.702	A$1.20	A$1.00	A$1.20	A$1.8658	A$1.500
Expected volatility	60.00%	52.00%	52.00%	70%	70%	75.00%	75.00%
Option life	5 years	3 years	3 years	3 years	45 months	3 years	1 year
Dividend yield	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Risk-free interest rate	5.25%	5.84%	5.65%	4.02%	4.02%	5.75%	5.25%

The following EDLFSP & ELFSP share based payment arrangements were in existence at the end of the current year:

Option series	Number	Grant date	Expiry / Exercise Date	Exercise price	Fair value at grant date GBP	Fair value at grant date GBP	Exercise price US$
Series 21	3,000,000	21-Mar-11	21-Mar-14	1.259	0.4210	0.6840	2.045
Series 22	275,000	21-Mar-11	21-Mar-12	1.259	0.2917	0.4740	2.045
Series 23	275,000	21-Mar-11	21-Mar-13	1.259	0.3463	0.5630	2.045
Series 24	275,000	21-Mar-11	21-Mar-14	1.259	0.3463	0.5630	2.045
Series 25	4,917,500	21-Mar-11	21-Mar-14	1.259	0.4640	0.7540	2.045
Series 26	225,000	21-Jun-11	21-Jun-14	1.171	0.3842	0.5887	1.894
Series 27	200,000	21-Jun-11	21-Jun-13	1.171	0.2587	0.3964	1.894
Series 28	200,000	21-Jun-11	21-Jun-14	1.171	0.3038	0.4655	1.894
Series 29	200,000	21-Jun-11	30-Sep-14	1.171	0.2979	0.4564	1.894
Series 30	400,000	30-Sep-11	30-Sep-14	0.981	0.3842	0.5887	1.533
	9,967,500						

The weighted average fair value of shares during 2011 is £1.25 or US$2.0193 (2010: £1.72 or US$2.7017).Fair value was measured by the use of the Black and Scholes model where share-based payments have non-market based performance conditions. Where share-based payments are subject to market conditions, fair value was measured by the use of a Monte-Carlo simulation. The Monte-Carlo simulation has been used to model the Company's share prices against the performance of the chosen comparator Group and the FTSE 250 at the relevant vesting dates. See the table below.

The table below expresses pricing in Great British Pounds.
At the time of grant, financial modelling and pricing structure was determined in Great British Pounds.

	EDLFSP and ELFSP series									
	Series 21	Series 22	Series 23	Series 24	Series 25	Series 26	Series 27	Series 28	Series 29	Series 30
Grant date	21 Mar 2011	21 Mar 2011	21 Mar 2011	21 Mar 2011	21 Mar 2011	21 Jun 2011	21 Jun 2011	21 Jun 2011	21 Jun 2011	30 Sep 2011
Grant date share price	£1.259	£1.259	£1.259	£1.259	£1.259	£1.171	£1.171	£1.171	£1.171	£1.171
Exercise price	£1.259	£1.259	£1.259	£1.259	£1.259	£1.171	£1.171	£1.171	£1.171	£1.171
Expected volatility	50.08%	50.08%	50.08%	50.08%	50.08%	47.05%	47.05%	47.05%	47.05%	47.05%
Option life	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years
Dividend yield	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Risk-free interest rate	1.65%	0.78%	1.22%	1.65%	1.65%	1.13%	0.56%	0.79%	1.13%	1.13%

The following table reconciles the outstanding share options granted under the Employee Share Option Plan, and other share based payment arrangements, at the beginning and end of the reporting period:

	12 months to 31 December 2011		6 months to 31 December 2010	
	Number of options	US$ Weighted average exercise price	Number of options	US$ Weighted average exercise price
Balance at beginning of the period	3,325,150	1.2432	4,950,150	1.3334
Expired/Lapsed during the period (b)	(350,000)	1.8658	-	-
Exercised during the period (c)	(1,345,000)	1.1334	(1,625,000)	1.5181
Balance at the end of the period (d)	**1,630,150**	**1.20**	**3,325,150**	**1.2432**
Exercisable at the end of the period	**1,630,150**	**1.20**	**3,325,150**	**1.2432**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. SHARE BASED PAYMENTS (CONTINUED)

The following reconciles the outstanding share options granted under the EDLFSP and ELFSP at the beginning and end of the reporting period:

	12 months to 31 December 2011		6 months to 31 December 2010	
	Number of options	US$ Weighted average exercise price	Number of options	US$ Weighted average exercise price
Balance at beginning of the period	-	-	-	-
Granted during the period (a)	9,967,500	2.01195	-	-
Lapsed during the period (b)	(2,495,278)	2.03138	-	-
Exercised during the period (c)	-	-	-	-
Balance at the end of the period (d)	**7,472,222**	**2.00547**	**-**	**-**
Exercisable at the end of the period	**-**	**-**	**-**	**-**

ESOP: Exercised during the financial period:

31 December 2011 - Options series	Number exercised	Exercise Date	Share price at exercise date US$
Series 13	10,000	27 Jan 2011	2.10
	10,000	14 Mar 2011	2.06
	100,000	07 Apr 2011	2.28
	100,000	08 Apr 2011	2.40
Series 14	125,000	10 Jun 2011	1.85
Series 17	1,000,000	07 Dec 2011	1.53
	1,345,000		

31 December 2010 - Options series	Number exercised	Exercise Date	Share price at exercise date C$
Series 5	100,000	25 Oct 2010	2.85
Series 13	70,000	6 Jul 2010	2.40
	20,000	8 Jul 2010	2.42
	40,000	15 Jul 2010	2.49
	10,000	16 Jul 2010	2.41
	10,000	27 Jul 2010	2.41
	5,000	30 Jul 2010	2.46
	85,000	11 Aug 2010	2.63
	20,000	18 Aug 2010	2.75
	30,000	31 Aug 2010	2.87
	50,000	6 Sep 2010	2.88
	100,000	9 Sep 2010	2.86
	15,000	10 Sep 2010	2.89
	100,000	23 Sep 2010	2.92
	50,000	24 Sep 2010	2.93
	10,000	29 Sep 2010	2.88
	10,000	9 Nov 2010	2.99
	15,000	11 Nov 2010	3.06
	10,000	15 Dec 2010	2.51
	250,000	23 Dec 2010	2.66
Series 14	125,000	17 Dec 2010	2.58
Series 20	500,000	8 Sep 2010	2.88
	1,625,000		

EDLFSP & ELFSP: There were no share options exercised during the year.

Other share based payments:
1,630,150 options (Series 18) were issued on 15 April 2009 pursuant with the agreement with Macquarie Bank Limited to provide a corporate loan facility of up to US$25 million (as announced on 2 April 2009). Those options are exercisable any time on or before 31 December 2012. All of these options remain unexercised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. KEY MANAGEMENT PERSONNEL COMPENSATION

The aggregate compensation made to key management personnel of the consolidated entity and the Company is set out below:

	Consolidated	
	31 December 2011 12 months US$	31 December 2010 6 months US$
Short-term employee benefits	2,257,547	2,646,474
Long-term employee benefits	40,216	25,094
Post-employment benefits	33,215	56,495
Share-based payments	1,495,506	14,389
Total	**3,826,484**	**2,742,452**

29. RELATED PARTY TRANSACTIONS

a) Equity interests in related parties

Equity interests in subsidiaries

Details of the percentage of ordinary shares held in subsidiaries are disclosed in Note 21.

Equity interests in associates and joint ventures

Details of interests in joint ventures are disclosed in Note 23.

b) Key management personnel compensation

Details of key management personnel compensation are disclosed below.

c) Key management personnel equity holdings

The details of the movement in key management personnel equity holdings of fully paid ordinary shares in Centamin plc during the financial period are as follows:

31 December 2011	Balance at 1 January 2011	Granted as remuneration (LFSP)	Received on exercise of options	Net other change (1)	Balance at 31 December 2011	Balance held nominally
J El-Raghy	69,195,086	1,000,000	-	1,250,000	71,445,086	-
T Schultz	-	1,000,000	1,000,000	(1,000,000)	1,000,000	-
G Haslam	-	-	-	50,000	50,000	-
M Arnesen	-	-	-	15,000	15,000	-
M Bankes	-	-	-	60,000	60,000	-
K Tomlinson	-	-	-	-	-	-
P Louw	-	600,000	-	37,500	637,500	-
H Brown	250,000	225,000	-	-	475,000	-
C Aujard	-	-	-	-	-	-
Y El-Raghy	-	-	-	-	-	-

31 December 2010	Balance at 1 January 2010	Granted as remuneration (LFSP)	Received on exercise of options	Net other change (1)	Balance at 31 December 2010	Balance held nominally
C Cowden	1,203,626	-	-	-	1,203,626	-
J El-Raghy	69,195,086	-	-	-	69,195,086	-
T Schultz	-	-	-	-	-	-
H S Bottomley	2,650,000	-	-	(500,000)	2,150,000	-
T Elder	250,000	-	-	-	250,000	-
H Michael	75,000	-	-	-	75,000	-
M Di Silvio	-	-	125,000	-	125,000	-
H Brown	-	-	250,000	-	250,000	-

(1) 'Net other change' relates to the on market acquisition or disposal of fully paid ordinary share.

d) Key management personnel share option holdings

The details of the movement in key management personnel options to acquire ordinary shares in Centamin plc are as follows:

31 December 2011	Balance at 1 January 2011	Granted as remuneration	Exercised	Other changes	Balance at 31 December 2011	Balance vested during the financial period	Balance vested and exercisable at 31 December 2011
C Cowden	-	-	-	-	-	-	-
T Elder	-	-	-	-	-	-	-
T Schultz	1,000,000	-	(1,000,000)	-	-	-	-
J El-Raghy	-	-	-	-	-	-	-
H Bottomley	-	-	-	-		-	-
H Michael	-	-	-	-	-	-	-
M Di Silvio	475,000	-	(125,000)	(350,000)	-	-	-
H Brown	-	-	-	-	-	-	-

31 December 2010	Balance at 1 January 2010	Granted as remuneration	Exercised	Balance at 31 December 2010	Balance vested during the financial period	Balance vested and exercisable at 31 December 2010
C Cowden	-	-	-	-	-	
T Elder	-	-	-	-	-	
T Schultz	1,000,000	-	-	1,000,000	-	1,000,000
J El-Raghy	-	-	-	-	-	-
H Bottomley	-	-	-	-	-	-
H Michael	-	-	-	-	-	-
M Di Silvio	600,000	-	(125,000)	475,000	175,000	475,000
H Brown	250,000	-	(250,000)	-	-	-

Apart from the details disclosed in this note, no key management personnel has entered into a material contract with the Company or the economic entity since the end of the previous financial year and there were no material contracts involving key management personnel interests at year-end.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29. RELATED PARTY TRANSACTIONS (CONTINUED)

e) Other transactions with key management personnel
The related party transactions for the year ended 31 December 2011 are summarised below:

Mr J El-Raghy is a director and shareholder of El-Raghy Kriewaldt Pty Ltd ("El-Raghy Kriewaldt"). El-Raghy Kriewaldt provides office premises to the Company. All dealings with El-Raghy Kriewaldt are in the ordinary course of business and on normal terms and conditions. Rent and office outgoings paid to El-Raghy Kriewaldt during the period were A$62,356 or US$65,365 (six months ended 31 December 2010: A$33,480 or US$32,192).

Mr C Cowden, a Non Executive Director until his resignation on 26 May 2011, is also a director and shareholder of Cowden Limited, which provides insurance broking services to the Company. All dealings with Cowden Limited are on normal terms and conditions. Cowden Limited was paid A$2,293 or US$2,397 during the six months ended 30 June 2011 (31 December 2010: A$32,873 or US$31,661), with A$ 11,815 or US$12,349 paid to Cowden Limited to be passed on to underwriters for premiums during the six months ended 30 June 2011 (31 December 2010: A$220,687 or US$212,548).

f) Transactions with the Government of Egpyt
Royalty costs attributable to the Government of Egypt of US$13,360,000 (2010: US$2,604,000) were incurred in 2011.

g) Transactions with other related parties
Other related parties include the parent entity, subsidiaries, and other related parties.

During the prior financial period, the Company recognised tax payable in respect of the tax liabilities of its wholly owned subsidiaries. Payments to/from the Company are made in accordance with terms of the tax funding arrangement. During the financial period the Company provided funds to and received funding from subsidiaries.

All amounts advanced to related parties are unsecured. No expense has been recognised in the period for bad or doubtful debts in respect of amounts owed by related parties.

Transactions and balances between the Company and its subsidiaries were eliminated in the preparation of consolidated financial statements of the Group.

30. SUBSEQUENT EVENTS

Subsequent to year end the company acquired a further interest in Nyota Minerals Limited for US$ 4 million. In addition there was loss of a number of days of production due to illegal strike action at the Sukari Gold Mine in March 2012. Mr. Kevin Tomlinson was appointed to the board of directors on 17 January 2012.

Sukari currently benefits from the national industry subsidy in Egypt for diesel, when compared with international prices, has a beneficial effect of some US$150 per oz on the forecast cash costs for 2012. As announced there have been moves to withdraw this subsidy and whilst negotiations are ongoing it has been been necessary during the first quarter of 2012 to pay the international fuel price for roughly half of the Company's fuel supply to ensure continuous operations pending the outcome of the negotiations.

There were no other significant events occurring after the reporting date requiring disclosure in the Financial Statements.

GLOSSARY

assay
qualitative analysis of ore to determine its components

Au
chemical symbol for the element gold

Board
the board of Directors of the Group

Directors
the Directors of the Board of Centamin PLC

ESOP
Employee Share Option Plan

EDLFSP
Executive Director Loan Funded Share Plan

EELFSP
Employee Loan Funded Share Plan

Feasibility Study
extensive technical and financial study to assess the commercial viability of a project

flotation
mineral processing technique used to separate mineral particles in a slurry, by causing them to selectively adhere to a froth and float to the surface

g/t
gram per metric tonne

grade
relative quantity or the percentage of ore mineral or metal content in an ore body

dump leach
a process used for the recovery of metal ore from typically weathered low-grade ore. Blasted material is laid on a slightly sloping, impervious pad and uniformly leached by the percolation of the leach liquor trickling through the beds by gravity to ponds. The metals are recovered by conventional methods from the solution

Indicated Resource
as defined in the JORC Code, is that part of a mineral resource which has been sampled by drill holes, underground openings or other sampling procedures at locations that are too widely spaced to ensure continuity but close enough to give a reasonable indication of continuity and where geoscientific data is known with a reasonable degree of reliability. An indicated mineral resource will be based on more data and therefore will be more reliable than an inferred resource estimate.

Inferred Resource
as defined in the JORC Code, is that part of a mineral resource for which the tonnage and grade and mineral content can be estimated with a low level of confidence. It is inferred from the geological evidence and has assumed but not verified geological and/or grade continuity. It is based on information gathered through the appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability

JORC
Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and the Minerals Council of Australia

mill
equipment used to grind crushed rocks to the desired size for mineral extraction

mineralisation
process of formation and concentration of elements and their chemical compounds within a mass or body of rock

resource
concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such a form that there are reasonable prospects for eventual economic extraction. The location, quantity, grade geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral resources are subdivided into Inferred, Indicated and Measured categories

GLOSSARY (CONTINUED)

mtpa
million tonnes per annum

open pit
large scale hard rock surface mine

ore
mineral deposit that can be extracted and marketed profitably

ore body
mining term to define a solid mass of mineralised rock that can be mined profitably under current or immediately foreseeable economic conditions

ore reserve
the economically mineable part of a Measured or Indicated mineral resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could be reasonably justified. Ore reserves are sub-divided in order of increasing confidence into Probable and Proven

ounce or oz
troy ounce (= 31.1035 grams)

Probable
measured and/or indicated mineral resources which are not yet proven, but where technical economic studies show that extraction is justifiable at the time of the determination and under specific economic conditions

Production
Total attributable gold production, as stated throughout this document, is comprised of 100% of production from the group's subsidiaries.

Proven
measured mineral resources, where technical economic studies show that extraction is justifiable at the time of the determination and under specific economic conditions

recovery
proportion of valuable material obtained in the processing of an ore, stated as a percentage

stockpile
an accumulation of ore or mineral formed to create a reserve for loading or when demand slackens or when the process plant is unequal to handling mine output

strip ratio
the unit amount of spoil or waste that must be removed to gain access to a similar unit of ore or mineral

material tailings
material that remains after all metals/minerals considered economic have been removed from the ore

FORWARD LOOKING STATEMENTS

The report contains certain forward-looking statements. These statements are made by the directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This document contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of Centamin plc ('Centamin' or 'the Company'), its subsidiaries (together 'the group'), affiliated companies, its projects, the future price of gold, the estimation of mineral reserves and mineral resources, the realization of mineral reserve and resource estimates, the timing and amount of estimated future production, revenues, margins, costs of production, estimates of initial capital, sustaining capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, foreign exchange risks, governmental regulation of mining operations and exploration operations, timing and receipt of approvals, consents and permits under applicable mineral legislation, environmental risks, title disputes or claims, limitations of insurance coverage and regulatory matters. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative variations) of such words and phrases, or may be identified by statements to the effect that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved.

Forward-looking statements involve known and unknown risks, uncertainties and a variety of material factors, many of which are beyond the Company's control which may cause the actual results, performance or achievements of Centamin, its subsidiaries, affiliated companies to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Readers are cautioned that forward-looking statements may not be appropriate for other purposes than outlined in this document. Such factors include, among others, future price of gold; general business, economic, competitive, political and social uncertainties; the actual results of current exploration and development activities; conclusions of economic evaluations and studies; fluctuations in the value of the U.S. dollar relative to the local currencies in the jurisdictions of the Group's key projects; changes in project parameters as plans continue to be refined; possible variations of ore grade or projected recovery rates; accidents, labour disputes or slow-downs and other risks of the mining industry; climatic conditions; political instability, insurrection or war, civil unrest or armed assault; labour force availability and turnover; delays in obtaining financing or governmental approvals or in the completion of exploration and development activities; as well as those factors referred to in the section entitled "Risks and Uncertainties" section of the Management discussion & analysis. The reader is also cautioned that the foregoing list of factors is not exhausted of the factors that may affect the Company's forward-looking statements.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this document and, except as required by applicable law, the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. 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 statements. Accordingly, readers should not place undue reliance on forward-looking statements.

United Kingdom
14 Berkeley Street
LondonUK
W1J 8DX
Telephone: +44 (0) 20 7569 1670
Email: centaminplc@centamin.com

Egypt
361 El-Horreya Road
Sedi Gaber, Alexandria
Egypt
Telephone: +203 541 1259
Facsimile: +203 522 6350
Email: pgm@centamin.com.au

Australia
57 Kishorn Road
Mount Pleasant
Western Australia, 6153
Telephone: +618 9316 2640
Facsimile: +618 9316 2650
Email: centamin@centamin.com.au

Registered Office
Centamin plc
Ogier House
The Esplanade
St Helier
Jersey
JE4 9WG
Registered Company Number
7673091