CENTAMIN

2012 ANNUAL REPORT

Centamin Plc

Centamin plc ("Centamin" or "the Company") is the ultimate holding company in the 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 (now Sheba Exploration Holdings Limited) and now has interests in four exploration licences in Ethiopia where it is conducting further exploration activities. In addition, Centamin currently has a 17.0% shareholding in Nyota Minerals Ltd, which owns the Tulu Kapi advanced exploration project in Ethiopia.

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. 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.

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 and 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 Company'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.

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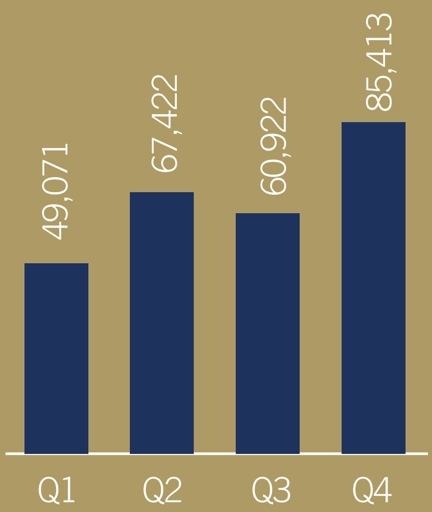
2012 Performance Highlights

Production (ounces)



2012 262,828

2011 202,699

Operating cash costs (US$ per ounce)[1]

	Excluding fuel subsidy[2]	Including fuel subsidy
Q1	717	609
Q2	729	565
Q3	724	539
Q4	558	446
2011	n/a	556
2012	669	530

Profit before tax (US$'000)[1]

	Excluding fuel subsidy[2]	Including fuel subsidy
2011	n/a	193,993
2012	198,594	231,712

Revenue (US$'000)

2012 426,133

2011 340,479

Earnings per share (cents)[1]

	Excluding fuel subsidy[2]	Including fuel subsidy
2011	n/a	17.90
2012	18.27	21.31

	2012	2011
Cash On Hand At Year End (US$'000)	147,133	164,231
Resources & Reserves (Million Ounces)		
Proven & Probable	10.1[3]	10.1
Measured & Indicated	13.1[4]	13.1
Inferred	2.3[4]	2.3
Safety		
(Lost Time Injury Frequency Rate)	0.69	1.25

(1) results now reflect adoption of IFRIC 20 (refer to Note 3 of the financial statements for further details).
(2) excluding fuel subsidy (full international price), this has been presented for comparative purposes to reflect the fuel price differential had the prepayments been expensed during the year (refer to Note 6 of the financial statements for further details).
(3) inclusive of 262,828 ounces produced since 31 December 2011.
(4) inclusive of 321,565 ounces produced since 30 September 2011.

Centamin at a Glance

Our performance versus our peer group is built upon these competitive differentiators.

Overview – What Sets Us Apart

1. Rapid Growth

In 2012 Centamin achieved increased gold production of 262,828oz (2011: 202,699oz) and solid earnings of US18.27 cents per share (2011: US17.90 cents per share), despite the inclusion of an exceptional provision against prepayments recorded in Q4 to reflect the removal of fuel subsidies which occurred in January 2012 (refer to Note 6 of the Financial Statements). Our aim is to ramp up production at Sukari to 450-500,000 ounces of gold per annum from 2015 onwards, at which level current reserves would support a mine life of more than 20 years. We are projecting a further rise in output during 2013 to 320,000oz at US$700 per ounce cash operating cost at international fuel prices, as robust open pit and underground productivity and grades continue. We are also projecting the US$325 million (including contingency) "Stage 4" plant expansion to double nameplate capacity from 5 to 10 million tonnes per annum (Mtpa) and to achieve full commissioning by the end of 2013.

2. Exploration Upside Potential

Centamin has a large resource and reserve base and this is expected to grow further in the coming years through the continued exploration of the Sukari Hill and surrounding 160km^2 Sukari tenement area. In particular, the underground mine and regional prospects offer significant potential to define further resources. In addition, exploration continues on our four exploration licences in northern Ethiopia.

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 US$220 million (2011: US$208 million) of Cash, Bullion, Gold Sales Receivables and Available-For-Sale Financial Assets on our balance sheet, and with strong cash flow generation, no debt and no hedging, Centamin is well positioned to benefit from continued high gold prices, an environment we expect for the foreseeable future. We have the financial flexibility to grow our business both organically as well as through strategic acquisitions in the Arabian-Nubian Shield and beyond.

Centamin at a Glance

What We Do

Our business spans the full mining value chain: from early stage exploration, through development and construction and into mining operations. Our focus is on projects that provide, or offer the potential for, significant growth and returns on investment. This is typified by our core operation, the Sukari Gold Mine in Egypt, which delivered 262,828 ounces of gold production in 2012, in excess of guidance and on track to ramp-up to 450-500,000 ounces from 2015 onwards. With reserves of circa-10 million ounces, Sukari has a projected mine life of over 20 years, with potential to increase further as exploration continues. Our company remains debt and hedge free with a strong cash position and is therefore well placed to fund further growth as suitable opportunities arise.

How We Do It

Operate

Our flagship project, the Sukari Gold Mine, is located in the Eastern Desert of Egypt, 700km from Cairo and 25km inland from the Red Sea. Production commenced in June 2009, making Sukari the first modern mine in a country which in ancient times was a highly prolific gold producer.

Develop

Production at Sukari has grown steadily since our maiden year of production in 2010, driven by a rapid expansion and optimisation programme. Completion of the "Stage 4" plant expansion by the end of 2013 will lay the foundations for consistent annual production of between 450,000 and 500,000 ounces of gold per annum from 2015 onwards.

Explore

Centamin has resources (inclusive of production since 30 September 2011) of 13.13 million ounces Measured and Indicated, and 2.3 million ounces Inferred, and reserves (inclusive of production since 31 December 2011) of 10.1 million ounces. Our exploration strategy is aimed at providing cost-effective opportunities for future growth, from two primary areas:

1. Growth at Sukari – resource expansion at the main Sukari Hill deposit and multiple other prospects on the 160km^2 tenement area.
2. Regional organic growth – exploration on our tenements outside of Sukari, currently represented by our interests in Ethiopia.

Acquire

Centamin is financially and technically well placed to evaluate opportunities for increased returns to shareholders through acquisition. The acquisition of Sheba Exploration (UK) plc (now Sheba Exploration Holdings Limited) in 2011 marked the Company's first step in its strategy to diversify geographically. In addition, Centamin currently has a 17% shareholding (13.6% at the end of 2012) in Nyota Minerals Ltd, which owns the Tulu Kapi advanced exploration project in Ethiopia.

Sustain

Our licence to operate is dependent upon the safety and health of our employees, good environmental stewardship, the wellbeing of the communities in which we operate, and adherence to best governance practices, from the earliest stages of exploration until mine closure.

Our Performance and Key Performance Indicators

2012 production of 262,828 ounces gold at unit cash operating costs of US$669 per ounce exceeded our target of 250,000oz at US$700 per ounce. The Group has a strong growth profile and a robust balance sheet and is well positioned among mid-tier gold producers to generate value for shareholders.

We monitor our performance in implementing our strategy with reference to the following key performance indicators ("KPIs"), applied on a Group wide basis.

Indicator			12 months ended 31 December 2012	12 months ended 31 December 2011
GOVERNANCE				
Health and Safety	Frequency rate per 200,000 man hours		0.69	1.25
PRODUCTIVITY				
Open Pit Ore Mined		'000t	6,377	6,306
Underground Ore Mined		'000t	394	212
Ore Processed		'000t	4,526	3,612
Gold Recovery		%	86.0	84.4
Gold Produced		Ounces	262,828	202,699
Revenue		US$'000	426,133	340,479
PROFITABILITY				
Cash Operating Cost of Production		US$ per ounce	669[2] / 530[3]	556[3]
Profit before tax[1, 3]		US$'000	231,712	193,993
Profit before tax and post exceptional[2]		US$'000	198,594	n/a
EPS[1,3]		Cents	21.31	17.90
EPS post exceptional item[2]		Cents	18.27	n/a
Cash generated from operations		US$'000	220,507	153,542

No changes have been made to the source of data or calculation methods used in the year.

(1) Results now reflect adoption of IFRIC 20 (restatement of 2011) and an exceptional provision against prepayments recorded in Q4 to reflect the removal of fuel subsidies which occurred in January 2012 (refer to Notes 3 and 6 respectively of the Financial Statements for further details). The provision had no impact on the 2011 results.

(2) Excluding fuel subsidy, (refer to Note 6 of the Financial Statements for further details).

(3) Including fuel subsidy, (refer to Note 6 of the Financial Statements for further details).

Improved Health and Safety performance is indicated by LTIFR of 0.69 (versus 1.25 in 2011). All HSE incidents are investigated and corrective actions are taken.

Open pit ore tonnes mined amounted to 6.4Mt, versus 6.3Mt in 2011. Production was hampered by industrial disputes and temporary disruptions to the fuel supply.

The underground mine delivered a total of 0.39Mt of ore at 8.96g/t from both stoping and development headings, compared with 0.21Mt at 13.51g/t in 2011. The expansion of the underground mine continued with the connection of the new "Ptah" decline into the primary ventilation circuit.

Ore processed had a record year of 4.5Mt, versus 3.6Mt in 2011. Nameplate capacity of 5Mtpa was achieved regularly throughout the year, although plant availability was hampered by stoppages due to industrial disputes and temporary disruptions to the fuel supply.

Gold recovery rates increased to 86.0%, from 84.4% in 2011. The higher gold recovery was realised due to tighter operating parameters and increased circuit stability. Circuit optimisation planning is ongoing to improve the recovery rates.

Gold produced amounted to 262,828 ounces, versus 202,699oz in 2011, which was above guidance of 250,000 ounces. The increase is due to improved mill throughput, higher plant feed grades and increased plant recovery.

Revenue increased to US$426.1 million, from $340.5 million in 2011, due to increases in production and higher realised gold prices.

The cash operating cost of production was US$669 per ounce, versus US$556 per ounce in 2011. The increase is due to the inclusion of an exceptional provision against prepayments recorded in Q4 to reflect the removal of fuel subsidies which occurred in January 2012 which, if included, bring the like-for-like cash operating cost of production to US$530 per ounce, highlighting the success of the cost monitoring controls at Sukari.

Profit for the year of US$198.6 million increased in comparison to US$194.0 million in 2011 (which has also driven the increase in Earnings Per Share of 18.27 cents), despite the recognition of a provision against prepayments during Q4 to reflect the removal of the fuel subsidy, as a result of the increase in revenue and production.

On 30 October 2012, the Company was notified of the outcome of a court case brought by, amongst others, an independent member of the previous parliament, in which he argued for the nullification of the concession and exploitation permit that confers on the Group rights to operate in Egypt. The litigation is on-going and is described in more detail in Note 20 to the Financial Statements and in the most recently filed Annual Information Form ('AIF') which is available on SEDAR at www.sedar.com.

We strive to set an example of a socially responsible industry through adopting a good neighbour policy.

Our growth strategy seeks to optimise exposure through the mining value chain: exploration, development and operations. Whilst disciplined and sustainable growth on our existing projects remains a key focus, we continue to evaluate potential opportunities to grow through the acquisition of projects which offer the potential for the Company to realise strong investment returns.

2013 will mark the year when the Stage 4 plant expansion is commissioned, the Sukari project concludes its investment phase and our annual capital expenditure requirements for the mine begin to reduce significantly.

Based on the Company's calculation there was no 'Net Profit Share' due to EMRA as at 30 June 2012, nor is any likely to be due as at 30 June 2013. Furthermore, it is expected that there will be profit share due to EMRA for the SGM financial year ending 30 June 2014, based on production, gold price and operating expense forecasts. Following discussions with EMRA and with a view to demonstrating goodwill toward the Egyptian government, an advance payment has been made subsequent to year end to the value of US$8.2 million.

Maintaining our Social License

Maintaining good community relations is a core part of our operational strategy and corporate governance standards. As the first mining company in Egypt in modern times, we strive to set an example of a socially responsible industry through adopting a good neighbour policy. We take every action to ensure Sukari has the minimum impact on the social environment, as well as to deliver positive benefits to Egypt and the community as a result of our investment.

In 2012 we nurtured dialogue, maintained open channels of communication and built positive and constructive relations with all our stakeholders including the community in areas in which we operate. The Board approved principles and strategies for the pursuit of corporate sustainable development (CSD) initiatives.

Our work force is remunerated well above the average for Egypt and our career development programmes are highly valued. In general we enjoy a very positive and constructive relationship with our employees. Unfortunately, however, we had two strikes at Sukari during the year. The first was a legal strike and was settled on the basis of a broad and above-inflation increase in employee allowance payments. The second strike was illegal, involving only a small element of our work force, and was settled with no pay increases and with the help of the Ministry of Labour. These disputes are set against a background of multiple and prolonged industrial disputes in many quarters of the Egyptian economy.

Strategic Review

Targets for 2013

For the year 2013, we project production of 320,000 ounces at a cash operating cost of US$700 per ounce, at international fuel prices, which will mark the third year of successive growth in output from Sukari, and another step on the way to our long-term target for the project of 450-500,000 ounces per annum from 2015 onwards at an industry-competitive cost of production. The key drivers of production growth this year will be a continued period of elevated head grades from both the open pit and underground mines and increasing the underground ore tonnes mined to 500,000t, as well as commissioning of the Stage 4 plant expansion to double the processing plant's nameplate capacity to 10 million tonnes per annum.

Although construction of Stage 4 was steady during the first half of 2012, the second half saw an impact from strikes at Sukari, in some of the ports and at some of the local Egyptian suppliers, as well as temporary disruptions to the operation's fuel supply and gold exports, hence our in-country working capital position. This translated to delivery delays for key items, materials and services and thus a delay to the anticipated commissioning of the expanded plant, the bulk of which is now expected to commence in the second half of 2013 and with completion before the end of the year. As part of the implementation of Stage 4 the Company is in discussions with EMRA and other government departments in relation to securing the necessary permits to increase daily ammonium nitrate ("AN") consumption and blasting accessories in order to increase open pit mining rates to the required level to feed the expanded plant. This process is expected to be completed during the year.

The capital expenditure programme for 2013 has two key focus areas: completion of the Stage 4 plant expansion and the on-going development of the underground mine. The total Stage 4 capital expenditure estimate is US$325 million including contingency, with US$228.5 million spent by the end of 2012 and the bulk of the remaining capital expenditure due in 2013. The budget for the underground expansion is US$20 million and will take the new decline ("Ptah") to its target depth below the existing area of operation. Underground drilling will continue to test the potential for significant resource and reserve expansion and the development of multiple production sources.

Legal Actions

Concession Agreement Court Case

On 30 October 2012, the Administrative Court in Egypt handed down a judgment in relation to a claim brought by, amongst others, an independent member of the previous parliament, in which he argued for the nullification of the agreement that confers on the Group rights to operate in Egypt. This agreement, the Concession Agreement, was entered into between the Arab Republic of Egypt, the Egyptian Mineral Resources Authority ("EMRA") and Centamin's wholly owned subsidiary Pharaoh Gold Mines ("PGM"), and was approved by the People's Assembly as Law 222 of 1994.

In summary that judgment states that, although the Concession Agreement itself remains valid and in force, sufficient evidence had not been submitted to Court in order to demonstrate that the 160km^2 "exploitation lease" between PGM and EMRA had received approval from the relevant Minister as required by the terms of the Concession Agreement. Accordingly, the Court found that the exploitation lease in respect of the area of 160km^2 was not valid although it stated that there was in existence such a lease in respect of an area of 3km^2. Centamin, however, is in possession of the executed original lease documentation which clearly shows that the 160km^2 exploitation lease was approved by the Minister of Petroleum and Mineral Resources. It appears that an executed original document was not supplied to the Court.

Upon notification of the judgment the Group took various steps to protect its ability to continue to operate the mine at Sukari. These included both lodging a formal appeal before the Supreme Administrative Court on 26 November 2012 and, in the first instance, lodging an "Objection to Enforcement" in respect of the original ruling with the Civil Court on 31 October 2012, which had the effect of "staying" (postponing) implementation for an initial period. In addition, in conjunction with the formal appeal the Group applied to the Supreme Administrative Court to suspend the initial decision until such time as the Court is able to consider and rule on the merits of the appeal. On 20 March 2013, the Court upheld this application thus suspending the initial decision and providing assurance that normal operations will be able to continue whilst the appeal process is underway.

EMRA lodged its own appeal in relation to this matter on 27 November 2012, the day after the Company's appeal was lodged. Furthermore, in late December 2012, the Minister of Petroleum lodged a supporting appeal and shortly thereafter publicly indicated that, in his view, the terms of the Concession Agreement were fair and that the exploitation lease was valid. The Minister of Petroleum also expressed support for the investment and expertise that Centamin brings to the country. We believe this demonstrates the government's commitment to our investment at Sukari and the desire to stimulate further investment in the Egyptian mining industry.

We do not yet know when the appeal will conclude, although are aware of the potential for the process in Egypt to be lengthy. The Company has taken extensive legal advice on the merits of its appeal from two leading Egyptian law firms who have confirmed that the proper steps were followed with regard to the grant of the 160km^2 exploitation lease. We therefore remain of the view that the appeal is based on strong legal grounds and will ultimately be successful. In the event that the appellate court fails to be persuaded of the merits of the case put forward by the Group, the operations at Sukari may be adversely effected to the extent that the Company's operation exceeded the exploitation lease area of 3km^2 referred to in the original court decision.

The Company remains confident that normal operations at Sukari will be maintained whilst the appeal process is underway.

Diesel Fuel Court Case

In January 2012, the Group received a letter from Chevron to the effect that Chevron would only be able to supply Diesel Fuel Oil ("DFO") to the mine at Sukari at international prices rather than at local subsidised prices, which had the effect of adding approximately US$150 per ounce to the cost of production. It is understood that the reason that this letter was issued was that Chevron had received a letter instructing it to do so from the Egyptian General Petroleum Corporation ("EGPC"). It is further understood that EGPC itself issued this instruction because it had received legal advice from the Legal Advice Department of the Council of State (an internal government advisory department) that the companies operating in the gold mining sector in Egypt were not entitled to such subsidies. In November, the Group received a further demand from Chevron for the repayment of fuel subsidies received during the period from late 2009 through to January 2012, amounting to EGP403 million (approximately US$60 million at current exchange rates).

The Group has taken detailed legal advice on this matter (and, in particular, on the opinion given by Legal Advice Department of the Council of State) and in June 2012 lodged an appeal against EGPC's decision in the Administrative Courts. Again, the Group believes that its grounds for appeal are strong and that there is a good prospect of success. However, as a practical matter, and in order to ensure the continuation of supply whilst the matter is resolved, the Group has since January advanced funds to our fuel supplier, Chevron, based on the international price for fuel.

As at the date of this document, no decision had been taken by the courts regarding this matter. The Group remains of the view that an instant move to international fuel prices is not a reasonable outcome and will look to recover funds advanced thus far should the court proceeding be successfully concluded. However, management recognises the practical difficulties associated with re-claiming funds from the government and for this reason have fully provided against the prepayment of US$41.4 million, as an exceptional item. Refer to Note 6 of the Financial Statements for further details on the impact of this exceptional provision on the Group's results for 2012.

No provision has been made in respect of the historic subsidies prior to January 2012 as, based on legal advice, the Company believes that the prospects of a court finding in its favour in relation to this matter remain very strong.

Chairman's Statement

2012 represented the third full year of production at Sukari, a period in which your company further extended its track record of successive annual production growth.

Dear Shareholders

2012 represented the third full year of production at Sukari, a period in which your company further extended its track record of successive annual production growth. The operation delivered a record 262,828 ounces of gold at a cash cost of production of US$669 per ounce, which was ahead of guidance of 250,000 ounces at US$700 per ounce (with fuel at international prices) set out at the beginning of the year. The operating team in Egypt deserve immense credit for this performance in a year where challenges were again presented and overcome. The ability to perform well in all circumstances is key to a successful operation, particularly one that is growing as rapidly as Sukari, and shareholders should take comfort from the team's demonstrated ability to deliver growth, whilst maintaining a strong emphasis on rigorous cost control.

Sukari's safety performance was also a significant improvement on the previous year with a lost time injury frequency rate of 0.69 per 200,000 man-hours achieved during the period. It was again pleasing to note that no significant environmental incidents have taken place.

The Stage 4 expansion to double the processing plant's nameplate capacity to 10 million tonnes per annum is the key to the next stage of output growth and delivery of our stated long-term production target for Sukari of 450-500,000 ounces per annum from 2015 onwards. The construction team made great inroads through 2012 on what is a major construction effort, which continued to be funded out of the proceeds of production at Sukari. Although construction was steady during the first half of the year, the second half saw an impact from strikes, both at Sukari and within the local supply chain, and also disruptions to gold exports and hence our in-country working capital position. This translated to delivery delays for key items, materials and services, with the effect that the bulk of commissioning will commence in the second half of 2013 and be complete before year end. The capital cost estimate of the Stage 4 expansion which is funded by PGM out of cost recoveries, is US$325 million including contingency, with expenditure at the end of 2012 of US$228.5 million.

Production growth was complemented by continued drilling of Sukari Hill from both surface and underground, with the aim of replenishing and increasing the resource and reserve base, and an update resource and reserve statement will be delivered in the second half of 2013. The expanding underground development in particular provides increasing drilling access to the northern and depth extents of the deposit.

Exploration activities continued on the seven other prospects in the 160km^2 Sukari exploitation lease within trucking distance of the Sukari plant. The first significant signs of low grade porphyry away from Sukari Hill were identified at the V-Shear prospect and work continues to determine the extents and controls on this mineralisation. Elsewhere, on-going drilling at the Kurdeman prospect offers the potential to fast-track high grade ore to supplement the existing underground production. Further regional drilling of the Sukari licence is planned for 2013.

Drilling in Ethiopia continued on our four exploration licences in the north of the country. Centamin intends to continue to grow and diversify its project pipeline through targeted acquisitions of exploration and development prospects in the region and beyond.

Despite the negative effect of having to pay higher costs for fuel for much of 2012, costs that were incurred as direct consequence of a decision taken by EGPC, which we are robustly contesting in Court, financially, our position remains strong with approximately US$220 million held in cash, bullion, gold sales receivables and available-for-sale financial assets, no debt and no hedging. With revenues of US$426 million and a profit for the year of US$199 million, Sukari continued to demonstrate in 2012 that it remains highly cash generative and well placed to fund its growth from cost recoveries. We have exited the year as we had planned with a strong cash position and having made a significant investment and progress toward completing Stage 4. Completion of Stage 4 will mark the end of a major expansion and investment programme at Sukari.

Our appeal against the 30 October 2012 ruling by the Egyptian Administrative Court, which we believe is based on an incorrect assertion that there was a lack of evidence with respect to our exploitation lease at Sukari, remains on-going. Very importantly on 20 March 2013 the Supreme Administrative Court approved our application to suspend enforcement of the 30 October ruling until the conclusion of the appeal process and this will allow operations at Sukari to continue whilst the court process runs its course. We have full confidence in our legal title and our appeal case and also highlight the separate supporting appeals lodged by the Ministry of Petroleum and the Egyptian Mineral Resource Authority (EMRA). It is our belief that this re-enforces the government's publicly-stated view that the terms of our Concession Agreement are fair and that Centamin's continued investment and operation at Sukari are both necessary and welcome. I would like to thank the Minister of Petroleum and EMRA for standing by us throughout the year and I look forward to the continued co-operation as we deliver on our stated goals.

I would like to close by thanking all those at Sukari, in Alexandria, London, Jersey and Perth for their efforts in 2012 as Centamin continued on its journey to becoming an established gold producer. In a year where there were many events that required your board's attention it was a year that the depth, professionalism and dedication of your Non-Executive Directors came to the fore. I would like to thank deeply the Board for their counsel.

Despite and because of the challenges that we have faced in 2012, your company remains well positioned to deliver outstanding growth and shareholder returns in the coming years. I look forward to updating you further over the course of 2013 either at our AGM, which this year will be held in Jersey on 23 May, or at our presentation to shareholders that will be held in London on 16 May.

Josef El-Raghy

Chairman

Financial Highlights

Set out in the table below are the financial highlights for the year ending 31 December 2012 and for immediately preceding year ending 31 December 2011.

(US$'000)	Year ended 31 December 2012	Year ended 31 December 2011	Percentage Change
Revenue[1]	426,133	340,479	25%
Profit before tax[3]	198,594	193,993	2%
Basic EPS (cents per share)[3]	18.27	17.90	2%
Diluted EPS (cents per share)[3]	18.26	17.88	2%
EBITDA[3]	233,333	211,347	10%
Net cash generated from operations[3]	220,507	153,542	44%
Cash and cash equivalents	147,133	164,231	(10)%
Group production (ounces)	262,828	202,699	30%
Attributable sales (ounces)	254,959	214,763	19%
Group cash operating costs per ounce (US$)[2,3]	669	556	(20)%
Total assets (US$'000)[4]	1,084,956	846,572	28%

(1) See total revenue which is analysed in Note 5 of the Financial Statements.

(2) 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 39 of this report.

(3) Results now reflect adoption of IFRIC 20 (restatement of 2011) and an exceptional provision against prepayments recorded in Q4 to reflect the removal of fuel subsidies which occurred in January 2012, refer to Notes 3 and 6 respectively of the Financial Statements for further details. The provision had no impact on the 2011 results.

(4) The Group has no non-current financial liabilities in 2012 and 2011.

Revenues from gold and silver sales amounted to US$426.1 million, a 25% increase on $340.5 million in 2011. This was mainly driven by a 19% increase in the volume of gold sold as well as higher realised prices.

Profit before tax of US$198.6 million was 2% higher compared to 2011, driven by the increase in revenue offset by the inclusion of an exceptional provision against prepayments recorded in Q4 to reflect the removal of fuel subsidies which occurred in January 2012. Similarly, Earnings Per Share (EPS) increased against 2011 to US18.27 cents.

EBITDA (earnings before interest, taxes, depreciation and amortisation), excluding fuel subsidies, of US$233.3 million reflected a 10% increase year-on-year from US$211.3 million in 2011, reflecting the strength of operations. The Sukari operation's strong cash generation was also reflected in a 44% increase in "net cash generated by operations" of US$220.5 million.

Cash and equivalents decreased by 10% to US$147.1 million due to an increase in acquisition of property, plant and equipment; mainly a result of the Stage 4 expansion.

The cash operating cost of production was US$669 per ounce, versus US$556 per ounce in 2011. The increase is due to the inclusion of an exceptional provision recorded in Q4 to reflect the removal of fuel subsidies which occurred in January 2012 which, if included, bring the like-for-like cash operating cost of production to US$530 per ounce, highlighting the success of the cost monitoring controls at Sukari.

EPS serves as an indicator of profitability, being used in determining the share price and value of companies, and are calculated as the net profit divided by the weighted average of the number of Ordinary Shares issued. 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. EBITDA is the net profit or loss for the period excluding income tax cost, finance cost, finance income and depreciation and amortization and is a gauge of the Group's ability to generate operating cash flow to fund its working capital needs and capital expenditures. The cash cost of production is calculated by dividing the aggregate of production cash costs by attributed gold ounces produced. For further information and a detailed reconciliation, please see page 39 of this report.

Operational and Exploration Review

Centamin intends to continue to grow and diversify its project pipeline through targeted acquisitions of exploration and development prospects in the region and beyond.

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 2012, production from Sukari was 262,828 ounces (2011: 202,699 ounces) of gold at an operating cash cost of US$669 per ounce.

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.

Construction of the Stage 4 expansion was steady during the first half of the year, although the second half saw some delays, meaning that, whilst some commissioning activities will still begin in Q1 2013, we now anticipate the bulk of commissioning to commence in the second half of 2013, versus the previously-expected Q2, with completion before year end. The capital cost of the Stage 4 expansion which is funded by PGM out of cost recoveries, is US$325 million including contingency, with expenditure to date of US$228.5 million.

Our exploration team at Sukari focused on identifying high grade mineralization from both the underground mine and other prospects in the wider Sukari tenement area. An update resource and reserve statement will be delivered in the second half of 2013.

Centamin continued exploration on its tenements in northern Ethiopia where exploration drilling commenced in the first half of 2012. Centamin intends to continue to grow and diversify its project pipeline through targeted acquisitions of exploration and development prospects in the region and beyond.

Operational and Exploration Review

EGYPT – SUKARI GOLD MINE

Health and Safety

The Lost Injury Time (LTI) incident rate for 2012 was 0.69 per 200,000 man-hours (2011: 1.25 per 200,000 man-hours), with a total of 5,819,877 man hours worked during 2012 (2011: 4,312,043). 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.

Open Pit Mining

During 2012, open pit mine development has continued to access the higher grade sulphide zones with improving production rates. A total of 6.4Mt of ore at 1.04g/t Au was mined for the period from Stage 1 and 2 of the open pit at an average waste to ore ratio of 2.9:1. Mining was primarily from the Stage 2 area which progressed down to the 1016 Reduced Level (RL). Mining also progressed in the Stage 3 pit area of Gazelle in preparation for large scale load and haul activities to commence in 2013 and the first large face shovel commenced in the Stage 3 Eastern Hills area.

Underground Mining

The underground mine delivered a total of 393,569t of ore at 8.96g/t from both stoping and development headings. The development of both the Amun and Ptah declines continued and over 10,000 metres of total development have been completed to date.

Development advanced a total of 2,924 metres in 2012, of which 2,532m were driven through ore. The project development total to date is 10,248m, of which 5,414m were through ore.

The Amun decline, which is under the current open pit workings, reached the 814 level, 263m below the "portal wadi" area. Ore development has been mined on the 905, 890, 875, 870, 860, 850, 845, 830 and 815 levels. Stoping was completed on the 920 level, continued on the 905 and 890 levels and commenced on the 875 level. Broken stope ore is removed with a conventional bogger until the brow is open and then a teleremote bogging system is employed. Stoping has broken 157,000 tonnes for the year, with development contributing 196,000 tonnes.

The expansion of the underground mine continued with the connection of the Ptah decline into the primary ventilation circuit. The first phase of development of the Ptah decline is schedule to be completed mid-2013, with diamond drilling commencing in the first quarter 2013. This secondary decline will provide both 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 at least two separate underground production areas and also potentially increase the current production rates.

9,500m of grade control drilling was completed for a project total of 18,000m. Deeper exploration drilling was completed from the Amun decline on the 895 level, the rig moving to 860S3 to explore the porphyry at lower depths. A second rig commenced drilling deep holes to the south of the current Horus zone from the 850 level.

Processing

The Sukari plant processed 4.5Mt in 2012, a 25% increase on 2011 (3.6Mt). Industrial disputes affected availability during the first and third quarters although the nameplate rate of 5Mtpa was achieved in the second and fourth quarters. Productivity of the processing plant averaged 656tph for the year, 5% above the nameplate design rate of 625tph, as the operations team continued to optimise availability and throughput.

Metallurgical recoveries were 86.0% for the year, a 0.7% increase on 2011. Tighter operational controls and improved circuit stability resulted in the recovery steadily increasing throughout the year to 87.7% in the fourth quarter. Whilst operational improvements continue to have some impact, recoveries are expected to remain consistent until the new carbon regeneration kiln is commissioned in 2013.

The dump leach operation produced 6,686oz in 2012, which was a significant decrease from 2011. With the increase in process plant productivity, dump leach volumes pumped back to the CIL circuit were reduced to minimise the impact on recoveries. It is expected that dump leach gold production will increase in early 2013 and return to planned levels when the new carbon regeneration kiln is commissioned. To date 5.94Mt of low grade oxide ore have been delivered to the pads at a grade of 0.51g/t.

Stage 4 Expansion

The Stage 4 expansion programme continued throughout 2012, having commenced in late 2011. During the second half of the year there was an impact from strikes at Sukari, in some of the ports and at some of the local Egyptian suppliers, as well as temporary disruptions to the operation's fuel supply and gold exports, hence our in-country working capital position. This translated to delivery delays for key items, materials and services and thus a delay to the anticipated commissioning of the expanded plant, the bulk of which is now expected to commence in the second half of 2013 and with completion before the end of the year.

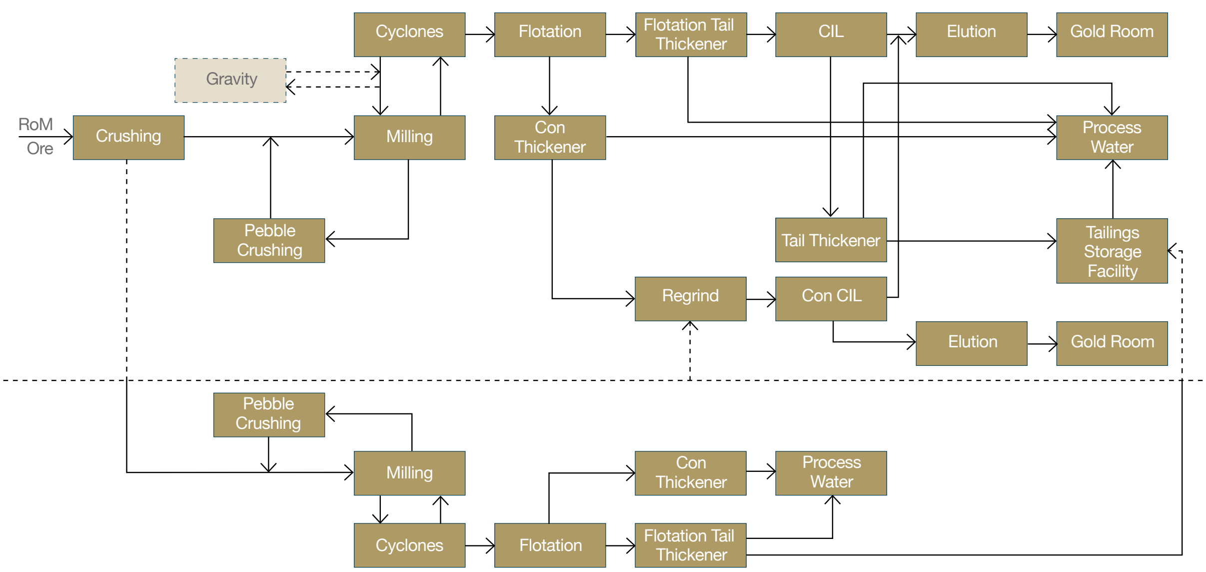
The capital cost of the Stage 4 expansion which is funded by PGM out of cost recoveries (refer to note on page 25), is US$325 million including contingency, with expenditure to date of US$228.5 million.

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 P_{80} 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 3 Processing (Existing Plant)



Stage 4 Expansion

Operational and Exploration Review

Exploration Activities

Growth of Sukari Hill

The main focus of exploration to date has been on the Sukari Hill porphyry. Surface drilling in 2012 continued north through the Ra and Gazelle zones and into the northern Pharaoh zone. Underground drilling was progressively stepped-up during the year as new development provided improved access from below surface to test potential high grade extensions of the deposit. The ore body has not yet been closed off by drilling to the north, or at depth.

Further exploration of the Sukari deposit will take place during 2013, predominantly from both the Amun and Ptah declines and an update resource and reserve statement will be delivered in the second half of 2013.

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).

(5) Proven and Probable ore reserves are included in mineral resources.

(6) Figures in the table may not add correctly due to rounding and include 321,565 ounces that have been produced since 30 September 2011.

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 per ounce.

(3) Ultimate Open Pit design has a waste to ore ratio of 5.6:1.

(4) Announced 15 September 2010 at US$900 per ounce Au.

(5) Figures in the table may not add correctly due to rounding and include 262,828 ounces that have been produced since 31 December 2011.

Regional Exploration

The second pillar of Centamin's growth strategy is regional exploration. Seven other prospects besides Sukari Hill have been identified on the 160km^2 Sukari tenement area and exploration is being conducted under the principle that ore from these prospects would be trucked 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 2012. The first significant signs of low grade porphyry away from Sukari Hill were identified at the V-Shear prospect. On-going drilling to the south at the Kurdeman prospect offers the potential to fast-track near surface high grade ore to supplement the existing production. Further regional drilling of the Sukari licence is planned for 2013.

A gravity survey, aimed at targeting and defining porphyries beneath the wadi sediments, was completed in late 2012 with results due in early 2013.

ETHIOPIA

Growth Beyond Sukari

The third pillar of Centamin's strategy is growth beyond Sukari. Centamin continued exploration on its four tenements in northern Ethiopia where drilling commenced in the first half of 2012. Results to date have confirmed the presence of mineralisation and follow-up drilling continues.

In February 2012, Centamin participated in an equity capital raising by Nyota Minerals Ltd ("Nyota"), which owns the Tulu Kapi advanced exploration project in Ethiopia. The investment of US$6.4 million took Centamin's ownership to 14%. Subsequent to year end, Centamin acquired a further interest in Nyota for US$1.2 million, bringing our total ownership to 17%.

We will continue to grow and diversify our asset base through targeted acquisitions in this region and beyond in the coming years.

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, through its subsidiary, Viking Resources Limited. The Company has not been informed of any mining of the tenement to date.

COMPETENT PERSONS STATEMENT

Information of a scientific or technical nature in this document was prepared under the supervision of Andrew Pardey, BSc. Geology, Chief Operating Officer of Centamin plc and a qualified person under the Canadian National Instrument 43-101.

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.

2006 – 2013: The Path Through Sukari's Investment Phase

2006

April 2006: Sukari resource rose to 3.56Moz Measured & Indicated, and 2.2Moz Inferred

October 2006: Centamin acquired Kori Kollo processing plant from Newmont Mining for US$11 million

2007

February 2007: Centamin approved the Feasibility Study for Sukari

April 2007: Centamin listed on the Toronto Stock Exchange

Q2 2007: The Egyptian Environmental Affairs Agency approves the Sukari project and construction began

September 2007: Sukari resource rose to 7.46Moz Measured & Indicated, and 3.7Moz Inferred

2008

February 2008: Centamin discovered a new high grade zone below Amun deeps

2009

February 2009: Blasting and mining activities commence

April 2009: Sukari reserves rose to 6.4Moz (from 3.7Moz)

June 2009: First gold bar poured at Sukari

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

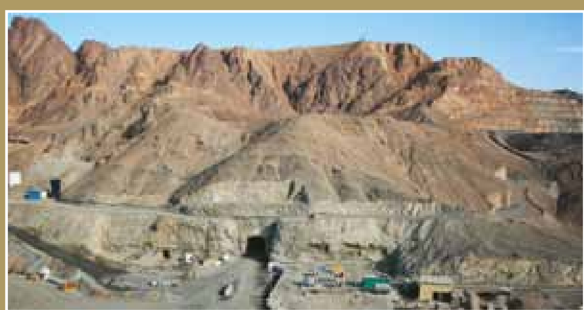
2010

January 2010: Gold exports from Sukari commenced

April 2010: The start of commercial production at Sukari

June 2010: Centamin became a constituent of the FTSE250 index

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



2011

May 2011: Commissioning of "Stage 3" plant expansion to 5 million tonnes per annum (from 4Mtpa)

July 2011: Centamin acquired Sheba Exploration to diversify exploration into Ethiopia

Q2 2011: Sukari underground began production. Stage 4 plant expansion to 10Mtpa approved

December 2011: Centamin delivered 202,699 ounces of gold in its second year of production. Sukari reserves rose above 10Moz

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

2012

May 2012: Optimised open pit mine plan released

December 2012: Centamin delivered 262,828 ounces of gold in its third year of production

2013 (forecast by year end)

Investment phase of project concludes as 'Profit Share' with EMRA commences

Stage 4 commissioned. Updated Resource and Reserve statement is delivered

Centamin projected to deliver another step-up in output in its fourth year of production to 320,000 ounces

Management Discussion & Analysis
and Business Review

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.

The following Management's 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 consolidated financial statements for the quarter and year ended 31 December 2012 and related notes thereto, which statements were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). For more information see 'Basis of preparation' in Note 1 to the audited consolidated financial statements for the year ended 31 December 2012.

The effective date of this report is 27 March 2013.

For further information relating to the Company, including information about mineral resources and reserves, reference should be made to its public filings (including its most recently filed AIF) which are available on SEDAR at www.sedar.com. Information is also available on the Company's website at www.centamin.com.

All amounts in this MD&A are expressed in United States dollars unless otherwise identified.

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.

OVERVIEW

Centamin is a mining company that has been actively exploring in Egypt since 1995. The principal asset of Centamin is its interest in the Sukari Gold Mine, located in the Eastern Desert of Egypt. The Sukari Gold Mine commenced construction in March 2007 with the first gold bar being produced on 26 June 2009. Sukari is the first modern large-scale mine in Egypt, a country which in ancient times was a prolific gold producer.

Optimal design throughput at the Sukari Gold Mine was achieved during December 2012 and the 'Stage 4' expansion program commenced in 2011 to target 450-500,000 production per annum from 2015.

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.

ACCOUNTING FOR SUKARI GOLD MINES

The operating company of Sukari, Sukari Gold Mines ("SGM"), is jointly owned by Pharaoh Gold Mines NL ("PGM") and the Egyptian Mineral Resource Authority ("EMRA") on a 50% equal basis. For accounting purposes, SGM is 100% proportional consolidated within the Centamin group of companies reflecting the substance and economic reality of the Concession. Pursuant to the Concession Agreement, the provisions of which are described more fully below, 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 the Arab Republic of Egypt ("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).

Since the commencement of commercial production on 1 April 2010, the cash flows generated by SGM through the sale of gold are used to fund the on-going operating expenses incurred in its own right and to fund the cost recovery due to PGM for exploration and exploitation capital costs at a rate of 33.3% of total accumulated cost per annum.

In return, on-going capital expenditure incurred in connection with the Sukari mine is funded solely by PGM out of cash flows received from SGM through the cost recovery process as described above.
The expenditure incurred by PGM in relation to Stage 4 will become recoverable once the infrastructure has been commissioned, which is currently planned at the end of 2013, at the rate of 33.3% of total accumulated cost per annum.

EMRA is entitled to a share of SGM's net production surplus "profit share" (defined as revenue less payment of the 3% production royalty to ARE and recoverable costs). Based on the Company's calculation there was no Net Profit Share due to EMRA as at 30 June 2012, nor is any likely to be due as at 30 June 2013. It is expected that there will be a net production surplus (revenue in excess of production royalty and cost recoveries) available for sharing between EMRA and PGM for the SGM financial year ending 30 June 2014 (SGM's accounting period is 1 July to 30 June) based on current gold prices, production forecasts and operating expenses. Any disruption to operations or reduction in gold price realised will delay this profit sharing. This expected profit sharing takes into account the costs incurred on paying for fuel at international prices. Any recovery of these prepayments, discussed in Note 20 to the Financial Statements, will result in further amounts to be shared between EMRA and PGM. Any payment made to EMRA pursuant to these provisions of the Concession Agreement will be recognised as a variable charge to the income statement of Centamin, which will lead to a reduction in the earnings per share.

Following discussions with EMRA, and with a view to demonstrating goodwill toward the Egyptian government, subsequent to year end, PGM has made an advance payment in relation to this likely 2014 profit share to the value of US$8.2 million and this advance payment will be netted off against any future profit share that becomes payable.

Separate accounts are prepared in respect of SGM. These are independently audited and certified by Egyptian certified accountants approved by EMRA. Any expected profit share payable to EMRA and PGM becomes payable on completion of the audit of the SGM accounts. Centamin will be working together with EMRA to ensure that these can be approved as soon as possible so that the profit share can be paid to EMRA and PGM. Centamin is looking forward to paying the first profit share to EMRA.

Management Discussion & Analysis and Business Review

HIGHLIGHTS FOR THE YEAR[(1) (2) (3)]

Centamin delivered strong operational and financial results in 2012, producing 262,828 ounces of gold (2011: 202,699 ounces) and generating profit after tax for the year of US$199 million (2011: US$194.0 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 third year of production, the Sukari Gold Mine is highly cash generative, providing EBITDA of US$233.3 million (2011: US$211.4 million), a 10% increase on 2011, and a robust cash and cash equivalents balance of US$147.1 million (2011: US$164.2 million) as at 31 December 2012. See Non-GAAP Financial Measures section for the definition of EBITDA.

2012 presented some operating environment challenges, however a solid second quarter and a record fourth quarter of production have shown that a substantially larger production profile is achievable for Sukari. This potential for production growth combined with the Group's reserves, a significant expansion programme, a solid financial position, and an experienced team means Centamin is well positioned for 2013, as is shown by the following:

- Basic earnings per share 18.27 cents, up 2% on prior year.
- Record EBITDA $233.3 million, up 10% on the prior year.
- Full year production was 262,828 ounces, a 30% increase on 2011 and above guidance of 250,000 ounces.
- Cash costs of production of US$669 per ounce (equivalent to US$530 per ounce versus US$556 per ounce in 2011 at subsidized fuel prices).
- Stage 4 plant expansion (to 10Mtpa) commissioning activities began in Q1 2013 with the new power station commissioned in January 2013 and new blowers and compressors to be commissioned in Q2 2013. The bulk of commissioning will commence, and be complete, in the second half of 2013. Expenditure to date is US$228.5 million of the total forecast US$325 million including contingency.
- Centamin remains debt-free and unhedged with cash, bullion on hand, gold sales receivable and available-for-sale financial assets of US$219.4 million as at 31 December 2012.
- Drilling continued at the V-Shear porphyry and commenced at the Kurdeman prospect.
- A gravity survey, aimed at targeting and defining porphyries beneath the wadi sediments was completed late in 2012 with results due in Q2 2013.
- Results in Ethiopia confirm the existence of low grade mineralisation, with drilling continuing.

During the year Centamin was involved in two separate court cases directly relevant to the operation of the mine at Sukari. The first of these was triggered by a decision taken by the Egyptian General Petroleum Company (EGPC) to charge international prices, not local (subsidised) prices for the supply of Diesel Fuel Oil ("DFO"). The second case saw a judgment by an Egyptian Administrative Court in relation to the validity of the Company's 160km^2 exploitation lease, although on 20 March 2013 the Supreme Administrative Court upheld the Company's application to suspend this decision until the merits of the Company's appeal are considered and ruled on, thus providing assurance that normal operations would be able to continue during this process. Both of these cases are described in detail elsewhere in this report (refer to Note 20 to the Financial Statements). Every action is being taken to contest the decisions, including the making of formal legal appeals and, although their resolution may take some time, we remain confident that a satisfactory outcome will ultimately be achieved. With respect to the DFO case, management however recognises the practical difficulties associated with re-claiming funds from the government and, for this reason, have fully provided against the prepayment of US$41.4 million as an exceptional item (refer to Note 6 to the Financial Statements). In the meantime the Group is continuing to pay international prices for DFO.

In addition the Group during the year received a demand from Chevron for the repayment of fuel subsidies received in the period from late 2009 through to January 2012, amounting to some US$60 million (EGP403 million). No provision has been made in respect of the historic subsidies prior to January 2012 as, based on legal advice that it has received to date, the Company believes that the prospects of a court finding in its favour in relation to this matter remain strong.

(1) Cash cost of Production, EBITDA and cash, bullion on hand and available-for-sale financial assets are non-GAAP measures. For further information and a detailed reconciliation, please see "Non-GAAP Financial Measures" section below.
(2) Basic EPS, EBITDA, Cash Costs of Production reported inclues an exceptional provision against prepayments recorded in Q4 to reflect the removal of fuel subsidies which occurred in January 2012 (refer to Note 6 of the Financial Statements for further details). The provision had no impact on the 2011 results.
(3) Historic Cash Cost of Production, EBITDA and Basic EPS now reflect adoption of IFRIC 20 (refer to Note 3 of the Financial Statements for further details).

OPERATIONAL REVIEW

Production

Sukari Gold Mine production summary:

		Year ended 31 Dec 2012	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Year ended 31 Dec 2011	Q4 2011
Ore Mined – Open Pit[1]	('000t)	6,377	1,905	1,653	1,816	1,003	6,306	1,988
Ore Grade Mined – Open Pit	(Au g/t)	1.04	1.15	1.00	1.07	0.83	1.07	1.12
Ore Grade Milled – Open Pit	(Au g/t)	1.35	1.56	1.34	1.19	1.21	NR	NR
Total Open Pit Material Mined	('000t)	25,108	6,740	6,970	6,579	4,819	21,248	7,701
Strip Ratio	(waste/ore)	2.9	2.5	3.2	2.6	3.8	2.34	2.9
Ore Mined – Underground Development	('000t)	203	63	40	53	47	172	45
Ore Mined - Underground Stopes	('000t)	190	49	53	63	25	40	25
Ore Grade Mined – Underground	(Au g/t)	8.96	9.76	9.01	8.68	8.11	13.51	13.31
Ore Processed	('000t)	4,526	1,233	1,004	1,269	1,020	3,612	1,066
Head Grade	(g/t)	2.04	2.31	2.10	1.99	1.69	1.91	2.02
Gold Recovery	(%)	86.0	87.7	86.7	84.3	85.0	85.30	84.0
Gold Produced - Dump Leach	(oz)	6,686	1,848	1,617	1,318	1,903	10,664	2,302
Gold Produced - Total[2]	(oz)	262,828	85,413	60,922	67,422	49,071	202,699	58,965
Cash Costs of Production[3] [4]	(US$/oz)	669	558	724	729	717	556	560
Open Pit Mining	(US$/oz)	199	163	243	250	203	NR	NR
Underground Mining	(US$/oz)	49	43	36	52	53	NR	NR
Processing	(US$/oz)	354	281	378	369	385	NR	NR
G&A	(US$/oz)	67	71	67	58	76	NR	NR
Gold Sold	(oz)	254,959	82,316	60,794	60,751	51,098	214,763	56,513
Average Realised Sales Price	(US$/oz)	1,667	1,697	1,680	1,599	1,683	1,555	1,666

Notes:-

(1) Ore mined includes 0kt delivered to the dump leach in Q4 2012 (11kt @ 0.48g/t in Q3 2012; 104kt @ 0.50g/t in Q2 2012; 264kt @ 0.42g/t in Q1 2012; 473kt @ 0.48g/t in Q4 2011; 977kt @ 0.55g/t in Q3 2011; 224kt @ 0.5g/t in Q2 2011 and 435kt @ 0.6g/t in Q1 2011). 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 costs exclude royalties, exploration and corporate administration expenditure. Cash cost is a non-GAAP financial performance measure with no standard meaning under GAAP. For further information and a detailed reconciliation, please see "Non-GAAP Financial Measures" section below.

(4) Historic Cash costs of Production now reflect adoption of IFRIC 20 and an exceptional provision against prepayments recorded in Q4 to reflect the removal of fuel subsidies which occurred in January 2012 (refer to Notes 3 and 6 respectively of the Financial Statements for further details). The historic cash costs have been presented for comparative purposes to reflect the fuel price differential had the prepayments been expensed during the year (refer to Note 6 of the Financial Statements for further details). The provision had no impact on the 2011 results.

NR – Not Reported.

Management Discussion & Analysis and Business Review

Centamin produced 262,828 ounces of gold in 2012, which is a 30% increase on 202,699 ounces in 2011. The higher year-on-year production was a result of: (a) a 25% increase in tonnes milled (to 4.5Mt) due to the improved plant productivity and availability, (b) an 18% increase in production from the underground due to improved underground mining contractor equipment availability, and (c) a 7% higher feed grade to the mills (2.04g/t in 2012 compared to 1.91g/t in 2011) as underground and open pit head grades increased in line with the budget.

Open Pit

The open pit delivered total material movement of 25,108kt for the year, an increase of 18% on the prior year, although impacted by stoppages in December due to a temporary disruption to the fuel supply.

Ore production from the open pit was 6.4Mt at 1.04g/t with an average head grade fed to the plant of 1.35g/t. The ROM ore stockpile balance increased by 1kt to 722kt by the end of the year. Mining was primarily from the Stage 2 area, with the completion of Stage 2A and Stage 2B down to the 1040RL and 1016RL respectively. In Stage 3 development work progressed in the Gazelle area and the new face shovel commenced in the Eastern Hills area of Stage 3.

Underground Mine

Ore production from the underground mine was 393kt. The ratio of ore from stoping versus development decreased during the year, with 52% of development ore (203kt) and 48% of stoping ore (190kt). Production from stoping was affected by the availability of the teleremote bogging system in quarters three and four, which was offset by increased ore deliveries from development as a result of an increased development effort.

A total of 2,934.8m of diamond drilling was completed for both short-term stope definition and underground resource development, of which 2,532m were driven through ore. The project development total to date is 10,248m, of which 5,414m were through ore.

Development of the Ptah Decline had reached the position of the first drill cuddy and was connected to the exhaust system by the end of 2012. The anticipated first-phase capital cost of the Ptah Decline is US$18 million, with expenditure to date of US$17.5 million, which will see the decline reach the first ore blocks to be developed below the middle of Sukari Hill. It is expected that this initial development work will be complete in early 2013.

Processing

The annual throughput in the Sukari plant was 4.5Mt in 2012, a 25% increase on 2011 (3.6Mt). Industrial disputes affected availability during the first and third quarters although the nameplate rate of 5Mtpa was achieved in the second and fourth quarters. Productivity of the processing plant averaged 656tph for the year, 5% above the nameplate design rate of 625tph, as the operations team continued to optimise availability and throughput.

Plant metallurgical recoveries were 86.0% in the year, a 1.0% increase on 2011. Tighter operational controls and improved circuit stability resulted in the recovery steadily increasing throughout the year. Whilst operational improvements continue to have some impact, recoveries are expected to remain consistent until the new carbon regeneration kiln is commissioned in 2013.

The dump leach operation produced 6,686oz in 2012, a 37% decrease from 2011.

Fuel Costs

In light of the on-going dispute with the Egyptian Government regarding the price at which Diesel Fuel Oil is supplied to the mine at Sukari, it has been necessary since January 2012 to advance funds to our fuel supplier, Chevron, based on the international price for diesel. Management however have fully provided against the prepayment of US$41.4 million, as an exceptional item, during Q4. Refer to Note 6 of the Financial Statements for further details on the impact of this exceptional provision on the Group's results for 2012. For comparative purposes, had these prepayments been expensed during the year, the fuel cost differential would have had the following impact on the cash costs: the cash costs for Q1 increased by US$108 to US$717 per ounce, Q2 increased by US$164 per ounce to US$729 per ounce, Q3 increased by US$185 to US$724 per ounce and Q4 increased by US$112 to US$558 per ounce.

As noted previously, the Company has commenced proceedings in the Administrative Court in Egypt in relation to this matter. The Company remains of the view that an instant move to international fuel prices is not a reasonable outcome and will look to recover any funds advanced thus far at the higher rate should the court proceedings be successfully concluded. Please refer to Note 20 to the Financial Statements and the most recently filed Annual Information Form ('AIF') for further information.

In addition the Group during the year received a demand from Chevron for the repayment of fuel subsidies received in the period from late 2009 through to January 2012, amounting to some US$60 million (EGP403 million). No provision has been made in respect of the historic subsidies prior to January 2012 as, based on legal advice that it has received to date, the Company believes that the prospects of a court finding in its favour in relation to this matter remain strong.

STAGE 4 EXPANSION

Construction continued on Stage 4 of the process plant expansion, which commenced in late 2011, which will expand Sukari nameplate capacity from 5Mtpa to 10Mtpa. The estimated capital cost of the Stage 4 expansion which is funded by PGM out of cost recoveries, is US$325 million including contingency, with expenditure to date of US$228.5 million.

Some unforeseen delays have meant that commissioning of the plant is now expected to commence in the second half of 2013 (previously the bulk of commissioning was expected in Q2 2013) and be complete by year end. These delays have been caused by:

- strikes at Sukari, in some of the ports and at some of the local suppliers, and
- suspension of operations at Sukari due to lack of fuel and a temporary prohibition of gold exports, resulting in delays for critical path items, materials and services.

Main Plant

Detail engineering of the main plant is complete and 85% of the mechanical equipment has now arrived on site. All major civil works have been completed, the erection of structural steel and installation of mechanical equipment is in progress. Procurement of electrical equipment, cables and instrumentation is proceeding and the piping contractor is mobilising to site. Installation of both sag and ball mills is in progress, however late arrival of structural steel is impacting on the schedule in this area.

Power Station

The fifth MAK engine has been installed, commissioned and is fully operational in the existing plant. The new Wartsila plant has been completed, load bank commissioned and is ready to operate, although the cables to the new plant still have to be installed.

Sea Water Pipeline

Excavation of the trench for the new pipeline has been completed. Welding and installation of the pipe is continuing, approximately 50% is complete. Construction of the booster station is proceeding with most of the civil work completed. Delivery of the intake and booster pumps is scheduled to take place in April and May.

Tailings Storage Facility

Construction of the embankment is 100% complete and installation of the HDPE liner has commenced.

New Primary Crusher

Excavation has been completed and construction of the crusher building is 20% complete. Some delays with cement deliveries have been experienced due to diesel shortages in Egypt.

Capital Expenditure

A breakdown of the major cost areas up to 31 December 2012 is as follows:

• Mining Equipment	US$34.9 million
• Processing Plant	US$115.5 million
• Power Plant	US$43.5 million
• Other	US$34.6 million
	US$228.5 million

Major contributors to the payments made in 2012 were as follows:

• Mining Equipment	US$28.9 million
• Processing Plant	US$85.2 million
• Power Plant	US$32.5 million
• Other	US$29.3 million
	US$ 175.9 million

Management Discussion & Analysis and Business Review

EXPLORATION UPDATE

Sukari Hill

Centamin has resources (inclusive of production since 30 September 2011) of 13.13 million ounces Measured and Indicated, and 2.3 million ounces Inferred, and reserves (inclusive of production since 31 December 2011) of 10.1 million ounces. Underground drilling was progressively stepped-up during the year as new development provided improved access from below surface to test potential high grade extensions of the deposit. The ore body has not yet been closed off by drilling to the north, or at depth. Further exploration of the Sukari deposit will take place during 2013, predominantly from both the Amun and Ptah declines.

We aim to provide an updated resource and reserve statement during the second half of 2013.

Regional Exploration

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 2012. The first significant signs of low grade porphyry away from Sukari Hill were identified at the V-Shear prospect. On-going drilling to the south at the Kurdeman prospect offers the potential to fast-track near surface high grade ore to supplement the existing production. Further regional drilling of the Sukari licence is planned for 2013.

A gravity survey, aimed at targeting and defining porphyries beneath the wadi sediments, was completed in late 2012 with results due in early 2013.

Growth Beyond Sukari

Centamin continued exploration on its four tenements in northern Ethiopia where drilling commenced in the first half of 2012. Results to date have confirmed the presence of mineralisation and follow-up drilling continues.

We will continue to grow and diversify our asset base through targeted acquisitions in this region and beyond in the coming years.

SELECTED ANNUAL FINANCIAL INFORMATION

The following table, which is reflective of an exceptional provision against prepayments recorded in Q4 to reflect the removal of fuel subsidies which occurred in January 2012 (refer to Note 6 of the Financial Statements), provides a guide to a summary of the financial results of the Group's operation for the years ended 31 December 2012, 2011 and the period ended 31 December 2010:

Summary of Financial Performance

		2012	2011*	2010 (4)	2012 vs 2011 US$	2012 vs 2011 %	2011 vs 2010 US$	2011 vs 2010 %
Revenue	US$'000	426,133	340,479	86,882	85,654	25	253,597	292
Profit before tax	US$'000	198,594	193,993	32,042	4,601	2	161,952	505
Basic EPS (cps) (2)	Cents	18.27	17.90	3.10	0.37	2	14.8	477
Diluted EPS (cps) (2)	Cents	18.26	17.88	3.09	0.38	2	14.79	479
EBITDA (3)	US$'000	233,333	211,347	52,782	21,986	10	158,565	300
Total assets	US$'000	1,084,956	846,572	640,832	238,384	28	205,740	32
Non-current liabilities	US$'000	5,544	2,630	2,624	2,914	111	6	1
Cash Dividend declared	Cents	-	-	-	-	-	-	-

(1) Results now reflect an exceptional provision against prepayments recorded in Q4 to reflect the removal of fuel subsidies which occurred in January 2012, refer to Note 6 of the Financial Statements for further details. The provision had no impact on the 2011 results.

(2) Calculated using weighted average number of shares outstanding under the basic method.

(3) EBITDA is a non-GAAP financial performance measure with no standard meaning under IFRS. For further information and a detailed reconciliation, see "Non-GAAP Financial Measures" section below.

(4) 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 its year end from June to December.

* The Group changed its accounting policy on production-phase stripping costs with effect from 1 January 2012. As a result, the 2011 results have been restated. Refer to Note 3 of the Financial Statements for further details.

Results of operations

The Group recorded net profit before tax for the year ended 31 December 2012 of US$198.6 million (2011: US$194.0 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 offset by the inclusion of an exceptional provision against prepayments recorded in Q4 to reflect the removal of the fuel subsidy which occurred in January 2012 (refer to Note 6 of the Financial Statements).

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Consolidated Statement of Comprehensive Income

	Year Ended 31 December		Change	
	2012[(1)] US$'000	2011* US$'000	US$'000	%
Revenue	426,133	340,479	85,654	25%
Cost of sales	(202,932)	(128,202)	(74,730)	58%
Gross profit	223,201	212,277	10,924	5%
Finance income	898	1,288	(390)	(30%)
Other operating costs	(25,505)	(19,572)	5,933	30%
Profit before tax	198,594	193,993	4,601	2%
Tax	444	-	444	100%
Profit for the period attributable to the Company	199,038	193,993	5,045	3%
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Profits/(Losses) on available for sale financial assets (net of tax)	(2,804)	(3,957)	1,153	(29%)
Other comprehensive income for the period	(2,804)	(3,957)	1,153	(29%)
Total comprehensive income attributable to the Company	**196,234**	**190,036**	**6,198**	**3%**
Earnings per share				
- Basic (cents per share)	18.27	17.90		
- Diluted (cents per share)	18.26	17.88		

(1) Results now reflect an exceptional provision against prepayments recorded in Q4 to reflect the removal of fuel subsidies which occurred in January 2012, refer to Note 6 of the Financial Statements for further details. The provision had no impact on the 2011 results.

* The Group changed its accounting policy on production-phase stripping costs with effect from 1 January 2012. As a result, the 2011 results have been restated. Refer to Note 3 of the Financial Statements for further details.

Revenue has increased by 25% to US$426.1 million, as a result of a 19% increase in gold sold to 254,959oz together with a 7% increase in the average gold price to US$1,667 per ounce.

Cost of sales has increased by 58% to S$202.9 million, as a result of:

(a) a 57% increase in mine production costs to US$176.7 million, primarily due to the inclusion of an exceptional provision in Q4 to reflect the removal of the fuel subsidy which occurred in January 2012 (including fuel subsidy mine production costs would have increased by 25% to US$140.1 million) and due to an increase in tonnes mined and milled,

(b) a 91% increase in depreciation and amortisation from US$18.6 million to US$35.6 million, a result of an increase in the underlying capitalised preproduction costs and mine development properties *offset* by:

(c) a US$9.4m credit for movement in production inventory a result of additions to stockpiles.

Finance income. The movements in finance income are in line with the movements in the Company's available cash and term deposit amounts.

Other comprehensive income has decreased by US$1.2 million to a US$2.8 million loss.

Other operating costs increased by 30% to US$25.5 million, as a result of:

(a) a US$4.6 million increase in net foreign exchange movements, offset by the inclusion of the 2011 executive bonuses,

(b) a provision in relation to the 2012 executive and senior management bonuses, together with, amongst other matters,

(c) additional costs associated with the new corporate head office, costs associated with the re-domicile, the ongoing litigation, and the share of loss of Associate.

Selected information from the consolidated statement of financial position and key financial ratios

	31 December 2012 US$'000	31 December 2011* US$'000	Change US$'000	%
Total current assets	282,971	268,436	14,535	5%
Total non-current assets	801,985	578,136	223,849	39%
Total assets	1,084,956	846,572	238,389	28%
Total current liabilities	59,568	25,670	33,898	132%
Total non-current liabilities	5,544	2,630	2,914	111%
Total liabilities	65,112	28,300	36,812	130%
Net assets and Total shareholders' equity	**1,019,844**	**818,272**	**201,572**	**25%**
Key financial ratios:				
Current ratio(1)	4.75	10.46		
Return on equity(2)	20%	23%		

* The Group changed its accounting policy on production-phase stripping costs with effect from 1 January 2012. As a result, the 2011 results have been restated. Refer to Note 3 of the Financial Statements for further details.

(1) Represents current assets divided by current liabilities and;

(2) Represents profit for the year attributable to the shareholders of the company divided by total shareholders' equity.

Current assets have increased by US$14.5 million to US$283 million, as a result of:

(a) a US$22 million increase in inventory to US$94.6 million. Stores inventory has increased by US$12.6 million to US$71.8 million in preparation for the increase of the processing nameplate capacity from 5 to 10Mtpa by the end of 2013. Mining stockpiles and ore in circuit inventory has increased by US$9.4 million to US$22.8 million, offset by:

(b) self-funding of the stage 4 expansion amounting to a cash outflow of US$160.7 million.

Non-current assets have increased by US$223.8 million or 39% to US$802 million, as a result of:

(a) exploration and evaluation assets have increased by US$14.6 million to US$45.7 million as a result of the drilling programs in Sukari Hill, the Sukari tenement area and Ethiopia,

(b) available-for-sale financial assets have increased by US$3.8 million to US$5.6 million as a result of an acquisition via a placement of 67 million shares in Nyota at GB£0.06 (US$0.10) per share amounting to US$6.4 million offset by the loss on fair value of the investment and loss on foreign exchange movement of US$2.8 million and US$0.2 million respectively, and

(c) a US$241.3 million increase in property, plant of equipment, mainly relating to the net capitalised work-in-progress costs of US$184.5 million, of which $175.9 million relates to the Stage 4 processing plant development and US$8.6 million relates to additional mining equipment, together with a US$56.6 million increase in mine development properties, offset by:

(d) a depreciation and amortisation charge of US$35.6 million.

Current liabilities have increased by US$33.9 million to US$59.6 million mainly driven by the rise in supply relating to higher production at the Group's Sukari Gold Mine and an increase in the accruals in relation to the Stage 4 processing plant development, together with the provision in relation to the 2012 executive and senior management bonuses.

Non-current liabilities reported during the period have increased by US$2.9 million as a result of:

(a) a US$2.7 million increase arising from a change in estimate of the future rehabilitation costs; and

(b) the unwinding of the discount on the provision for rehabilitation.

Issued capital increased by US$3.9 million to US$612.5 million as a result of the issue of forfeited shares under the Loan Funded Share Plans (LFSP).

Reserves reported have increased by US$1.5 million to US$3.5 million as result of the recognition of the share based payments.

Accumulated profits increased by US$196.2 million as a result of the increase in the profit for the year attributable to the shareholders of the Company of US$199 million offset by a US$2.8 million loss on available-for-sale financial assets.

Current ratio is calculated by dividing the current assets by the current liabilities. The decrease in the current ratio is a result of the increase in current liabilities driven by the rise in supply relating to higher production at the Sukari Gold Mine and an increase in the accruals in relation to the Stage 4 plant expansion development.

The return on equity ratio is calculated by dividing the profit for the year attributable to the shareholders of the company for the period (which includes an exceptional provision against prepayments recorded in Q4 to reflect the removal of fuel subsidies which occurred in January 2012) by total shareholders' equity and measures the return on ownership. The return on equity ratio showed a decrease from 23 for 2011 to 20 for 2012 as a result of the increase in the shareholders equity.

OFF-BALANCE SHEET ARRANGEMENTS

The Company had no off-balance sheet arrangements as of the date of this report.

OUTSTANDING SHARE INFORMATION

As at 27 March 2013, the Company had 1,101,397,381 fully paid ordinary shares issued and outstanding.

As at 27 March 2013	Number
Shares in Issue[1]	1,101,397,381
Options issued but not exercised	1,400,000
	1,102,797,381

(1) Includes Loan Funded Share Plans and Deferred Bonus Share Plan. Refer to Note 27 for further information.

Selected information from the consolidated statement of cash flows

	Year Ended 31 December		Change	
	2012 US$'000	2011* US$'000	US$'000	%
Net cash flows generated by operating activities	220,507	153,542	66,965	44%
Net cash flows used in investing activities	(243,818)	(147,830)	(95,988)	(65%)
Net cash flows generated by financing activities	3,357	3,492	(135)	(4%)
Net movement in cash and cash equivalents	(19,954)	9,204	(29,158)	(317%)
Cash and cash equivalents at the beginning of the financial period	164,231	154,338	9,893	6%
Effects of exchange rate changes	2,856	689	2,167	315%
Cash and cash equivalents at the end of the financial period	**147,133**	**164,231**	**(17,098)**	**(10%)**

* The Group changed its accounting policy on production-phase stripping costs with effect from 1 January 2012. As a result, the 2011 results have been restate (Refer to Note 3 of the Financial Statements for further details).

Net cash flows generated by operating activities comprise receipts from gold and silver sales and interest revenue, offset by operating and corporate administration costs. Cash flows have increased by US$67.0 million to US$220.5 million, primarily attributable to:

(a) an increase in revenue, due to higher gold sales volumes and a higher average realised price, and

(b) an increase in cash flows in relation to payables and prepayments, largely a result of the management of the settlement of trade payables in December 2012, both offset by

- a decrease in gross margins as a result of the removal of fuel subsidies in January 2012 and the payment of higher international fuel prices, and
- a decrease in cash flows in relation to receivables and inventories resulting from the ramping up of the Stage 4 processing plant development and the increase in stockpiles.

Net cash flows used in investing activities comprise exploration expenditure and capital development expenditures at Sukari including the acquisition of financial and mineral assets. Cash flows have decreased by US$96 million to US$243.8 million. The primary use of the funds during the year was for investment in capital work-in-progress in relation to the Stage 4 development. In addition cash used in the purchase of available-for-sale financial assets was US$6.4 million compared to US$17.4 million in 2011.

Net cash flows generated by financing activities comprise the exercising of shares issued under the Company's Loan Funded Share Plans ("LFSPs") and options under the Employee Share Option Plan ("ESOP") respectively.

Effects of exchange rate changes have increased by US$2.2 million as a result of the strong performance of the US$ to the Euro and A$.

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Quarterly Information

		Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Revenue	US'000	138.5	103.1	96.8	87.7	84.5	89.1	77.9	89.0
Profit before tax(1)	US'000	45.9	59.7	42.1	50.9	40.6	49.0	55.7	48.7
Basic EPS (cps)(1)	Cents	4.26	5.53	3.87	4.61	3.74	4.52	5.15	4.49
Diluted EPS (cps)(1)	Cents	4.26	5.52	3.87	4.61	3.73	4.52	5.14	4.49

(1) Profit before tax and Basic and Diluted EPS includes an exceptional provision against prepayments recorded in Q4 to reflect the removal of fuel subsidies which occurred in January 2012 (refer to Note 6 of the Financial Statements for further details).

The Company's results over the past several quarters have been driven primarily by fluctuations in gold price and increases in gold equivalent ounces produced. Additionally, increases in input costs and foreign exchange rates have impacted results.

During the fourth quarter of 2012, revenue increased to $138.5 million on gold equivalent ounces sold of 82,316 compared with revenue of $84.5 million on sales of 56,513 gold equivalent ounces during the fourth quarter of 2011. The average realized gold price per ounce in the fourth quarter of 2011 was $1,666 compared with the average realised gold price during this quarter of US$1,697 per ounce.

Cost of sales increased by 111% to US$79.5 million in the final quarter of 2012 versus US$37.6 million in the prior year, primarily as a result of the inclusion of an exceptional provision against prepayments recorded in Q4 to reflect the removal of the fuel subsidy which occurred in January 2012, together with higher input costs in areas such as energy and labour, as well as higher throughput.

Liquidity and capital resources

At 31 December 2012, the Group had cash and cash equivalents of US$147.1 million compared to US$164.2 million at 31 December 2011. The majority of funds have been invested in short term deposits. The decrease in cash position is primarily due to the payments in relation to the Stage 4 processing plant development together with the inclusion of an exceptional provision against prepayments to reflect the removal of fuel subsidies offset with increased production and favourable gold prices.

Centamin has a strong and flexible financial position with no debt, no hedging and cash, bullion, gold sales receivables and available-for-sale financial assets of US$219.4 million at 31 December 2012. Cash, bullion, gold sales receivables and available-for-sale financial assets is a non-GAAP financial measure and includes cash, bullion, gold sales receivable and available-for-sale financial assets.

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 ensuring 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, gold prices, timing of gold sales and the legal actions in relation to the Concession Agreement and Diesel Fuel matters.

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 the 2012 and the 2011 period.

The following is a summary of the Group's outstanding commitments as at 31 December 2012:

Payments due	Total US$'000	< 1 year US$'000	1 to 5 years US$'000	After 5 years US$'000
Operating lease commitments (Note 19)	865	319	486	60
Capital commitments (Note 19)	55,978	55,978	-	-
Total commitments	**56,843**	**56,297**	**486**	**60**

SEGMENT DISCLOSURE

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

SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

In the application of the Group's accounting policies, which are described in Note 3 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:

Litigation

The Group is currently a party to two legal actions both of which could affect its ability to operate the mine at Sukari in the manner in which it is currently operated and adversely affect its profitability. The details of this litigation, which relate to the loss of the Egyptian national subsidy for Diesel Fuel Oil and the ability of the Group to operate outside the area of 3km^2 determined by the Administrative Court of first instance to be the area of the Sukari exploitation lease, are available in Note 20 to the Financial Statements and in the most recently filed Annual Information Form ('AIF') which is available on SEDAR at www.sedar.com. Although it is possible to quantify the effects of the loss the national fuel subsidy, it is not currently possible to quantify with sufficient precision the effect of restricting operations to an area of 3km^2.

Every action is being taken to contest these decisions, including the making of formal legal appeals and, although their resolution may take some time, management remain confident that a satisfactory outcome will ultimately be achieved. In the meantime, however, the Group is continuing to pay international prices for Diesel Fuel Oil. With respect to the Administrative Court ruling, on 20 March 2013 the Supreme Administrative Court upheld the Company's application to suspend this decision until the merits of the Company's appeal are considered and ruled on, thus providing assurance that normal operations would be able to continue during this process.

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 judgment 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.

Management Discussion & Analysis and Business Review

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 of the Financial Statements).

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 judgment 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.

Production forecasts from the underground mine at Sukari are partly based on estimates regarding future resource and reserve growth. It is the opinion of management and Directors that these estimates are both realistic and conservative, based on current information. However, as the mine relies on continued deeper development and exploration drilling for further reserve definition, the life of this part of the mine remains limited and there is a risk that some or all of this growth will not materialise with a consequent negative impact on current production forecasts.

ACCOUNTING POLICIES

The Group changed its accounting policy on production-phase stripping costs with effect from 1 January 2012. As a result, the 2011 results have been restated. Refer to Note 3 of the Financial Statements for further details. There have been no further 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 above. 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 of the Financial Statements, 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.

As discussed elsewhere in this document, during the year the operation of the mine was affected by two legal actions. The first of these followed from a decision taken by EGPC to charge international, not local (subsidised) prices for the supply of Diesel Fuel Oil, and the second arose as a result of judgment of an Administrative Court of first instance in relation to, amongst other matters, the Company's 160km^2 exploitation lease. In relation to the first decision, the Company remains confident that in the event that it is required to continue to pay international prices, the mine at Sukari will remain commercially viable. Similarly, the Company remains confident that the appeal it has lodged in relation to the decision of the Administrative Court will ultimately be successful, although final resolution of it may take some time. On 20 March 2013 the Supreme Administrative Court upheld the Company's application to suspend the decision until the merits of the Company's appeal are considered and ruled on, thus providing assurance that normal operations would be able to continue during this process.

In the unlikely event that the Group is unsuccessful in either or both of its legal actions, and that the operating activities are restricted to a reduced area, it is the Directors' belief that the Group will be able to continue as going concern.

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 2012 Before Exceptional items US$'000	**Year ended 31 December 2012 Including Exceptional items[1] US$'000**	**Year ended 31 December 2011 US$'000**
Profit before tax[1]	**231,712**	198,594	193,993
Finance income	**(898)**	(898)	(1,288)
Depreciation and amortisation[1]	**35,637**	35,637	18,642
EBITDA	**266,451**	233,333	211,347

(1) Profit before tax, Depreciation and amortisation and EBITDA includes an exceptional provision to reflect the removal of fuel subsidies (refer to Note 6 of the Financial Statements for further details).

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 provide an alternative reflection of the Group's performance for the current period and are an alternative 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.

Reconciliation of Cash Cost per Ounce:

		Year ended 31 December 2012 Before Exceptional items	Year ended 31 December 2012 Including Exceptional items[1]	Year ended 31 December 2011
Mine production costs (Note 6)	(US$)	140,067	176,721	112,393
Less: Refinery and transport	(US$)	(848)	(848)	202
Cash costs	(US$)	139,219	175,873	112,595
Gold Produced - Total	(oz)	262,828	262,828	202,699
Cash cost per ounce	(US$/oz)	530	669	556

(1) Mine production costs, Cash costs and Cash cost per ounce includes an exceptional provision against prepayments recorded in Q4 to reflect the removal of fuel subsidies (refer to Note 6 of the accompanying financial statements for further details).

3) **Cash, Bullion, Gold Sales Receivables and Available-for-sale Financial Assets:** Cash, Bullion, Gold Sales Receivables and Available-for-sale Financial Assets include Cash and cash equivalents, bullion on hand, gold sales receivables and available-for-sale financial assets (equities). This is a non-GAAP financial measure any other companies may calculate these measures differently.

Reconciliation to cash, bullion, gold sales receivables and available-for-sale financial assets:

	Year ended 31 December 2012 US$'000	Year ended 31 December 2011 US$'000
Cash and cash equivalents (Note 25)	147,133	164,231
Bullion on hand (valued at the year-end spot price)	25,915	12,380
Gold Sales Receivable (Note 9)	40,736	29,976
Available-for-sale financial assets (Note 14.1)	5,613	1,831
Cash, Bullion, Gold Sales Receivables and Available-for-sale Financial Assets	219,397	208,418

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, CFO and COO, 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 2012, 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 made 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 evaluated at implementation the design of internal controls 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 International Financial Reporting Standards (IFRSs) adopted by the European Union ('EU IFRS'). In addition, there have been no changes in the Company's internal control over financial reporting during the year ended 31 December 2012 that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

FINANCIAL INSTRUMENTS

At 31 December 2012, 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 the Egyptian Mineral Resource Authority ("EMRA") (as the case may be) and are individual Acts of Parliament.

Title, exploitation and development rights to the Sukari Gold Mine 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.

Whilst 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 Company 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 mining projects in Egypt.

Egyptian Court Litigation

As discussed elsewhere in this document the Company was involved in two separate actions. The first followed from a decision taken by EGPC to charge international, not local prices (subsidised), prices for the supply of Diesel Fuel Oil, and the second arose as a result of judgment of an Administrative Court of first instance in Cairo in relation to the Company's 160km^2 exploitation lease.

Concession Agreement Court case

On 30 October 2012, the Administrative Courts in Egypt handed down a judgment in relation to a claim brought by, amongst others, an independent member of the previous parliament, in which he argued for the nullification of the agreement that confers on the Group rights to operate in Egypt. This agreement, the Concession Agreement, was entered into between the Arab Republic of Egypt, the Egyptian Mineral Resources Authority ("EMRA") and Centamin's wholly owned subsidiary Pharaoh Gold Mines ("PGM"), and was approved by the People's Assembly as Law 222 of 1994.

In summary that judgment states that, although the Concession Agreement itself remains valid and in force, sufficient evidence had not been submitted to Court in order to demonstrate that the 160km^2 "exploitation lease" between PGM and EMRA had received approval from the relevant Minister as required by the terms of the Concession Agreement. Accordingly, the Court found that the exploitation lease in respect of the area of 160km^2 was not valid although it stated that there was in existence such a lease in respect of an area of 3km^2. Centamin, however, is in possession of the executed original lease documentation which clearly shows that the 160km^2 exploitation lease was approved by the Minister of Petroleum and Mineral Resources. It appears that an executed original document was not supplied to the Court.

Upon notification of the judgment the Group took various steps to protect its ability to continue to operate the mine at Sukari. These included both lodging a formal appeal before the Supreme Administrative Court on 26 November 2012 and, in the first instance, lodging an "Objection to Enforcement in respect of" the original ruling with the Civil Court on 31 October 2012, which had the effect of "staying" (postponing) implementation for an initial period. In addition, in conjunction with the formal appeal the Group applied to the Supreme Administrative Court to suspend the initial decision until such time as the Court is able to consider and rule on the merits of the appeal. On 20 March 2013 the Court upheld this application thus suspending the initial decision and providing assurance that normal operations will be able to continue whilst the appeal process is underway.

EMRA lodged its own appeal in relation to this matter on 27 November 2012, the day after the Company's appeal was lodged. Furthermore, in late December 2012, the Minister of Petroleum lodged a supporting appeal and shortly thereafter publicly indicated that, in his view, the terms of the Concession Agreement were fair and that the exploitation lease was valid. The Minister of Petroleum also expressed support for the investment and expertise that Centamin brings to the country. We believe this demonstrates the government's commitment to our investment at Sukari and the desire to stimulate further investment in the Egyptian mining industry.

We do not yet know when the appeal will conclude, although are aware of the potential for the process in Egypt to be lengthy. The Company has taken extensive legal advice on the merits of its appeal from two leading Egyptian law firms who have confirmed that the proper steps were followed with regard to the grant of the 160km^2 exploitation lease. We therefore remain of the view that the appeal is based on strong legal grounds and will ultimately be successful. In the event that the appellate court fails to be persuaded of the merits of the case put forward by the Group, the operations at Sukari may be adversely effected to the extent that the companies operation exceeded the exploitation lease area of 3km^2 referred to in the original court decision.

The Company remains confident that normal operations at Sukari will be maintained whilst the appeal process is underway.

Further details about this litigation are set out in Note 20 to the Financial Statements and in the most recently filed Annual Information Form ('AIF') which is available on SEDAR at www.sedar.com.

Diesel Fuel Court Case

In January 2012 the Group received a letter from Chevron to the effect that Chevron would not be able to continue supplying Diesel Fuel Oil (DFO) to the mine at Sukari at local subsidised prices, thereby adding approximately US$150 per ounce to the cost of production. It is understood that the reason that this letter was issued was that Chevron had received a letter instructing it to do so from the Egyptian General Petroleum Corporation ("EGPC"). Subsequent to this first letter, the Group received a demand from Egyptian General Petroleum Corporation (EGPC) for LE403 million (US$60 million) being the amount of the subsidy received in respect of the diesel fuel supplied from December 2009 until January 2012.

The Group has taken detailed legal advice on this matter and in consequence in June lodged an appeal against EGPC's decision in the Administrative Courts. Again, the Group believes that its grounds for appeal are strong and that there is good prospect of success. However, as a practical matter, and in order to ensure the continuation of supply, the Group has since January advanced funds to our fuel supplier, Chevron, based on the international price for fuel. Further details about this litigation are set out in Note 20 to the Financial Statements and in the most recently filed AIF which is available on SEDAR at www.sedar.com.

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.

In addition, the Concession Agreement establishes a procedure for the conversion of any exploration lease granted in favour of PGM into an exploitation lease. Upon following the procedure prescribed by the Concession Agreement, the Company was granted such an exploitation lease in respect of 160km^2 in 2005 and is in possession of the original document granting this lease duly signed by all relevant parties. The validity of this lease is, however, the subject of the litigation referred to above.

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

Management Discussion & Analysis and Business Review

PRINCIPAL RISKS AFFECTING THE CENTAMIN GROUP

The Group faces a variety of risks which could adversely affect its performance, earnings, financial position and prospects. 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.

It is for this reason that the Group conducted a variety of risk assessments throughout the year as part of its normal business performance and operational reviews, the results of which have been considered by the Audit and Risk Committee, and the Board, on a regular basis as required by the UK Code on Corporate Governance and relevant Canadian requirements. 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.

A description of the key risks affecting the Company and the steps taken to mitigate them is set out in the table below. This table should be read in conjunction with the commentary under the heading "Concession Agreement Court case" which describes in detail the risks to the Group's operations in Egypt raised by the judgment handed down on 30 October by the Administrative Court.

RISK CATEGORY	DESCRIPTION OF POTENTIAL RISKS	MITIGATION / COMMENTARY
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 could have a material and adverse effect on the group's financial performance and results.	• In order to ensure continued growth, the group has been active in identifying new resources and development opportunities through exploration and acquisition targets both inside and outside Egypt. • Centamin assesses and continues to assess a wide range of potential growth opportunities both within Egypt, the wider area of the Arabian-Nubian Shield and beyond. • **Until further production growth beyond Sukari is delivered the risk remains high.**

RISK CATEGORY	DESCRIPTION OF POTENTIAL RISKS	MITIGATION / COMMENTARY
Single country dependency	• All of the group's operational revenue is derived from production in Egypt. • Future policies regarding foreign development and ownership of mineral resources may change. • The courts may interpret existing legislation in new ways.	• Changes in government policy and/or law 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. • Changes in policy in Egypt 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, employment of expatriates, repatriation of income and return of capital. • 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. • Comments under "Litigation risk" also apply here. • The Directors of the Group continue to monitor the situation and there are no matters to report outside of what is already publicly available. • The actions with regard to the "Single project dependency" risk apply here. • **Until further production growth outside Egypt is delivered the risk remains high.**
Operational risks	• Interruptions to normal operations and/or construction projects may be caused by a number of factors, such as late delivery of equipment and supplies, adverse weather, equipment failures, delays in obtaining/renewing permits. • Any failure or unavailability of operational infrastructure could adversely affect production output and/or impact exploration and development activities.	• Some of these factors (particularly delays to supplies, material and services) have led to short-term delays in the commissioning of the Stage 4 expansion at Sukari. • Expansion projects at Sukari have been, and continue to be, self-funded out of operational cash flow and the cost recovery process. The capital investment funding for the Stage 4 expansion is therefore to a large extent reliant on normal operations continuing. The temporary disruption to gold exports and fuel supply in late-2012 caused a shortage in working capital within SGM which caused some payment delays to suppliers and therefore some minor delays to the supply of materials, equipment and services to the project. • The group's mining, processing, development and exploration activities at Sukari depend on the continuous availability of its operational infrastructure, in addition to reliable utilities and water supplies and access to roads. • Management assesses the critical components of the group's operational infrastructure on a continuous basis and keep a large inventory of critical spares; however spares for some larger capital items are not kept and failure of such items could lead to production delays. • Management closely monitors progress of both normal operations and expansion projects and has regular dialogue with all project stakeholders and suppliers. • The Board receives regular updates on developments. • **Operational risk for a mining project in a remote location is high.**

RISK CATEGORY	DESCRIPTION OF POTENTIAL RISKS	MITIGATION / COMMENTARY
External risks	• The current Egyptian political situation may affect the safety of the group's employees and/or adversely affect the group's ability to operate the Sukari Gold Mine. • Civil unrest, war, fighting, terrorism or similar events in Egypt, Ethiopia or elsewhere could adversely affect operations.	• Management closely monitors events external to its normal operations in all countries in which it operates. • The current political situation in Egypt has not to date had any significant effect 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, though the value of the Company's shares may have been adversely affected. • There have been disruptions to the domestic, subsidised fuel supply throughout Egypt which has affected some of our suppliers and has contributed towards delays in the completion of the Stage 4 expansion project. To date the supply of diesel for normal operations, which is priced and supplied on an international basis, has not been affected. • **Future disruptions due to external factors are likely, but to date have only had a moderate impact.**
Political, legal and regulatory risks	• 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.	• Operations may be affected by government regulations with respect to 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 on adverse judicial rulings. • Exports of gold from Sukari were temporarily disrupted in late-2012 due to a delay in securing the relevant approvals from the Egyptian customs authority, causing a temporary adverse impact on the working capital position of SGM. • The group actively monitors legal and political developments in Egypt and Ethiopia and actively engages in dialogue with relevant government and legal policy makers to discuss all key legal and regulatory developments applicable to its operation environmental legislation. • **The potential for serious impact should be balanced against the Egyptian government's support of the Company's investment and contribution to both revenue and development of the mining industry.**

RISK CATEGORY	DESCRIPTION OF POTENTIAL RISKS	MITIGATION / COMMENTARY
Relationship with EMRA	• A dispute with EMRA may adversely affect the group's ability to manage the Sukari in the most effective way. • A dispute may arise under the Sukari Concession Agreement regarding the cost recovery process and the level of Profit Share due to EMRA. • EMRA may pressure for more operational control at Sukari.	• The successful management of the Sukari Gold Mine is in part dependent on maintaining a good working relationship with EMRA. • The group has regular meetings with officials from EMRA and invests time in liaising with relevant ministry and other governmental representatives. Management and the Board of Directors believe the group has a positive and constructive working relationship with EMRA. • The group complies with all terms and conditions of the Concession Agreement covering the Sukari Gold Mine. • EMRA has equal representation on the Board of Sukari Gold Mines and is involved to that extent in approving and auditing all work programs and expenditures. • EMRA inspectors are closely involved in monitoring all aspects of the Sukari operations. • Current discussions with EMRA are focussed on determining the exact timing and quantum of the first payment of Profit Sharing for Sukari. • **Whilst the impact would be high, management believes there is a low probability of a material deterioration in relationships with EMRA, particularly following the prepayment in relation to future profit share made subsequent to year end.**
Government inexperience in mining	• Egypt has limited experience of modern large scale mining operations. • Current laws do not reflect current mining practices.	• The Company has 'first mover' status in Egypt, with Sukari being the first and only modern mine in the country. This, however, means that many of the laws, permitting/ licencing procedures and general bureaucracy in relation to mining are under-developed relative to those in other countries with a more advanced mining industry. • Management regularly engage in dialogue with all levels of government with regard to the challenges that this general level of inexperience in dealing with the mining industry presents. • The Company has a solid track record of overcoming challenges caused by government inexperience, despite occasional impacts on production. For example, the Sukari mine operates, with a high degree of efficiency, under what management considers excessive restrictions on blasting activities. • The Egyptian government has stated publicly that it intends to support and assist in the development of the country's mining industry. • The Company is currently in discussion with EMRA and other government departments in relation to securing the permissions and supply of ammonium nitrate (AN) necessary for open pit mining rates to increase to the required level as dictated by the current mine plan. • **The potential for serious impact is balanced by the Egyptian government's support of the Company's investment and contribution to both revenue and development of the mining industry.**

RISK CATEGORY	DESCRIPTION OF POTENTIAL RISKS	MITIGATION / COMMENTARY
Monitoring of Concessions	• Inadvertent breach of the Concession Agreement • The agreement itself could be terminated by presidential decree or on public policy grounds	• The Concession Agreement between the Arab Republic of Egypt, the Egyptian Mineral Resources Authority ("EMRA") and Centamin's wholly owned subsidiary Pharaoh Gold Mines ("PGM") was approved by the People's Assembly as law 222 of 1994. • The agreement imposes certain obligations on PGM and there is a risk that any failure by PGM to comply with any such obligation may constitute a material breach, regardless of actual operational significance. • The Company maintains a register of all its obligations under the Concession Agreement, and on a quarterly basis this is reviewed by a committee of the Board, and if necessary appropriate remedial action taken. • Steps taken to mitigate this risk are a reviewed during the audit process of the Company's accounts. • **Given the controls in place and the support of the Egyptian government, this risk is judged to be low.**
Employees and contractors	• Industrial unrest may negatively impact on the group's operations and production. • The loss of, or inability to source, skilled workers and professional labour may cause a medium-term threat to operations. • The Group depends on certain key contractors and interruptions in contracted services could result in loss of production.	• Management believes its labour relations, with both employees and contractors are satisfactory. • Egyptian employment law affords extensive protection to employees and the group is committed to keeping the pay, benefits, training and conditions for its Egyptian work force competitive. • A workers' representative group has been established for the purpose of facilitating a better dialogue with those employed at the Sukari Gold Mine. • However, strikes have occurred in the past at Sukari and there can be no assurance that a future work slowdown, a work stoppage or strike will not occur here or at any of the group's other projects. • 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 group regularly assesses its staff recruitment and retention policies, including its reward structures and incentive plans, to assist with labour stability, and maintains appropriate investment in training and development to safeguard the skills of its work force. • Regular reviews are carried out in order to attract, retain and incentivise key employees, including the expatriate workforce. • Assessments of arrangements with key contractors are undertaken on a regular basis to ensure that contracted services and support meet business requirements and expectations. • Whilst the group and its underground and drilling sub-contractors are actively training local Egyptians they rely also on expatriate workforce and visas for such expats. • **The risk of future disruptions within the work force remains elevated but the impacts are judged to be manageable.**

RISK CATEGORY	DESCRIPTION OF POTENTIAL RISKS	MITIGATION / COMMENTARY
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 manages its exposure to gold price fluctuations by retaining a focus on keeping operating costs as low as possible.**
Litigation risks	• The Company's finances, and its ability to operate in Egypt, may be severely adversely affected by current and any future litigation proceedings.	• As discussed above, the Company is currently involved in litigation that relates both to a) the validity of its exploitation lease at Sukari; and b) the price at which can purchase Diesel Fuel Oil . • The Company has engaged appropriate legal advice and continues to actively pursue its legal rights with respect to the existing litigation. • The Company and its legal advisors believe that the on-going appeals in relation to both of these cases will be successful, although this outcome cannot be guaranteed. • It is possible that further litigation could be initiated against the Company at any time. • Management and the Company's legal advisors monitor both activity in court and local media for signs of any litigation that may threaten its operations, finances or prospects. • **The potential for serious impact should be balanced against the Company's adherence to local laws and agreements, as well as the Egyptian government's support of the Company's investment.**

RISK CATEGORY	DESCRIPTION OF POTENTIAL RISKS	MITIGATION / COMMENTARY
Reserve and resource estimates	• Mineral reserves and resources are estimates based on a range of assumptions, including geological, metallurgical and technical factors. • There can be no guarantee 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 and 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"). • The nature of underground mining operations makes it difficult to calculate resources in advance of expending money on development. As a consequence, underground reserves and resources are likely to remain low compared with the levels of expected production. • Production forecasts from the underground mine at Sukari are partly based on estimates regarding future resource and reserve growth. It is the opinion of management and Directors that these estimates are both realistic and conservative, based on current information. However, as the mine relies on continued deeper development and exploration drilling for further reserve definition, the life of this part of the mine remains limited and there is a risk that some or all of this growth will not materialise with a consequent negative impact on current production forecasts. • **Whilst there are no certainties, production to date has provided confidence in management's estimation and mine planning methods.**
Health and safety	• Potential for fatalities and/or a significant increase in the number of serious injuries at the mine to materially affect operations • A significant rise in the number of safety-related incidents could cause a deterioration of the Company's relationship with its work force.	• The local safety culture in Egypt has been observed to be poor, with low standards of risk-awareness and familiarity with the risks associated with mining. • There are active monitoring, communicating and reporting systems in place to assess the risk levels and appropriate courses of action. • Safety induction and training programs for staff are an essential component of their duties. • Sukari has a strong safety culture and a good track record with a LTIFR of 0.69 per 200,000 man hours in 2012, a strong improvement on 1.25 in 2011. • **The group manages effectively the risks to health and safety and so the risk is low.**

RISK CATEGORY	DESCRIPTION OF POTENTIAL RISKS	MITIGATION / COMMENTARY
The cost of self-generated electricity	• The cost of diesel fuel oil may fluctuate significantly depending on market prices and the extent to which the group can continue to take advantage of the fuel subsidies currently offered by the ARE.	• The Sukari Gold Mine relies on self-generation by diesel power generators located on site. • Since January 2012 the group has paid the full international price for its diesel supply in Egypt and does not benefit from any government subsidies. • Management is reviewing alternative energy sources of grid power and gas pipelines. • **The risk is low since the Sukari operation does not benefit from subsidies and increases in market prices for oil products have historically been offset by concurrent increases in the gold price.**
Environmental hazards and rehabilitation	• Environmental hazards may cause losses and costs, licences and permits to be withdrawn or suspended, or enforced clean-up and remediation action. • Any such action could have a material adverse effect on the group's business, operations and financial condition.	• 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. • No significant environmental incidents have occurred to date at any of the Company's projects. • 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. • 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. • **Given the monitoring and control procedures in place, whilst the impact of an incident would be material, the risk of occurrence is judged to be low.**
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.

Management Discussion & Analysis
and Business Review

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

Key management personal are persons having authority and responsibility for planning, directing and controlling the activities of the Group, indirectly or directly, including any director (executive or otherwise) of the Group.

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 2012	Balance at 1 January 2012	Granted as remuneration (LFSP)	Granted as remuneration (DBSP)	Received on exercise of options	Net other change	Balance at 31 December 2012	Balance held nominally
J El-Raghy	71,445,086	-	-	-	(500,000)	70,945,086	-
T Schultz	1,000,000	-	-	-	30,000	1,030,000	-
G Haslam	50,000	-	-	-	52,056	102,056	-
M Arnesen	15,000	-	-	-	-	15,000	-
M Bankes	60,000	-	-	-	30,000	90,000	-
K Tomlinson	-	-	-	-	-	-	-
P Louw	637,500	600,000	500,000	-	-	1,737,500	-
A Pardey	775,000	510,000	500,000	-	-	1,785,000	-
H Brown	475,000	-	-	-	-	475,000	-
C Aujard	-	-	-	-	-	-	-
Y El-Raghy	-	510,000	-	-	510,000	510,000	-
A Davidson	-	-	-	-	-	-	

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 2012	Balance at 1 January 2012	Granted as remuneration	Exercised	Other changes	Balance at 31 December 2012	Balance vested during the financial period	Balance vested and exercisable at 31 December 2012
J El-Raghy	-	-	-	-	-	-	-
T Schultz	-	-	-	-	-	-	-
G Haslam	-	-	-	-	-	-	-
M Arnesen	-	-	-	-	-	-	-
M Bankes	-	-	-	-	-	-	-
K Tomlinson	-	-	-	-	-	-	-
P Louw	-	-	-	-	-	-	-
A Pardey	-	-	-	-	-	-	-
H Brown	-	-	-	-	-	-	-
C Aujard	-	600,000	-	-	600,000	-	-
Y El-Raghy	-	-	-	-	-	-	-
A Davidson	-	500,000	-	-	500,000	-	-

Save for service agreements, and 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 2012 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$21,499 or US$22,103 (31 December 2011: A$33,480 or US$32,192).

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 Note 30 to the Financial Statements.

The Board of Directors

The Board comprises:

Josef El-Raghy

Chairman and CEO
Appointed 26 August 2002

Josef El-Raghy holds a Bachelor of Commerce Degree from the University of Western Australia and then became a director of both CIBC Wood Gundy and Paterson Ord Minnett. Josef has been responsible for overseeing the transition of the company from small explorer, through construction and into production.

Trevor Schultz

Executive Director

Appointed 20 May 2008

Trevor 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. Trevor is currently a director of Pacific Road Capital Management and Base Resources Limited. From 1 April 2003 until 31 December 2005, Trevor 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.

G. Edward Haslam

Senior Non-Executive Director
Appointed 22 March 2011

G. Edward Haslam is currently non-executive Director (and Chairman from June 2007 to April 2012) of the LSE listed Talvivaara plc (since 1 June 2007) and since 1 May 2004 is a non-executive director of Aquarius Platinum Ltd. In 1981, G. Edward 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. G. Edward 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).

Robert Bowker

Non-Executive Director
Appointed 21 July 2008

Adjunct Professor at the Centre for Arab and Islamic Studies at the Australian National University, Bob 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). He was also accredited from Cairo as a non-resident ambassador to Libya, Sudan, Syria and Tunisia. Bob 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. Bob is also a graduate member of the Australian Institute of Company Directors.

Mark Arnesen

Non-Executive Director
Appointed 24 February 2011

Mark 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 Mark 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. Mark holds a Bachelor of Commerce and Bachelor of Accounting degrees from the University of the Witwatersrand.

Mark Bankes

Non-Executive Director
Appointed 24 February 2011

Mark Bankes is an international corporate finance lawyer. Mark 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. Mark specialises in international securities, mining policy and agreements, mergers and acquisitions and international restructurings for the resource sector. Mark has not held any other directorships in public companies during the previous five years.

Kevin Tomlinson

Non-Executive Director
Appointed 17 January 2012

Kevin 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. Kevin 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. Kevin is also a non-executive director of TSX listed Samco Gold, Lead Independent and Deputy Chairman of TSX/ASX listed gold producer Besra Gold (formerly Olympus Pacific Minerals) and Chairman of TSX listed Maudore Minerals. Kevin is a Fellow of the Chartered Institute for Securities & Investment.

References to the dates on which directors were appointed to the Board are, as the context requires, references to the dates on which Directors were appointed to the Board of Centamin Egypt Limited.

Senior Management

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

Christopher Aujard

General Counsel and Company Secretary

Before joining Centamin in May 2011 Chris 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. Chris holds a Master's degree in law from Cambridge University and undergraduate degrees in law and science from Monash University in Victoria.

Heidi Brown

Company Secretary (resigned 31 December 2012)

Heidi Brown is a Fellow Chartered Secretary (FCIS, FCSA) with over 15 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. Heidi remains the Company Secretary of the Company's Australian subsidiaries and Centamin Limited.

Pierre Louw

Chief Financial Officer

Pierre is a senior manager with more than 25 years hands-on experience within the Mining Industry in both major and mid-tier gold and copper mining companies. Pierre 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. Pierre 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. Pierre 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).

Andrew Pardey

Chief Operating Officer (in current position since 29 May 2012)

Andrew Pardey was appointed Chief Operating Officer in May 2012 after having been General Manager-Operations at the Sukari Gold Mine since 2008. He was a major driving force in bringing Sukari into production, having joined during the mine's construction phase. Andrew holds a BSc in Geology and has over 25 years' experience in the mining and exploration industry, having previously held senior positions in Africa, Australia and other parts of the world with Guinor Gold Corporation, AngloGold Ashanti and Kalgoorlie Consolidated Gold Mines (KCGM).

Youssef El-Raghy

General Manager - Egyptian Operations

An officer graduate of the Egyptian Police Academy, Youssef 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.

Andrew Davidson

Head of Business Development and Investor Relations (since 13 August 2012)

Prior to joining Centamin in August 2012, Andy Davidson worked for nine years as a mining analyst, including three years as an equity research Director at the London-based investment bank Numis Securities. Before this, Andy was a senior exploration geologist within the mining industry, including six years with Ashanti Goldfields closely involved in the discovery and development of the world-class Geita project in Tanzania. Andy holds an MSc in Mineral Project Appraisal from the Royal School of Mines and a BSc in Geology. He is also a Member of the Institute of Materials, Minerals and Mining.

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.

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 44 to 51. On pages 84 to 88 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 38 days (2011: 45 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.

CORPORATE GOVERNANCE COMPLIANCE

The statement on compliance with the UK Corporate Governance Code for the reporting period is contained on page 61 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 and Deferred Bonus Share Plan below)	1,101,397,381
Total shares in issue under the Loan Funded Share Plans	10,347,222
Unissued shares held under the Loan Funded Share Plan	210,000
Deferred Bonus Share Plan	1,000,000

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 2012 is set out in note 16 and has been estimated at US$5.5 million (2011: US$2.6 million).

SUBSTANTIAL SHAREHOLDERS

The Company has been notified that the following persons were, as at 25 March 2013, 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	70,945,086	6.44
Franklin Advisers, Inc.	44,854,132	4.07

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 per cent 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.

Directors' Report

POLITICAL DONATIONS

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

EMPLOYEES

Information relating to employees is contained on pages 84 to 85 in 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

As referred in Note 20 to the Financial Statements and in the most recently filed Annual Information Form ("AIF"), the Group is involved in on-going litigation in respect of both the price at which Diesel Fuel Oil is supplied to the mine at Sukari and the validity of the 160km^2 exploitation lease at Sukari.

Subsequent to year end the Company acquired a further interest in Nyota Minerals Limited and Sahar Minerals Limited for US$1,163,969 and US$500,000 respectively.

Pursuant to the provisions of the Concession Agreement, any Profit Share payments made to EMRA are due on an annual basis at the end of SGM's financial year, being 30 June. Based on the Company's calculation there was no Profit Share due to EMRA as at 30 June 2012. Furthermore, it is expected that there will be Profit Share due to EMRA for the current SGM financial year ending 30 June 2013, based on budgeted production, gold price and operating expense forecasts. Following discussions with EMRA, and with a view to demonstrating goodwill toward the Egyptian government, subsequent to year end PGM has made an advance payment to EMRA of US$8,200,000. Calculations for Profit Share will be done annually on the audited accounts of SGM and this advance payment will be netted off against any future Profit Share that becomes payable to EMRA.

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

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 79.

AUDITOR

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

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself 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.

Chris Aujard

General Counsel and Company Secretary

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 listing 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.

The Board considers that throughout the year, 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 the period under review, the roles of Chairman and Chief Executive were both exercised by me. This was due initially to the sudden and unexpected death of Mr Harry Michael, our Chief Executive Officer, in November 2011. Since then, taking account of the current political circumstances of Egypt and the need accordingly for continuity in the leadership of the company at this important juncture the Board has concluded the interests of both the Company and shareholders are best served by my continuing in those roles until such time as a suitable successor can be identified. The Board has also agreed that for so long as the roles remained combined, certain corporate governance functions undertaken by me in my capacity as Chairman will be delegated to the Senior Independent Director. These functions include chairing the board meetings, ensuring that the Board receives timely information and ensuring the efficient organization and conduct of the Board's functioning. 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 formally reviewed in the period ended 31 December 2012. A formal review of these matters is scheduled for the second quarter of 2013, 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.

The Board remains committed to succession planning and the untimely passing of Harry Michael in 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 Andrew Pardey's appointment as Chief Operating Officer and Andrew Davidson's appointment as Head of Business Development and Investor Relations.

Corporate Governance Statement

Board appointments

The Board was further strengthened during 2012 by the appointment of Kevin Tomlinson. In this respect, the Company accordingly remains compliant with the principles of the UK Corporate Governance Code to the extent that it 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.

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 23 May 2012, which this year will be held in Jersey. This will be an excellent opportunity to meet the Board, the Executive Board and members of our Senior Management team. An opportunity will also be afforded to those shareholders who are unable to attend the AGM to receive a presentation from senior management in London on 16 May 2013.

Josef El-Raghy

Chairman

Corporate Governance Statement

THE BOARD – COMPOSITION AND BALANCE

The Board currently comprises the Chairman and 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 54 and 55, 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 section. 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		Committees
Josef El-Raghy	Chairman and CEO	-
Trevor Schultz	Executive Director	-
G. Edward Haslam	Senior Independent Non-Executive Director	Audit and Risk Committee Nomination and Remuneration Committees (Chairman) Compliance/Corporate Governance Committee
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 Committee(Chairman) Audit and Risk Committee HSES Committee
Kevin Tomlinson	Independent Non-Executive Director	Nomination and Remuneration Committees HSES Committee
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 has considered certain recommendations put forward in the UK in respect of gender diversity on the boards of listed companies but has not adopted a formal policy in this regard. The matter is however kept under constant review.

Corporate Governance Statement

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 ensures 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 4 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 2012, 20 Board meetings (of which 4 were scheduled and 16 were convened at short notice to deal with emerging developments in Egypt), 2 Nomination Committee meetings, 3 Remuneration Committee meetings, 6 Compliance/Corporate Governance Committee meetings, 3 HSES Committee meetings and 6 Audit Committee meetings were held.

Name	Board of Directors		Remuneration Committee		Nomination Committee		Compliance/ Corporate Governance Committee		Audit Committee		HSES Committee	
Director	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Mr J El-Raghy	20	20	-	-	-	-	-	-	-	-	-	-
Mr G. Edward Haslam	20	18	3	3	2	2	6	6	6	6	-	-
Mr T Schultz	20	17	-	-	-	-	-	-	-	-	-	-
Mr M Arnesen	20	18	3	3	2	2	-	-	6	6	3	3
Mr M Bankes	20	20	-	-	-	-	6	6	6	6	3	3
Prof Robert Bowker	20	19	3	3	2	2	6	6	-	-	3	3
Mr K Tomlinson	20	19	3	3	2	2	-	-	-	-	3	3

In addition, Josef El-Raghy, whilst not a member of the Board Committees referred above, is by invitation typically in attendance at committee meetings save for those where his remuneration is being discussed.

Meetings of Independent Directors

Mr G. Edward Haslam was appointed Senior Independent Director of 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, undertook 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 section, following the sudden passing away of Harry Michael in November 2011, the Group's former CEO, Josef El-Raghy has undertaken the role of CEO. Notwithstanding this combining of roles, and with a view to ensuring that there is not undue concentration of authority in the hands of one individual, the Board has agreed that for so long as the roles remained combined, certain corporate governance functions undertaken by Josef El-Raghy in his capacity as Chairman will be delegated to the Senior Independent Director. These functions include chairing the board meetings, ensuring that the Board receives timely information and ensuring the efficient organization and conduct of the Board's functioning.

BOARD COMMITTEES

As indicated 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 G. Edward Haslam, all of whom are considered by the Board to be independent within the terms of Group's Directors' Test of Independence Policy.

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. 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 the Canadian 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;
- consideration of announcements to the London Stock Exchange by the Group on its performance; and
- accounting implications for the Group of the ongoing litigation, described elsewhere in this report.

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 Chief Financial Officer. 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 2012 the auditor provided both limited tax advisory and other services in relation to the establishment of a Deferred Bonus Share Plan 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.

To the extent necessary, 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 place during 2012, 2011 and 2010.

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 fulfilment 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 and took effect on 29 December 2011.

It is the Group's policy to put the Group's audit out to tender at least every five (5) 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 and its other members are Mr G. Edward 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, Mr Mark Bankes and Mr Kevin Tomlinson, 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.

During the year the Committee worked closely with management to:

- Review steps to address the lost time due to injury (LTI) frequency rate as compared to 2011.
- Develop principles and strategies for the pursuit of corporate sustainable development (CSD) initiatives.
- Establish procedures for the HSES Committee, and where appropriate, the full Board to consider proposals for such programs.
- Receive updates and associated KPIs for programmes and reports on ad hoc assistance to local social and environmental initiatives.

Nomination Committee

The Nomination Committee comprises Mr G. Edward Haslam (Chairman), Mr Mark Arnesen, Professor Robert Bowker and Mr Kevin Tomlinson, 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 G. Edward Haslam (Chairman), Mr Mark Arnesen, Professor Robert Bowker and Mr Kevin Tomlinson.

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 being offered 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.

Corporate Governance Statement

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.

Attention is also drawn to the text appearing in the section above headed "Principal Risks Affecting the Centamin Group" relating to the monitoring of risks, which is incorporated into this section by reference.

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. 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.

The Company has engaged a third party facilitator to undertake an external Board Evaluation during the second quarter of the 2013.

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 (or in the case of senior executives, reviewed) 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$79,235 p.a. (£50,000 p.a.). Due to the additional time required, the Chairmen of the Board's various Committees receive an additional fee (currently US$15,847 p.a. (£10,000 p.a.)) for Chairing that Committee, and the members of each committee also receive an additional fee (currently US$7,923 p.a. (£5,000 p.a.)) for being a Committee member. For the period to 28 February 2013, Senior Independent Director received an additional US$15,847 p.a. (£10,000 p.a.). From 1 March 2013 the fees payable to the Senior Independent Director were restructured such that he receives an amount equal to US$198,088 p.a. (£125,000 p.a.) in aggregate for this position, being a member of the Board Committees and for chairing the Remuneration and Nominations Committees. For the avoidance of doubt, all amounts referred to in this paragraph include any statutory superannuation payments where applicable. It is proposed to review the fees payable to Non-Executive Directors in Q2 2013.

As a matter of practice, and in line with the Group's approach to financial and risk management, 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 to them 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 that took place in December 2011, referred to elsewhere in this report. In addition, a new employee option plan was created (the "2011 Employee Option Plan").

Options have been issued under these new plans to senior employees as set out on page 134.

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 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 and which requires announcement 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.

Market purchase of shares

The Company was authorised by shareholders, at the 2012 AGM, to purchase in the market up to 55,069,869; ordinary shares in the share capital, as permitted under the Company's Articles. No shares have been bought back under this authority. This standard authority is renewable annually and the directors will seek to have it renewed at the forthcoming AGM.

Remuneration Report

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

Introduction from Chair of the Remuneration Committee

During the Financial Year ended 31 December 2012 the Remuneration Committee comprised three independent non-executive Directors and myself as Chairman. The Committee met three times during the year and was supported by the Company Secretary who also acts as secretary to the Committee.

Mindful of the feedback from some institutional shareholders the Committee undertook a review of all aspects of the executives' remuneration and in particular the introduction of safety targets which if not achieved would reduce any bonus otherwise payable by a proportionate amount. In conducting this review the Committee was conscious not only of the need to balance the return to shareholders with the need to motivate and retain the executive team but also of the need to create a remuneration structure that would:

- Lock in the key individuals
- Reduce the overall remuneration potential for the Chairman and other directors
- Enhance the link between individual and corporate performance
- Be simpler to operate
- Address certain governance issues relating to notice periods

The work the Committee has undertaken to take account of the above has been to:

- Change the annual bonus arrangements
- Agree a new service agreement with the Chairman
- Establish new long-term incentive arrangements under which the executive directors are no longer able to participate

In addition, base salaries have been adjusted to be in line with those of similar sized mining companies and we have introduced both short and long term incentive plans for senior management with defined key performance indicators. These changes are described in more detail below.

In considering levels of remuneration, the Committee took into account the performance of the Company, which saw an improvement in all the major operational indicators.

- Gold production: up 5.2% on expectations
- Cost of production: US$30 lower per ounce than targeted
- Revenue: 25% increased to US$426million from US$340million in 2011
- An increase in profit since 2011
- Improved health and safety performance

The executive directors have been very supportive of these initiatives, including in particular the Chairman Josef El-Raghy, who with no corresponding compensation, voluntarily agreed to sacrifice his 2011 share award over 1 million shares as well as to the acceptance of substantial changes to his employment conditions, including the removal of a 24 month notice period which had been applicable in the event of a change of control.

Finally, the Committee again discussed the combining of the roles of Chairman and Chief Executive under one person. Whilst recognizing that this does not conform to best practice, the Committee concluded, nevertheless, that the current arrangement remained in the shareholders' best interests but agreed that as Senior Independent Director I would, as detailed in the Chairman's Statement on page 14, take on additional responsibilities that will include the chairmanship of the Company's meetings.

G. Edward Haslam

Chairman of the Remuneration Committee

Remuneration Governance

The Committee

As mentioned above, the Committee currently comprises four non-executive directors all of whom are regarded as wholly independent.

No member of the Committee has any financial interest, other than as shareholder, in the matters decided by the Committee. None of the members of the Committee participate in any bonus scheme, long term incentive, pension or other form of remuneration other than the fees disclosed below (other than statutory superannuation for the Australian resident directors). There is no actual or potential conflict of interest arising from the other directorships held by members of the Committee.

The members of the Committee, joining dates and number of meetings attended during the year are shown in the table below. The Company Secretary acts as secretary to the Committee.

Position	Name	Member Since	No of Meetings attended
Chair	G. Edward Haslam	March 2011	3
Member	Mark Arnesen	March 2011	3
Member	Professor Robert Bowker	March 2011	3
Member	Kevin Tomlinson	April 2012	3

Terms of Reference

The responsibilities of the Committee include:

- Framework of remuneration for the company and in particular the executive team
- Remuneration of executive directors
- Long term incentives

Advisers

During the year the Committee was supported by the Company Secretary. Centamin commissioned research papers from Meis on executive remuneration levels and share scheme practice, which were made available to the Committee. Meis was subsequently appointed as adviser to the Committee. Advice was also received from the Company's legal counsel, Norton Rose in London and Canada in respect of the deferred bonus plan and service agreements. Other than advice on executive remuneration Meis provides no other services to the Company. Norton Rose provides on going legal advice to the Company.

The Chairman attends meetings of the Committee to make recommendations relating to the performance and remuneration of his direct reports. The Chairman and the Company Secretary are not in attendance at meetings when their own remuneration is under consideration.

Matters Considered by the Committee

The Committee considered the following items during the year:

- Review of executive director remuneration
- The proposed structure of the share scheme arrangements for employees and the executive team
- The introduction of the new deferred bonus plan and the grant of awards under the plan
- New service agreement for the Chairman
- The provision of advice to the Committee
- The annual bonus plan for 2012
- The annual bonus plan for 2013

Remuneration policy for 2012 and 2013

Introduction

In developing its remuneration policy the Committee has had regard to the fact that the business of the Company is operated outside the UK and in a market which requires very particular operational and managerial skills.
The remuneration policy therefore seeks to:

- Position remuneration packages to ensure that they remain competitive, taking account of all elements of remuneration and reflective of the performance of the Company
- Use external benchmark data on a transparent and open basis using comparator groups that reflect the industry and size of the Company
- Provide incentive arrangements for relevant employees that are based upon pre agreed performance criteria that individuals will then be tested against. Such incentives should be relevant and stretching. A "balanced score card" approach to annual bonuses will generally be adopted
- Provide long term incentives that encourage the involvement, in the long term, of the performance of the Company. Performance criteria should be relevant and capable of being influenced. Executive directors will, from 2012, no longer be offered participation in any long term incentive arrangements
- Encourage executives, and in particular executive directors, to build and then maintain a meaningful shareholding in the Company

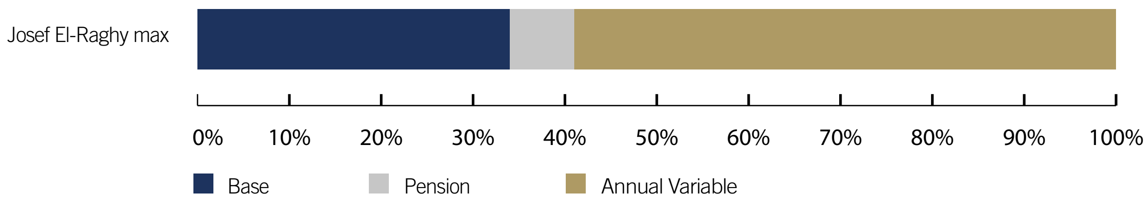
Remuneration Report

Remuneration Summary for Executive Directors

ELEMENT	OBJECTIVE	DETAILS
Base pay	Base pay to be set competitively so as to allow the motivation and retention of executives	Normally reviewed in the first quarter of year with changes effective as of 1st January. Salaries are benchmarked against a number of comparator groups as described below to provide a balanced approach.
Pension	Positioned to ensure competitive packages.	The Chairman receives a cash payment in lieu of a pension equivalent to 20% of his base salary. A 20% contribution rate is the market median for the FTSE 250.
Benefits	There are no benefits	
Annual Bonus	To provide a reward for short term performance	Performance criteria set at the beginning of the year based upon a balanced score card approach. For the Chairman a maximum annual bonus opportunity is 175% and for other executive director, whose performance criteria are strongly linked to the completion of Stage 4, a multi-year project , no annual bonus opportunity has been fixed.
Share Ownership Requirement	To encourage ownership of shares and thereby create a link of interest between shareholder and executive	Although the Company has no formal policy, executive directors are encouraged over time, to acquire shares of a value of not less than 100% of their base salary. This is consistent with the market practice for the FTSE 250. Executive directors already exceed this requirement.
Long Term Incentive	To link an executives interest to the longer term share performance	The current intention is to make no further awards under the loan funded schemes. For management, but not directors, the Company has introduced a deferred bonus scheme as part of the annual bonus. The Company can require up to 100% of a bonus to be deferred into shares. Such shares will then be released as to a third at the end of each of 12, 24 and 36 month period. For the executive directors the Committee is of the view, following the review, that the existing shareholdings of the directors already create sufficient union of interest between executives and shareholders.

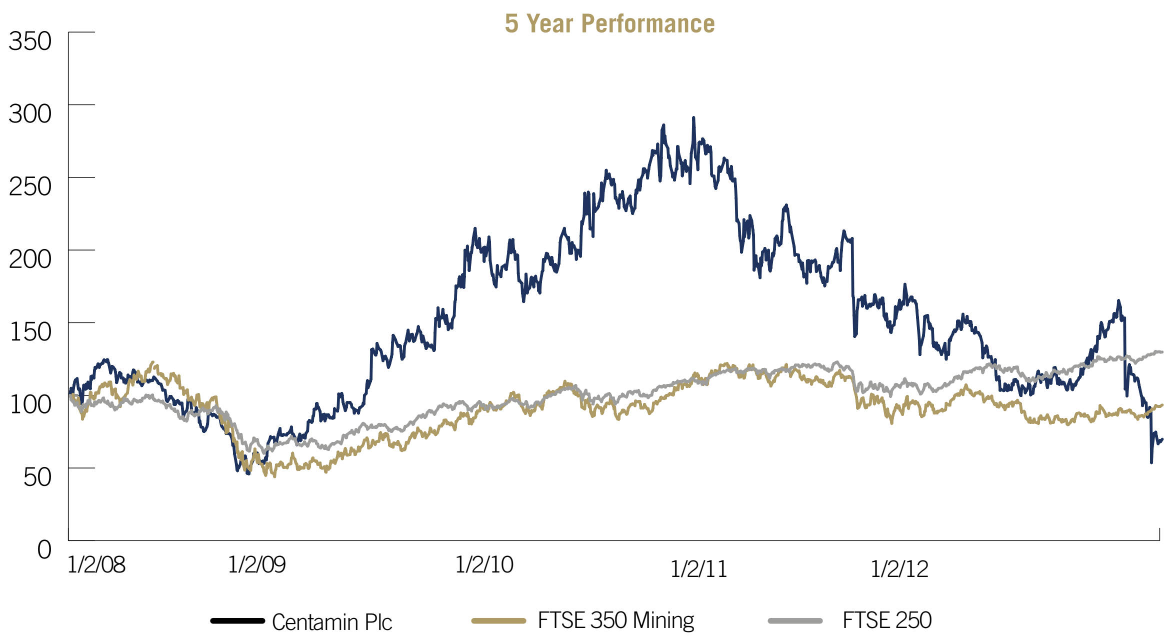
Balance of Remuneration

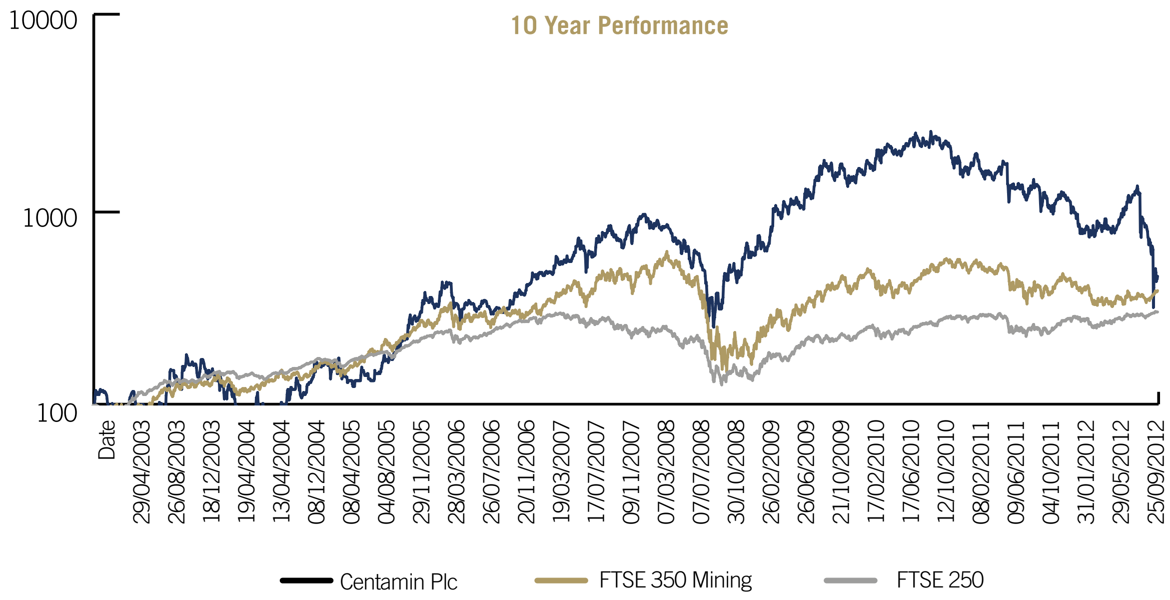
The balance of remuneration for 2013 is shown in the graph below and is based upon maximum pay-out for Josef El-Raghy. The graph does not however show the bonus opportunity for Trevor Schultz, which has not yet been fixed. Please refer to the text under the heading "2012 Bonus" below for more detail.



Relationship between pay and performance

It is important that executive pay is grounded in the good performance of the Company. While the operational performance of the Company over 2012 (a summary of which is set out in the "Performance Highlights" section above) has been impressive, the pre-tax profit growth and share price performance over the longer term were also taken into account by the Committee. Total shareholder return performance against the FTSE 250 and the FTSE 350 Mining indices, which are regarded as being appropriate comparator groups for the Company are shown in the graph below. (Source Bloomberg)





We also reviewed the share price performance over 10 years. As can be seen from the above, at the year end, Centamin had out-performed the FTSE 250 by 49%.

Remuneration Paid

Remuneration History for Josef El-Raghy

The remuneration packages of the executive directors, and in particular Josef El-Raghy, have been restructured so as to reduce the overall remuneration opportunity. The following table shows the remuneration history and future potential for Josef El-Raghy. The table shows both the maximum opportunity under the remuneration package and the actual achieved/paid. As can be seen the total remuneration opportunity has been substantial reduced in 2012 and is further reduced in 2013.

	FIGURES IN US$/£000	**2011**	**2012**	**2013**
Remuneration Opportunity	Salary	US$620 (£391)	US$735 (£464)	US$792 (£500)
	Maximum Bonus Opportunity	US$1,035 (£653)	US$1,286 (£811)	US$1,387 (£875)
	Maximum Long Term Incentive Opportunity	US$2,479 (£1,564)	US$0 (£0)	US$0 (£0)
	Total Remuneration Opportunity	US$4,134 (£2,608)	US$2,020 (£1,275)	US$2,179 (£1,375)

Notes
1. The salary for 2011 was A$ 600,000
2. The base salary for 2012 of US$734,676 is as reported in the audited section of this Remuneration Report.
3. For 2011 the maximum bonus opportunity was A$ 1million. For 2012 and 2013 the maximum bonus opportunity was/is 175% of base.
4. The long term incentive opportunity for 2011 was a potential award under the Directors Loan Funded Share Plan 2011 of up to 400% of base pay. This opportunity has been valued as being equal to the total value of shares that could have been awarded under the Plan as at the award date.
5. The value of pension benefits and leave have not been included.
6. The Loan Funded Share Plan award made in 2011 was voluntarily forfeited in 2012 for no compensation.
7. The total remuneration figure excludes any contribution in respect of pensions or pay in lieu thereof.
8. US$ amounts have been converted to GBP at a rate of 1.5847.

When considering the total cash and total remuneration opportunity of Josef El-Raghy against the FTSE remuneration remains conservative being at or below the median.

Base salaries

Base salaries are usually reviewed in the first quarter of each year. However, as part of the remuneration review that was undertaken in the middle of 2012, Josef El-Raghy's remuneration was considered against companies of similar complexity and size (bespoke group) and, as was noted in last year's remuneration report, his remuneration was shown to be materially below the median. Consideration was also given to the remuneration information obtained from four additional groups of comparable companies in order to gain a balanced view of the market data. The groups are the FTSE 250, the Mining Sector, companies with a similar market capitalisation, and finally companies with a similar turnover. As a result of this exercise, Josef El-Raghy base salary was increased with effect from July 2012 to bring him into line with the median of the data and allow the restructuring of his remuneration package.

In deciding to increase the base pay of Josef El-Raghy his position against the market data was only one of the factors taken into account. The following factors were also taken into account:

- When appointed in 2010 he was given an increase which did not take his base pay to the median position for his new position. In the subsequent year his base pay was frozen and without an increase in 2012 his base pay would fall further behind the market.
- The removal of long term incentives substantially reduce the overall value of his package and therefore it was appropriate to position the base pay at no lower than the median.
- A desire to maintain a consistency across the business of the Company by paying a market rate at about the median.

The base of Trevor Schultz was A$ 550,000 (£351,000) in 2012.

Approach to Annual Bonuses

The bonus plan for the executive directors is based upon a balanced score card approach designed to encourage and reward the delivery of operational performance. The bonus is split 70% business and 30% individual targets. In particular:

- The business targets are based on financial, operational, strategic measures and specific business tasks. These targets therefore capture both the normal financial targets as well as operational targets such as health and safety, production targets and efficiency, new exploration and M&A opportunities and business diversity.
- The individual targets reflect the delivery of individual task as well as leadership and management.

Furthermore in assessing the bonus to be paid to Josef El-Raghy, the Committee took into consideration the fact that his overall remuneration opportunity was reduced in the course of 2012 by the voluntary forfeiture, without payment, of shares awarded to him under the Director Loan Funded Share Plan 2011.

2012 Bonus

The Committee during the year reviewed the annual bonus scheme and the bonus scheme that operated for substantially all of 2012 which was based upon the same balanced score card approach as above. On this basis the Committee determined that 80% of the maximum bonus of 175% of Josef El-Raghy's 2012 base salary had been achieved by Josef El-Raghy. This reflects the operational performance of the Company with many of the targets being met or exceeded. No bonus was awarded to Trevor Schultz as his remuneration structure is strongly linked to the stage 4 expansion project and whilst good progress was made it was decided that only upon satisfactory completion of stage 4 will any bonus become payable. The sum of A$750,000 (US$777,847) has been provided for as at 31 December 2012 representing that amount of the bonus which may become payable to Trevor Schultz upon satisfactory completion of the Stage 4 project.

2013

The bonus for 2013 will be based upon the balanced score card approach above.

Remuneration Report

Pension Arrangements and Benefits in Kind

Josef El-Raghy is entitled to a payment in respect of pension entitlement equal to 20% base pay. Trevor Schultz has no such entitlement. Other than statutory superannuation for Australian resident directors, Professor Robert Bowker and Mr. Mark Arnesen and the payments in lieu of pension above, no pensions or payments in lieu of pensions are made. No benefits in kind are provided to any director.

Service Agreements for Executive Directors

During the year, and as part of the review, Josef El-Raghy voluntarily agreed to the early cancellation of his service agreement, without compensation, and agreed to enter into a new service agreement. The new contract, dated 24 September 2012, provides for 12 months' notice by either party to terminate the contract and does not provide for an enhanced notice period in the case of a change of control. However, in the case of notice given in connection with and shortly following a change of control, Josef El-Raghy will be entitled to payment in lieu of an amount equal to 12 month's basic salary together with any bonus that, in the opinion of the Remuneration Committee, would have been due to him in the 12 month period following the giving of the notice.

The service agreement for Trevor Schultz dated 15 August 2008 provides for six months' notice from the company and three months from Trevor Schultz to terminate the agreement.

Shareholding Requirement

While the Board has not adopted a formal shareholding requirement for executive directors it is keeping this matter under review and further monitors the actual shareholding to ensure that the actual holding is equal to or exceeds the current market practice for the FTSE 250, which is typically that such number of shares should be held the aggregate market value of which on the date of purchase is greater than 100% of the annual base salary.
Both Josef El-Raghy's and Trevor Schultz's shareholdings significantly exceed this amount.

Non-Executive Directors

Under the Articles of Association adopted by the Company 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

Introduction

Centamin has a number of share schemes intended to facilitate employee and executive participation in the capital value of the Company. A number of these share schemes were developed to take account of Australian tax law. With the review this year the Committee felt that the existing schemes were too complex and failed to provide any meaningful motivation or link to shareholder interests. The following table shows a summary of the plans and details on their operation.

This year a new, simple deferred bonus share plan has been adopted to replace participation in the other plans.

Historic long term incentive plan summary

Scheme name	Scheme type	Participants	Status
Employee Loan Funded Share Plan 2011	Roll over plan for the Centamin Egypt 2011 plan. Share option type arrangement	Employees (not Directors)	There is no current intention to make further awards under this scheme
Directors Loan Funded Share Plan 2011	Roll over plan for the Centamin Egypt 2011 plan. Share option type arrangement	Directors	There is no current intention to make further awards under this scheme
Employee Share Option Scheme	Share option scheme primarily for UK employees	Management (not Directors)	Available for use by UK employees

Employee Loan Funded Share Plan 2011

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 this plan vest in tranches on the first, second and third year following grant and vesting is subject to the satisfaction of applicable performance criteria and the performance criteria in respect of senior management are based upon share price, financial, production or key tasks. Comparator companies, where used, are selected by the Remuneration Committee from peers in the mining sector.

As indicated above, there is no current intention to make further awards under this scheme.

Director Loan Funded Share Plan 2011

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 the date of grant. The release of award 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. Comparator companies are selected by the Remuneration Committee from peers in the mining sector and are as follows: New Gold Inc, Centerra Gold Inc; Randgold Resources; Hochschild Mining; Alamos Gold Inc; European Goldfields Ltd; Eldorado Gold Corp; African Barrick Gold; Petropavlovsk Plc.

As indicated above, there is no current intention to make further awards under this scheme.

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. 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.

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. Josef El-Raghy's holding is 6.44%.

Name	As at 31 Dec 2012	As at 31 Dec 2011
Executive Directors		
Josef El-Raghy	70,945,086	71,445,086
Trevor Schultz	1,030,000	1,000,000
Non-Executive Directors		
Professor Robert Bowker	-	-
G. Edward Haslam	102,056	50,000
Mark Bankes	90,000	60,000
Mark Arnesen	15,000	15,000
Kevin Tomlinson	-	-

Remuneration Report

AUDITED SECTION

The following section of this remuneration report has 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. The current annual fee rate for non-executive directors is as follows:

	Previous (until early 2011)	As at 31 December 2012
Annual Base Fee	A$40,000 (US$41,316)	£50,000 (US$79,235)
Chairman of a Board Committee	A$10,000 (US$10,329)	£10,000 (US$15,847)
Member of a Board Committee	A$5,000 (US$5,165)	£5,000 (US$7,923)
Senior Independent Non-Executive Director	A$Nil (US$Nil)	£10,000 (US$15,847)

These amounts include any statutory superannuation payments where applicable.

The Company has not reviewed the fees of the non-executive directors during the year but has determined to commission a review in 2013. No increase in non-executive director fees was awarded during the year save that, with effect from 1 March 2013, the fees payable to Gordon Edward Haslam in his capacity as Senior Independent Director were increased such that, for so long as the roles of CEO and Chairman are combined, the total fees paid to him, on an annual basis, would be £125,000 (US$198,088) per year. In keeping with the Company's policy, G. Edward Haslam did not participate in any meeting during which his fees were discussed.

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 2012	Total 2011
Executive Directors							
Josef El-Raghy	USD	734,676	983,747	-	202,221	1,920,644	1,290,742
Trevor Schultz	USD	712,983	777,847	-	-	1,490,830	987,250
Sub-total	USD	1,447,659	1,761,594	-	202,221	3,411,474	2,277,992
Non-Executive Directors							
Robert Bowker	USD	59,654	-	-	52,254	111,908	129,015
G. Edward Haslam	USD	127,895	-	-	-	127,895	99,505
Mark Bankes	USD	111,908	-	-	-	111,908	94,483
Mark Arnesen	USD	111,908	-	-	-	111,908	94,483
Kevin Tomlinson	USD	88,411	-	-	-	88,411	-
Sub-total	USD	499,776	-	-	52,254	552,030	417,486
Total	USD	1,947,435	1,761,594	-	254,475	3,963,504	2,695,478

Notes on remuneration table:

- Kevin Tomlinson joined on 17 January 2012.
- Where state superannuation is payable in respect of non-executive directors, this is included in the fees shown above.
- Directors' remuneration paid in foreign currency was converted at an average rate during the year. The average A$:US$ exchange rate for 2012 is 1.0355 and the average £:US$ exchange rate for 2012 is 1.5847.
- The amounts shown in the "Pension" column above with respect to Josef El-Raghy include US$94,546 paid to him in lieu of contributions to a pension scheme and US$107,675 paid to him in lieu of his accrued but unused entitlement to long service leave due to him under his previous service agreement, which amounts became payable upon termination of that agreement. His current service agreement contains no such entitlement.

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Shares Award Table (EDLFSP and ESOP)

Name	Plan	Date of Grant	Exercise Price	Balance 31 Dec 2011	Awards	Vesting	Forfeited/ waived	Balance 31 Dec 2012
Josef El-Raghy	EDLFSP	21 March 2011	US$2.045	1,000,000	-	-	1,000,000	-
Trevor Schultz	EDLFSP	21 March 2011	US$2.045	1,000,000	-	-	-	1,000,000

Notes on the Shares Award Table:

- There were no other options outstanding during the year.

This report was approved by the Board of Directors and signed on its behalf by:

G. Edward Haslam

Chair of the Remuneration Committee
27 March 2013

Corporate Social Responsibility Statement

We expect every one of our employees to uphold our core value of honesty and integrity as well as maintain a safe work place

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. We expect every one of our employees to uphold our core value of honesty and integrity as well as maintain a safe work place, respect for the environment and respect for people. All employees are required to understand and act in accordance to the company requirements and to integrate fully within the work team. We always treat people with respect, dignity and common courtesy regardless of position, background or lifestyle.

As 2010 was the Sukari Gold Mine's first year of commercial production, many of our sustainability initiatives are in their infancy. However our reporting process continues to evolve, as we strive to attain best practice levels of transparency and accountability.

Our Approach

We are mindful of our accountability to our people in whom we invest, the community in which we work and the environment in which we operate. This approach is central to our business philosophy and is the basis to our future financial growth.

Centamin is committed to minimizing health and safety risks to the reasonable practical level, while striving for a zero harm and a healthy productive work place.
To achieve such objectives, we work hard to set a culture where safety conscious behaviour is fully embedded across all operations. Our key objective is for every employee to go home healthy and safe after every shift. We strive to improve our safety performance as Sukari expands. Our efforts in this area are guided by Centamin's corporate health and safety policy that aims to ensure high standards of safety and wellbeing of the workforce. The policy outlines our commitment to safeguarding our employees, educating our employees and contractors and applying safe work systems.

Health and Safety

As a result of the systems and programs implemented to enhance safety performance in our workplace and a determined effort at all levels, 2012 saw an improvement in the lost time due to injury (LTI) frequency rate as compared to 2011. We are proud that Centamin has never experienced any safety-related employee fatalities.

Creating a Safety Conscious Culture

We relentlessly pursue the development of the safety culture of our site through empowering the sense of responsibility of our employees and embedding the concepts of doing work the right safe way. To ensure that employees are fully aware of the safety requirements and procedures a comprehensive safety induction system is in place for new employees, contractors and visitors. The content and level of induction varies according to the time the person will spend on-site as well as the activities he will undertake.

A training plan is set and safety-specific training is rolled out to all employees. In 2012, training modules addressed Job Hazard Analysis, first aid, fire extinguishing, hazard identification, confined space entry, hot work, risk assessment, incident investigation, work permits, driving policy as well as lifting procedures. More comprehensive area-specific training subjects are also provided. Full time trainers were available in almost all operational departments to provide in-field training and coaching for the work force.

Tracking Safety Performance

A core element of our management system is to assess our performance and identify needs for improvement. Such assessment addresses the level and effectiveness of controls, performance enhancement initiatives and actions. In 2012 we pursued a multi-functional monitoring system to track performance on a periodic basis with different frequencies and approaches.

The Sukari monitoring plan addressed such occupational health and safety issues as:

- Workplace environment to detect zones that need further controls or required specific PPE
- Stability of structures to detect any potential movement, cracks or other instabilities
- Occupational health parameters for specific work areas
- Ensuring fitness to work by testing for alcohol and drugs
- Implementation of safety procedures and standards to ensure they are adhered to and well assimilated into the work culture

Monitoring methodology included data collection, medical surveillance, auditing, visual inspection, as well as systematic observation of the work and behaviour of staff. Measurement and evaluation of performance were undertaken both in-house as well as through third party entities.

Reactive monitoring was also undertaken to provide information on incidents and insights into the need for corrective or preventive actions. A comprehensive Incident Investigation and Reporting System analysed the root causes of incidents was used to address or rectify their causes. Employees were required to report any incident or near-miss for investigation and analysis. All corrective or preventive actions were followed up using a tracking system to ensure closure of issues and actions. Lessons learnt from incidents were shared and discussed in pre-start and safety meetings.

	2012 Frequency Rate*	2011 Frequency Rate*	2010 Frequency Rate*
Fatality (FA)	0	0	0
Lost Time Injury (LTIF)	0.69	1.25	0.47
Medical Treatment Injury (MTIF)	1.37	1.07	2.87

*based on 200,000 working hours over 12 months.

Proactive Approach to Safety

To minimize and control risks, we first identified assessed and incorporated risk assessment procedures into all our operations and activities. We analysed hazards for their probability to actually progress to a loss event, as well as the likely consequences of such an event.

New jobs and maintenance operations were preceded by a Job Hazard Analysis (JHA) of the activity to eliminate or control risks and hazards. A Work Permit System was developed for risky operations and specific permits and procedures were applied within the system including confined space, hot work and lifting operations. Continuous communication was maintained with employees through safety meetings, daily pre-shift meetings, tool box talks as well as safety alerts.

Emergency Response Planning

Centamin implements a diligent and rigorous approach to its Emergency Preparedness and Response program, which represents an important element of our safety management system. Being alert and fully prepared for any emergency will minimize the magnitude and consequences for any unprecedented event.

A detailed emergency plan was in place throughout 2012 with full emergency response procedures for different scenarios. The plan delineates communication arrangements and external resources and facilities that might provide support to in-house capabilities. We maintained a well qualified emergency response and rescue team able to be immediately and efficiently mobilized. The team is equipped with response equipment, supplies and rescue facilities.

The emergency arrangements include fire rings of different hydrants at different areas, fire control panels with manual call points and smoke detectors, foam and water fire suppression systems as well as a fire truck for heavy fires. A medical evacuation scheme (MEDIVAC) is in place, supported by first aid facilities, a fully equipped clinic with doctors and qualified nurses as well as an ambulance for transportation to the nearest medical centres and hospitals. In addition, we coordinate with external entities and authorities, including fire station, air transport companies, police and hospitals – for support during a fire.

A preventive maintenance and inspection program was maintained to ensure that all equipment is fit for use at all times. We undertook periodic drills to test our performance, equipment as well as training. The drills were analysed to provide feedback to the emergency planners. All employees were reminded of the emergency procedures, especially in relation to securing the work area, reporting emergency cases as well as evacuation.

Health Performance

The Sukari site maintained a well-equipped clinic providing health and emergency related services on a 24/7 basis. A doctor and qualified nurse managed the clinic and provided professional services. The clinic was also equipped to respond to emergency situations and medical cases. An ambulance was continuously on call to transfer any cases that needed higher medical treatment to the Marsa Alam hospital.

We paid utmost attention to the protection of employees from exposure to chemicals, dust, noise and other elements that might cause health problems. Area-specific instructions were in place regarding control measures and specific personal protective equipment requirements. Awareness and training programs were implemented to discuss potential occupational health hazards and measures to address them.

Medical surveillance programs were in place, including blood lead analysis for laboratory personnel involved in fire assays. Periodic measurements for work environment parameters throughout 2012 confirmed that employee safety is maintained within the limits specified by Egyptian law and supported by best international mining practice.

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 2012, Centamin had just over 1,000 employees on site and 94% 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 2012	Year ended 31 December 2011	6 months ended 31 December 2010	Year ended 30 June 2010	Year ended 30 June 2009	Year ended 30 June 2008
Egypt	1,120	1,106	985	816	362	210
Australia	2	3	3	3	2	2
UK	7	2	-	-	-	-
Ethiopia	45	47	-	-	-	-
Total	**1,174**	**1,157**	**988**	**819**	**364**	**212**

Given that we are the first modern gold mine in Egypt, our aim is to support the development of a workforce which will have the competency and experience to form the basis for a robust mining industry in Egypt. We pride ourselves that about 60% of our employees are less than 30 years old.

The Group also uses contractors, primarily involving construction activities with some involved in drilling and blasting activities. 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.

We are committed to attracting, energizing, developing and retaining a highly skilled and experienced workforce. We value individuals with outstanding technical, professional and managerial skills, working in a positive environment and demonstrating willingness to lead, take responsibility and display initiative. We aim to foster a relation of trust and open dialogue between employees and management.

Communicating with Our People

2012 saw a formal system developed through which employees are encouraged to express their concerns in relation to ethical issues, reasonable workplace issues or work arrangements. Grievances will be comprehensively and transparently investigated and resolved to ensure prompt and fair tackling of any concerns that might arise. The system will provide feedback to those concerned, without any retribution.

We paid much attention to ideas provided by employees regarding their work, including modifications to work organization that saved time and increased performance and safety levels.

We kept employees informed of new procedures, circumstances or interests through an internal information dissemination system, as well as meetings, notice boards, emails and informal gatherings.

Training and Development

The training and development of our team at Sukari and in our offices around the world was ongoing. It involved a variety of theoretical, practical and on-the-job courses and took place both at Sukari and abroad. We strongly encouraged our employees to realise their ambitions and we supported employees who aspire to progress up the career ladder and learn new skills. Through an inter-departmental mobility programme, we offered our people the chance to rotate into other teams to gain new knowledge and experience. In 2012, 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.

Corporate Social Responsibility Statement

The Environment

We believe that environment responsibility is an inherent core part of to our business. Centamin's corporate environmental policy outlines our commitment to safeguarding the environment, educating our employees and communities, and applying sound environmental management practices to minimize the risks of the environmental impacts of its operations to the reasonably practical level.

Throughout 2012 we pursued programs and systems to ensure that the environment is appropriately managed and protected in all phases of our exploration, development, mining and processing activities. We are committed to maintaining and where possible enhancing the high level of environmental performance that we have reached.

Creating an Environmentally Responsible Culture

We maintained the training system through which all new employees and visitors undertook an induction to introduce them to the company's systems, procedures and instructions as well as inform them of their responsibilities and expected performance. Area specific inductions highlighted environmental obligations and impacts related to specific work operations.

Tracking Environmental Performance

A core element of our management system is to asses our performance against our objectives and obligations and to provide feedback and assurance regarding the level and effectiveness of controls, performance enhancement initiatives and actions.

In 2012, we focused on strengthening our in-house monitoring capabilities. We have built a self-sustained monitoring station with equipment such as ambient and point source gas analysers, dust meters, noise meters, water kits and equipment to monitor meteorological conditions. The station is managed by experienced personnel. We are currently finalizing the documentation of operational procedures that includes sampling instructions, calibration requirements as well as quality control/assurance procedures.

In 2012, we did not have any significant environmental incidents. Minor incidents onsite did not impact areas outside our boundaries.

Resource Management

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 Egyptian 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. Beach wells where seawater infiltrates into groundwater are also used as a secondary source of water. In 2012, Sukari used about 4.2 million cubic metres of water. We actively pursued water conservation opportunities and through an internal recycling technique, we optimised its use.

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 2012, Sukari consumed 64.5 million litres of diesel, an increase of about 12% over 2011. Since the largest consumption element was power generation (c.70%) we continued to seek ways to utilize energy more efficiently, with stringent monitoring of diesel consumption for different users to indicate opportunities for conservation. We monitored our emissions due to fuel combustion and established that our emissions were well within allowable limits. In 2013, we will start calculating our greenhouse gases emissions.

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 recycled and reused our waste to the maximum practical level. Material that could not be recycled was disposed of in a manner that was environmentally sound. We maintained 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 160km^2 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 were integrated into the project design for Sukari from the outset.

Rehabilitation

A draft restoration and rehabilitation plan has been prepared during construction and is updated and refined annually to account for changes in mine development and operation as well as environmental and social conditions and requirements. A final version of the plan will be reached as closure approaches and after due consultation with stakeholders. The main activities of the rehabilitation process will range from dismantling of infrastructure of equipment, winning, hauling, dumping, spreading of waste rock, ripping off compacted surfaces and grading area to blend with the surroundings. Given Sukari area is an arid desert with no topsoil, there will be a need to vegetate the surface so as not to alter the nature of the area.

A provision for restoration and rehabilitation is included in the annual budget. 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.

In addition to the long term rehabilitation plan, we undertake short-term rehabilitation and restoration activities especially for construction sites and for spills. We have a wide range of spill kits and personnel are trained for clean-up operations.

Corporate Social Responsibility Statement

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 consider good community relations as a key component of continued operational success as well as a corporate requirement. We are committed to making a long lasting positive impact on the community where we do business. We act at all times in a socially responsible manner and aim to give back to the community in which we operate.

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**

   We nurture dialogue and build relations with the local community in areas in which we operate. A public consultation system has been developed and implemented since the project design phase, during construction phase and through operation. We maintain open channels of communication with all our stakeholders, including two Marsa Alam-based development associations, for the purpose of information disclosure, raising concerns and grievances as well as public consultation. In 2012, no material concerns were raised concerning our operations.

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

   Since about 50% of Sukari's employees are from Upper Egypt, we are strongly contributing to the development of this area. Where possible, we tender contracts to local companies to aid local economic activity and progress. Across Egypt, we use more than 6,000 local suppliers and 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. Based on the Environmental and Social Impact Assessment (ESIA) and in consultation with the Board we have established a number of projects and initiatives to support infrastructure provision for deprived areas and settlements. Such activities respond to needs assessments periodically updated and coordinated with governmental plans and projects. Projects are implemented through direct interaction with the community, though local NGOs and community support associations or through full cooperation with the governmental authorities. In 2012, our focus was on supporting infrastructural projects.

Case study

'Awlad Baraka' or Children of Baraka from the El Gergab clan live in Umm Tundubah 14km from Marsa Alam and 22km away from the mine. There are around 40 houses including 200 people in the unofficial settlement. Some of Awlad Baraka men work as boat drivers in the near-by diving center as well as safari guides. Most households have cars which they rent to tourists or local inhabitants. Women who are not yet married work in herding. After they are married, they remain at home for taking care of children.

The city council has announced that they will provide land to people living in the unofficial settlement, which however has no infrastructure.

The houses of the settlement are much more modern than those of the families in Wadi Sukari. The houses have sofas, kitchen, and bedrooms. However, because there is no electricity in the houses, families have to rely on candles at night.

Through public consultation activities, Centamin identified electricity as a priority need for the Awlad Baraka. Being near the water intake area for the mine, it was possible to have access installed to the power line and its transformers. Connections were therefore made to Awlad Baraka and power lines were extended to every house. Currently, each household has a television, satellite and most importantly, refrigerators. The families are very happy with the project, which has brought light to their lives.

Directors' Responsibility Statement

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

Josef El-Raghy	Pierre Louw
Chairman	Chief Financial Officer
27 March 2013	27 March 2013

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 2012 which comprise of the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Cash Flow Statement, 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 the 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 Directors' Responsibility Statement, 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 group'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.

Emphasis of matter – significant uncertainty relating to the outcome of the Sukari exploitation lease judgement

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in Notes 3, 4, 6 and 20 to the financial statements concerning the judgement of the Egyptian Administrative Court, which found the Company's 160km^2 exploitation lease for the Sukari mine to be invalid, but separately found that there was in existence a valid 3km^2 exploitation lease. The company has filed an appeal before the Supreme Administrative Court in Egypt to challenge this judgement and on 20 March 2013 the Court suspended the enforcement of the 30 October 2012 judgement pending a hearing on the merits of the appeal. Whilst the Directors are confident based on legal advice that the matter will be resolved in the Company's favour, the ultimate outcome of the appeal cannot presently be determined with any certainty, and no impairment or other impact that may result has been recorded in the financial statements.

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 2012 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 International Accounting Standards Board (IASB)

As explained in the accounting policies to the financial statements, the Group, in addition to complying with its legal obligation to comply with IFRS's as adopted by the European Union, has also applied IFRSs as issued by the IASB. In our opinion the group financial statements comply with IFRSs as issued by 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.

Douglas King

for and on behalf of Deloitte LLP

Chartered Accountants and Recognised Auditor

London, UK

27 March 2013

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2012

	Note	31 December 2012 Before Exceptional items US$'000	31 December 2012 Exceptional items[1] US$'000	31 December 2012 Total US$'000	31 December 2011[2] Restated US$'000
Revenue	5	426,133	-	426,133	340,479
Cost of sales	6	(169,814)	(33,118)	(202,932)	(128,202)
Gross profit		256,319	(33,118)	223,201	212,277
Other operating costs		(25,505)	-	(25,505)	(19,572)
Finance income	6	898	-	898	1,288
Profit before tax	6	231,712	(33,118)	198,594	193,993
Tax	7	444	-	444	-
Profit for the year attributable to the Company		232,156	(33,118)	199,038	193,993
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Losses on available for sale financial assets (net of tax)		(2,804)	-	(2,804)	(3,957)
Other comprehensive income for the year		(2,804)	-	(2,804)	(3,957)
Total comprehensive income attributable to the Company		229,352	(33,118)	196,234	190,036
Earnings per share:					
Basic (cents per share)	24	21.305	(3.039)	18.266	17.900
Diluted (cents per share)	24	21.299	(3.038)	18.261	17.881

(1) Refer to Note 6 for further details.

(2) The Group changed its accounting policy on production-phase stripping costs with effect from 1 January 2012. As a result, the 2011 results have been restated. Refer to Note 3 for further details.

Consolidated Statement of Financial Position

as at 31 December 2012

	Note	31 December 2012 US$'000	31 December 2011 US$'000	Change in accounting policy Note 3 US$'000	31 December 2011 Restated US$'000
NON-CURRENT ASSETS					
Property, plant and equipment	12	747,571	532,727	9,169	541,896
Exploration and evaluation asset	13	45,669	31,113	-	31,113
Available-for-sale financial assets	14.1	5,613	1,831	-	1,831
Interests in associates	14.2	3,132	3,296	-	3,296
Total non-current assets		801,985	568,967	9,169	578,136
CURRENT ASSETS					
Inventories	10	94,636	69,751	2,880	72,631
Trade and other receivables	9	40,736	29,998	-	29,998
Prepayments	11	466	1,576	-	1,576
Cash and cash equivalents	25	147,133	164,231	-	164,231
Total current assets		282,971	265,556	2,880	268,436
Total assets		1,084,956	834,523	12,049	846,572
NON-CURRENT LIABILITIES					
Provisions	16	5,544	2,630	-	2,630
Total non-current liabilities		5,544	2,630	-	2,630
CURRENT LIABILITIES					
Trade and other payables	15	54,606	24,509	-	24,509
Tax liabilities	7	-	444	-	444
Provisions	16	4,962	717	-	717
Total current liabilities		59,568	25,670	-	25,670
Total liabilities		65,112	28,300	-	28,300
Net assets		1,019,844	806,223	12,049	818,272
EQUITY					
Issued capital	17	612,463	608,596	-	608,596
Share option reserve	18	3,477	2,006	-	2,006
Other reserves	18	-	-	-	-
Accumulated profits		403,904	195,621	12,049	207,670
Total equity		1,019,844	806,223	12,049	818,272

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 27 March 2013 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 2012

	Issued Capital US$'000	Other reserves US$'000	Share options reserve US$'000	Accumulated profits US$'000	Total US$'000
Balance as at 1 January 2012	608,596	-	2,006	195,621	806,223
Change in accounting policy*	-	-	-	12,049	12,049
As restated	608,596	-	2,006	207,670	818,272
Profit for the year	-	-	-	199,038	199,038
Other comprehensive loss for the year	-	-	-	(2,804)	(2,804)
Total comprehensive income for the year	-	-	-	196,234	196,234
Issue of shares under LFSP	3,367	-	-	-	3,367
Recognition of share based payments	-	-	1,981	-	1,981
Transfer from share options reserve	510	-	(510)	-	-
Share issue costs	(10)	-	-	-	(10)
Balance as at 31 December 2012	612,463	-	3,477	403,904	1,019,844

	Issued Capital US$'000	Other reserves US$'000	Share options reserve US$'000	Accumulated profits US$'000	Total US$'000
Balance as at 1 January 2011	600,500	2,295	1,050	15,251	619,096
Profit for the year*	-	-	-	193,993	193,993
Other comprehensive loss for the year	-	-	-	(3,957)	(3,957)
Total comprehensive income for the year	-	-	-	190,036	190,036
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	207,670	818,272

* *The Group changed its accounting policy on production-phase stripping costs with effect from 1 January 2012. As a result, the 2011 results have been restated. Refer to Note 3 for further details.*

Consolidated Statement of Cash Flows

for the year ended December 2012

	Note	31 December 2012 $US'000	31 December 2011 restated $US'000
Cash flows from operating activities			
Cash generated in operating activities	25(b)	221,405	154,830
Finance income		(898)	(1,288)
Net cash generated by operating activities		220,507	153,542
Cash flows from investing activities			
Acquisition of property, plant and equipment	12	(223,567)	(116,401)
Exploration and evaluation expenditure	13	(14,556)	(23,209)
Acquisition of financial assets	14	(6,427)	(17,403)
Acquisition of interests in associates	14	(166)	(3,296)
Proceeds from sale of available-for-sale financial assets		-	11,191
Finance income		898	1,288
Net cash used in investing activities		(243,818)	(147,830)
Cash flows from financing activities			
Proceeds from the issue of equity and conversion of options	17	3,367	3,606
Share issue costs	17	(10)	(114)
Net cash provided by financing activities		3,357	3,492
Net (decrease)/increase in cash and cash equivalents		(19,954)	9,204
Cash and cash equivalents at the beginning of the period	25	164,231	154,338
Effect of foreign exchange rate changes		2,856	689
Cash and cash equivalents at the end of the period	25	147,133	164,231

Notes to the Consolidated Financial Statements

for the year ended 31 December 2012

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.

Registered Office	Principal Place of Business
Centamin plc Ogier House, The Esplanade St Helier, Jersey JE4 9WG	2 Mulcaster Street St Helier Jersey JE2 3NJ

The nature of the Group's operations and its principal activities are set out in the directors' report on pages 58 to 60 and the operating review on pages 17 to 21.

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 20 Stripping Costs in the Production Phase of a Surface Mine	IFRIC 20 provides clarity on how to account for and measure the removal of mine waste materials which provide access to mineral ore deposits. Refer to Changes in Accounting Policy in Note 3 for further information.

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.

IFRS 7 (amended) Disclosures – Transfers of Financial Assets	The amendments introduce additional disclosures, designed to allow users of financial statements to improve their understanding of transfer transactions of financial assets, including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.
IAS 12 (amended) Deferred Tax: Recovery of Underlying Assets	The amendment provides an assumption that recovery of the carrying amount of an asset measured using the fair value model in IAS 40 Investment Property will, normally, be through sale.
IFRS 1 (amended) Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	The amendment replaces references to a fixed date with the date of transition to IFRSs' and provides guidance on how an entity should resume presenting financial statements in accordance with IFRSs after a period when the entity was unable to comply with IFRSs because its functional currency was subject to sever hyperinflation.
IAS 19 (revised) Employee Benefits	The amendments provide revised requirements for pensions and other post-retirement benefits, termination benefits and other changes.
IAS 1 (amended) Presentation of Items of Other Comprehensive Income	The amendment revises the way other comprehensive income is presented.

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)	Government Loans
IFRS 7 (amended)	Disclosures – Offsetting Financial Assets and Financial Liabilities
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 27 (revised)	Separate Financial Statements
IAS 28 (revised)	Investments in Associates and Joint Ventures (2011)
IAS 32 (revised)	Offsetting Financial Assets and Financial Liabilities
Improvements to IFRSs 2009 - 2011	Annual Improvements 2009 - 2011 Cycle

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, however will have no impact on the accounting of the Concession Agreement;
- IFRS 12 will impact the disclosure of interests the 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.

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 2012 except as disclosed in Note 3 below "Changes in accounting policy".

Changes in accounting policy

IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine".

The Group changed its accounting policy on stripping costs in the production phase of a surface mine effective 1 January 2012. IFRIC 20 provides clarity on how to account for and measure the removal of mine waste materials which provide access to mineral ore deposits. This waste removal activity is known as 'stripping'. There can be two benefits accruing to the entity from the stripping activity:

- usable ore that can be used to produce inventory; and
- improved access to further quantities of material that will be mined in future periods.

IFRIC 20 considers when and how to account separately for these two benefits arising from the stripping activity, as well as how to measure these benefits both initially and subsequently.

The costs of stripping activity to be accounted for in accordance with the principles of IAS 2 Inventories to the extent that the benefit from the stripping activity is realised in the form of inventory produced.

The costs of stripping activity which provides a benefit in the form of improved access to ore is recognised as a non-current 'stripping activity asset' where the following criteria are met:

i. it is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow to the entity;

ii. the entity can identify the component of the ore body for which access has been improved; and

iii. the costs relating to the stripping activity associated with that component can be measured reliably.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When the costs of the stripping activity asset and the inventory produced are not separately identifiable, production stripping costs are allocated between the inventory produced and the stripping activity asset by using an allocation basis that is based on a relevant production measure.

A stripping activity asset is accounted for as an addition to, or as an enhancement of, an existing asset and classified as tangible or intangible according to the nature of the existing asset of which it forms part.

A stripping activity asset is initially measured at cost and subsequently carried at cost or its revalued amount less depreciation or amortisation and impairment losses. A stripping activity asset is depreciated or amortised on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity. The stripping activity asset is depreciated using a units of production method based on the total ounces to be produced over the life of the component of the ore body.

IFRIC 20 includes transitional provisions which permit the Group to reclassify any 'predecessor stripping asset' at the start of the earliest period presented as part of the existing asset to which the stripping activity is related, which will be 1 January 2011.

In line with IFRIC 20, our 2012 results now include a restatement of the 2011 year as follows:

Impact of IFRIC 20	Year ended 31 December 2011 US$'000
Increase in Profit for the period and Total comprehensive income	**12,049**
Increase in Net Assets	**12,049**
Increase in basic earnings per share (cents per share)	**1.11**
Increase in fully diluted earnings per share (cents per share)	**1.11**

The adoption of IFRIC 20 had no impact on the Group's retained earnings as at 1 January 2011.

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.

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 charge in the income statement.

Going concern

These financial statements for the year ended 31 December 2012 have been prepared on a going concern basis, which contemplate the realisation of assets and liquidation of liabilities during the normal course of operations.

As discussed in Note 20, during the year the operation of the mine was affected by two legal actions. The first of these followed from a decision taken by EGPC to charge international, not local (subsidised) prices for the supply of Diesel Fuel Oil, and the second arose as a result of judgment of an Administrative Court of first instance in relation to, amongst other matters, the Company's 160km^2 exploitation lease. In relation to the first decision, the Company remains confident that in the event that it is required to continue to pay international prices, the mine at Sukari will remain commercially viable. Similarly, the Company remains confident that the appeal it has lodged in relation to the decision of the Administrative Court will ultimately be successful, although final resolution of it may take some time. On 20 March 2013 the Supreme Administrative Court upheld the Company's application to suspend the decision until the merits of the Company's appeal are considered and ruled on, thus providing assurance that normal operations would be able to continue during this process.

In the unlikely event that the Group is unsuccessful in either or both of its legal actions, and that the operating activities are restricted to a reduced area, it is the Director's belief that the Group will be able to continue as going concern.

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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 Holdings Limited (previously, 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	-	3 - 7 years
Motor Vehicles	-	2 - 13 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.

Capitalised underground development costs incurred to enable access to specific ore blocks or areas of the underground mine, and which only provide an economic benefit over the period of mining that ore block or area, are depreciated on a unit of production basis, whereby the denominator is estimated ounces of gold in proven and probable reserves within that ore block or area where it is considered probable that those resources will be extracted economically.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Stripping activity assets

The group defers stripping costs incurred (removal of mine waste materials which provide improved access to further quantities of material that will be mined in future periods). During the current year, the Group changed its accounting policy on stripping costs in the production phase of a surface mine "IFRIC 20" effective 1 January 2012. IFRIC 20 provides clarity on how to account for and measure the removal of mine waste materials which provide access to mineral ore deposits. This waste removal activity is known as 'stripping'. There can be two benefits accruing to the entity from the stripping activity:

- usable ore that can be used to produce inventory; and
- improved access to further quantities of material that will be mined in future periods.

The costs of stripping activity to be accounted for in accordance with the principles of IAS 2 Inventories to the extent that the benefit from the stripping activity is realised in the form of inventory produced. The costs of stripping activity which provides a benefit in the form of improved access to ore is recognised as a non-current 'stripping activity asset' where the following criteria are met:

i. it is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow to the entity;

ii. the entity can identify the component of the ore body for which access has been improved; and

iii. the costs relating to the stripping activity associated with that component can be measured reliably.

When the costs of the stripping activity asset and the inventory produced are not separately identifiable, production stripping costs are allocated between the inventory produced and the stripping activity asset by using an allocation basis that is based on a relevant production measure. A stripping activity asset is accounted for as an addition to, or as an enhancement of, an existing asset and classified as tangible or intangible according to the nature of the existing asset of which it forms part. A stripping activity asset is initially measured at cost and subsequently carried at cost or its revalued amount less depreciation or amortisation and impairment losses. A stripping activity asset is depreciated or amortised on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity. The stripping activity asset is depreciated using a units of production method based on the total ounces to be produced over the life of the component of the ore body.

Deferred stripping costs are included in 'Stripping Assets', within tangible assets. These form part of the total investment in the relevant cash-generating unit, which is reviewed for impairment if events or a change in circumstances indicate that the carrying value may not be recoverable. Amortisation of deferred stripping costs is included in operating costs.

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.

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 significant risks and rewards of ownership of the mineral production to the buyer, it is probable that economic benefits associated with the transaction will flow to the Group, the sales price can be measured reliably, and the Group has no significant continuing involvement and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is when insurance risk has passed to the buyer and the goods have been collected at the agreed location.

Where the terms of the executed sales agreement allow for an adjustment to the sales price based on a survey of the mineral production by the buyer (for instance an assay for gold content), recognition of the revenue from the sale of mineral production is based on the most recently determined estimate of product specifications.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 Note 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.

Issued capital

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where the Company or other members of the consolidated Group purchases the Company's equity share capital, the consideration paid is deducted from the total shareholders' equity of the Group and/or of the Company as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity of the Group and/or the Company.

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.

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:

Litigation

The Group is currently a party to two legal actions both of which could affect its ability to operate the mine at Sukari in the manner in which it is currently operated and adversely affect its profitability. The details of this litigation, which relate to the loss of the Egyptian national subsidy for Diesel Fuel Oil and the ability of the Group to operate outside the area of 3km^2 determined by the Administrative Court of first instance to be the area of the exploitation lease, are given on in Note 20 to the Financial Statements, and in the most recently filed Annual Information Form ("AIF") which is available on www.sedar.com. Although it is possible to quantify the effects of the loss the national fuel subsidy, it is not currently possible to quantify with sufficient precision the effect of restricting operations to an area of 3km^2.

Every action is being taken to contest these decisions, including the making of formal legal appeals and, although their resolution may take some time, management remain confident that a satisfactory outcome will ultimately be achieved. In the meantime, however, the Group is continuing to pay international prices for Diesel Fuel Oil. With respect to the Administrative Court ruling, on 20 March 2013 the Supreme Administrative Court upheld the Company's application to suspend this decision until the merits of the Company's appeal are considered and ruled on, thus providing assurance that normal operations would be able to continue during this process.

In the unlikely event that the Group is unsuccessful in either or both of its legal actions, and that the operating activities are restricted to a reduced area, it is management's belief that the Group will be able to continue as going concern.

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.

Production forecasts from the underground mine at Sukari are partly based on estimates regarding future resource and reserve growth. It is the opinion of management and Directors that these estimates are both realistic and conservative, based on current information. However, as the mine relies on continued deeper development and exploration drilling for further reserve definition, the life of this part of the mine remains limited and there is a risk that some or all of this growth will not materialise with a consequent negative impact on current production forecasts.

5. REVENUE

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

	31 December 2012 US$'000	31 December 2011 US$'000
Gold sales	425,812	339,779
Silver sales	321	700
	426,133	340,479
Finance income	898	1,288
	427,031	341,767

6. PROFIT BEFORE TAX

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

	31 December 2012			31 December 2011
	Before exceptional items US$'000	Exceptional items US$'000	Total US$'000	US$'000
Cost of sales				
Mine production costs	**(140,067)**	**(36,654)**	(176,721)	(112,393)
Movement in inventory	**5,854**	**3,572**	9,426	2,833
Depreciation and Amortisation	**(35,601)**	**(36)**	(35,637)	(18,642)
	(169,814)	**(33,118)**	(202,932)	(128,202)

6. PROFIT BEFORE TAX (CONTINUED)

	31 December 2012 US$'000	31 December 2011 US$'000
Finance income		
Interest received	898	1,288
Other operating costs		
Corporate compliance	(2,956)	(1,506)
Corporate consultants	(772)	(383)
Employee entitlements	(141)	(33)
Salary and wages	(8,314)	(1,598)
Travel and accommodation	(956)	(694)
Other administration expenses	(1,887)	(1,090)
Employee equity settled share based payments	(1,981)	(1,496)
Fixed royalty – Attributable to the Egyptian government	(12,769)	(13,360)
Foreign exchange gain, net	5,170	584
Investment loss, net of tax	-	93
Provision for restoration and rehabilitation – unwinding of discount	(263)	(89)
Share of loss in associate	(330)	-
Lease payments	(306)	-

Exceptional items

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 2012 US$'000	31 December 2011 US$'000
Included in Cost of sales		
Mine production costs	(36,654)	-
Movement in inventory	3,572	-
Depreciation and Amortisation	(36)	-
	(33,118)	-

In January 2012 the Company received a letter from Chevron to the effect that Chevron would not be able to continue supplying Diesel Fuel Oil (DFO) to the mine at Sukari at local subsidised prices. It is understood that the reason that this letter was issued was that Chevron had received a letter instructing it to do so from the Egyptian General Petroleum Corporation ("EGPC"). It is further understood that EGPC itself took the decision to issue this instruction because it had received legal advice from the Legal Advice Department of the Council of State (an internal government advisory department) that the companies operating in the gold mining sector in Egypt were not entitled to such subsidies. In addition, the Company during the year received a demand from Chevron for the repayment of fuel subsidies received in the period from late 2009 through to January 2012, amounting to some US$60 million (EGP403 million).

The Group has taken detailed legal advice on this matter (and, in particular, on the opinion given by Legal Advice Department of the Council of State) and in consequence in June lodged an appeal against EGPC's decision in the Administrative Courts. Again, the Group believes that its grounds for appeal are strong and that there is every prospect of success. However, as a practical matter, and in order to ensure the continuation of supply, the Group has since January advanced funds to our fuel supplier, Chevron, based on the international price for diesel.

As at the date of this document, no final decision had been taken by the courts regarding this matter. Furthermore, the Group remains of the view that an instant move to international fuel prices is not a reasonable outcome and will look to recover funds advanced thus far should the court proceeding be concluded in its favour. However, Management recognises the practical difficulties associated with re-claiming funds from the government and for this reason have, fully provided against the prepayment of US$41.4 million, as an exceptional item, as follows:

(a) a US$33.1 million increase in cost of sales,
(b) a US$0.6 million increase in stores inventories,
(c) a US$3.6 million increase in mining stockpiles and ore in circuit, and
(d) a US$4.1 million increase in property, plant and equipment (capital WIP).

This has resulted in a net decrease of US$33.1 million in the profit and loss.

	31 December 2012 US$'000	31 December 2011 US$'000
Included in Other operating costs		
Re-domicile costs	(564)	(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.

7. TAX

Tax recognised in profit is summarised as follows:

	31 December 2012 US$'000	31 December 2011 US$'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	(444)	-
Deferred tax		
Deferred tax expense relating to the origination and reversal of temporary differences	-	222
Tax losses and temporary differences not recognized	-	(222)
Total tax expense	(444)	-

The tax expense for the year can be reconciled to the profit per the consolidated statement of comprehensive income as follows:	31 December 2012 US$'000	31 December 2011 US$'000
Profit before income tax	198,594	193,994
Add: Share of loss in Associate	330	-
	198,924	193,994
Tax expense calculated at 0% (2011 : 30%)(1) of profit before tax	-	58,198
Tax effect of amounts which are not deductible/taxable in calculating taxable income:		
Non-deductible expenses	-	48,703
Tax effect of income not taxable in determining taxable profit	-	(107,209)
Tax Losses and temporary differences not recognized	-	308
Adjustments recognised in the current year in relation to the current tax in prior periods	(444)	-
Tax expense for the year	(444)	-

(1) The tax rate used in the above reconciliation is the corporate tax rate of 0% payable by Jersey corporate entities under the Jersey tax law (2011 : 30% payable by Australian corporate entities on taxable profits under the Australian tax law). There has been no change in the underlying corporate tax rates when compared to the previous financial period.

	31 December 2012 US$'000	31 December 2011 US$'000
Current tax liabilities		
Current tax payable	-	444

Tax consolidation

Relevance of tax consolidation to the consolidated entity

Companies within the Groups 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 2012 US$'000	31 December 2011 US$'000
Gold sales debtors	40,736	29,976
Other receivables	-	22
	40,736	29,998

Trade and other receivables are classified as loans and receivables and are therefore measured at amortised cost. The average age of the receivables is 35 days (2011: 32 days). 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 2012 US$'000	31 December 2011* US$'000
Mining stockpiles and ore in circuit	22,800	13,374
Stores	71,836	59,257
	94,636	72,631

* The Group changed its accounting policy on production-phase stripping costs with effect from 1 January 2012. As a result, the 2011 results have been restated. Refer to Note 3 for further details.

During the year US$20,493 (2011: US$295,000) of inventory has been written off to other operating costs.

11. PREPAYMENTS

	31 December 2012 US$'000	31 December 2011 US$'000
Prepayments	466	1,576
Fuel prepayments	-	-
	466	1,576
Movement in fuel prepayments		
Balance at the beginning of the year	-	-
Fuel prepayment recognised	41,417	-
Less: Provision charged to [1]:		
Mine production costs (see Note 6)	(36,654)	
Property, plant and equipment (see Note 6)	(4,157)	
Inventories (see Note 6)	(606)	-
Balance at the end of the year	-	-

(1) Refer to Note 6, Exceptional Items, for further details.

12. PROPERTY, PLANT AND EQUIPMENT

	Office equipment US$'000	Land and buildings US$'000	Plant and equipment US$'000	Motor vehicles US$'000	Mine Development properties[1] US$'000	Stripping Asset[1] US$'000	Capital WIP US$'000	Total US$'000
Cost								
Balance at 31 December 2011	2,727	14	273,940	77,074	119,837	-	108,767	582,359
Additions	220	-	-	-	56,570	-	184,522	241,312
Transfers	648	157	4,426	28,202	-	-	(33,433)	-
Balance at 31 December 2012	3,595	171	278,366	105,276	176,407	-	259,856	823,671
Accumulated depreciation								
Balance at 31 December 2011	(1,926)	(9)	(14,883)	(19,510)	(4,135)	-	-	(40,463)
Depreciation and amortisation	(590)	(7)	(13,369)	(10,197)	(11,474)	-	-	(35,637)
Balance at 31 December 2012	(2,516)	(16)	(28,252)	(29,707)	(15,609)	-	-	(76,100)
Cost								
Balance at 31 December 2010	2,243	14	241,140	56,338	125,947	-	40,276	465,958
Additions	9	-	-	-	-	-	122,502	122,511
Transfers	475	-	32,800	20,736	(6,110)	-	(54,011)	(6,110)
Balance at 31 December 2011	2,727	14	273,940	77,074	119,837	-	108,767	582,359
Accumulated depreciation								
Balance at 31 December 2010	(1,417)	(8)	(6,242)	(12,073)	(2,081)	-	-	(21,821)
Depreciation and amortisation	(509)	(1)	(8,641)	(7,437)	(2,054)	-	-	(18,642)
Balance at 31 December 2011	(1,926)	(9)	(14,883)	(19,510)	(4,135)	-	-	(40,463)
Net book value								
As at 31 December 2011	801	5	259,057	57,564	115,702	-	108,767	541,896
As at 31 December 2012	**1,079**	**155**	**250,114**	**75,569**	**160,798**	**-**	**259,856**	**747,571**

(1) The Group changed its accounting policy on production-phase stripping costs with effect from 1 January 2012. As a result, the 2011 results have been restated. Refer to Note 3 for further details.

13. EXPLORATION AND EVALUATION ASSET

	31 December 2012 US$'000	31 December 2011 US$'000
Balance at the beginning of the period	31,113	3,752
Acquisition of Sheba Exploration (UK) plc – exploration rights	-	10,413
Expenditure for the period	14,556	16,948
Balance at the end of the period	45,669	31,113

The exploration and evaluation asset relates to the drilling, geological exploration and sampling of potential ore reserves. During the prior 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 2014. Both licences are renewable for a period of one year.

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

14.1 Available-for-sale financial assets

	31 December 2012 US$'000	31 December 2011 US$'000
Balance at the beginning of the period	1,831	-
Acquisitions	6,427	17,403
Disposals	-	(11,408)
Profit/(Loss) on foreign exchange movement	159	(207)
Loss on fair value of investment – other comprehensive income	(2,804)	(3,957)
Balance at the end of the period	**5,613**	**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.

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 prior 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

	31 December 2012 US$'000	31 December 2011 US$'000
Balance at the beginning of the period	3,296	-
Acquisitions	166	3,296
Share of loss in associate	(330)	-
Balance at the end of the period	3,132	3,296

The interest in associate relate to the Group's 36% equity interest in Sahar Minerals Limited, of which 33% was acquired in July 2011, and an additional 3% was acquired in December 2012. The associate holds exploration rights and continues to explore.

In 2011, the interest in associate was held at the cost of US$3,296,000 at year-end and no movement in the investment was recorded as there was no financial information available for the associate since acquisition.

15. TRADE AND OTHER PAYABLES

	31 December 2012 US$'000	31 December 2011 US$'000
Trade payables	21,121	12,909
Other creditors and accruals	33,485	11,600
	54,606	24,509

Trade payables principally comprise the amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 38 days (2011: 45 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 2012 US$'000	31 December 2011 US$'000
Current		
Employee benefits (i)	625	717
Bonus provision	4,337	-
	4,962	717
Non-current		
Employee benefits	-	-
Restoration and rehabilitation (ii)	5,544	2,630
	5,544	2,630
Movement in restoration and rehabilitation provision		
Balance at beginning of the year	2,630	2,541
Additional provision recognised	2,651	-
Interest expense – unwinding of discount	263	89
Balance at end of the year	5,544	2,630
Movement in bonus provision		
Balance at beginning of the year	-	-
Provision recognised	4,337	-
Balance at end of the year	4,337	-

(i) Employee benefits relate to annual, sick and long service leave entitlements. The current provision for employee benefits as at 31 December 2012 includes US$625,118 (31 December 2011: US$707,780) 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 discounted by 10%. 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 2012 US$'000	31 December 2011 US$'000
Balance at beginning of the period	608,596	600,500
Issue of shares upon exercise of options and warrants	-	3,606
Transfer from share options reserve	510	452
Other placements	3,367	4,152
Share issue costs	(10)	(114)
Balance at end of the period	612,463	608,596

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

	31 December 2012 US$'000		31 December 2011 US$'000	
	Number	$'000	Number	$'000
Fully paid ordinary shares				
Balance at beginning of the period	1,096,297,381	608,596	1,081,946,250	600,500
Issue of shares under share/option scheme	5,100,000	3,357	11,312,500	3,606
Transfer from share option reserve	-	510	-	452
Other placements (net of share issue costs)	-	-	3,038,631	4,038
Balance at end of the period	1,101,397,381	612,463	1,096,297,381	608,596

At 31 December 2012 the Company held 11,347,222 ordinary shares of in treasury (2011: 8,840,000 ordinary shares).

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 2012 US$'000	31 December 2011 US$'000
Option reserve	-	-
Asset realisation reserve	-	-
Other reserves – sub-total	-	-
Share option reserve	3,477	2,006
	3,477	2,006

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.

18. RESERVES (continued)

	31 December 2012 US$'000	31 December 2011 US$'000
Option reserve		
Balance at beginning of the period	-	1,857
Movements during the period	-	(1,857)
Balance at the end of the period	-	-
Share option reserve		
Balance at beginning of the period	2,006	1,050
Cost of share-based payments	1,981	1,496
Transfer to issued capital	(510)	(452)
Transfer to retained earnings	-	(88)
Balance at the end of the period	3,477	2,006

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.

19. COMMITMENTS FOR EXPENDITURE

	31 December 2012 US$'000	31 December 2011 US$'000
(a) Capital expenditure commitments		
Plant and equipment		
Not longer than 1 year	55,978	40,026
Longer than 1 year and not longer than 5 years	-	-
Longer than 5 years	-	-
	55,978	40,026
(b) Operating lease commitments		
Office premises		
Not longer than 1 year	319	56
Longer than 1 year and not longer than 5 years	486	-
Longer than 5 years	60	-
	865	56

Operating lease commitments are limited to office premises in London and Jersey.

20. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Liabilities

Fuel Supply

In January 2012, the Group received a letter from Chevron to the effect that Chevron would only be able to supply Diesel Fuel Oil ("DFO") to the mine at Sukari at international prices rather than at local subsidised prices, which had the effect of adding approximately US$150 per ounce to the cost of production. It is understood that the reason that this letter was issued was that Chevron had received a letter instructing it to do so from the Egyptian General Petroleum Corporation ("EGPC"). It is further understood that EGPC itself issued this instruction because it had received legal advice from the Legal Advice Department of the Council of State (an internal government advisory department) that the companies operating in the gold mining sector in Egypt were not entitled to such subsidies. In November, the Group received a further demand from Chevron for the repayment of fuel subsidies received during the period from late 2009 through to January 2012, amounting to EGP403 million (approximately US$60 million at current exchange rates).

The Group has taken detailed legal advice on this matter (and, in particular, on the opinion given by the Legal Advice Department of the Council of State) and in June 2012 lodged an appeal against EGPC's decision in the Administrative Courts. Again, the Group believes that its grounds for appeal are strong and that there is a good prospect of success. However, as a practical matter, and in order to ensure the continuation of supply whilst the matter is resolved, the Group has since January advanced funds to our fuel supplier, Chevron, based on the international price for fuel.

As at the date of this document, no decision had been taken by the courts regarding this matter. The Group remains of the view that an instant move to international fuel prices is not a reasonable outcome and will look to recover funds advanced thus far should the court proceeding be successfully concluded. However, Management recognises the practical difficulties associated with re-claiming funds from the government and for this reason have fully provided against the prepayment of US$41.4 million, as an exceptional item. Refer to Note 6 of the accompanying financial statements for further details on the impact of this exceptional provision on the Group's results for 2012.

No provision has been made in respect of the historic subsidies prior to January 2012 as, based on legal advice, the Company believes that the prospects of a court finding in its favour in relation to this matter remain very strong.

Egyptian Court Litigation

On 30 October 2012, the Administrative Court in Egypt handed down a judgment in relation to a claim brought by, amongst others, an independent member of the previous parliament, in which he argued for the nullification of the agreement that confers on the Group rights to operate in Egypt. This agreement, the Concession Agreement, was entered into between the Arab Republic of Egypt, the Egyptian Mineral Resources Authority ("EMRA") and Centamin's wholly owned subsidiary Pharaoh Gold Mines ("PGM"), and was approved by the People's Assembly as Law 222 of 1994.

In summary that judgment states that, although the Concession Agreement itself remains valid and in force, sufficient evidence had not been submitted to Court in order to demonstrate that the 160km^2 "exploitation lease" between PGM and EMRA had received approval from the relevant Minister as required by the terms of the Concession Agreement. Accordingly, the Court found that the exploitation lease in respect of the area of 160km^2 was not valid although it stated that there was in existence such a lease in respect of an area of 3km^2. Centamin, however, is in possession of the executed original lease documentation which clearly shows that the 160km^2 exploitation lease was approved by the Minister of Petroleum and Mineral Resources. It appears that an executed original document was not supplied to the Court.

Upon notification of the judgment the Group took various steps to protect its ability to continue to operate the mine at Sukari. These included both lodging a formal appeal before the Supreme Administrative Court on 26 November 2012 and, in the first instance, lodging an "Objection to Enforcement" in respect of with the Civil Court on 31 October 2012; this was an interim measure which had the effect of "staying" (postponing) implementation of the original ruling until such time as the Objection is heard. In addition, in conjunction with the formal appeal the Group applied to the Supreme Administrative Court to suspend the initial decision until such time as the court is able to consider and rule on the merits of the appeal. On 20 March 2013 the Court upheld this application thus suspending the initial decision and providing assurance that normal operations would be able to continue whilst the appeal process is underway.

EMRA lodged its own appeal in relation to this matter on 27 November 2012, the day after the Company's appeal was lodged. Furthermore, in late December 2012, the Minister of Petroleum lodged a supporting appeal and shortly thereafter publicly indicated that, in his view, the terms of the Concession Agreement were fair and that the "exploitation" lease was valid. The Minister of Petroleum also expressed support for the investment and expertise that Centamin brings to the country. We believe this demonstrates the government's commitment to our investment at Sukari and the desire to stimulate further investment in the Egyptian mining industry.

We do not yet know when the appeal will conclude, although are aware of the potential for the process in Egypt to be lengthy. The Company has taken extensive legal advice on the merits of its appeal from two leading Egyptian law firms who have confirmed that the proper steps were followed with regard to the grant of the 160km² lease. We therefore remain of the view that the appeal is based on strong legal grounds and will ultimately be successful. In the event that the appellate court fails to be persuaded of the merits of the case put forward by the Group, the operations at Sukari may be adversely effected to the extent that the companies operation exceeded the exploitation lease area of 3km² referred to in the original court decision.

The Company remains confident that normal operations at Sukari will be maintained whilst the appeal case is heard.

Contingent Assets

There were no contingent assets at year-end (31 December 2011: nil).

21. SUBSIDIARIES

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

	Country of incorporation	Ownership interest 31 December 2012 %	Ownership interest 31 December 2011 %
Centamin Egypt Limited	Australia	100	100
Viking Resources Limited	Australia	100	100
North African Resources NL	Australia	100	100
Pharaoh Gold Mines NL	Australia	100	100
Egyptian Pharaoh Investments[1]	Egypt	50	50
Sukari Gold Mining Co	Egypt	50	50
Centamin UK Limited	United Kingdom	100	100
Sheba Exploration Holdings Limited[2]	United Kingdom	100	100
Centamin Group Services Limited	Jersey	100	-
Centamin Holdings Limited	Jersey	100	-
Sheba Exploration Limited	Ethiopia	100	100
Centamin Limited	Bermuda	100	100

[1] Dormant company.

[2] Previously Sheba Exploration (UK) Plc

22. AUDITOR'S REMUNERATION

The analysis of the auditor's remuneration is as follows:

	31 December 2012 US$'000	31 December 2011 US$'000
Fees payable to the company's auditor and their associates for the audit of the company's annual accounts	210	231
Additional fees relating to the prior year*	191	-
Fees payable to the company's auditor and their associates for other services to the group		
- The audit of the company's subsidiaries	48	-
Total audit fees	449	231
Non audit fees:		
Audit related assurance services	126	-
Other assurance services	-	308
Tax compliance services	79	90
Tax advisory services	122	247
Total non-audit fees	327	645

* Additional one-off fees incurred as a result of the re-domicile process.

The auditor of the Centamin plc Group of companies is Deloitte LLP. 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.

Deloitte obtained pre-approval from the Audit Committee for performing these services and have used separate teams for the tax advisory 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 2012 %	Percentage Interest 31 December 2011 %
Egyptian Pharaoh Investments[1]	Exploration	50	50
Sukari Gold Mines	Exploration and Production	50	50

1 Dormant Company.

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.

Statement of financial position	31 December 2012 US$'000	31 December 2011 US$'000
Current assets		
Cash	32,107	32,100
Trade and other receivables	40,734	29,976
Inventories	94,636	72,631
Prepayments	289	247
	167,766	134,954
Non-current assets		
Exploration, evaluation and development	32,002	18,699
	32,002	18,699
Current liabilities		
Trade and other payables	53,601	21,639
	53,601	21,639
Statement of comprehensive income		
Revenue	426,133	340,479
Cost of sales	(204,109)	(128,201)
Gross profit	222,024	212,278
Other operating income	37	700
Other operating costs	4,096	(1,631)
Profit before income tax	226,157	211,347
Tax expenses	-	-
Net profit for the year	226,157	211,347

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 km^2 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 or profit share (defined as revenue less payment of the fixed royalty to ARE and recoverable costs). As at 31 December 2012, 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 2013, 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

	31 December 2012 Cents Per Share	31 December 2011 Cents Per Share
Basic earnings per share	18.27	17.90
Diluted earnings per share	18.26	17.88

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:

	31 December 2012 $'000	31 December 2011 US$'000
Earnings used in the calculation of basic EPS	199,038	193,993

	31 December 2012 No.	31 December 2011 No.
Weighted average number of ordinary shares for the purpose of basic EPS	1,089,653,789	1,083,738,358

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:

	31 December 2012 $'000	31 December 2011 US$'000
Earnings used in the calculation of diluted EPS	199,038	193,993

	31 December 2012 No.	31 December 2011 No.
Weighted average number of ordinary shares for the purpose of diluted EPS	1,089,977,621	1,084,906,503
Weighted average number of ordinary shares for the purpose of basic EPS	1,089,653,789	1,083,738,358
Shares deemed to be issued for no consideration in respect of employee options	323,832	1,168,145
Weighted average number of ordinary shares used in the calculation of diluted EPS	1,089,977,621	1,084,906,503

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

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 2012 $'000	31 December 2011 $'000
Cash and cash equivalents	147,133	164,231

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

	31 December 2012 $'000	31 December 2011 $'000
Profit for the year	199,038	193,993
Add/(less) non-cash items:		
Depreciation/amortisation of property, plant and equipment	35,637	18,642
Stock write-off	20	295
Increase in provisions	7,159	171
Foreign exchange rate gain, net	(4,320)	(584)
Listed shares - unrealized gain	-	(93)
Share of loss in associate	330	-
Share based payments	1,981	1,496
Changes in working capital during the period:		
Increase in trade and other receivables	(10,738)	(29,870)
Increase in inventories	(22,005)	(34,612)
Decrease in prepayments	1,110	(1,116)
Increase in trade and other payables	13,193	6,508
Cash flows generated from operating activities	221,405	154,830

(c) Non-cash financing and investing activities

During the year there have been no non-cash financing and investing activities. During the prior 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 Holdings Limited (previously, 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, London, Jersey, Egypt and Ethiopia. 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.

Categories of financial assets and liabilities:

	31 December 2012 $'000	31 December 2011 $'000
Financial assets		
Available for sale assets	5,613	1,831
Cash and cash equivalents	147,133	164,231
Trade and other receivables	40,736	29,998
	193,482	196,060
Financial liabilities		
Other financial liabilities	-	-
Trade and other payables	54,606	24,509
	54,606	24,509

(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.

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. Great British pound and Egyptian pound. Exposure to Canadian dollars has diminished considerably when compared to prior periods. 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 Great British pound, Australian dollar and Egyptian pound are as follows:

	Great British Pound		Australian dollar		Egyptian Pound	
	31 December 2012 US$'000	31 December 2011 US$'000	31 December 2012 US$'000	31 December 2011 US$'000	31 December 2012 US$'000	31 December 2011 US$'000
Financial assets						
Cash and cash equivalents	1,055	3,046	21,963	31,567	3,648	7,713
Available for sale assets	4,062	-	1,550	1,831	-	-
	5,117	3,046	23,513	33,398	3,648	7,713
Financial liabilities						
Trade and other payables	6,585	211	11,361	671	6,268	27,594
	6,585	211	11,361	671	6,268	27,594
Net exposure	(1,468)	2,835	12,152	32,727	(2,620)	(19,881)

The following table summarises the sensitivity of financial instruments held at the reporting date to movements in the exchange rate of the Great British and Egyptian pounds and Australian 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 2012 US$'000	31 December 2011 US$'000	31 December 2012 US$'000	31 December 2011 US$'000
US$/GB£ increase by 10%	133	(108)	(155)	(108)
US$/GB£ decrease by 10%	(133)	108	155	108
US$/A$ increase by 10%	(1,105)	(2,961)	(144)	(2,961)
US$/A$ decrease by 10%	1,105	2,961	144	2,961
US$/E£ increase by 10%	238	(127)	-	(127)
US$/E£ decrease by 10%	(238)	127	-	127

The Group's sensitivity to foreign currency has decreased at the end of the current period mainly due to the decrease in foreign currency cash holdings in Australian dollars and Great British pounds and a corresponding increase in US dollar cash holdings.

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 2012					
Financial assets					
Variable interest rate instruments	0.64	33,251	111,898	-	145,149
Non-interest bearing	-	48,333	-	-	48,333
		81,584	111,898	-	193,482
Financial liabilities					
Variable interest rate instruments	-	-	-	-	-
Non-interest bearing	-	54,606	-	-	54,606
		54,606	-	-	54,606
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

(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 on-going 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.

Liquidity risk:	Less than 1 month	1-12 months	>12 months	Total
Consolidated				
31 December 2012				
Financial assets				
Variable interest rate instruments	33,251	111,898	-	145,149
Non-interest bearing	48,333	-	-	48,333
	81,584	111,898	-	193,482
Financial liabilities				
Variable interest rate instruments	-	-	-	-
Non-interest bearing	54,606	-	-	54,606
	54,606	-	-	54,606
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

(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).

	2012			
	Level 1	**Level 2**	**Level 3**	**Total**
Available for sale financial assets	5,613	-	-	5,613

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

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. 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. No options have been offered under the ESOP in 2011 or 2012.

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 Notice of General Meeting for the shareholder meeting held on Tuesday, 15 February 2011, and full copies of the plan are available upon request.

Further details of the performance conditions can be found in the remuneration report.

2011 Employee Option Scheme

Options were issued under the 2011 Option Scheme (EOS) made in accordance with thresholds set in plans approved by shareholders at the Extraordinary General Meeting of Shareholders on 14 December 2011. All employees of the Group other than directors shall be able to participate in the 2011 EOS. The Committee shall select from time to time from such group the actual participants in the 2011 EOS.

The 2011 EOS provides for employees (other than Directors) to receive up to an annual aggregate of options over ordinary shares, with an exercise price calculated by either the volume weighted average closing price of Ordinary Shares sold on an exchange for the five trading days most recently preceding the day as at which the market value is calculated or if market value is required to be determined in another manner or another amount for the purposes of tax legislation in another jurisdiction, then the value is so determined at the date of issue. The ability to exercise the options is conditional on the Group achieving its performance hurdles. For the initial grants to be made under the 2011 EOS it is the current intention that the performance criteria will be the TSR performance criteria as detailed in the 2011 Executive LFSP. Further details of the performance conditions can be found in the remuneration report.

Under the 2011 EOS the exercise price of the options is denominated in pound sterling. All options expire on the earlier of their expiry date or termination of the individual's employment.

Deferred Bonus Share Plan

During the year the Company implemented a Deferred Bonus Share Plan (DBSP) which is a long term share incentive arrangement for senior management (but not executive directors) and other employees (participants).

Under the DBSP, the Board shall, at its absolute discretion, require such eligible participants to defer up to one hundred per cent (100%) of their bonus opportunity and such eligible participants shall not be paid their deferred bonus in cash but shall instead be granted a Deferred Bonus Award over such number of Shares provided that the eligible participant remains in employment on the date of grant (effectively the vesting date). The award of the deferred shares will not have any performance criteria attached. They will however be subject to a service period.

The total share-based payment charge relating to Centamin plc shares for the year is split as follows:

	2012 US$'000	2011 US$'000
2011 EOS	110	-
LFSP	1,650	1,496
DBSP	221	-
	1,981	1,496

LFSP awards and EOS options granted during the year:

The fair value of the share-based payments awarded under the LFSP and granted under the 2011 EOS 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.

The assumptions used in these are set out below:

	LFSP 2012	EOS 2012(1)		LFSP 2011		
Date of Grant	05-Apr	05-Apr	15-Aug	21-Mar	21-Jun	30-Sep
Series number	31-34	35-40	41-46	21-25	26-29	30
Number of Instruments	5,100,000	750,000	800,000	8,742,500	825,000	400,000
Share price at date of Grant (£)	0.6380	0.6380	0.6950	1.2590	1.1710	1.1710
Exercise price (£)	0.6754	0.6754	0.6823	1.2590	1.1710	1.1710
Vesting conditions(2)	1-3	1-3	1-3	1-3	1-3	1-3
Expected volatility(3)	51.67%	51.67%	51.48%	50.08%	47.05%	47.05%
Risk Free interest rate(4)	0.41%-0.52%	0.41%-0.52%	0.18%-0.25%	0.78%-1.65%	0.56%-1.13%	1.13%
Expected departures	0%	0%	0%	0%	0%	0%
Expected outcomes of meeting performance targets at grant date	100%	100%	100%	100%	100%	100%
FV at grant date (weighted average) (£)	0.2022	0.1300	0.1939	0.4364	0.3134	0.3842

(1) There were no options granted under the 2011 EOS during 2011.

(2) Variable vesting dependent on one to three years of continuous employment and, for certain series, market based performance conditions being achieved.

(3) The expected volatility of Centamin and each company in the chosen comparator group and the FTSE 250 Index Companies (FTSE 250) has been calculated using approximately 2 years of historical price data.

(4) The expected rate of return used in the valuations for Centamin and other UK comparator companies was set to equal the UK government bond rate with a yield-to-maturity that is equivalent to the tenor of the Options. When modelling the share price of Canadian comparator companies, the Canadian government bond rate was used.

27. SHARE BASED PAYMENTS (CONTINUED)

Deferred share awards granted during the year:

	DBSP 2012
Grant date	11 October 2012
Number of instruments	1,000,000
Share price at grant date £	1.0060
Share price at grant date US$	1.6265
Vesting period (years) (1)	1-3
Expected dividend yield (%)	n/a
Fair value (£) (2)	1.0060
Fair value (US$) (2)	1.6265

(1) Variable vesting dependent on one to three years of continuous employment.
(2) The fair value of shares in the DBSP was calculated by using the closing share price on grant date, converted at the closing £:US$ foreign exchange rate on that day, no other factors were taken into account in determining the fair value.

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

	31 December 2012		31 December 2011	
	Number of options	US$ Weighted average exercise price	Number of options	US$ Weighted average exercise price
Balance at beginning of the period	1,630,150	1.20	3,325,150	1.2432
Granted during the period (a)	-	-	-	-
Expired/Lapsed during the period (b)	(1,630,150)	1.9228	(350,000)	1.8658
Exercised during the period	-	-	(1,345,000)	1.1334
Balance at the end of the period (c)	-	-	1,630,150	1.20
Exercisable at the end of the period	-	-	1,630,150	1.20

The following table reconciles the outstanding share options granted under 2011 Employee Option Scheme, at the beginning and end of the reporting period:

	31 December 2012		31 December 2011	
	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)	1,550,000	1.0718	-	-
Expired/Lapsed during the period (b)	(150,000)	1.0730	-	-
Exercised during the period	-	-	-	-
Balance at the end of the period (c)	1,400,000	1.0716	-	-
Exercisable at the end of the period	1,400,000	1.0716	-	-

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

	31 December 2012 Number of options	31 December 2012 US$ Weighted average exercise price	31 December 2011 Number of options	31 December 2011 US$ Weighted average exercise price
Balance at beginning of the period	7,472,222	2.00547	-	-
Granted during the period (a)	5,100,000	1.0730	9,967,500	2.01195
Expired/Lapsed during the period (b)	(2,435,000)	1.8169	(2,495,278)	2.03138
Exercised during the period	-	-	-	-
Balance at the end of the period (c)	10,137,222	1.5808	7,472,222	2.00547
Exercisable at the end of the period	275,000	1.9435	-	-

The following reconciles the outstanding share awards granted under the DBSP at the beginning and end of the reporting period:

	31 December 2012 Number of awards	31 December 2011 Number of awards
Balance at beginning of the period	-	-
Granted during the period	1,000,000	-
Expired/Lapsed during the period	-	-
Exercised during the period	-	-
Balance at the end of the period	1,000,000	-
Exercisable at the end of the period	-	-

28. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personal are persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (executive or otherwise) of the Group.

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

	Consolidated 31 December 2012 US$	31 December 2011 US$
Short-term employee benefits	7,916,848	2,257,547
Long-term employee benefits	116,226	40,216
Post-employment benefits	78,295	33,215
Share-based payments	1,209,491	1,495,506
Total	9,320,860	3,826,484

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 2012	Balance at 1 January 2012(2)	Granted as remuneration (LFSP)	Granted as remuneration (DBSP)	Received on exercise of options	Net other change(1)	Balance at 31 December 2012	Balance held nominally
J El-Raghy	71,445,086	-	-	-	(500,000)	70,945,086	-
T Schultz	1,000,000	-	-	-	30,000	1,030,000	-
G Haslam	50,000	-	-	-	52,056	102,056	-
M Arnesen	15,000	-	-	-	-	15,000	-
M Bankes	60,000	-	-	-	30,000	90,000	-
K Tomlinson	-	-	-	-	-	-	-
P Louw	637,500	600,000	500,000	-	-	1,737,500	-
A Pardey	775,000	510,000	500,000	-	-	1,785,000	-
H Brown	475,000	-	-	-	-	475,000	-
C Aujard	-	-	-	-	-	-	-
Y El-Raghy	-	510,000	-	-	-	510,000	-
A Davidson	-	-	-	-	-	-	-

29. RELATED PARTY TRANSACTIONS

c) Key management personnel equity holdings (continued)

31 December 2011	Balance at 1 January 2011[2]	Granted as remuneration (LFSP)	Granted as remuneration (DBSP)	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	-
H Michael	-	-	-	-	-	-	-
T Schultz	-	1,000,000	-	1,000,000	(1,000,000)	1,000,000	-
C Cowden	-	-	-	-	-	-	-
H Bottomley	-	-	-	-	-	-	-
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	-
M DiSilvio	-	-	-	-	-	-	-
H Brown	250,000	225,000	-	-	-	475,000	-
C Aujard	-	-	-	-	-	-	-
Y El-Raghy	-	-	-	-	-	-	-

(1) 'Net other change' relates to the on market acquisition or disposal of fully paid ordinary share, including the forfeiture of shares awarded under the LFSP and DBSP.

(2) includes shares held under LFSP/DBSP

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 2012	Balance at 1 January 2012	Granted as remuneration	Exercised	Other changes	Balance at 31 December 2012	Balance vested during the financial period	Balance vested and exercisable at 31 December 2012
J El-Raghy	-	-	-	-	-	-	-
T Schultz	-	-	-	-	-	-	-
G Haslam	-	-	-	-	-	-	-
M Arnesen	-	-	-	-	-	-	-
M Bankes	-	-	-	-	-	-	-
K Tomlinson	-	-	-	-	-	-	-
P Louw	-	-	-	-	-	-	-
A Pardey	-	-	-	-	-	-	-
H Brown	-	-	-	-	-	-	-
C Aujard	-	600,000	-	-	600,000	-	-
Y El-Raghy	-	-	-	-	-	-	-
A Davidson	-	500,000	-	-	500,000	-	-

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
J El-Raghy	-	-	-	-	-	-	-
H Michael	-	-	-	-	-	-	-
C Cowden	-	-	-	-	-	-	-
H Bottomley	-	-	-	-	-	-	-
T Schultz	1,000,000	-	(1,000,000)	-	-	-	-
G Haslam	-	-	-	-	-	-	-
M Arnesen	-	-	-	-	-	-	-
M Bankes	-	-	-	-	-	-	-
K Tomlinson	-	-	-	-	-	-	-
P Louw	-	-	-	-	-	-	-
M Di Silvio	475,000	-	(125,000)	(350,000)	-	-	-
H Brown	-	-	-	-	-	-	-
C Aujard	-	-	-	-	-	-	-
Y El-Raghy	-	-	-	-	-	-	-

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.

e) Other transactions with key management personnel

The related party transactions for the year ended 31 December 2012 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$21,499 or US$22,103 (31 December 2011: A$33,480 or US$32,192).

Mr C Cowden, a Non-Executive Director until his resignation on 26 May 2011, was also a director and shareholder of Cowden Limited, which provided insurance broking services to the Company. All dealings with Cowden Limited were on normal terms and conditions. Cowden Limited was paid A$2,293 or US$2,397 during the period for which Mr C Cowden was a related party during the year ended 31 December 2011, with A$ 11,815 or US$12,349 paid to Cowden Limited to be passed on to underwriters for premiums during the period for which Mr C Cowden was a related party during the year ended 31 December 2011.

f) Transactions with the Government of Egypt

Royalty costs attributable to the Government of Egypt of US$12,769,084 (2011: US$13,360,000) were incurred in 2012.

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

As referred to in Note 20, the Group is involved in on-going litigation in respect of the both the price at which Diesel Fuel Oil is supplied to the mine at Sukari and the validity of the 160km^2 exploitation lease.

Subsequent to year end the Company acquired a further interest in Nyota Minerals Limited and Sahar Minerals Limited for US$1,163,969 and US$500,000 respectively.

Pursuant to the provisions of the Concession Agreement, any Profit Share payments made to EMRA are due on an annual basis at the end of SGM's financial year, being 30 June. Based on the Company's calculation there was no Profit Share due to EMRA as at 30 June 2012. Furthermore, it is expected that there will be Profit Share due to EMRA for the current SGM financial year ending 30 June 2013, based on budgeted production, gold price and operating expense forecasts. Following discussions with EMRA, and with a view to demonstrating goodwill toward the Egyptian government, subsequent to year end PGM has made an advance payment to EMRA of US$8,200,000. Calculations for Profit Share will be done annually on the audited accounts of SGM and this advance payment will be netted off against any future Profit Share that becomes payable to EMRA.

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

DBSP

Deferred Bonus Share Plan

Directors

the Directors of the Board of Centamin plc

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

EDLFSP

Executive Director Loan Funded Share Plan

ELFSP

Employee Loan Funded Share Plan

ESOP

Employee Share Option Plan

EOS

Employee Option 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 bodyIndicated 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

Material tailings

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

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

mtpa

million tonnes per annum

net production surplus or profit share

revenue less payment of the 3% royalty to Arab Republic of Egypt 'ARE' and recoverable costsopen pit large scale hard rock surface mine

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

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

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

CENTAMIN PLC

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in Jersey with registered
Number 109180

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