CENTAMIN

DELIVERING THE GROWTH

Centamin plc

Annual report 2013

About us

Centamin plc is a mineral exploration, development and mining company dual listed on the London and Toronto Stock Exchanges.

Centamin's principal asset, the Sukari Gold Mine, began production in 2009 and is the first large scale modern gold mine in Egypt, with an estimated 20 year mine life and ramping up production towards a 450,000-500,000 ounce per annum target from 2015 onwards. Our development and operating experience gives us a significant advantage in acquiring and developing other gold projects.

In 2013 Centamin agreed a recommended all-share takeover offer for ASX-listed Ampella Mining Ltd and also formed a joint venture with AIM-listed Alecto Minerals plc, adding highly prospective licence packages in Burkina Faso and Ethiopia respectively. Centamin took control of Ampella on 24 February 2014.

DELIVERING THE GROWTH

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see inside back cover for
forward-looking statements

Overview

Investment proposition

With a rapid growth profile and a robust balance sheet with substantial cash balances, Centamin is uniquely positioned among mid-tier gold producers to generate value for shareholders.

We are focused on driving operational excellence and strong profitability in order to deliver on our targets.

Rapid production growth

Centamin is aiming to grow production from the Sukari Gold Mine to 450,000-500,000 ounces of gold per annum. We have invested c.US$331 million in the Stage 4 expansion project to double the processing plant's capacity from 5 million tonnes per annum ("Mtpa") to 10Mtpa. Commissioning of Stage 4 began in Q1 2014.

Exploration potential

Centamin has a large resource and reserve base and through the continued exploration of Sukari Hill and the 160km^2 Sukari tenement area there is significant upside potential. The resource and reserve statements were published in December 2013 to take account of the latest drill results, higher cost environment and the timing of the Stage 4 commissioning.

Our regional exploration is focused in Ethiopia, where in addition to our own licences we have a joint venture arrangement with AIM-listed Alecto Minerals plc, and, through a controlling interest in ASX-listed Ampella Mining Ltd, in Burkina Faso and Côte d'Ivoire. Exploration work will continue in all these regions during 2014 to drive our growth in the longer term.

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 the prospective Arabian-Nubian shield and beyond.

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, through to project financing, construction and development, and on to the operating of large mines. Some of the leadership team have been based at Sukari for almost a decade, taking it from an early stage exploration project to the operating gold mine it is today.

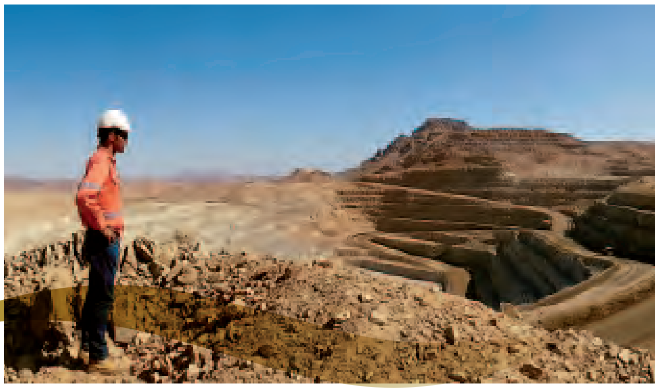
Financial strength and flexibility

With a robust balance sheet and strong cash flow generation from Sukari, we have financial flexibility to grow our business both organically as well as through strategic acquisitions. Centamin has no debt or hedging and therefore is well positioned to benefit from a recovery in the gold price.

Contents

Year in pictures

Our operating experience in Egypt gives us significant first-mover advantage in acquiring and developing other gold projects in the prospective region and beyond.



Open pit

Open pit ore tonnes mined amounted to 11.7Mt in 2013. Mining was predominately from the Stage 3 area and development work progressed in the Gazelle and Eastern Hills area.

Read more in the Performance Review

Underground

The underground mine delivered a total of 0.59Mt of ore at 9.66g/t. The expansion of the underground mine continued with the further development in both the Ptah and Amun declines.

Read more in the Performance Review

Production

Ore processed was a record year of 5.7Mt (versus the nameplate capacity of 5Mtpa). Commissioning of the Stage 4 expansion to double capacity to nameplate 10 Mtpa tonnes is currently under way.

Read more in the Performance Review

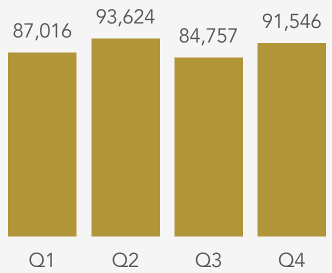
Exploration

Centamin stepped up its exploration programme in Ethiopia through a joint venture with Alecto Minerals plc, which has licences in the south and west of the country. Centamin is set to expand its exploration interests into West Africa in a highly prospective region of Burkina Faso and Côte d'Ivoire.

Read more in the Performance Review

Financial highlights

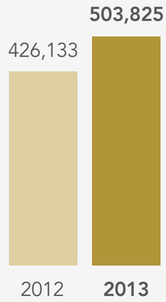
Production
(ounces)



Total
356,943

2012: 262,828

Revenue
(US$'000)



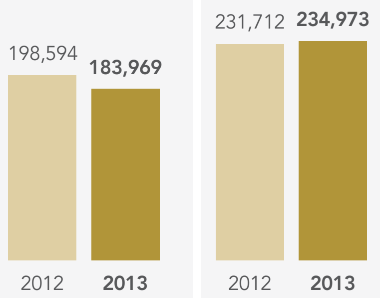
Total
503,825

2012: 426,133

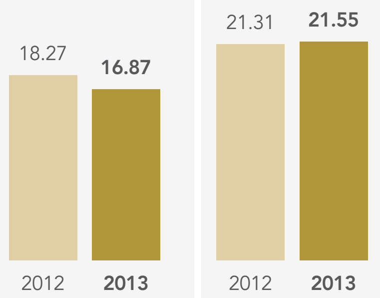
Operating cash costs
(US$ per ounce) (1)

	Excluding fuel subsidy(2)	Including fuel subsidy
Q1 2013	556	409
Q2 2013	690	540
Q3 2013	693	542
Q4 2013	711	563
2013	**663**	**515**
2012	669	530

Profit before tax
(US$'000)



Earnings per share
(cents)



Cash in hand at year end
(US$'000)

2013	**105,979**
2012	147,133

(1) 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.

(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 to the financial statements for further details).

Operational highlights

Resources and reserves
(million ounces)

	2012	2013
Proven & Probable	10.1(3)	**8.2**(5)
Measured & Indicated	13.1(4)	**13.4**(6)
Inferred	2.3(4)	**1.4**
Safety Lost time incident frequency rate ("LTIFR") based on 200,000 man-hours.	0.69	**0.36**

(3) inclusive of 262,828 ounces produced since 31 December 2011.

(4) inclusive of 321,565 ounces produced since 30 September 2011.

(5) includes production since 30 September 2013.

(6) includes production since 30 June 2013.

Centamin at a glance

Centamin has operations in Egypt and Ethiopia in north-east Africa. Our flagship project, the Sukari Gold Mine, is located in the eastern desert of Egypt and production is rapidly increasing to 450,000-500,000 ounces per annum from 2015 onwards. Sukari Gold Mines is jointly controlled with EMRA. Centamin's portfolio includes exploration in Ethiopia and since the year end now includes exploration ground in Burkina Faso and Côte d'Ivoire.

Sukari

The map shows the location of the Sukari Gold Mine on the exploitation lease in the eastern desert of Egypt.

Sukari Hill – the focus exploration and mining to date has been on the Sukari porphyry. Surface drilling in 2013 continued north through the Ra and Gazelle zones and into the northern Pharaoh Zone.

Beyond Sukari Hill – reverse circulation and diamond drilling programmes have been under way on the Quartz Ridge, V-Shear and Kurdeman prospects to the east, north-east and south of the Sukari Hill, respectively during 2013. Ongoing 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 exploitation lease is planned for 2014.

Ethiopia

During 2013, the licence areas developed throughout the year were in the northern Tigray region of Ethiopia, however, exploration drilling to date has confirmed the presence of only low grade mineralisation.

The licence areas to be developed in 2014 are towards the south and west of Ethiopia in the Oromiya region and Benishangul Gumuz region as part of the joint venture with Alecto Minerals plc.

The licences in Burkina Faso form part of the Batie West Gold Project which contains the Konkera resource and permits along the strike across the border in Côte d'Ivoire. These licences are held by Ampella Mining Ltd and Centamin gained control of Ampella on 24 February 2014.

Sukari – Egypt

- Sukari produced 356,943 ounces of gold in 2013 – an increase of 36% on 2012 production
- The cash cost of production for the full year was US$663 per ounce
- The average realised gold price was US$1,384 per ounce
- Sukari is highly cash generative and delivered strong revenue and earnings in 2013

2013 operational performance

Key statistics	Unit	2013	2012
Open pit ore mined	‘000 tonnes	**11,664**	6,377
Total open pit material mined	‘000 tonnes	**41,718**	25,108
Underground ore mined – development	‘000 tonnes	**304**	203
Underground ore mines – stopes	‘000 tonnes	**283**	190
Ore processed	‘000 tonnes	**5,684**	4,526
Head grade	grams per tonne	**2.12**	2.04
Gold recovery	%	**88.6**	86.0
Gold production	ounces	**356,943**	262,828
Gold sales	ounces	**363,576**	254,959
Average sales price	US$ per ounce	**1,384**	1,667
Cash cost of production	US$ per ounce	**663**	669

Ethiopia

The four licence areas developed throughout the year are located in the northern Tigray region of Ethiopia.

Of these licences only one remains active, the others having being impaired at the year end due to the presence of only low grade mineralisation.

The licence areas to be developed in 2014 are in the Oromiya region and Benishangul Gumuz region:

- Wayu Boda – Southern Licence (held pursuant to a JV arrangement); and
- Aysid-Metekel – Western Licence (held pursuant to a JV arrangement).

Investments

The Company continues to hold equity interests in Nyota Minerals Limited and Sahar Minerals Limited, however, these investments have been impaired during the year to reflect their fair value.

Stage 4 expansion plant
with new SAG Mill in place

Exploration Camp
in northern Ethiopia located less than one mile from the exploration drill site

Chairman's statement

During 2013, the fourth full year of production at Sukari, your Company built further on its track record delivering against targets whilst maintaining a strong control over its cost base.

Josef El-Raghy
Chairman and CEO

Dear shareholders

During 2013, the fourth full year of production at Sukari, your Company built further on its track record delivering against targets, whilst maintaining a strong control over its cost base. Sukari delivered a record 356,943 ounces of gold at a cash cost of production of US$663 per ounce, which was ahead of guidance of 320,000 ounces at US$700 per ounce set out in the first quarter of the year. The operating environment in Egypt improved markedly in comparison with a challenging 2012. I once again take this opportunity to extend my congratulations to the team in Egypt for their professionalism, hard work and consistent focus on improving productivity, which has resulted in another year of exceptional performance for the operation. Shareholders should not underestimate these efforts, which allow Centamin to stand out in a sector which generally suffers a reputation of missed forecasts and broken promises.

Sukari's safety performance was also a significant improvement on the previous year with a lost time injury frequency rate of 0.36 (0.69 in 2012) per 200,000 man hours achieved during the period. It was again pleasing to note that no significant environmental incidents have taken place.

Construction of the Stage 4 expansion to double the processing plant's nameplate capacity to 10 million tonnes per annum was complete by the end of 2013, and commissioning is currently under way. This major two-and-a-half year expansion project has been completed with minimal cost and timing overruns. This would represent a major achievement in itself, but is all the more notable given the various external challenges that were faced, particularly during the early stages of construction. The capital cost estimate of the Stage 4 expansion is US$331.2 million including contingency, with expenditure at the end of 2013 of US$327.8 million.

Commissioning and optimisation of the expanded plant is now a key deliverable as Sukari looks towards a further year of growth in 2014, with our annual production guidance set at 420,000 ounces at a cash cost of US$700 per ounce. Thereafter, we continue to forecast a sustainable output of 450,000 – 500,000 ounces per annum from 2015 onwards, with scope to exceed the upper limit once the new plant is fully optimised and operating at above-nameplate levels of productivity, as demonstrated by the existing plant during 2013.

Sukari is a long-life asset which is supported by a globally significant resource and reserve base. An updated resource and reserve statement was announced at the end of the year, with total resources containing 15.4 million ounces ("Moz")[(1)] and reserves containing 8.2Moz of gold. With the underground mine continuing to ramp-up in productivity and being a key driver of our substantial and low cost production profile, it was of particular encouragement to see the underground reserve increase in tonnage by 120% over the previous 2011 estimate, despite mining depletion during that period. With grades in the Proven category of 11.4g/t gold, and with continued good results from ongoing drilling into the target high-grade depth extensions of the ore body, we remain confident of further significant underground reserve expansion and longevity of the operation.

Sukari Open Pit
holding bay for the dump trucks

As previously indicated to shareholders, the Company significantly progressed its medium and long-term growth strategy during 2013. In September, Centamin entered into a joint venture with AIM-listed Alecto Minerals plc over their exploration projects in Ethiopia, thus expanding our presence in this important region of focus for the Company. The announcement in December of a recommended all-share takeover offer of ASX-listed Ampella Mining Ltd, valuing the company at A$40.9 million, saw the Company expand its interests into West Africa. This offer represented a compelling opportunity to acquire an undervalued suite of exploration-stage licences in highly prospective regions of Burkina Faso and Côte d'Ivoire. Centamin now has a controlling interest in Ampella and is looking forward to implementing a systematic exploration programme in 2014, aimed at developing the outstanding potential for further significant growth of the existing 3.25Moz resource base (comprising 1.92Moz Indicated and 1.33Moz Inferred).

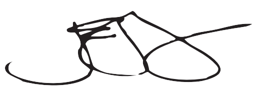
Our financial position remains strong with approximately US$142.5 million held in cash, bullion on hand, gold sales receivables and available-for-sale financial assets. The Company also continues to be debt free with no hedging arrangements. Revenues of US$503.8 million and EBITDA of US$234.2 million in 2013 (including exceptional items) continue to demonstrate that Sukari remains a highly cash generative operation. With the major Stage 4 capital programme now behind us, and therefore the staged expansionary "investment phase" nearing completion, shareholders can now look forward to a long-life operation which will now start to generate substantial free cash flow. Accordingly, during the course of 2014 Centamin will make clear its intentions with regard to a policy for returning capital to its shareholders.

Our appeal against the 30 October 2012 ruling by the Egyptian Administrative Court, on the validity of the exploitation lease, remains ongoing. We believe the action is misconceived as we have clear evidence that there is a valid exploitation lease in existence. Important progress was made in March 2013 when the Supreme Administrative Court approved our application to suspend enforcement of the October 2012 ruling until the conclusion of the appeal process. Furthermore, the statement by the court at this hearing that the original ruling "was likely to be cancelled upon the issuance of a judgment on the merits of the case" supports our full confidence in our legal title and the strength of our appeal case. We continue to benefit from the full support of the Ministry of Petroleum and the Egyptian Mineral Resource Authority ("EMRA"), both in the appeal and at the operational level, to whom I would like to extend our thanks for their continued co-operation in helping us to deliver a world class mining operation. We look forward to continuing to share the benefits of this substantial investment as the operation emerges from its initial period of construction and thus sets the stage for a new era of gold mining in Egypt.

This year, the Chairman of the Corporate Governance Committee has presented the Corporate Governance Report. As Chairman of the Board I agree and endorse both this report and the values of good governance reflected in it. In my view Board effectiveness has been achieved, in no small part, by ensuring that communication channels are open between all Board members and regular information is presented to the Board allowing all members to contribute knowledgeably at Board meetings and in discussions between the executives and non executive directors.

I would like to close by thanking all those at Sukari, in Alexandria, Ethiopia, Jersey and Perth for their efforts in 2013 as Centamin continued on its journey to becoming an established gold producer.

Your Company remains well positioned to deliver outstanding shareholder returns in the coming years. I look forward to updating you further over the course of 2014, and would welcome you to join us at our AGM which this year will be held in Jersey on 16 May 2014.



Josef El-Raghy
Chairman

21 March 2014

[1](Includes 1.9Moz of inferred resources).

Strategic report

Our growth strategy seeks to optimise exposure through the mining value chain: exploration, development and operations.

New mining fleet arrived and assembled onsite (Sukari Hill in the background)

Strategic review

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.

2014 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.

Maintaining our social licence

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 2013 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 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.

Targets for 2014

Key targets for 2014 include the commissioning of the Stage 4 plant, the conclusion of the Sukari project investment phase and the significant reduction of our annual capital expenditure requirements for the mine.

For the year 2014, we forecast production of 420,000 ounces at a cash operating cost of US$700 per ounce, which will mark the fourth year of successive growth in output from Sukari, and another step on the way to our long-term target for the project of 450,000-500,000 ounces per annum from 2015 onwards at an industry-competitive cost of production. The key drivers of production growth this year will be an increase of the underground ore tonnes mined to 800,000t, as well as commissioning and ramp-up of the Stage 4 plant expansion to double the processing plant's nameplate capacity to 10 Mtpa.

As part of the implementation of Stage 4, the Company is in discussion with EMRA and other government departments in relation to increasing the daily usage of ammonium nitrate ("AN") in order to increase open pit mining rates to the required level to feed the expanded plant. The increase in the daily issue of AN is still outstanding, and this has had an impact on the movement of waste material compared to the current mining plan. However from recent meetings with the relevant authorities, we believe government approval is now in its final stages.

The capital expenditure programme for 2013 had two key focus areas: completion of the Stage 4 plant expansion and the ongoing development of the underground mine. The total Stage 4 capital expenditure estimate is US$331.2 million including contingency, with US$327.8 million spent by the end of 2013. The remaining capital expenditure is due in early 2014. The underground expansion will continue through 2014 as will the underground exploration drilling to test the potential for significant resource and reserve expansion and the development of multiple production sources.

Based on the Company's calculation there was no "Net Profit Share" due to EMRA as at 30 June 2013, nor is any likely to be due as at 30 June 2014. It is expected that there will be profit share due to EMRA for the Sukari Gold Mine ("SGM") financial year ending 30 June 2015, based on budgeted production, gold price and operating expense forecasts. Centamin has elected to make advance payments against future profit share during 2013 to the value of US$18.95 million, in order to demonstrate goodwill towards the Egyptian government.

Centamin's exploration programme in Ethiopia will prioritise progression of the two licences under the joint venture with Alecto Minerals plc. The acquisition of Ampella Mining Ltd is expected to be completed in early 2014, and Centamin will focus on implementing a systematic exploration programme in Burkina Faso and Côte d'Ivoire. The targets for 2014 have been considered alongside the principal risks affecting the Centamin Group.

Litigation

As detailed in Note 20 to the financial statements, the Group's appeal against the 30 October 2012 ruling by the Egyptian Administrative Court remains ongoing. Centamin does not currently see the need to take the matter to a court outside of Egypt as Centamin remains of the belief that the Egyptian court will rule in Centamin's favour.

The Group continues to benefit from the full support of the Ministry of Petroleum and EMRA, both in the appeal and at the operational level. As part of our long-term strategy, we look forward to continuing to share the benefits of this substantial investment as the operation emerges from its initial period of construction and thus sets the stage for a new era of gold mining in Egypt.

With the exception of the relationships with EMRA and the Egyptian government referred to above, we do not believe there are any third party relationships which are critical to the Group's success or which would have a material impact upon the Group's position if the relationship broke down.

This strategic review, progress on strategy, key performance indicators and business model, together form the Strategic Report which has been approved by the Board of Directors.

By order of the Board for and on behalf of Centamin plc.

Josef El-Raghy
Chairman

Progress on strategy

Centamin's strategy is to maximise the value of our current assets and to increase our reserve and resource base by:

Strategic priority	KPIs achieved during 2013	KPIs set for 2014
1: Setting and delivering on challenging targets.	• 356,943 ounces produced exceeded guidance of 320,000 ounces. • Ore processed was a record year of 5.7Mtpa, 14% above nameplate capacity of 5Mt. • Underground mine delivered a total of 587,000t. • Sukari underground drilling delivered a substantial reserve increase. • Gold recovery rates increased to 88.6%, from 86.0% in 2012. • 11,134 meters drilled in Ethiopia, through systematic exploration on licences although only low grade mineralisation was discovered.	• 420,000 ounces forecast for 2014. • Commissioning of Stage 4 and scale up to nameplate capacity of 10Mtpa. • Increase of the underground ore tonnes mined to 800,000t. • Systematic drilling programmes at Sukari underground to deliver further resource and reserve growth. • Recoveries are expected to remain consistent until the new carbon regeneration kiln is commissioned in 2014. • Exploration programme over licence areas in Ethiopia and Burkina Faso and Côte d'Ivoire.
2: Maximising profitability and maintaining a strong balance sheet to enable growth, exploration and acquisitions.	• Operating cash cost of US$663 per ounce below budget of US$700 per ounce. • Delivering on acquisitions with a recommended take-over offer of Ampella Mining Ltd and a joint venture with Alecto Minerals plc. • In 2013, the value of the investments in Nyota and Sahar were written down to their fair value.	• Cash operating cost of US$700 per ounce. • Continued focus on M&A activity and organic growth opportunities.
3: Operating safely and in an environmentally and culturally sensitive manner.	• Improved health and safety performance as indicated by 0.36 LTIFR (48% reduction on the prior year). • No environmental incidents and in compliance with regulations.	• Reduction on prior year LTIFR. • Adhere to industry and legal guidelines and best practice. • Strive to set an example through industry practice and be a socially responsible neighbour.

KPI

PRODUCTIVITY

		2013	2012
Open pit ore mined	'000t	**11,664**	6,377
Underground ore mined	'000t	**587**	393
Ore processed	'000t	**5,684**	4,526
Gold recovery	%	**88.6**	86.0
Gold produced	Ounces	**356,943**	262,828
Revenue	US$'000	**503,825**	426,133

PROFITABILITY

		2013	2012
Cash operating cost of production	US$ per ounce	**663(2)/515(3)**	669(2)/530(3)
Profit before tax (1), (3)	US$'000	**234,973**	231,712
Profit before tax and post exceptional item (2)	US$'000	**183,969**	198,594
EPS (1), (3)	Cents	**21.55**	21.31
EPS post exceptional item (2)	Cents	**16.87**	18.27
Cash generated from operations	US$'000	**245,143**	220,507

GOVERNANCE

		2013	2012
Health and safety	Frequency rate per 200,000 man hours	**0.36**	0.69

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

(1) Results now reflect an exceptional provision against prepayments to reflect the removal of fuel subsidies. Subsidies were removed in January 2012 (refer to Notes 3 and 6 respectively to the financial statements for further details).

(2) Excluding fuel subsidy, (refer to Note 6 to the financial statements for further details).

(3) Including fuel subsidy, (refer to Note 6 to the financial statements for further details).

Business model

The following business model sets out how Centamin will deliver on its strategic aims and priorities.

Our key strengths

We believe our key strengths are:

- our track record of delivery and cost control;
- our strong production growth profile;
- Sukari's significant resource/ reserve base with potential for further expansion;
- our strong balance sheet and solid cash flow generation, following completion of the "investment phase" at Sukari;
- our first-mover status, relationships and experience in Egypt; and
- our management team's experience at project origination and delivery.

Operate

Maximise productivity and profitability at our flagship project, the Sukari Gold Mine, through enhancing operational efficiencies and maintaining a continual focus on cost control. Leverage Centamin's management expertise and in-house technical resources to improve shareholder returns from operational and exploration/development-stage projects.

Develop

Complete the production ramp-up at Sukari towards the long-term production target of 450,000-500,000 ounces of gold per annum from 2015 onwards.

Identify and pursue opportunities to further improve economic returns from Sukari.

Identify exploration-stage projects which offer the potential to materially enhance shareholder returns and advance their development through to production.

Minimise the requirement for additional finance to fund future growth opportunities through the utilisation of existing cash flows and cash reserves.

Explore

Define additional resources and reserves at Sukari which offer the potential to improve the economic returns from the operation. Priority is given to exploration of further potential high grade regions of the underground mine and regional prospects within the Sukari tenement.

Provide opportunities for future production growth, through the execution of systematic and cost efficient exploration programmes within the Company's project interests outside of Sukari, currently represented by projects in Ethiopia, Burkina Faso and Côte d'Ivoire.

Acquire

Evaluate opportunities for Centamin to acquire assets with the potential to further increase overall returns to its shareholders.

Unlock value in acquisition targets through the application of Centamin's technical expertise and financial resources.

Sustain

Ensure Centamin maintains its licence to operate through prioritising the safety and health of its employees, good environmental stewardship, the wellbeing of the communities in which it operates, and adherence to best governance practices, from the earliest stages of exploration until mine closure.

Main access route
around the open pit

Process plant CV02 conveyor belt feeding the existing SAG Mill, Sukari Hill in the background

Performance review

In this section we feature our operational performance, financial review and corporate social responsibility.

Sukari Open Pit
Mining fleet in position at the open pit floor

Operational performance 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.

Andrew Pardey
Chief Operating Officer

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 twelve months ended 31 December 2013, production from Sukari was 356,943 ounces (2012: 262,828 ounces) of gold at an operating cash cost of US$663 per ounce (US$669 per ounce in 2012).

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 nameplate capacity from 5Mtpa to 10Mtpa.

Construction of the Stage 4 expansion was steady during the year and whilst some commissioning activity commenced in 2013 the bulk of commissioning will commence in the first quarter 2014, versus the previously-expected second half of 2013. The temporary suspension of operations in 2012 caused by strikes at the ports and the lack of fuel and supplies all contributed to the delay in commissioning Stage 4. These unforeseen delays in the critical path items, materials and services have meant that the Stage 4 expansion project has not met its original targeted date for completion. The expected capital cost of the Stage 4 expansion which is funded by PGM out of cost recoveries, is US$331.2 million including contingency, with total expenditure at the end of 2013 of US$327.8 million.

Capital expenditure during the year saw an increase in non-current assets of US$252.0 million in property, plant and equipment, mainly relating to net capitalised work-in-progress which comprises:

- US$99.3 million for the Stage 4 processing plant;
- US$77.4 million for the open pit mining fleet expansion;
- US$16.2 million for open pit development;
- US$29.5 million for underground development;
- US$1.7 million for mine development properties; and
- US$27.9 million for other sustaining capital expenditure.

Centamin continued exploration on its tenements in northern Ethiopia where exploration drilling confirmed the presence of low grade mineralisation. In September 2013 Centamin entered into a joint venture with Alecto Minerals plc to pursue existing and new opportunities identified by Alecto in Ethiopia. The initial joint venture projects focus on two exploration licences, one in Wayu Boda and the other in Aysid Meketel.

A recommended all-share takeover offer of ASX-listed Ampella Mining Ltd saw Centamin expand its interests into West Africa. Ampella holds exploration licences in a highly prospective region of Burkina Faso and Côte d'Ivoire. In February 2014, Centamin gained a controlling interest in Ampella enabling Centamin to expand the operational activity in this region. 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 performance review continued

Health and safety

The LTIFR for 2013 was 0.36 per 200,000 man-hours (2012: 0.69 per 200,000 man-hours), with a total of 6,702,908 man hours worked during 2013 (2012: 5,819,877). Developing the health and safety culture onsite has resulted in improved reporting of incidents compared to previous years and although there is still 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

During 2013, open pit mine development has continued the staged development to ensure access to the higher grade sulphide zones could be maintained. This was combined with increased production rates as the mining fleet capacity increased during the year. A total of 11.7Mt of ore at 0.81g/t Au was mined for the period from Stage 2 and 3 and at an average waste to ore ratio of 2.6:1. Mining continued to the 950RL and development work progressed in the Gazelle and Eastern Hills area to the 1100RL.

Underground mine

The underground mine delivered a total of 587kt of ore at 9.66g/t from both stoping and development headings. The development of both the Amun and Ptah declines continued and 5,808 metres of development was completed during 2013.

The project development has advanced a total of 15,766m to date, with 9,200m of this total driven through ore.

The Amun decline, which is under the current open pit workings, reached the 740 level, 303m below the "portal wadi" area. Ore development has been mined from the 905 to the 770 levels and 283kt of stoping has been mined from these levels during the year. A further 303kt of development ore was also mined during 2013.

The expansion of the underground mine continued with the Ptah decline and ore development taking place on the 875RL. A total of 1,404 metres of development was completed on the Ptah decline in 2013. The Ptah decline will provide both a ventilation intake and haulage way to the central and northern portion of Sukari Hill. This will 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. Centamin will then be in a position to maintain at least two separate underground production areas and also potentially increase the current production rates.

Over 29,000 metres of grade control drilling has been completed for the underground since start up and four deep exploration drilling rigs are currently drilling from both the Amun and Ptah declines, to test for high grade extensions of the ore body.

Processing

The annual throughput in the Sukari plant was 5.7Mt in 2013, a 12% increase on 2012 (4.5Mt). Productivity of the processing plant averaged 700tph for the year, 12% above the nameplate design rate of 625tph, as the operations team continued to optimise availability and throughput.

Plant metallurgical recoveries were 88.6% in the year, a 2.6% increase on 2012. Continued optimisation of operational controls and improved circuit stability resulted in the recovery steadily increasing throughout the year.

Whilst there are ongoing operational improvements, recoveries are expected to remain consistent until the new carbon regeneration kiln is commissioned in 2014.

The dump leach operation produced 12,382oz in 2013, which was a significant increase from 2012.

Stage 4 expansion

The Stage 4 expansion programme continued throughout 2013, having commenced in late 2011.

The process plant was 97% completed at the end of December 2013. The outstanding work to complete is electrical instrumentation and piping work. Commissioning of the new conveyor to the crushed ore stock pile took place in December 2013 together with direction testing of various motors and pumps.

The estimated capital cost of the Stage 4 expansion, which is funded by PGM out of cost recoveries, is US$331.2 million including contingency, with expenditure to date of US$327.8 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 P80 of 50mm will be transferred to a second crushed ore stockpile prior to grinding through a new milling circuit. The new milling circuit will be a two stage circuit, consisting of a SAG Mill and ball mill, with hydrocyclone classification and a pebble crushing facility.

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

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

Exploration activities

Growth of Sukari Hill

The main focus of exploration to date has been on the Sukari porphyry. Surface drilling in 2013 continued north through the Ra and Gazelle zones and into the northern Pharaoh Zone.

During the second half of the year Underground drilling was progressively stepped-up 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 2014, predominantly from both the Amun and Ptah declines.

Open pit – resources

Mineral resources at Sukari, as at 30 June 2013, are shown in the following table. The work satisfies the reporting requirements of the JORC (2012) and CIM (2004) guidelines for reporting mineral resources.

Movement of ore
from the open pit to the processing plant

Sukari resource

Estimated mineral resources

	Measured		Indicated		Measured plus Indicated			Inferred		
Cut off	Mt	g/t Au	Mt	g/t Au	Mt	g/t Au	Gold (Moz)	Mt	g/t Au	Gold (Moz)
0.3	183.81	0.98	201.54	1.06	385.35	1.02	12.64	39.5	1.1	1.40
0.4	145.65	1.15	164.30	1.22	309.95	1.19	11.86	31.9	1.3	1.33
0.5	118.71	1.31	135.05	1.39	253.76	1.35	11.01	26.1	1.5	1.26
0.7	82.55	1.62	97.39	1.70	179.94	1.66	9.60	18.7	1.9	1.14
1.0	52.90	2.06	64.35	2.14	117.25	2.11	7.95	12.5	2.4	0.96

- Totals may not equal the sum of the components due to rounding adjustments.
- The mineral resource estimate is based on the mined surface as at 30 June 2013 and adjusted for historical, current and planned underground mining. All available assays as at June 2013.
- Resource data set comprises 234,788 two metre down hole composites and surface rock chip samples.
- Proven and Probable mineral reserves are included in mineral resources.
- The resources are estimates of recoverable tonnes and grades using multiple indicator kriging with block support correction.
- 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.
- The resource model extends from 9,700mN to 12,200mN and to a maximum depth of 0mRL (a maximum depth of approximately 1000 metres below wadi level).

Operational performance review continued

Underground resource

Mineral resources for the underground have been independently estimated from the open pit resource.

Underground resource for the Sukari Gold Mine

(effective date 30 June 2013)

Resource	Tonnes ('000 t)	Grade (g/t Au)	Contained gold ('000oz)
Measured	537	12.8	222
Indicated	3,805	5.1	622
Total M&I	4,342	6.1	844
Inferred	2,925	5.2	489

- Totals may not equal the sum of the components due to rounding adjustments.
- The underground resource has been generated from available drilling (35,000 metres and 12,300 face samples) and modelled using a 2g/t cut off to determine resource outlines.

Open pit mineral reserve by classification

The component of the combined reserve as outlined above that relates to the open pit operation is summarised below.

The total open pit mineral reserves at Sukari were estimated at 230Mt of ore at an average grade of 1.05 g/t Au for 7.7M contained ounces of gold. The mineral reserves that have been declared are based on a gold price of US$1,300/oz.

Sukari open pit reserve

Classification	Tonnes (Mt)	Grade (g/t Au)	Contained gold (Moz)
Proven	112	1.04	3.76
Probable	100	1.16	3.73
Stockpile	16	0.45	0.23
Total	228	1.05	7.70

- Totals may not equal the sum of the components due to rounding adjustments.
- Based on mined surface as at 30 September 2013 and a gold price of US$1,300 per ounce.
- The change from the previous US$1,100 to US$1,300 gold price has increased the new reserve by approximately 0.6Mozs.
- Cut-off grades (gold): CIL oxide 0.20g/t, CIL transitional 0.45g/t, CIL sulphide 0.44g/t, Dump Leach oxide 0.08g/t.
- Designed underground reserves detailed below do not form part of the open pit reserve.

Underground reserve

The component of the combined reserve as outlined above that relates to the underground operation is summarised below.

Underground reserve

(effective date 30 September 2013)

Classification	Tonnes ('000 t)	Grade (g/t Au)	Contained gold ('000 oz)
Proven	520	11.4	191
Probable	1,815	6.0	349
Total	2,335	7.2	540

- Totals may not equal the sum of the components due to rounding adjustments.
- Stopes for reserves are then designed using a 3g/t cut off and mining dilution applied at 15% @ 0.8g/t as all stopes are located in mineralised porphyry and 10% mining loss is then assumed to allow for stope bridges and material left in stopes after mining.

An updated NI43-101 resource and reserve report has been completed and filed in January 2014 on SEDAR and is available at www.sedar.com or on the Company's website.

Information of a scientific or technical nature in this document was prepared under the supervision of Chris Boreham, Underground Mine Manager of Centamin plc and Declan Franzmann of Cross Crosscut Consulting, Australia and are qualified as a competent person under the Canadian National Instrument 43-101.

Change in resource and reserves from previous estimate

Total measured and indicated resource, at 30 June 2013, increased to 13.4 million ounces (Moz) from 13.1Moz at 30 September 2011. This comprised 12.6Moz of open pit resource and 0.8Moz of underground resource.

Total combined open pit and underground reserve, at 30 September 2013, decreased to 8.2Moz (down 19%) from 10.1Moz at 31 December 2011. This was due to mining depletion and increased mining and processing costs associated with a change from subsidised to international fuel prices.

Underground reserve tonnage increased to 2.3 million tonnes (Mt) (120% increase) from 1.1Mt at 31 December 2011.

Information of a scientific or technical nature in this document was prepared under the supervision of Patrick Smith of AMC Consultants Pty Ltd Australia, and is qualified as a competent person under the Canadian National Instrument 43-101.

The work satisfies the reporting requirements of the JORC (2012) and CIM (2004) guidelines for reporting mineral resources.

Regional exploration

The second pillar of Centamin's growth strategy is regional exploration. Seven other prospects besides Sukari Hill have been identified on the 160km² Sukari tenement area and exploration is being conducted under the principle that ore from these prospects would be trucked to the existing processing plant.

Drilling programmes have been under way on the Quartz Ridge and V-Shear prospects to the east and north-east of the hill respectively during 2013. Ongoing 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.

Exploration beyond Sukari

The third pillar of Centamin's strategy is growth beyond Sukari. Centamin continued exploration on its four tenements Una Deriam, Finarwa, Winibo and Shehagne in northern Ethiopia, and in total, 11,134 meters were drilled over the four tenements. Of these licences only Una Deriam remains active, the others having being impaired at the year end due to the presence of only low grade mineralisation.

In September 2013 Centamin entered into joint venture with Alecto Minerals plc to pursue existing and new opportunities identified by Alecto in Ethiopia. The initial joint venture projects relate to two exploration licences Wayu Boda and Aysid Meketel.

A recommended all-share takeover offer for ASX-listed Ampella Mining Ltd, was announced on 10 December 2013. Centamin took control of Ampella on 24 February 2014. This takeover provides Centamin with an extensive licence holding over a highly prospective and underexplored +100km trend of gold mineralisation in Burkina Faso, as well as further exploration properties in Côte d'Ivoire. Centamin will implement a systematic exploration program, aimed at developing the potential for further significant growth of the existing resource base (comprising 1.92Moz Indicated and 1.33Moz Inferred).

Centamin intends to continue to grow and diversify its asset base through targeted acquisitions in the coming years.

Andrew Pardey
Chief Operating Officer

21 March 2014

Top: base of the primary crusher during construction as part of the Stage 4 expansion

Middle: operator working with machinery in the underground mine

Bottom: exploration drill operators working in northern Ethiopia

Financial review

Centamin delivered strong operational and financial results in 2013, producing 356,943 ounces of gold (2012: 262,828 ounces) and generating profit after tax for the year of US$184.0 million (including exceptional items) 2012: US$199.0 million.

Pierre Louw
Chief Financial Officer

The financial statements for the year ended 31 December 2013 are presented in accordance with the Group's accounting policies and based on International Financial Reporting Standards as adopted by the European Union ("EU IFRS").

Through the Group's emphasis on maximising productivity and maintaining rigorous cost control, Centamin has continued to return strong earnings and cash flow generation despite the weaker gold price environment. Now in its fifth year of production, the Sukari Gold Mine remains highly cash generative, with EBITDA (earnings before interest, taxes, depreciation and amortisation) of US$234.2 million (including exceptional items) (2012: US$233.3 million), and a robust cash and cash equivalents balance of US$106.0 million (2012: US$147.1 million) as at 31 December 2013.

Revenue

Revenue from gold and silver sales has increased by 18% to US$503.8 million, as a result of a 43% increase in gold sold to 363,576 ounces offset by a 17% decrease in the average gold price to US$1,384 per ounce.

Net profit

The Group recorded a net profit before tax for the year ended 31 December 2013 of US$184.0 million (2012: US$198.6 million). The decrease is driven primarily by the lower gold price which was offset by higher volumes of gold sold and lower costs due to management's rigorous cost control. Included within this figure is the impairment of available-for-sale financial assets (US$12.9 million), impairment of associates (US$3.6 million) and impairment of exploration and evaluation assets (US$6.5 million).

Net cash flows

Net cash flows used in investing activities comprise exploration expenditure and capital development expenditures at Sukari including the acquisition of financial and mineral assets. These cash flows have decreased year-on-year by US$39.0 million to US$282.8 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 and open pit mining fleet. In addition cash used in the purchase of available-for-sale financial assets was US$2.5 million, offset by proceeds received from the available-for-sale financial assets of US$0.8 million compared to an outflow of US$6.4 million in 2012.

EBITDA

EBITDA (including exceptional items) of US$234.2 million (2012: US$233.3 million) reflected a slight increase in 2013. The Sukari operation's strong cash generation was also reflected in an 11% increase in "net cash generated by operations" of US$245.1 million from US$220.5 million.

Cash

At 31 December 2013, the Group had cash and cash equivalents of US$106.0 million compared to US$147.1 million at 31 December 2012. The majority of funds have been invested in international rolling short-term higher interest money market deposits.

The decrease in cash position is primarily due to the payments for property, plant and equipment together with unfavourable gold prices and the inclusion of an exceptional provision which represents a payment on fuel subsidies reflected in prepayments. Trade payables increased by US$23 million and consist mainly of mining fleet capital expenditure.

Cost of production

The cash operating cost of production was US$663 per ounce versus US$669 per ounce in 2012.

Pierre Louw
Chief Financial Officer

21 March 2014

		Year ended 31 December 2013	Year ended 31 December 2012	Percentage change
Revenue (1)	US$'000	**503,825**	426,133	18%
Profit before tax (3)	US$'000	**183,969**	198,594	(8%)
Basic EPS (cents per share) (3)	Cents	**16.87**	18.27	(8%)
Diluted EPS (cents per share) (3)	Cents	**16.77**	18.26	(8%)
EBITDA (2&3)	US$'000	**234,167**	233,333	1%
Net cash generated from operations (3)	US$'000	**245,143**	220,507	11%
Cash and cash equivalents	US$'000	**105,979**	147,133	(28%)
Group production (ounces)	Ounces	**356,943**	262,828	36%
Attributable sales (ounces)	Ounces	**363,576**	254,959	43%
Group cash operating costs (2) (3)	US$ per ounce	**663**	669	(1%)
Total assets	US$'000	**1,298,727**	1,084,956	20%

(1) See total revenue which is analysed in Note 5 to 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.

(3) Results now reflect an exceptional provision against prepayments to reflect the removal of fuel subsidies. Subsidies were removed in January 2012 (refer to Notes 3 and 6 respectively to the financial statements for further details).

Corporate social responsibility statement

Statement by the Chairman of the Health, Safety, Environment and Sustainability Committee, Bob Bowker

Bob Bowker
Chairman of the
HSES Committee

Dear shareholders

I am presenting this report in my capacity as chairman of the HSES Committee, a committee of the Board of Centamin.

At Centamin we are committed to responsible mining. We realise that an ongoing commitment to sustainable development practices is critical to our business. Guided by our company values, we are committed to meeting the highest standards of social responsibility by protecting the safety and health of our employees, by safeguarding the working environment and creating a long-lasting positive impact on the communities in which we operate. We believe that this policy delivers longer term value for our shareholders.

The Health, Safety, Environment and Sustainability Committee has worked closely throughout the year with the management of the Company to help achieve the objectives set by the Committee and management and aiming, where possible, to exceed these high standards and targets. We have especially welcomed and supported the steps taken in 2013 to improve, still further, the excellent results achieved in regard to workplace safety.

In 2013, the Board approved a strategy for the pursuit of Community Social Development initiatives and the HSES Committee receives regular reporting from management on social and environmental initiatives and projects.

As the first modern mining company to operate in Egypt, Centamin is particularly conscious of the role it is playing in developing the expertise of Egyptian nationals in the mining sector. We take a great deal of pride in the fact that our Egyptian national employees are gaining skills and knowledge and taking advantage of opportunities for career progression and promotion.

Highlighted within the report is a case study on one of our highly valued supervisors, Mr Nagy Abdou, who is one of a growing number of talented Egyptians able to realise their potential and make a significant contribution to the growth and success of the Company.

Throughout this report references to HSES policies refer to the Company's Health Safety and Environmental Policy, the Company's Corporate Social Responsibility Policy and certain industry and operational policies in place at Sukari.

Our efforts in this area are guided by the Company's HSES Policies that aim to ensure high standards of safety and wellbeing for the workforce. The HSES Policies outline our commitment to educating our employees and contractors to apply safe working standards which safeguard all employees and contractors and the workplace environment. The HSES Policies also help develop a sustainable business where our activities benefit the wider community and the Company's stakeholders.

Bob Bowker
Chairman of the HSES Committee

21 March 2014

We aspire to the highest standard of corporate social responsibility and take seriously our duty to ensure safe and sustainable operations and growth.

Health, Safety, Environment and Sustainability Committee

The Centamin Board Health, Safety, Environment and Sustainability Committee members are Bob Bowker (Chairman), Mark Arnesen, Mark Bankes and Kevin Tomlinson, all of whom are independent directors of the Company. The key functions of the HSES Committee are set out in the Committee Charter which can be found on the Company's website.

In summary the Committee is responsible for making recommendations to the Board on all matters in connection with issues of the environment, workplace health and safety, and the development of sustainable engagement with communities and stakeholders.

During the year, the HSES Committee worked closely with management to:

- Review the steps taken to improve the lost time due to injury ("LTI") frequency rate;
- Review monthly and quarterly reporting on corporate sustainable development ("CSD") issues and initiatives;
- Review environmental, health, safety and contingency planning issues; and
- Receive updates, reports and associated KPIs in relation to new and existing initiatives designed to support local social and environmental projects.

Health and safety

The Company strives for a harm free, healthy and productive work place. We have invested in robust systems, procedures and controls to manage occupational health and safety risks to an acceptable level. These working practices allow us to comply with local legislation, licence and permit conditions, as well as international best practice standards.

In 2013, we have witnessed a considerable improvement in the lost time injury frequency rate ("LTIFR") as compared to 2012. This is as a result of the programmes and activities we implemented to improve our performance and increase the safety levels in our work place. We are pleased to report that we have never experienced any safety-related employee fatality. On average, 75% of our injuries in 2013 required only first aid action with no long-term medical treatment.

Our target in 2014 is to further reduce our lost time injury frequency rate from its current level of 0.36 per 200,000 man hours. Our statistics include both our own employees and our contractors.

Safety conscious culture

Safety is the responsibility of each employee and the level of safety is a function of the collective behaviour of individuals. Accordingly we continuously invest in maintaining a safety conscious culture in our work place, encouraging individual accountability for working safely.

The following areas highlight the Company's commitment to a comprehensive training programme which we believe provides our best means for reducing work place incidents:

(1) a tailored safety induction programme for new employees, contractors and visitors;

(2) training modules addressing job hazard analysis, risk assessments, incident investigations, work permits, first aid, fire extinguishing, and hazard identification; and

(3) technical competence tuition, such as isolation training, lifting procedures, confined space entry, hot work and working at height.

Full time trainers are available in almost all operational departments to provide in-field training and coaching for the work force. Tool box talks before shifts are used to address safety issues, tips and lessons learnt.

Other communication channels are used including weekly and ad-hoc safety meetings within each department and safety alerts which are periodically communicated throughout the workforce.

Corporate social responsibility statement continued

Contractor management

Contractors are integrated into the Company's health and safety onsite programme whether for long periods of time or for short assignments. Contractor numbers rose in 2013 due to the expertise and outsourcing required to complete Stage 4. The number of contractors onsite averaged 1,030 individuals during the year.

We require all contractors operating onsite to adhere to the Company's health and safety policies and procedures. We ensure they have the same health and safety induction training and also have full access to the health services available to our employees onsite.

Evaluating safety performance

The evaluation of our safety performance is essential to indicate the effectiveness of our systems and controls and identify opportunities for continuous improvement. The monitoring systems in place address:

- workplace and occupational health parameters;
- fitness to work; and
- adherence to procedures and standards.

The performance evaluation is undertaken by an in-house team and reviewed by a third party. Monitoring includes the collation of data, medical surveillance, auditing and visual inspection, as well as systematic observation of the work and behaviour of staff.

Reactive or responsive evaluation is also undertaken to investigate and analyse incidents and identify root causes to help implement corrective measures.

Employees and contractors are encouraged and expected to report all hazards and near-misses for investigation and analysis. This embodies the principles adopted by the HSES Policies and procedures where everyone shares and contributes in a responsible manner to creating a safe working environment.

	2013 Frequency rate[1]	2012 Frequency rate[1]	2011 Frequency rate[1]	2010 Frequency rate[1]
Fatality ("FA")	**—**	—	—	—
Lost time injury ("LTIF")	**0.36**	0.69	1.25	0.47
Medical treatment injury ("MTIF")	**1.28**	1.37	1.07	2.87

(1) based on 200,000 working hours

Proactive approach and emergency response planning

Risk assessment is integrated into all operational activities onsite and we continuously evaluate potential and actual hazards, their probability and likely outcomes to determine the level of risk and appropriate risk mitigation and safeguards. A variety of different procedures and systems have been developed and implemented including the Work Permit System and Job Hazard Analysis for new and non-recurrent activities.

Our approach towards emergency preparedness and response planning is detailed, rigorous and well-rehearsed, ensuring the mine is fully prepared for any conceivable emergency. In 2013, we rehearsed 43 emergency drills at Sukari.

The emergency arrangements are supported by an infrastructure of fire hydrants, fire control panels and smoke detectors throughout the site. A fire truck and crew are in service in the event of severe fires. In 2013, we added to the infrastructure by establishing a fire extinguisher refilling workshop onsite, enabling maintenance and re-filling of existing fire extinguishers.

A medical evacuation scheme is in place which is supported by first aid facilities and an equipped clinic. An ambulance is onsite to transport casualties to the nearest hospital.

An inspection programme operates to ensure all emergency response equipment is maintained and is fit for purpose at all times.

Health and wellbeing

We minimise health risks to our employees and contractors by implementing control and management procedures including the protection of employees and contractors from exposure to chemicals, dust, noise and other elements that might cause health problems. Area-specific instructions and signs are in place regarding additional personal protective equipment requirements. These instructions are reiterated during pre-shift meetings.

Medical tests, including blood analysis, are conducted particularly for laboratory personnel and those working with chemicals and metals. Health tests are also mandatory for people working in the kitchen.

Employees are expected to report for work and remain at work in a fit condition to perform their assigned duties free from the use, presence, or effects of drugs and alcohol. The Company has a zero tolerance policy for use of alcohol and drugs. Drug and alcohol tests are undertaken randomly or when needed and disciplinary actions are taken accordingly.

Our health programme has a special focus on food safety and hygiene, given we have a large mess that provides meals to about 1,500 employees and contractors per day. In 2013, we implemented a programme to improve hygiene in the kitchen and dining facilities. The programme included periodic inspections and food testing as well as hygiene and food preparation training.

Health campaigns in 2013 included a "quit smoking" campaign, personal hygiene and "fasting Ramadan" campaigns. Within the campaigns we printed alerts on the back of pay slips, displayed posters and other notices around site as well as our doctor delivering toolbox talks about the topic.

In 2013, the following audits were carried out and the outcomes were as follows:

(1) internal environmental audits confirmed the results were within acceptable limits;
(2) water quality testing carried out by an external laboratory confirmed no major anomalies;
(3) air quality audits conducted by Cairo University recorded no anomalies and confirmed that Sukari was compliant with required standards; and
(4) emissions were reported to be at safe levels, as required by Egyptian law and international standards set by the World Bank.

Our employees and contractors

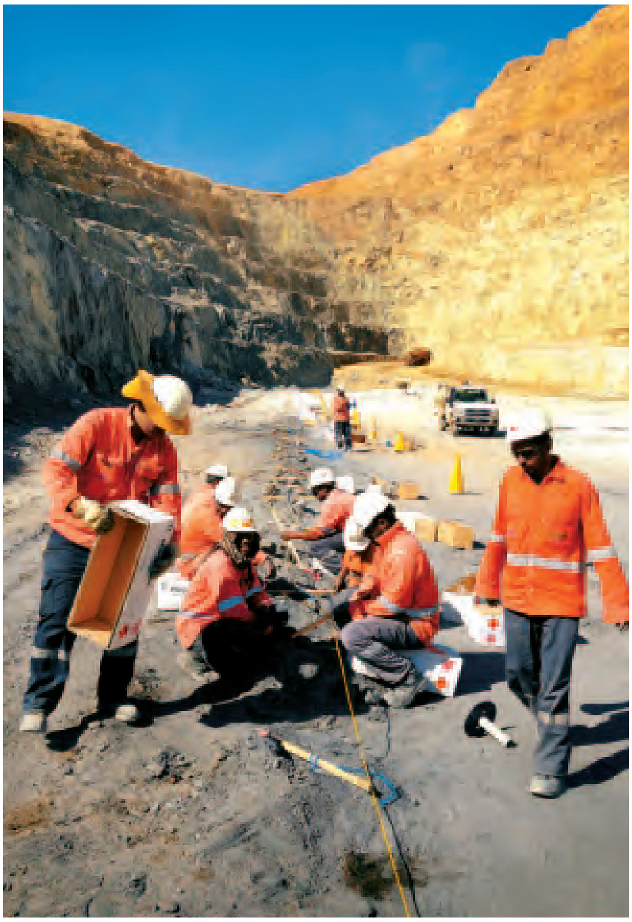
Our people are core to the success of our business. Accordingly, we actively invest in securing the full spectrum of skills and competencies needed for effective operations.

The Company's activities provide direct and indirect employment, training and work experience to many Egyptian nationals, as well as creating an immediate revenue stream for the local economy and the Egyptian government.

Our workforce has witnessed considerable growth since we started production in 2010, both in terms of the number of employees and the range of skills and expertise now required by our workforce.

In Egypt, we employ 1,340 people of whom 93% are Egyptian nationals. Approximately 50% of our Egyptian nationals are from upper Egypt, the area where Sukari is situated, which typically has less economic activity than the more prosperous areas around the Nile Delta.

Only 1% of our Egyptian workforce are women, mainly because social conditions in Egypt and in the Middle East in general do not encourage the work of female employees in remote sites. A greater percentage of women are employed throughout the Centamin administrative offices.



Sukari blasting team
charging pre-split holes

Corporate social responsibility statement continued

The table below sets out the number of people employed by the Group (excluding contractors) by country, during the years stated.

	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011	Six months ended 31 December 2010	Year ended 30 June 2010	Year ended 30 June 2009	Year ended 30 June 2008
Egypt	**1,340**	1,120	1,106	985	816	362	210
Australia	**1**	2	2	3	3	2	2
Jersey	**9**	7	2	—	—	—	—
Ethiopia	**37**	45	47	—	—	—	—
Total	**1,387**	1,174	1,157	988	819	364	212

The table above excludes contractors onsite. The number of contractors onsite during the year averaged 1,030 individuals.

Human resources principles

Our Policies set out the Company's approach and principles in regard to human resource management, recruitment and retention. Our policies aim to ensure that:

- new or current employees are not discriminated against by the company due to their religion, nationality or political views or background;
- all employees have the opportunity for promotion based on the ability of a person to perform the relevant job, without regard to personal characteristics that are unrelated to job requirements;
- harassment of employees by anyone and in any way is not tolerated;
- forced and compulsory labour are not allowed in any work related to our activities;
- all employees are entitled to a safe, healthy work environment, and each employee is accountable for his or her HSE performance in the Company;
- we are committed to the highest ethical standards and behaviour. Our Code of Conduct requires adherence to our principles and promotes confidence in the integrity of the Company; and
- child labour is prohibited, whether in our permanent employment or in contractors' work-forces.

Contractors are required by their agreements to abide by these requirements, and follow-up checks are undertaken seeking to establish that our conditions are met.

We expect every one of our employees to uphold our core value of honesty and integrity whilst maintaining a safe working environment. All employees are encouraged to treat their fellow colleagues with respect, dignity and common courtesy.

Annual performance appraisals are undertaken for all employees. The appraisal covers several areas including the employee's job knowledge, skills attained during the year, quality of work and initiative and innovation.

The review is undertaken by the immediate supervisor and the appraisal performance is agreed with the section head.

The appraisal process also identifies the need for training or coaching, modified responsibilities or opportunities to undertake more challenging roles and responsibilities.

Capacity building and development

We strongly encourage and support our employees to be self-motivated and to realise their career potential. We work with all our employees closely and encourage those who show keenness and desire to develop new personal skills and experience.

We value regular communication and feedback with employees which helps enhance the efficiency, effectiveness and safety of everyday activities and overall operational performance.

Non-Egyptian foreign experts are required onsite for their expertise and experience in the mining industry, and to enable their skills and experiences to be shared under programmes to further train and develop Egyptian nationals.

Sukari team
examining a drill hole in readiness for explosives

Case study – career progression

Mr Nagy Abdou, Senior Production Supervisor

Mr Abdou, a graduate of intermediate industrial schools, first came to Sukari in the exploration phase. Trained as an equipment operator working primarily with the machinery designed for early stage leveling and exploration drilling, his potential was soon noticed and he was promoted as a leading hand.

Mr Abdou recalls that this period of his career helped him to realise the importance of planning and managing people.

As an individual with the desire to grasp new knowledge and skills, whose passion for the job was recognised by his supervisors, he gained experience from expatriate employees who provided him with comprehensive theoretical and practical training and coaching.

Mr Abdou was then promoted to a production supervisor. His practical experience with equipment made him aware of the efficiency potential and limitations of the equipment he was handling.

As well as understanding the equipment required for the operation, Mr Abdou can now discuss mining design models and plans with the geologists onsite. He hopes to be able to prepare mine design models one day.

Nagy Abdou
addressing members of the team at Sukari

In addition to creating a positive work environment, the Company believes it is important that employees 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.

The environment

Our Policies outline our commitment to environmental responsibility. Safeguarding the environment, and coaching and training our employees to reduce the impact of our activities are essential parts of our operations.

We remain committed to maintaining, and whenever possible exceeding, the high level of environmental performance that we have achieved during 2013.

Maintaining an environmentally responsible culture

We run a well-established programme for training and awareness of environmental impacts. The programme addresses different environmental fields including chemical management, waste management, emissions and water conservation, as well as general environmental management practices.

Resource management

Systems and procedures are in place to ensure correct and safe handling of chemicals and hazardous materials.

Risk assessments are carried out for handling and usage of all chemicals and hazardous materials. Controls in place include containment, automatic alarm and shut-off systems. Preventative maintenance programs for tanks and equipment are also in place. Emergency response plans and facilities ranging from spill kits and eye wash stations to chemical suits address potential requirements for responding to chemical or hazardous waste spillages or incidents.

We fully acknowledge the importance of managing chemicals in a sound manner so as to minimise harm to the environment or the health of employees. Hazard communication and chemical management handling is a core training programme in our continuous education system. The systems in place set safe conditions for the transportation, storage, labelling and handling of chemicals.

Water management and groundwater protection

We recognise responsible water use is a key component for our sustainability programme and our policies commit us to conserve natural resources.

As a result, we closely monitor our water use, strive to reduce our water footprint and take steps to safeguard water quality.

Water is a critical component to our processes and thus it is essential to secure a sustainable source of water for our operations. In an area with limited fresh water resources or municipal water, we rely on a sea water intake and pipeline from the Red Sea to provide a sustainable water supply to the mine.

As a secondary source of water, we have beach wells where sea water infiltrates into groundwater. We have desalination plants for generating fresh water for the process plant and for domestic use.

Corporate social responsibility statement continued

The sea water pumped to site is used, and re-used throughout the process plant ensuring maximum usage of this resource without needlessly taking more water from the intake pipeline.

Groundwater protection measures have been incorporated in the design of the tailing storage facility and other components where a layer of gypsum and a HPDE liner are used to prevent seepage. Workshops have concrete working areas to prevent seepage. Five monitoring bores are downstream from the tailing storage facility to detect any potential contamination. In 2013, the monitoring of these bores showed no contamination.

Desalinated water used in camps and offices is tested to ensure its quality accords with chemical and bacteriologic parameters. Bottled water used for drinking is also periodically tested as a double check on suppliers and storage procedures. All samples are compliant with Egyptian legal requirements.

Energy

Marsa Alam, the region in which the Sukari mine is located, is a remote area with no direct connection to any power grid. The city has its own power plant whose capacity is only sufficient for residential uses and not suitable for industrial needs.

Consequently, the project at Sukari powers the entire processing plant through our own diesel power station onsite.

A review of alternative fuel sources to supply the processing plant is ongoing.

Emissions, effluents and wastes

Programmes are in place to manage emissions, effluents, non-process waste, waste rock and tailings. All our industrial water streams are re-circulated within our operations. Sewage is treated in a tertiary wastewater treatment plant and the treated water is used in landscaping. To ensure effective performance periodic checks and inspections are conducted on the treated wastewater.

Our monitoring activities in 2013 confirmed that we remained within legal requirements and international best practice standards in respect of the following areas:

- ambient air quality in the camp area (in terms of dust and emissions);
- dust concentration in different work areas;
- noise and illumination;
- work environment emissions, including carbon monoxide, sulphur dioxide and ammonia;
- stack emissions due to fuel combustion;
- quality of treated wastewater; and
- quality of groundwater.

We maintain a salvage area where valuable wastes are temporarily stored until transferred offsite or recycled in different areas onsite.

Biodiversity

Centamin is committed to protecting the wildlife unique to the eastern desert by minimising the impact of our operations on the environment. We are conscious that the sea near Sukari is renowned for its crystal-clear water, and includes a variety of coral reefs and marine biota. The desert environment is characterised by its scarce terrestrial biodiversity resources, and the area of Marsa Alam also includes the Wadi El-Gemal Protectorate, one of Egypt's largest environmental protectorates, with about 100km of pure beach and desert landscapes.

Biodiversity conservation principles were integrated into the project design for Sukari from the outset and are applied to all of our activities.

While we maintained careful monitoring of areas of potential concern, such as migratory bird movement across the area, there were no incidents reported of adverse impact on wildlife as a result of operations at Sukari during 2013.

Land management and rehabilitation

Mining is a business that deals directly with natural resources and it is inevitable that land will be disturbed. For our part, we are committed to leaving a positive legacy for coming generations and development initiatives.

Accordingly, upon closure, the goal is to transfer Sukari to a stable and self-sustaining condition, after taking into account the beneficial uses of the site and surrounding land. Due consideration shall be given to environmental and social impacts to avoid long-term challenges for parties that might live close by or depend on the area.

The planning for the closure of the mine aims to ensure that mining activities are soundly phased out, the mine is closed in an environmentally sound manner, a physically and chemically stable landform is maintained, with minimal erosion and minimal potential for dust generation and that the hazards are reduced to levels equal to or below those naturally existing within the surrounding environment.

A draft restoration and rehabilitation plan is updated each year. 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.

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

Community and society

Centamin recognises that it has a responsibility to support and enhance the community in which it operates, and to minimise our impacts on the environment and local people at every stage of our activities. We consider good community relations as a key component of continued operational success as well as a corporate requirement. We are committed to acting at all times in a socially responsible manner.

Stakeholder engagement

We attach considerable importance to maintaining dialogue with the local community in areas in which we operate.

A public consultation system has been in place at Sukari since the project design phase, and during the construction phase. With mining in operation we have maintained open channels of communication with all our stakeholders for the purpose of information disclosure.

In providing opportunities for raising concerns and grievances we have been pleased to find that throughout 2013, as in previous years, the Sukari mine continues to be welcomed by the local community and government authorities.

Community development initiatives

We have supported infrastructure and services in Marsa Alam for a number of years. The initiatives include:

- providing the Bedouin with food waste to use as animal fodder;
- continuing to support a neighbouring Bedouin settlement;
- supporting the refurbishment of mosques and youth centres;
- furnishing schools and finance maintenance activities;
- supporting the celebration of local community and cultural events; and
- supporting the treatment of Bedouin children in the hospital.

Case study – knowing your neighbours

Ababda: eastern desert dwellers

The Ababda are nomads living in the eastern desert and Red Sea mountains in south-east Egypt. Ababda prefer to think of themselves as Arab Bedouin, and not Beja, the more settled local population of the region. They are often only able to speak Arabic. Traditionally, Ababda lived as desert nomads herding camels and goats in the northern reaches of the eastern desert. By the 1920s, most Ababda were settled, only venturing into the desert when necessary.

Many Ababda now live in towns and villages in the Nile Valley and the Red Sea coast, and find employment in fishing, as truck drivers, or as day labour and, increasingly, in tourism. Others, who cling to the traditional way of life, still move through the desert with their herds of goats and sheep.

Whether living in small settlements along the coast or as isolated families in the mountains living in huts, or in natural caves, as did their ancestors in classic times, the Ababda Bedouin are a hearty, hospitable, exuberant and resourceful people who live in one of the most demanding regions of the world. They know and respect the desert and the environment.

Preparatory work was undertaken in 2013 for a number of community projects that will be announced and implemented in 2014.

We strongly contribute to the employment from Upper Egypt. Where possible, we tender contracts to local companies to aid local economic activity and progress. Across Egypt, we use local suppliers and contractors wherever possible, providing jobs and income to a much larger group of people than our direct employees.

We provide summer training to students from the Egyptian universities every year. In 2013 we trained 42 students from various faculties of science, geology and engineering and mining. University students are given an induction course and then sent to their respective departments for on-the-job training. They are required to prepare and present reports at the end of the training, which provides a unique opportunity for a practical interaction with modern mining and processing.

Eastern Desert dwellers
with a small herd of camels.

Management discussion & analysis and business review

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 year ended 31 December 2013 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 2013. The effective date of this report is 21 March 2014.

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.

Overview

Centamin is a mineral exploration, development and mining company that has been active in Egypt since 1995. The Company's principal asset is the Sukari Gold Mine, which is located in the Eastern Desert approximately 900km from Cairo and 25km from the Red Sea. First gold was poured at Sukari on 26 June 2009, and was followed by four successive years of growth, from approximately 150,000 ounces in 2010 to c.357,000oz in 2013. The doubling of plant throughput to a nameplate rate of 10 million tonnes per annum ("Mtpa") will see another significant step-up in 2014 as Sukari heads towards the long-term target production rate of 450-500,000 ounces per annum from 2015. Exploration at Sukari Hill and over the rest of the Sukari concession area is continuing, with further significant resource and reserve growth expected, particularly from the high grade underground mine areas.

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.

Centamin's operating experience gives it a significant advantage in acquiring and developing other gold projects. In 2013 Centamin agreed a recommended takeover offer for ASX-listed Ampella Mining Ltd and formed a joint venture with AIM-listed Alecto Minerals plc, adding highly prospective licence packages in Burkina Faso and Ethiopia respectively.

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 SGM's 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") (i) all current operating expenses incurred and paid after the initial commercial production; (ii) exploration costs, including those accumulated to the commencement of commercial production (at the rate of 33.3% of total accumulated cost per annum); and (iii) 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). Legal title of all operating assets of PGM will pass to EMRA when cost recovery is completed. The right of use of all fixed and movable assets remains with PGM and SGM.

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 ongoing 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, ongoing 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. Legal title of all operating assets of PGM will pass to EMRA when cost recovery is completed. The right of use of all fixed and movable assets remains with PGM and SGM.

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 2013, nor is any likely to be due as at 30 June 2014. 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 2015 (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. 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. With a view to demonstrating goodwill toward the Egyptian government, PGM has made advance payments to EMRA which will be netted off against any future profit share that becomes payable to EMRA.

Highlights for the year (1) (2) (3)

Centamin delivered strong operational and financial results in 2013, producing 356,943 ounces of gold (2012: 262,828 ounces) and generating profit after tax for the year of US$184.0 million (2012: US$199.0 million). Centamin has continued to return strong earnings and cash flow generation despite the weaker gold price environment, owing to the Group's emphasis on maximising productivity and maintaining rigorous cost control. Now in its fifth year of production, the Sukari Gold Mine remains highly cash generative, with EBITDA of US$234.2 million (2012: US$233.3 million). Centamin has a robust cash and cash equivalents balance of US$106.0 million (2012: US$147.1 million) as at 31 December 2013.

2013 saw the Sukari operation performing well across all areas. Most notably, the processing plant operated consistently at c.15% above nameplate capacity and the output from the underground mine continued to rise quarter-on-quarter to end the year at levels significantly above original expectations. The completion of construction of the Stage 4 plant expansion, which is currently under commissioning, sets the stage for the next step-up in production towards Sukari's long-term target of 450-500,000 ounces per annum from 2015 onwards.

An updated resource and reserve statement for Sukari was announced on 18 December 2013, with the total Measured and Indicated resource containing 13.4 million ounces ("Moz") and the total reserve containing 8.2Moz. The underground reserve of 2.30 million tonnes ("Mt") represented a 120% increase on the December 2011 reserve, despite mining depletion. We remain confident of further significant reserve expansion, with the 0.52Mt Proven component of this reserve showing a grade of 11.4g/t gold, and continued positive results from ongoing drilling into the target high-grade extensions.

The Company progressed its medium and long-term growth strategy during 2013. In September, Centamin entered into a joint venture with AIM-listed Alecto Minerals plc over their exploration projects in Ethiopia, thus expanding the Company's presence in this important region of focus. A recommended all-share takeover offer for ASX-listed Ampella Mining Ltd, valued at A$40.9 million, was announced on 10 December 2013. This takeover provides Centamin with an extensive licence holding over a highly prospective and underexplored 100km+ trend of gold mineralisation in Burkina Faso. Centamin will implement a systematic exploration programme, aimed at developing the potential for further substantial growth of the existing resource base comprising 1.92Moz Indicated and 1.33Moz Inferred.

Centamin remains in a robust position to continue delivering on its track record of production growth and solid cash flow generation during 2014 and beyond, as shown by the following:

- basic earnings per share 16.87 cents, down 8% on prior year;
- record EBITDA US$234.2 million, up 1% on the prior year;
- full year production was 356,943, a 36% increase on 2012 and above guidance of 320,000 ounces;
- cash costs of production of US$663 per ounce;
- Stage 4 plant expansion (to nameplate capacity of 10Mtpa) expenditure at the year end was US$327.8 million of the reforecast cost of US$331.2 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$142.5 million as at 31 December 2013; and
- the Supreme Administrative Court appeal and Diesel Fuel Oil ("DFO") Court Case are both ongoing. Both of these cases are described in detail elsewhere in this MD&A (refer to the section headed "Egyptian Court Litigation" below). Operations continue as normal and any enforcement of the Administrative Court decision has been suspended pending the appeal ruling. We remain confident that a satisfactory outcome will ultimately be achieved in both cases.

With respect to the DFO case, management recognises the practical difficulties associated with reclaiming funds from the government and, for this reason, has fully provided against the cumulative prepayment of US$97.0 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.

Management discussion & analysis and business review

continued

(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 includes an exceptional provision against prepayments to reflect the removal of fuel subsidies which occurred in January 2012 (refer to Note 6 to the financial statements for further details). The provision had no further impact on the 2012 results other than previously reported.

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

Operational review

Production

Sukari Gold Mine production summary:		Year ended 31 December 2013	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Year ended 31 December 2012	Q4 2012
Ore mined – open pit								
Ore mined [(1)]	('000t)	**11,664**	3,161	3,409	2,961	2,133	6,377	1,905
Ore grade mined	(Au g/t)	**0.81**	0.77	0.73	0.84	1.00	1.04	1.15
Ore grade milled	(Au g/t)	**1.25**	1.27	1.15	1.28	1.32	1.35	1.56
Total material mined	('000t)	**41,718**	9,642	10,506	11,020	10,550	25,108	6,740
Strip ratio	(waste/ore)	**2.6**	2.1	2.1	2.7	3.9	2.9	2.5
Ore mined – underground								
Development	('000t)	**304**	87	78	73	66	203	63
Stopes	('000t)	**283**	87	74	69	53	190	49
Ore grade mined	(Au g/t)	**9.66**	8.25	9.75	10.99	10.02	8.96	9.76
Ore processed	('000t)	**5,684**	1,400	1,463	1,419	1,402	4,526	1,233
Head grade	(g/t)	**2.12**	2.13	2.03	2.28	2.03	2.04	2.31
Gold recovery	(%)	**88.6**	89.9	85.7	90.2	88.4	86.0	87.7
Gold produced – dump leach	(oz)	**12,382**	3,804	1,988	2,222	4,368	6,686	1,848
Gold produced – total [(2)]	(oz)	**356,943**	91,546	84,757	93,624	87,016	262,828	85,413

		Year ended 31 December 2013	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Year ended 31 December 2012	Q4 2012
Cash costs of [(3) (4)] production	(US$/oz)	**663**	711	693	690	556	669	558
Open pit mining	(US$/oz)	**271**	291	301	339	148	199	163
Underground mining	(US$/oz)	**44**	50	46	42	36	49	43
Processing	(US$/oz)	**297**	293	292	286	320	354	281
G&A	(US$/oz)	**51**	77	54	23	52	67	71
Gold sold	(oz)	**363,576**	88,856	90,341	98,325	86,054	254,959	82,316
Average realised sales price	(US$/oz)	**1,384**	1,249	1,329	1,364	1,604	1,667	1,697

(1) Ore mined includes 1,015kt and 0.45g/t delivered to the dump leach in Q4 2013 (1,412kt @ 0.39g/t in Q3 2013, 1,092kt @ 0.37g/t in Q2 2013, 378kt @0.42 g/t in Q1 2013, 0kt in Q4 2012, 11kt @ 0.48g/t in Q3 2012; 104kt @ 0.50g/t in Q2 2012 and 264kt @ 0.42g/t in Q1 2012. 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) Cash costs of production reflect an exceptional provision against prepayments to reflect the removal of fuel subsidies which occurred in January 2012 (refer to Notes 3 and 6 respectively to the financial statements for further details).

Centamin produced 356,943 ounces of gold in 2013, which is a 36% increase on 262,828 ounces in 2012. The higher year-on-year production was a result of: (a) a 26% increase in tonnes milled (to 5.7Mt) due to the improved plant productivity and availability, (b) an 50% increase in production from the underground due to improved underground mining contractor equipment availability, and (c) a 4% higher feed grade to the mills (2.12g/t in 2013 compared to 2.04g/t in 2012) as underground productivity and head grades increased.

Open pit

The open pit delivered total material movement of 41,718kt for the year, an increase of 66% on the prior year. The increase in total material movement was related to increase in the mining fleet capacity during the year. Additional mining equipment will continue to be delivered during the first half of 2014.

As part of the implementation of Stage 4, the Company is in discussions with EMRA and other government departments in relation to increasing the daily usage of ammonium nitrate ("AN") in order to increase open pit mining rates to the required level to feed the expanded plant. The increase in the daily issue of AN is still outstanding and this has had an impact on the movement of waste material compared to the current mining plan. However from recent meetings with the relevant authorities, management believe government approval is now in its final stages.

Ore production from the open pit was 11.7Mt at 0.81g/t with an average head grade fed to the plant of 1.25g/t. The ROM ore stockpile balance increased by 1kt to 1.8kt by the end of the year. Mining was primarily from the Stage 3 area, in the Stage 2 area mining continued to the 950RL and development work progressed in the Gazelle and Eastern Hills area to the 1100RL.

Underground mine

Ore production from the underground mine was 587kt. The ratio of ore from stoping versus development remained consistent year on year, with 52% of development ore (304kt) and 48% of stoping ore (283kt). Ore production from stoping and development was in line with forecasts. Development and stoping requirements were increased in the second half of 2013.

A total of 11,620 metres of diamond drilling was completed for both short-term stope definition and underground resource development. During the year 3,786m of development were driven through ore. The project development total to date is 15,766m, of which 9,200m were through ore.

As part of the development of the Ptah area, the first crosscut to access the 845, 860, 875 and 890 levels has been completed. Three exploration drill cubbies have been established where drilling is actively taking place Ore drives have been developed on the Ptah 875 level and the exhaust system was extended to the 875 level crosscut.

Processing

The annual throughput in the Sukari plant was 5.7Mt in 2013, a 27% increase on 2012 (4.5Mt). Productivity of the processing plant averaged 700tph for the year, 12% above the nameplate design rate of 625tph, as the operations team continued to optimise availability and throughput.

Plant metallurgical recoveries were 88.6% in the year, a 2.6% increase on 2012. Continued optimisation of operational controls and improved circuit stability resulted in the recovery steadily increasing throughout the year. Whilst operational improvements are being made, recoveries are expected to remain consistent until the new carbon regeneration kiln is commissioned in 2014.

The dump leach operation produced 12,382oz in 2013, an 85% increase from 2012.

Management discussion & analysis and business review
continued

Operational review continued

Stage 4 expansion

Construction continued on Stage 4 of the process plant expansion, which commenced in late 2011 and 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$331.2 million including contingency, with expenditure to date of US$327.8 million.

Main plant

The processing plant was 97% completed at the end of December. Electrical instrumentation and piping work remained outstanding at the end of the period. Commissioning of the new conveyor to the COSP took place in December together with direction testing of various motors and pumps.

Power station

The new Wartsila plant has been completed, and was handed over to operations in October.

Sea water pipeline

The seawater pipeline was completed in December and handed over to operations.

Tailings storage facility

Construction of the facility is 100% complete and the TSF is in operation.

New primary crusher

The new primary crusher was 90% complete and the end of December and final completion is expected at the end of March 2014. The primary crusher shells and liners are installed and work is progressing on the electrical and lubrication systems.

Capital expenditure

A breakdown of the major cost areas up to 31 December 2013 is as follows:

Mining equipment	US$53.7 million
Processing plant	US$174.9 million
Power plant	US$39.2 million
Other	US$60.0 million
Total	**US$327.8 million**

Major contributors to the payments made in 2013 were as follows:

Mining equipment	US$18.8 million
Processing plant	US$59.4 million
Power plant	US$ nil
Other	US$21.1 million
Total	**US$99.3 million**

Exploration update

Sukari Hill

Centamin has resources (as of 30 July 2013) of 13.4 million ounces Measured and Indicated, and 1.9 million ounces Inferred, and reserves (as of 30 September 2013) of 8.2 million ounces. Underground drilling continued to be stepped-up during the year as new development provided improved access from below surface to test potential high grade extensions of the deposit. Underground drilling is utilising 4 Longyear LM90 rigs. These rigs have been located in the Ptah decline, drilling east through both the eastern and the western contact of the porphyry and in the Amun area, drilling outwards east and west from the within the porphyry. The ore body has neither yet been closed off by drilling to the north, nor at depth. Further exploration of the Sukari deposit will take place during 2014, predominantly from positions within the porphyry in both the Amun and Ptah areas.

Regional exploration

Reverse circulation and diamond drilling programmes have been under way on the Quartz Ridge, V-Shear and Kurdeman prospects to the east, north-east and south of the hill respectively during 2013. Ongoing 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 2014.

Growth beyond Sukari

Centamin continued exploration on its four tenements in northern Ethiopia where drilling has confirmed the presence of low grade mineralisation.

In September 2013 Centamin entered into joint venture with Alecto Minerals plc to pursue existing and new opportunities identified by Alecto in Ethiopia. The initial joint venture projects relate to two exploration licences Wayu Boda and Aysid Meketel where exploration activities have now commenced.

A recommended all-share takeover offer for ASX-listed Ampella Mining Ltd, was announced on 10 December 2013. This takeover provides Centamin with an extensive licence holding over a highly prospective and underexplored +100km trend of gold mineralisation in Burkina Faso, as well as further exploration properties in Côte d'Ivoire. Centamin will implement a systematic exploration program, aimed at developing the outstanding potential for further significant growth of the existing resource base, comprising 1.92Moz Indicated and 1.33Moz Inferred.

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 to the financial statements), provides a guide to a summary of the financial results of the Group's operation for the years ended 31 December 2013, 2012 and 2011:

Summary of financial performance

		2013(1)	2012(2)	2011(3)	2013 vs 2012	2013 vs 2012	2012 vs 2011	2012 vs 2011
Revenue	US$'000	**503,825**	426,133	340,479	77,692	18%	85,654	25%
Profit before tax	US$'000	**183,969**	198,594	193,993	(14,625)	(8%)	4,601	2%
Basic EPS (cps) (4)	Cents	**16.87**	18.27	17.90	(1.40)	(8%)	0.37	2%
Diluted EPS (cps) (4)	Cents	**16.77**	18.26	17.88	(1.49)	(8%)	0.38	2%
EBITDA (5)	US$'000	**234,167**	233,333	211,347	834	1%	21,986	10%
Total assets	US$'000	**1,298,727**	1,084,956	846,572	213,771	20%	238,384	28%
Non-current liabilities	US$'000	**7,638**	5,544	2,630	2,094	38%	2,914	111%
Cash dividend declared	Cents	**—**	—	—	—	—	—	—

(1) Results reflect an exceptional provision against prepayments to reflect the removal of fuel subsidies which occurred in January 2012, refer to Note 6 to the financial statements for further details.

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

(3) 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 2012 financial statements for further details.

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

(5) 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.

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Results of operations

The Group recorded net profit before tax for the year ended 31 December 2013 of US$184.0 million (2012: US$198.6 million). The decrease is driven primarily by the lower gold price which was offset by higher volumes of gold sold and lower costs due to management's rigorous cost control.

Consolidated statement of comprehensive income

	Year ended 31 December			
	2013(1) US$'000	2012(1) US$'000	US$'000	Change %
Revenue	**503,825**	426,133	77,692	18%
Cost of sales	**(277,437)**	(202,932)	(74,505)	37%
Gross profit	**226,388**	223,201	3,187	1%
Other operating costs	**(21,727)**	(25,505)	(3,778)	(15%)
Impairment of available-for-sale financial assets	**(12,911)**	—	12,911	100%
Impairment of associate	**(1,968)**	—	(1,968)	100%
Impairment of exploration and evaluation assets	**(6,503)**	—	(6,503)	100%
Finance income	**690**	898	(208)	(23%)
Profit before tax	**183,969**	198,594	(14,625)	(8%)
Tax	**(10)**	444	(454)	(102%)
Profit for the period attributable to the Company	**183,959**	199,038	(15,079)	(8%)
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Losses on available-for-sale financial assets (net of tax)	**(6,150)**	(2,804)	(3,346)	(119%)
Losses on available-for-sale financial assets transferred to profit (net of tax)	**12,911**	—	12,911	100%
Other comprehensive income for the period	**6,761**	(2,804)	9,565	341%
Total comprehensive income attributable to the Company	**190,720**	196,234	(5,514)	(3%)
Earnings per share				
– Basic (cents per share)	**16.87**	18.27		
– Diluted (cents per share)	**16.77**	18.26		

(1) Results reflect an exceptional provision against prepayments recorded to reflect the removal of fuel subsidies which occurred in January 2012, refer to Note 6 to the financial statements for further details.

Revenue reported comprises proceeds from gold sales and silver sales. Revenue has increased by 18% to US$503.8 million, as a result of a 43% increase in gold sold to 363,576oz offset by a 17% decrease in the average gold price to US$1,384 per ounce.

Cost of sales represents the cost of mining, processing, refinery, transport, site administration and depreciation and amortisation, as well as preproduction costs incurred prior to commercial production and movement in production inventory. Cost of sales has increased by 37% to US$277.4 million, as a result of:

(a) a 35% increase in mine production costs to US$237.7 million, primarily due to an increase in activity year on year with tonnes moved increasing by 67% and tonnes treated by 26%;

(b) a 43% increase in depreciation and amortisation from US$35.6 million to US$50.8 million, a result of an increase in the underlying and mine development properties; offset by

(c) a US$11.1 million credit for movement in production inventory a result of an increased addition to the ROM ore stockpile and the year on year decrease in gold in circuit at year end.

Finance income reported comprises interest revenue applicable on the Company's available cash and term deposit amounts. 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 increased by US$9.6 million as a result of the cumulative loss that had been recognised in other comprehensive income being reclassified from equity to profit.

Other operating costs reported comprises expenditure incurred for communications, consultants, directors' fees, stock exchange listing fees, share registry fees, employee entitlements, general office administration expenses, the unwinding of the restoration and rehabilitation provision, foreign exchange movements, the share of profit/loss in Associates and the 3% production royalty payable to the Egyptian government. Other operating costs decreased by 15% to US$21.7 million, as a result of:

(a) a US$2.3 million increase in royalty paid to the government of the ARE in line with the increased gold sales;

(b) a US$1.6 million share of loss of associate, of which US$1.4 million relates to the write off of capitalised exploration costs;

offset by:

(c) a US$2.6 million decrease in corporate costs; and

(d) a US$4.3 million increase in net foreign exchange movements from a US$5.2 million gain to a US$9.5 million gain.

Impairment charges have been recorded as follows:

(a) a US$12.9 million impairment loss recognised in relation to the investment in Nyota;

(b) a US$2.0 million impairment loss recognised in relation to the interest in Sahar; and

(c) a US$6.5 million write off of capitalised exploration costs in relation to the Sheba tenements in northern Ethiopia.

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

	31 December 2013 US$'000	31 December 2012 US$'000	US$'000	Change %
Total current assets	**269,342**	282,971	(13,629)	(5%)
Total non-current assets	**1,029,385**	801,985	227,400	28%
Total assets	**1,298,727**	1,084,956	213,771	20%
Total current liabilities	**78,241**	59,568	18,673	32%
Total non-current liabilities	**7,638**	5,544	2,094	38%
Total liabilities	**85,879**	65,112	20,767	32%
Net assets and total shareholders' equity	**1,212,848**	1,019,844	193,004	19%
Key financial ratios:				
Current ratio (1)	**3.44**	4.75		
Return on equity (2)	**15%**	20%		

(1) Represents current assets divided by current liabilities.

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

Current assets have decreased by US$13.6 million to US$269.3 million, as a result of:

(a) US$55.6 million in relation to funds advanced to our fuel supplier, Chevron, to ensure the continuous supply of fuel for our operations whilst negotiations are ongoing with the Egyptian government on the path forward for fuel subsidies;

(b) the self-funding of the Stage 4 expansion amounting to a cash outflow of US$99.3 million; and

(c) offsetting these decreases is a US$15.3 million decrease in gold sale receivables, the transfer of the available-for-sale financial assets from non-current assets to current assets as described below, and a US$40.6 million increase in inventory to US$135.3 million. Stores inventory has increased by US$29.5 million to US$101.4 million in preparation for the increase in processing plant throughput as Stage 4 comes online. Mining stockpiles and ore in circuit inventory has increased by US$11.1 million to US$33.9 million.

Non-current assets have increased by US$227.4 million or 28% to US$1,029.4 million, as a result of:

(d) exploration and evaluation assets have increased by US$14.2 million to US$59.8 million as a result of the drilling programs in Sukari Hill, the Sukari tenement area and Ethiopia, this increase is inclusive of a US$6.5 million write off of expenditure in relation to Sheba tenements in northern Ethiopia;

(e) available-for-sale financial assets have decreased by US$4.6 million to US$1.0 million as a result of:

- a US$6.3 million devaluation (including foreign exchange loss) in the shares held in Nyota;
- the sale of a total of 60 million shares in Nyota for US$0.8 million; both offset by
- the acquisition of a total of 81 million shares in Nyota for US$2.5 million.

Furthermore, the assets were transferred from non-current assets to current assets during the year. Refer to Note 14.1 to the financial statements.

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

(f) US$19.0 million in advance payments made toward EMRA, demonstrating goodwill towards the Egyptian government, and such advance payments will be netted off against any future profit share that becomes payable. Refer to the Accounting for Sukari Gold Mines section above for further details; and

(g) a US$253.8 million increase in property, plant and equipment, mainly relating to net capitalised work-in-progress costs of US$252.2 million (comprising US$99.3 million for the Stage 4 processing plant, US$77.4 million for the open pit mining fleet expansion, US$16.2 million for open pit development, US$29.5 million for underground development, US$1.7 million for mine development properties and US$28.1 million for other sustaining capital expenditure); offset by

(h) a depreciation and amortisation charge of US$50.9 million.

Current liabilities have increased by US$18.7 million to US$78.2 million as a result of the addition to the open pit mining fleet.

Non-current liabilities reported during the period have increased by US$2.1 million as a result of:

(a) a change in estimate of the future rehabilitation costs; and

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

There has been no movement in **issued capital**.

Reserves reported have increased by US$2.3 million to US$5.7 million as result of the recognition of the share-based payments expense.

Accumulated profits increased by US$190.7 million as a result of the increase in the profit for the year attributable to the shareholders of the Company of US$184.0 million together with a US$6.8 million gain on available-for-sale financial assets as a result of the cumulative loss that had been recognised in other comprehensive income being reclassified from equity to profit.

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 payables in relation to the open pit mining fleet.

The return on equity ratio is calculated by dividing the profit for the year attributable to the shareholders of the Company for the period by total shareholders' equity and measures the return on ownership. The return on equity ratio showed a decrease from 20 for 2012 to 16 for 2013 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 21 March 2014, the Company had 1,139,548,944 fully paid ordinary shares issued and outstanding.

As at 21 March 2014	Number
Shares in issue [(1)]	1,139,548,944

(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			
	2013 US$'000	2012 US$'000	US$'000	Change %
Net cash flows generated by operating activities	**245,143**	220,507	24,636	11%
Net cash flows used in investing activities	**(282,825)**	(243,818)	(39,007)	(16%)
Net cash flows generated by/(used in) financing activities	**—**	3,357	(3,357)	(100%)
Net movement in cash and cash equivalents	**(37,682)**	(19,954)	(17,728)	(89%)
Cash and cash equivalents at the beginning of the financial period	**147,133**	164,231	(17,098)	(10%)
Effects of exchange rate changes	**(3,472)**	2,856	(6,328)	(222%)
Cash and cash equivalents at the end of the financial period	**105,979**	147,133	(41,154)	(28%)

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$24.6 million to US$245.1 million, primarily attributable to:

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

(b) an increase in cash flows in relation to receivables and payables; both offset by

- a decrease in gross margins as a result of the decrease in the average realised gold price; and
- an increase in cash flows in relation to inventories and prepayments, in preparation for the increase of the processing plant throughput as Stage 4 comes online.

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$39.0 million to US$282.8 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$2.5 million, offset by proceeds received from the sale of available-for-sale financial assets of US$0.8 million compared to an outflow of US$6.4 million in 2012.

Net cash flows generated by financing activities in the prior year comprised the exercising of shares issued under the Company's Loan Funded Share Plans ("LFSPs") and options under the Employee Share Option Plan ("ESOP") respectively. There were no such cash flows in the current financial year.

Effects of exchange rate changes have decreased by US$6.3 million as a result of the poor performance of the A$ to the US$.

Quarterly information

		Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Revenue	US$ million	**111.2**	120.1	134.3	138.2	138.5	103.1	96.8	87.7
Profit before tax (1)	US$ million	**30.7**	29.7	51.7	71.9	45.9	59.7	42.1	50.9
Basic EPS (cps) (1)	Cents	**2.81**	2.72	4.75	6.60	4.26	5.53	3.87	4.61
Diluted EPS (cps) (1)	Cents	**2.78**	2.70	4.73	6.59	4.26	5.52	3.87	4.61

(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 to 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 2013, revenue increased to US$111.2 million on gold equivalent ounces sold of 88,856 compared with revenue of US$138.5 million on sales of 82,316 gold equivalent ounces during the fourth quarter of 2012. The average realised gold price per ounce in the fourth quarter of 2012 was US$1,697 compared with the average realised gold price during this quarter of US$1,384 per ounce.

Cost of sales decreased by 9% to US$72.4 million in the final quarter of 2013 versus US$79.5 million in the prior year, and although there were underlying increased costs in the mining area and processing area as a result of increased activity quarter on quarter with tonnes moved increasing by 43% and tonnes treated by 14%, Q4 2012 included the full exceptional provision against prepayments to reflect the removal of the fuel subsidy which occurred in January 2012.

Liquidity and capital resources

At 31 December 2013, the Group had cash and cash equivalents of US$106.0 million compared to US$147.1 million at 31 December 2012. The majority of funds have been invested in international rolling short-term higher interest money market deposits. The decrease in cash position is primarily due to the payments in relation to the Stage 4 processing plant development together with unfavourable gold prices and the inclusion of an exceptional provision against prepayments to reflect the removal of fuel subsidies offset with increased production.

Centamin has a strong and flexible financial position with no debt, no hedging and cash and cash equivalents, bullion on hand, gold sales receivables and available-for-sale financial assets of US$142.5 million at 31 December 2013. Cash and cash equivalents, bullion on hand, gold sales receivables and available-for-sale financial assets is a non-GAAP financial measure.

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Liquidity and capital resources continued

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.

Trade and other payables increased from US$54.6 million to US$78.1 million reflecting the amounts owed for mining equipment, which were needed to move the additional material, in readiness for Stage 4.

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 subsidy for diesel fuel oil.

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, Jersey and Ethiopian 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 2013 and the 2012 period.

The following is a summary of the Group's outstanding commitments as at 31 December 2013:

Payments due

	Total US$'000	Less than one year US$'000	One to five years US$'000	After five years US$'000
Operating lease commitments (Note 19)	317	73	244	—
Capital commitments (Note 19)	3,474	3,474	—	—
Total commitments	**3,791**	**3,547**	**244**	**—**

Segment disclosure

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

Significant accounting policies, estimates and judgments

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

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 to 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 cash flows. 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 which affect the unit of production used in depreciation calculations.

Depreciation of capitalised underground mine development costs

Depreciation of capitalised underground mine development costs at the Sukari mine is based on reserve estimates. Management and directors believe 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 estimated reserves may change with a consequent negative impact on the carrying value of capitalised underground mine development.

Depreciation of the Sukari plant

Sukari plant, capitalised within plant and equipment, is depreciated on a straight-line basis over a 45 year economic life. When determining the useful economic life of the plant, management has assumed that its exploration activities will lead to future reserves increases at the Sukari mine site which will extend its life beyond the current life of mine, which is 2029 based on current reserves. Management have the option to extend the concession agreement by 30 years beyond its current expiry date of 2035.

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Accounting policies

The Group adopted IFRS 13 Fair Value Measurement. Refer to Note 3 to 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 to 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 to 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 the Group should be able to continue generating sufficient cash in order to finance its operations and capital expansions.

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. A detailed summary of the litigation is available at Note 20 to the financial statements.

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 a 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 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 standardised 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 2013 before exceptional items US$'000	Year ended 31 December 2013 including exceptional items[1] US$'000	Year ended 31 December 2012 before exceptional items US$'000	Year ended 31 December 2012 including exceptional items[1] US$'000
Profit before tax	**234,973**	**183,969**	231,712	198,594
Finance income	**(690)**	**(690)**	(898)	(898)
Depreciation and amortisation	**50,888**	**50,888**	35,637	35,637
EBITDA	**285,171**	**234,167**	266,451	233,333

(1) Profit before tax, depreciation and amortisation and EBITDA includes an exceptional provision to reflect the removal of fuel subsidies (refer to Note 6 to 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 amortisation. 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 standardised 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 2013 before exceptional items[1]	Year ended 31 December 2013 including exceptional items[1]	Year ended 31 December 2012 before exceptional items	Year ended 31 December 2012 including exceptional items[1]
Mine production costs (Note 6)	US$'000	**184,608**	**237,738**	140,067	176,721
Less: refinery and transport	US$'000	**(921)**	**(921)**	(848)	(848)
Cash costs	US$'000	**183,687**	**236,817**	139,219	175,873
Gold produced – total	(oz)	**356,943**	**356,943**	262,828	262,828
Cash cost per ounce	(US$/oz)	**515**	**663**	530	669

(1) Mine production costs, cash costs and cash cost per ounce includes an exceptional provision against prepayments recorded in Q4 2012 and 2013 to reflect the removal of fuel subsidies (refer to Note 6 to the financial statements for further details).

(3) **Cash and cash equivalents, bullion on hand, gold sales receivables and available-for-sale financial assets:** this is a non-GAAP financial measure any other companies may calculate these measures differently.

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

	Year ended 31 December 2013 US$'000	Year ended 31 December 2012 US$'000
Cash and cash equivalents (Note 25)	**105,979**	147,133
Bullion on hand (valued at the year end spot price)	**10,853**	25,915
Gold sales receivable (Note 9)	**24,657**	40,736
Available-for-sale financial assets (Note 14.1)	**989**	5,613
Cash and cash equivalents, bullion on hand, gold sales receivables and available-for-sale financial assets	**142,478**	219,397

Management discussion & analysis and business review
continued

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 2013, 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 ("IFRS") 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 2013 that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

Financial instruments

At 31 December 2013, 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 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, insufficient evidence had 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 lodging a formal appeal before the Supreme Administrative Court on 26 November 2012. 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 under way.

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. The Company believes this demonstrates the government's commitment to our investment at Sukari and the desire to stimulate further investment in the Egyptian mining industry.

The Company does not yet know when the appeal will conclude, although it is 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. The Company therefore remains 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 Group's operation exceeds 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 under way. Centamin does not currently see the need to take the matter to a court outside of Egypt as Centamin remains of the belief that the Egyptian Court will rule in Centamin's favour.

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 will be available on SEDAR at www.sedar.com.

Management discussion & analysis and business review
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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, SGM and PGM is entitled to a 15 year exemption from any taxes imposed by the Egyptian government, with an option to file an application to extend this entitlement for a 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 two years that there are net proceeds and an additional 5% in the following two 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; and
- legal title of all operating assets of PGM will pass to EMRA when cost recovery is completed. The right of use of all fixed and movable assets remains with PGM and SGM.

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 to the financial statements.

Principal risks affecting the Centamin Group

The exploration for and development of metals and mineral resources, together with the construction and development of mining operations is a speculative activity that involves a high degree of risk.

Centamin conducts a variety of risk assessments throughout the year, which are reviewed by the Audit and Risk Committee and the Board in accordance with best practice guidelines and in compliance with the UK Corporate Governance Code and relevant Canadian requirements.

Centamin takes a number of measures to mitigate risks associated with its underlying operational and exploration activity which are monitored and evaluated regularly. Due to the nature of these inherent risks, it is not possible to give absolute assurance that mitigating actions will be wholly effective.

The table below describes the key risks affecting Centamin and its operational and exploration activities together with the measures to mitigate risk and the preserved risk by management.

Single project dependency for near-term revenues	The Sukari Project currently constitutes Centamin's main mineral resource and reserve and near-term production and revenue. Any adverse development affecting the progress of the Sukari Project such as, but not limited to unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, or any other event leading to a reduction in production or closure of mines or other producing facilities, damage to life or property, environmental damage, hiring suitable personnel and engineering contractors, or securing supply agreements on commercially suitable terms. Mitigating factors include continued growth and expansion through exploration and acquisition targets both inside and outside of Egypt. Until further production growth beyond Sukari is identified the risk remains high.
Sukari Project joint venture risk and relationship with EMRA	SGM is owned jointly by PGM and EMRA, with equal board representation, whilst responsibility for the day-to-day management of SGM rests with the general manager, who is appointed by PGM. The board of SGM operates by way of simple majority. As such, should the board of SGM be unable to reach consensus on a matter requiring board-level approval or in the event of any dispute arising between PGM and EMRA, which PGM is unable to amicably resolve, it may have to participate in arbitration or other proceedings to resolve the dispute, which could have a material and adverse effect on Centamin's business, results of operations, financial performance and prospects. Any dispute with EMRA may adversely affect Centamin's ability to manage the Sukari Project in the most effective way. Such a dispute could arise under the cost recovery and profit share provisions of the Sukari Concession Agreement. 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 focused 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 during the year. Mitigating factors also include ensuring co-operative relations with EMRA however the risk identified above remains moderate.
Failure to achieve production estimates	Centamin currently prepares estimates of future gold production for its existing and future development of the Sukari Gold Mine. There can be no assurance that Centamin will achieve its production estimates and such failure could have a material and adverse effect on Centamin's future cash flows, profitability, results of operations and financial condition. The realisation of production estimates are dependent on, amongst other things: the accuracy of mineral reserve and resource estimates; the accuracy of assumptions regarding ore grades and recovery rates; ground conditions (including hydrology); physical characteristics of ores; the presence or absence of particular metallurgical characteristics; the accuracy of estimated rates and costs of mining (including access to and permitting for sufficient quantities of ammonium nitrate and related blasting products), ore haulage, the availability of suitable machinery and equipment, skilled labour and processing capacity and all logistics for consumables and parts. Whilst there can be no certainties, production to date has provided confidence in management's estimation and mine planning methods. The pending commissioning of the Stage 4 process plant means that the current risk rating remains high.
Operational failures and unscheduled interruptions	The achievement of Centamin's operational targets will be subject to the timely completion of planned operational goals on budget and the effective support of Centamin's personnel, contractors, systems, procedures and controls and suppliers. Any failure in this regard or any instances of unscheduled interruptions in Centamin's operations due to mechanical or other failures or industrial relations related issues or problems or issues with the supply of fuel and other goods or services including spare parts, machinery and explosives, may result in delays in the achievement of operational targets with a consequent material adverse impact on Centamin's business, results of operations, financial performance and prospects to include all logistics for consumables and parts. Mitigating factors include management's assessment of critical components on the operational infrastructure on a continuous basis and keep a large inventory of critical spares. In addition management closely monitor progress of both normal operations and expansion projects and have regular dialogue with key project stakeholders and suppliers. Operational risk for a mining project on a remote location is moderate, although the rating at present is high due to the commissioning of Stage 4.

Management discussion & analysis and business review
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Capital and operational cost inflation may reduce anticipated returns	The capital costs for the Sukari Project and the development of Centamin's portfolio assets may be significantly higher than anticipated due to, amongst other things, unforeseen delays in supplies, labour and material cost inflation, local and international political events, or workforce disruption. In turn, this may result in Centamin having to make unexpected calls on its treasury reserves or otherwise seek to raise external financing, for which there can be no guarantee of success and which may result in value dilution for current shareholders. The Sukari Project has a limited operating history upon which Centamin can base estimates of future operating costs. The costs, timing and complexities of mine construction and development are increased by the remote location of the Sukari Project, as well as Centamin's other development opportunities. It is common in new mining operations to experience unexpected problems and delays during construction, development, mine operation and mine expansion. Accordingly, Centamin's actual results may be subject to both greater variability and difficulty in accurately predicting future operating costs and results than would be the case for a company with a longer mining history. Estimates of operating costs are based upon, amongst other things: anticipated tonnage, grades and metallurgical characteristics of the ore to be mined and processed; anticipated recovery rates of gold and other metals from the ore; and cash operating costs based on a bottom-up approach utilising historical data. Cash operating costs, production and economic returns, and other estimates contained in previous studies or estimates prepared by or for Centamin may differ from those estimated costs currently anticipated by Centamin. Whilst there can be no certainties, capital and operational cost control to date has provided confidence in management's budgeting and cost controls implementation.
Mine construction and operational risks	Planned construction and commissioning of the remainder of the expansion of the Sukari Project and any further expansion projects that Centamin undertakes, may be delayed by a number of factors, which could have a material and adverse effect on Centamin's business, results of operations, financial performance and prospects. Mining projects can suffer delays in start-up and commissioning due to late delivery of components, adverse weather or equipment failures or delays in obtaining, or renewing where applicable, the required permits or consents or gaining access to suitable skilled labour, as well as cost overruns and cost inflation. Furthermore, mine construction raises a range of social and environmental issues, including costs associated with rehabilitation of areas which have been mined or otherwise disturbed, addressing areas of archaeological significance, forestry and water matters, local social, health and community issues upon construction (including compensation for land and crops) and again on closure of operations. Any estimates for such costs made by the Centamin Group may be insufficient and/or further issues and costs may be identified. Any underestimated or unidentified social and environmental costs related to the development and subsequent closure of a mine could potentially reduce earnings and otherwise have a material and adverse effect on Centamin's business, results of operations, financial performance and prospects. Construction is now largely complete with the commissioning phase now under way although increased throughput is unlikely to increase materially until towards the end of Q2 2014.
Reliance on key personnel	The success of Centamin's operations and activities is dependent to a significant extent on the efforts and abilities of the directors and management team, including developing and maintaining or, in the context of the recent political changes in Egypt, renewing important relationships with governmental and regulatory authorities in Egypt. Investors must be willing to rely to a significant extent on Centamin directors and the management team's discretion and judgment. Centamin's ability to continue to retain, motivate and attract qualified and experienced management personnel is vital to the Group's business. Factors critical to retaining Centamin's present staff and attracting and recruiting additionally highly qualified personnel include, amongst other things, Centamin's ability to provide competitive compensation arrangements. Centamin does not hold key person insurance in respect of any members of its management team. There can be no assurance that Centamin will be able to successfully recruit and retain the necessary qualified personnel. The loss or diminution in the services of a member of its management team or an inability to recruit, train and/or retain necessary personnel could have a material and adverse effect on Centamin's business, results of operations, financial performance and prospects. The Group regularly assess its staff recruitment and retention policies, including its reward structures and incentive plans, to assist with labour stability and maintain appropriate investment in training and development to safeguard the skills of its work force and senior management. The risk of disruptions within the work force and senior management remain elevated but the impacts are assessed as manageable.
Reliance on external contractors	Centamin's underground mining operations at Sukari are conducted by third party contractor Barminco. Centamin shareholders must be willing to rely to a significant extent on the expertise and competence of outside contractors or sub-contractors. When the world mining industry is buoyant there is increased competition for the services of suitably qualified and/or experienced sub-contractors, such as drilling contractors, assay laboratories, metallurgical testwork facilities and other providers of engineering, project management and mineral processing services. As a result, Centamin may experience difficulties in sourcing and retaining the services of suitably qualified and/or experienced sub-contractors on suitable economic commercial terms. The loss or diminution in the services of suitably qualified and/or experienced sub-contractors or an inability to source or retain necessary sub-contractors or their failure to properly perform their services could have a material and adverse effect on Centamin's business, results of operations, financial performance and prospects. 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.

Dependency upon good employee relations	Egyptian employment law affords extensive protection to employees. Although management believes its labour relations, with both employees and contractors, are good, there can be no assurance that a work slowdown, a work stoppage or strike will not occur at the Sukari Project or at any of Centamin's possible future development projects or exploration prospects, even where the workforce is not unionised. Work slowdowns, stoppages, disputes with employees or other labour-related developments or disputes could result in a decrease in Centamin's production levels which could have a material and adverse effect on Centamin's business, results of operations, financial performance and prospects. A workers' representative group has been established for the purpose of facilitating 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 Centamin's other projects. The risk of disruption within the work force remain elevated but the impacts are judged to be manageable.
Currency and gold price risk	A significant portion of Centamin's operating expenses are incurred in US dollars, Egyptian pounds and Great British pounds, whilst its revenues from gold sales are in US dollars. Furthermore, Centamin does not currently maintain any facilities for hedging its exposure to currencies or the price of gold, which fluctuates as a result of a number of factors beyond Centamin's control. Any appreciation in currencies other than US dollars in which the Group incurs material expenses or adverse fluctuations in the gold spot price, could have a material and adverse effect on Centamin's business, results of operations, financial performance and prospects. Centamin manages its exposure to gold price fluctuations by retaining a focus on keeping operating costs as low as possible. However, the risks relating to gold price reductions remain high. 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.
Egyptian political risk	With the exception of Centamin's small Ethiopian exploration portfolio, Centamin's production and exploration activities are entirely in Egypt, a country which has been subject to civil and military disturbance in the last two years. There is no assurance that future political and economic conditions in Egypt will not result in the government of Egypt adopting different policies respecting foreign development and ownership of mineral resources. Any such change in policy may result in changes in laws affecting ownership of assets, use of explosives, tenure and mineral concessions, taxation, royalties, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, which may affect both Centamin'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. Egypt also has limited experience of large scale mining operations and current laws do not necessarily reflect current international practices (for example in relation to 24 hour blasting techniques). Centamin 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. The potential for serious impact should be balanced against the Egyptian government's support of Centamin's investment and contribution to both revenue and development of the mining industry.
External perceptions of Egypt	External perceptions of Egypt with respect to political and economic instability and civil unrest may have an adverse effect on: The market value of Centamin's shares or the ability of Centamin to attract suppliers, contractors and skilled workers to its operations in Egypt, which could have an adverse impact on capital projects and ongoing operations, which in turn could have a material and adverse effect on Centamin's business, results of operations, financial performance and prospects.
Reserve and resource estimates	Mineral resource and reserve figures are prepared by Centamin Group personnel, with the assistance of independent geologists. By their nature, mineral resources and reserves 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 expected by Centamin 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 most recent Technical update was completed in the Form 43-101F1 dated 30 January 2014 and is available at www.sedar.com. This takes into account the latest drill results, higher cost environment and the timing of the Stage 4 commissioning. Whilst there are no certainties, production to date has provided confidence in management's estimation and mine planning methods.
Hazardous operating conditions	The mining operations of Centamin at Sukari are often carried out in extreme temperatures. Whilst Centamin maintains strict health and safety policies, Centamin remains susceptible to the possibility that liabilities might arise as a result of breaches of these requirements, accidents, fatalities or other workforce-related misfortunes, some of which may be beyond Centamin's control. The occurrence of any accidents or any of these situations could delay production, increase production costs and/or result in material liability for Centamin. Safety induction and training programs for staff are an essential component of the policies and procedures at Sukari and throughout Centamin. Sukari has a strong safety culture and a good track record with a LTIFR of 0.36 per 200,000 man hours in 2013, a strong improvement on 2012. The Group manages effectively the risks to health and safety and so the risk is low.

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Litigation risks	Centamin's finances, and its ability to operate in Egypt, may be severely adversely affected by current and any future litigation proceedings and it is possible that further litigation could be initiated against Centamin at any time. Centamin is currently involved in litigation that relates both to (a) the validity of its exploitation lease at Sukari and (b) the price at which it can purchase Diesel Fuel Oil. In order to mitigate this risk Centamin has: 1. engaged appropriate legal advice and continues to actively pursue its legal rights with respect to the existing litigation and its legal advisers believe that Centamin will ultimately be successful in both of these cases; and 2. management and the Company's legal advisers 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 Centamin's adherence to local laws and agreements, as well as the Egyptian government's support of Centamin's investment and its proposals for a new investment law that could protect Centamin against litigation of this nature.

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, directly or indirectly, 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 2013	Balance at 1 January 2013	Granted as remuneration (LFSP)	Granted as remuneration (DBSP)	Received on exercise of options	Net other change	**Balance at 31 December 2013**	Balance held nominally
J El-Raghy	70,945,086	—	—	—	500,000	**71,445,086**	—
T Schultz	1,030,000	—	—	—	—	**1,030,000**	—
G Haslam	102,056	—	—	—	—	**102,056**	—
M Arnesen	15,000	—	—	—	—	**15,000**	—
M Bankes	90,000	—	—	—	30,000	**120,000**	—
K Tomlinson	—	—	—	—	—	**—**	—
P Louw	1,737,500	—	1,200,000	—	(1,200,000)	**1,737,500**	—
A Pardey	1,785,000	—	510,000	—	(510,000)	**1,785,000**	—
D Le Masurier	—	—	—	—	—	**—**	—
L Gregory	—	—	—	—	—	**—**	—
C Aujard	—	—	—	—	—	**—**	—
Y El-Raghy	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 2013	Balance at 1 January 2013	Granted as remuneration	Exercised	Other changes	**Balance at 31 December 2013**	Balance vested during the financial period	Balance vested and exerciseable at 31 December 2013
J El-Raghy	—	—	—	—	**—**	—	—
T Schultz	—	—	—	—	**—**	—	—
G Haslam	—	—	—	—	**—**	—	—
M Arnesen	—	—	—	—	**—**	—	—
M Bankes	—	—	—	—	**—**	—	—
K Tomlinson	—	—	—	—	**—**	—	—
P Louw	—	—	—	—	**—**	—	—
A Pardey	—	—	—	—	**—**	—	—
D Le Masurier	—	—	—	—	**—**	—	—
L Gregory	—	—	—	—	**—**	—	—
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 have 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 2013 are summarised below:

Josef El-Raghy is a director and shareholder of El-Raghy Kriewaldt Pty Ltd ("El-Raghy Kriewaldt"). El-Raghy Kriewaldt provides office premises to the Company. All dealings with El-Raghy Kriewaldt are in the ordinary course of business and on normal terms and conditions. Rent and office outgoings paid to El-Raghy Kriewaldt during the period were A$48,278 or US$45,600 (31 December 2012: A$21,499 or US$22,103).

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.

Board of directors

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 USA, 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

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, 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. Edward has also held various positions with Falconbridge Nickel Mines and British Steel Corporation, was a director of Cluff Gold September 2007, and is a Fellow of the Institute of Directors ("IOD") (UK).

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 provides consultancy services to Norton Rose Fulbright LLP. 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.

From left to right:
Josef El-Raghy,
Trevor Schultz,
Edward Haslam,
Mark Bankes,
Bob Bowker,
Mark Arnesen,
Kevin Tomlinson

Bob Bowker
Non Executive Director
Appointed 21 July 2008

Adjunct Professor at the Centre for Arab and Islamic Studies at the Australian National University, Professor Robert 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 of 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 until recently was on the board of Gulf Industrials Limited (appointed in February 2012). Mark holds a Bachelor of Commerce and Bachelor of Accounting degrees from the University of the Witwatersrand.

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.

Senior management

In addition to Centamin's directors, senior management includes the following:

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 and AngloGold Ashanti.

Pierre Louw
Chief Financial Officer
(since 19 April 2011)

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").

Lynne Gregory
General Counsel
(since 1 September 2013)

Before joining Centamin, Lynne was Legal Director at Charles Russell LLP, prior to which she was a solicitor at top law firms in London, Allen & Overy and Baker & McKenzie. She has worked for over 20 years as a lawyer specialising in complex international commercial litigation and arbitration for corporate clients in a variety of sectors. Lynne holds a degree in law from University College London as well as professional qualifications from the College of Law.

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.

From left to right:
Andrew Pardey,
Pierre Louw,
Lynne Gregory,
Andrew Davidson,
Youssef El-Raghy,
Liesel Sobey,
Darren Le Masurier

Youssef El-Raghy

General Manager – Egyptian Operations

(since 13 April 2006)

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.

Liesel Sobey

Group Accountant

(since 11 June 2012)

Liesel Sobey is a Chartered Accountant with over 16 years' post-graduate experience in the corporate sector and public practice. Before joining Centamin in June 2012 as the Group Accountant, Liesel served as a director within the Assurance and Advisory division at Deloitte Touche Tohmatsu in Perth, providing assurance, advisory and accounting services to large organisations across a range of industries. Through her role at Deloitte, Liesel had been associated with the company since 2006. Liesel serves as a Member of the South African Institute of Chartered Accountants and Institute of Chartered Accountants in Australia and holds a Bachelor of Accounting Science from SAICA and a Bachelor of Commerce Honours (Accounting) from the University of Natal.

Darren Le Masurier

Company Secretary

(since 8 July 2013)

Darren Le Masurier is a member of the Association of Chartered Certified Accountants and has over 15 years' experience in corporate administration, governance and offshore regulation in Jersey. Prior to joining Centamin, Darren worked at the fiduciary and law firm Ogier in Jersey for over ten years, providing professional company secretarial, accounting, administration and director services for a diverse range of corporate clients and structures.

Corporate governance

Statement by the Chairman of the Compliance/Corporate Governance Committee, Mark Bankes

Mark Bankes
Chairman of the Compliance/Corporate Governance Committee

Dear shareholders

I am presenting the Corporate Governance Report in my capacity as the Chairman of the Compliance/Corporate Governance Committee, a committee established by the Board of the Company whose primary function is to make recommendations to the Board on matters such as:

(a) the formulation or re-formulation of, and implementation, maintenance and monitoring of the Company's Corporate Compliance Programme and Code of Conduct; and

(b) the Company's activities in the area of corporate compliance that may impact the business operations or public image, in light of applicable government and industry standards, legal and business trends and public policy issues.

The Company is incorporated in Jersey, Channel Islands. The Company applies the United Kingdom's 2012 Corporate Governance Code. The Listing Rules also require a company to confirm that it has complied with all relevant provisions of the Corporate Governance Code or explain areas of non-compliance. The Board is committed to adhering to the Corporate Governance Code and disclosing clearly, with suitable explanation, any non-compliance.

In addition the Company is 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 report also includes the key areas the Board has focused on during the year, from a corporate governance perspective, together with details of the roles of the key Board members and an assessment on the effectiveness of the Board.

The matters relating to the combination of the roles of Chairman/CEO and the independence of the Chairman have been specifically addressed by the non executive directors and reported on below. The non executive directors, believe that the format of the Board, in conjunction with the activities of the various board committees, and the open debate which exists allowing any director to engage executive management on policy, performance and risk management is sufficient to allow them to effectively monitor the performance of management and develop proposals on strategy.

Mark Bankes

Chairman of the Compliance/Corporate Governance Committee

21 March 2014

Compliance statement

Throughout the year ended 31 December 2013, the Company has been in compliance with the provisions set out in the Corporate Governance Code with the exception of the following matters:

The roles of Chairman and Chief Executive Officer ("CEO") were both exercised by Josef El-Raghy.

The Board continues on an ongoing basis to assess the options for ensuring that the Company has the right leadership to best further its future development and at present the Board believes that there is no urgent requirement to fill the CEO position. In arriving at this decision the Board has taken into account the degree and breadth of experience brought to the senior management team by Chief Operating Officer, Andrew Pardey, Chief Financial Officer, Pierre Louw and Head of Business Development and Investor Relations, Andy Davidson, as well as the requirements of the Code. In relation to the Code, the Board believes the interests of shareholders continue to be best served by the current arrangement and that the Company is not at risk from an undue concentration of decision-making authority by the temporary combination of the Chairman and CEO roles. In reaching this conclusion, the Board has taken into consideration the strong presence of highly experienced independent non executive directors on the Board and the structure of the Board Committees designed to devolve away from the Chairman the responsibility and control of certain key areas of Board responsibility.

Furthermore, for so long as the roles remain combined, certain corporate governance functions undertaken by Josef El-Raghy in his capacity as Chairman will be delegated to the Senior Independent Non Executive Director. These functions include chairing Board meetings, ensuring that the Board receives timely information and ensuring the efficient organisation and conduct of the Board.

It should also be noted that both the Corporate Governance Code and the best practice recommendations favour that the Chairman be an independent director, however, Josef El-Raghy is not an independent non executive Chairman within the meaning of the Code. Again, given the expanded role of the Senior Independent Non Executive Director, the non executive directors consider this matter has been appropriately dealt with.

In addition, it is noted that in the case of the Directors' Remuneration Report, the disclosures have exceeded the obligations on the Company, however, such disclosures are considered appropriate to allow comparison with other UK incorporated FTSE 350 listed companies.

How the Board of Directors operates

The Company, led by its directors, sets and implements the strategic aims and values of the Company, providing strategic direction to management. The specific matters reserved for the Board are set out in the Board Charter which was last updated in December 2013 which is available on the Company's website at www.centamin.com. The matters reserved for the Board provides sufficient power to agree on significant matters affecting the Group, these can be viewed under the following headings in the Board Charter:

- strategy and management;
- structure and capital;
- financial reporting and controls;
- significant contracts;
- stakeholder communication;
- board membership and appointment;
- remuneration;
- corporate governance;
- delegation of authority; and
- company policies.

As indicated by the table below, the Board has established Audit and Risk, Compliance/Corporate Governance, Nomination, Remuneration and Health Safety Environmental and Sustainability committees. The Board has delegated certain matters to the Committees which can be viewed in their respective charters which can all be found on the Company's website at www.centamin.com.

Corporate governance continued

Key board roles

The key roles and the respective responsibilities are set out in the table below.

Chairman/CEO – Josef El-Raghy	
Duties – operational	**Duties as CEO – strategic**
• Manage the team of executives and the Group's business on a day-to-day basis. • Ensure appropriate risk management policies in place and implemented. • Efficient and effective operation of the Group. • Regular reporting to the Board. • Facilitate the effective contribution of directors at Board meetings.	• Develop and implement, short, medium and long-term corporate strategies. • Assessment of new business opportunities. • Communication with shareholders of strategic aims. • Representing the Group to key suppliers and government authorities. • Promote the highest standards of corporate governance.
Senior Independent Non Executive Director – Edward Haslam	
Main duties	**Additional duties (delegated by the Chairman/CEO)**
• Intermediary between executive directors and non executive directors. • Convene and chair meetings of the non executive directors (without the Chairman/CEO present). • Meet with major shareholders to understand their concerns and ensuring good communication flows with them.	• Leadership of the Board to ensure its effectiveness in all aspects of setting the Board's agenda. • Efficient organisation of the Board's functioning and ensuring the Board behaves in accordance with the Code of Conduct. • Ensuring the directors receive accurate and timely information.
Independent non executive directors	
Main duties	**Encouraged to:**
• Participate as a member of the Board and certain committees. • Monitor the performance of management. • Be satisfied of the adequacy and integrity of financial or other reporting. • Be satisfied there are adequate systems of internal control. • Determine appropriate levels of remuneration for executive directors.	• Challenge and help develop the Group's strategy and proposals. • Regularly refresh skills and knowledge; • Seek clarification and information (or professional advice). • Address any concerns and to the extent not resolved, raise the matter at the Board.

Detailed knowledge of the Group's activities is essential and during the year a site visit was arranged for all the non executive directors, allowing them to experience and understand the operation at Sukari first hand.

The Senior Independent Non Executive Director held meetings with the non executive directors without the executive directors present, providing feedback to the full Board (where appropriate). These meetings focused primarily on the evaluation of the Board's performance, a performance evaluation of the Chairman/CEO as well as staffing at senior levels, reporting flows and strategic issues such as geographical diversification.

The Board recognises the requirements of the Code in appointing an external facilitator to evaluate the performance of the Board. In June 2013, the Institute of Directors carried out an evaluation of the Board and the findings were reviewed and accepted by the non executive directors.

Board appointments and independence

There have been no Board appointments during the course of 2013. The Company remains compliant with the principles of the Code to the extent that it dictates the Board should have a greater number of non executive directors than executive directors.

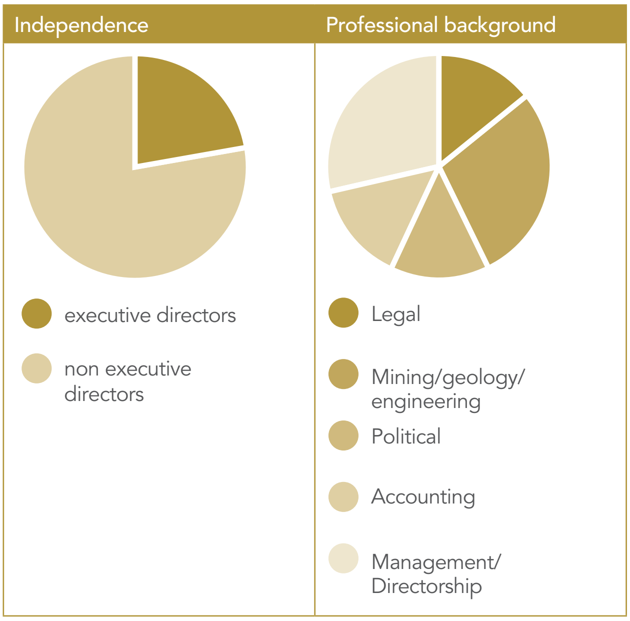
When determining whether a director is independent, the Board has established a Directors' Test of Independence Policy, which is based predominantly on the definition of independence as defined in Canadian Securities Administrators' National Instrument 52-110 – Audit Committees ("NI 52-110"), and is 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 Board believes that a board performs well, providing the individuals have a range of perspectives and backgrounds with appointments made on merit, having attracted the best qualified persons for the role. Based on our experience, to date, the availability of women with the required experience within the mining industry has not been encouraging; however, this matter is kept under constant review.

Detailed separately in the CSR Report is a summary of the social conditions in Egypt and the Middle East which provide an explanation as to the gender diversity in the workforce.

Balance of the Board

As well as independence, the experience and professional background is essential for an effective Board, as shown below:



The blend of behaviours and skills around the Board table are well suited to deliver the Company's strategic objectives.

Board in action

The following areas and activity highlight the areas of focus for the Board during 2013:

Strategic planning
The Board regularly review and approves strategic plans and initiatives put forward by management and the executive, including geographical diversification.
Communications
The Board oversees the Company's public communications with shareholders and other interested parties and stakeholders.
Risk assessment
The Board has primary responsibility to identify principal risks in the Company's business and ensure the implementation of appropriate systems to manage these risks. The principal risks affecting the Group are set out in the MD&A.
Internal control
The Board, with assistance from the Audit and Risk Committee oversees the Group's internal control and management information systems.

Managing risks

The Board is responsible for satisfying itself that management has developed and implemented a sound system of risk management and internal control. Assisted by the Audit and Risk Committee, management report to the Board on the Group's key risks and the extent to which they believe these risks are being appropriately managed and mitigated.

As a matter of practice, and in line with the Group's approach to financial and risk management, the executive directors, assisted by the senior management, are responsible for:

- developing corporate strategy, performance objectives, business plans and budgets for review and approval by the Board; and
- managing the risk and compliance frameworks, reporting to the Board on significant breaches or updates to policies and procedures.

The CEO/Chairman is responsible for ensuring senior management properly discharge the responsibilities delegated to them and keeping the Board informed on these matters.

Full details of the risk evaluation and risk mitigation are detailed in the Audit and Risk Report.

Performance evaluation

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/CEO. The Company deployed a formal process for evaluation of the Board, the Board members, Board committees and the Chairman during the relevant period led by the Senior Independent Non Executive Director.

The Board has also had training sessions on various topics during the year.

The Company has established a Remuneration Policy which sets out the structure of the remuneration of key senior management, executive directors and non executive directors. The Board has also established a Selection, Appointment and Re-Appointment of Directors Policy which details the procedures for the selection, appointment, reappointment and evaluation of the Company's directors.

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

The performance of executive directors and senior management is evaluated by the Remuneration Committee, often taking into account recommendations from the Chairman/CEO. The Board can exercise its discretion in relation to approving incentives, bonuses and options and can recommend changes to the Committee's recommendations.

Details of the performance criteria, performance evaluation and executive director and non executive director remuneration are set out in the Directors' Remuneration Report.

The Board expects that the remuneration structure will result in the Company being able to attract and retain the best senior management and executive directors to manage the Group. It will also provide the necessary incentives to grow long-term shareholder value.

Corporate governance continued

Board composition and re-election

It is proposed at the date of this annual report that all directors will be put forward for re-election at the AGM in May 2014. Trevor Schultz, currently holding the position of executive director, is due to stand down as an executive director and take up the position as a non executive director prior to the AGM in 2014, which will coincide with the successful hand over of the Stage 4 commissioning to operations. The services and valuable experience of Trevor Schultz will therefore be retained by the Company.
All directors are subject to annual re-election.

The Board of Directors

At the date of this report the Board is made up of a Chairman/CEO, an executive director and five independent Non Executive directors. All the directors who served throughout the year and the names of the directors and their qualifications and experience are set out on pages 52 and 53.

The following table sets out the number of Board and Committee meetings held during the year and the number of meetings attended by each director.

Non executive	Board	Audit and risk	Health, safety, environmental and sustainability	Compliance and corporate governance	Remuneration/ nomination
Edward Haslam	Attended (C.) 9 of 9	Attended 10 of 11		Attended 6 of 6	Attended (C.) 6 of 6
Mark Arnesen	Attended 9 of 9	Attended (C.) 11 of 11	Attended 5 of 5		Attended 6 of 6
Mark Bankes	Attended 9 of 9	Attended 11 of 11	Attended 5 of 5	Attended (C.) 6 of 6	
Bob Bowker	Attended 9 of 9		Attended (C.) 5 of 5	Attended 6 of 6	Attended 6 of 6
Kevin Tomlinson	Attended 9 of 9		Attended 5 of 5		Attended 6 of 6
Executive					
Josef El-Raghy	Attended (C.) 9 of 9				
Trevor Schultz	Attended 8 of 9				

Edward Haslam chaired the majority of the Board meetings (in line with the delegation of certain of Josef El-Raghy's roles to the Senior Independent Non Executive Director). Certain decisions were agreed by written resolution and these have not been included in the statistics above.

Board committees

The Board committees are a valuable part of the Company's corporate governance structure. The workload of the Board 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 from the non executive directors. Details of the activity of the committees is set out below (or where indicated in the other sections of the annual report).

Audit and Risk Committee

As at the date of this report, the Audit and Risk Committee comprises Mark Arnesen (Chairman), Mark Bankes and 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 Audit and Risk Committee Report includes a full description of the role of the committee acting on behalf of the Board and the activity carried out during the year.

Remuneration Committee

The Remuneration Committee comprises Edward Haslam (Chairman), Mark Arnesen, Bob Bowker and Kevin Tomlinson.

The Remuneration Report includes a full description of the role of the committee acting on behalf of the Board and the activity carried out during the year.

Nomination Committee

The Nomination Committee comprises Edward Haslam (Chairman), Mark Arnesen, Bob Bowker and Kevin Tomlinson, all of whom are independent non executive 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;
- Assist with the alignment of directorships held within the Group's subsidiary companies;
- 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 established 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.

After the year end, the Board proposed the change in role of Trevor Schultz from the position of executive director to non executive director. The move ensures the knowledge, experience and expertise of Trevor Schultz is retained, after the completion and successful hand over of the Stage 4 processing plant. The role of Trevor Schultz as non executive director had the full support of the members of the Nomination committee.

Within the remit of the Nomination Committee, the requirement to ensure adequate succession planning is routinely discussed. Reviews of management capabilities and potential are performed on a routine basis and resources allocated to assist with this continued development.

Compliance/Corporate Governance Committee

The Compliance/Corporate Governance Committee is chaired by Mark Bankes and its other members are Edward Haslam and Bob 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 programme to ensure compliance with corporate governance policies and legal rules and regulations.

Fundamental to the Company's policy and procedures on corporate governance is that all directors and employees reflect the Company's key values of accountability, fairness, integrity and openness. This 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.

The main activities carried out by the Committee during the year include:

- assessing the Company's compliance with laws and regulations (including those required in-country, particularly in Egypt and Ethiopia);
- monitoring the Company's systems and controls (including a review of the policies, procedures and roll out of procedures to the business and employees);
- review of progress in respect to the Concession Agreement ("CA") hearing and the DFO litigation; and
- review of reporting requirements and reports prepared by management as required by the LSE and TSX.

Health Safety Environmental and Sustainability Committee

The Health Safety Environmental and Sustainability Committee comprises Bob Bowker (Chairman), Mark Arnesen, Mark Bankes and Kevin Tomlinson, all of whom are independent non executive directors of the Company.

The Corporate Social Responsibility Report on pages 26 to 29 includes a full description of the role of the committee acting on behalf of the Board and the activity carried out during the year.

Shareholder communication

All shareholders are encouraged to find the time to attend our AGM on 16 May 2014, which will be held in Jersey.

This will be an excellent opportunity to meet Board members and our senior management team.

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, through:

- the annual report;
- the annual information form;
- the availability of the Company's quarterly report and half-yearly report;
- 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/CEO and other directors, communicate with major shareholders on a regular basis in the way of face to face contact, telephone conversations, and through 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 has 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.

Corporate governance continued

Shareholder communication continued

In accordance with this 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").

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 individuals;
- 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. The Company's policies are reviewed periodically.

Securities Trading Policy

The Company has adopted a formal Securities Trading Policy restricting directors, senior executives and other 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 in relation to dealings in the Company's securities. This imposes restrictions beyond those imposed by law to ensure 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).

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.

Shareholder resolutions

After the year end, additional share securities were issued for the purpose of acquiring Ampella Mining Ltd, which was made possible by the resolution approved at the 2013 AGM authorising the issue of further securities, for purposes such as this recommended take-over offer. The continued support of the Company's shareholders in this way is recognised and valued by the Board and allows the Company to further expand and meet the Company's long-term objectives.

Remuneration report

Statement by the Chairman of the Remuneration Committee, Ed Haslam

Edward Haslam
Chairman of the Remuneration Committee

Dear shareholders

1. Introduction and annual statement

Background to remuneration decisions

While this year has continued to be challenging, the Company has been successful in a number of important ways:

- year gold production 356,943 oz (36% increase on 2012);
- cash operating costs of under US$663 per ounce (below budget of US$700 per ounce);
- safety record of 0.36 LTIFR in 2013 (48% reduction on the prior year);
- Stage 4 expansion project largely on time and on budget (total capital expenditure estimate of US$331.2 million);
- strong financial position US$106 million cash and liquid assets at year end;
- systematic exploration continued both at Sukari and Ethiopia, although only low grade mineralisation discovered resulting in the write down and relinquishing of the licence areas; and
- M&A activity culminated in a recommended takeover offer of Ampella Mining Ltd to extend exploration into prospective and stable Burkina Faso.

Therefore, while there are still challenges in respect of the litigation, details of which are set out in Note 20 to the financial statements, from an operational and financial perspective this has been a successful year and it is within that context that the key remuneration decisions for 2013 described below have been taken.

Last year some shareholders expressed concerns about certain aspects of the remuneration policy and practice. We have been working on those concerns and I would like to thank the shareholders, whom I had an opportunity to meet this year, for their constructive feedback on the Remuneration Report. I will continue to engage with shareholders throughout 2014.

Simple approach to remuneration

We continue to be wedded to a simpler remuneration structure for the executive directors with only three elements of remuneration for Josef El-Raghy, base pay, contribution to a pension and annual bonus and two elements for Trevor Schultz, base pay and annual bonus. As described below we are not proposing any changes in this policy for the coming year. We believe this simple approach allows a cleaner line of sight for the delivery of performance in the short term while meaningful actual shareholdings means the executives' wealth is directly linked to the fortunes of other shareholders. There is no better union of interest between shareholder and executives than for executives to be substantial shareholders in their own right.

As reported last year Josef El-Raghy no longer participates in any long term incentive plans, the committee being of the view the his significant shareholding is a sufficient link to shareholders' interests. Trevor Schultz award of 1,000,000 shares under the terms of the Directors Loan Funded Share Plan failed to achieve the necessary performance criteria, after the year end and therefore it was agreed that these awards lapse. He will receive no further awards for long term incentives.

For employees the complex loan funded arrangements that previously existed have been replaced with one simple Deferred Bonus Share Plan.

Remuneration report continued

1. Introduction and annual statement continued

Changes in the Board

Trevor Schultz is due to stand down as an executive director prior to the AGM in 2014. This will coincide with the final stages of commissioning and handover to operations of the Stage 4 expansion project. Trevor Schultz is expected to be appointed as a non executive director and put forward for re-election at the AGM to be held on 16 May 2014.

Key remuneration decisions for 2013

Base salary for Josef El-Raghy was GB£500,000 (US$782,112) for 2013 and remains at this level for 2014. The next review will make any changes with effect from January 2015. Trevor Schultz base was A$550,000 (US$526,768) for 2013 and this will continue for 2014 at the same rate while holding the position of executive director.

For 2013 a pension is provided as a cash supplement of 20% of base for Josef El-Raghy. He receives no other benefits. For Trevor Schultz there is no pension or benefit provision. This will remain the same in both cases for 2014.

The bonus opportunity and structure for 2013 will remain the same as 2014. For Josef El-Raghy a maximum bonus opportunity is 175%. The bonus calculation is made by reference to a balanced scorecard which comprises a combination of financial, operational and individual performance criteria.

The bonus outcome for Josef El-Raghy for 2013 was a bonus of 75% of the maximum opportunity which equates to GB£656,250 (US$1,082,028) and represents 131.25% of base salary.

For Trevor Schultz, as disclosed last year, a bonus of A$750,000 (US$777,847) was accrued in 2012 in respect of performance in 2012 and payment of this was approved by the Remuneration Committee in December 2013. A further bonus of A$500,000 (US$443,616) for 2013 and 2014 performance may be paid in 2014 (representing 90% of base pay). The bonus amounts were and are based upon progress towards and the successful commissioning and hand over to operations of Stage 4 (see section 4, "annual bonus").

The remainder of the Remuneration Report consists of the following sections:

Section 2. The Committee
Section 3. Our remuneration policy
Section 4. Annual remuneration report
Section 5. Comparative remuneration data
Section 6. Long term incentive arrangements

The following report has been made available to the auditor; Deloitte LLP and section 4, 'Annual Remuneration Report' have been audited by Deloitte LLP.

2. The Committee

The Committee membership

The Remuneration Committee (the Committee) is a committee of the Board of Centamin plc (the Company) represented by four non executive directors, namely Edward Haslam (Chairman of the committee) Bob Bowker, Mark Arnesen and Kevin Tomlinson, 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 participates in any bonus scheme, long term incentive, pension or other form of remuneration other than the fees disclosed below and the 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.

Activities of the Committee

The Committee met six times in the year and undertook the following business as indicated in the table below

Committee meeting date	Activity
7 February 2013	Review charter, vesting conditions and proposals for HOD and management bonus and annual bonus plan for 2014.
20 March 2013	Review bonus structure, DRR, performance and bonus for executive/management and vesting criteria for bonus plans.
22 May 2013	Review of share plans and convert awards under LFSP to DBSP, review of institutional shareholder feedback, update service contracts.
2 September 2013	Review service contracts and vesting criteria of DBSP.
3 November 2013	Consider vesting of awards, service agreements, annual bonus, annual report and approve the new committee charter and scope and evaluation of the Committee.
10 December 2013	Agree bonus structure, review performance, balance scorecards and exec/management evaluation.

Terms of reference

The responsibilities of the Committee include:

- the remuneration, recruitment, retention, termination, superannuation and incentive policies and procedures for senior executives; and
- the Group's employee or executive incentive share plans.

Advisers to the Committee

During the year the Committee was supported by the Company Secretary. Following a review in 2012 Meis was appointed as adviser to the Committee in respect of its work on executive remuneration. Meis does not provide any other service to the Company and is regarded as independent by the Committee. Meis is engaged on an annual retainer for GB£7,000 for a twelve month period.

Josef El-Raghy may attend meetings of the Committee to make recommendations relating to the performance and remuneration of his direct reports but neither he nor the Company Secretary are in attendance at meetings when their own remunerations are under consideration.

3. Our remuneration policy

Introduction

The remuneration policy will be subject to a non-binding advisory vote at the AGM on 16 May 2014.

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 the engagement; motivation and retention of very particular operational and managerial personnel and skills. The remuneration policy therefore seeks to:

- position remuneration packages to ensure that they remain competitive, taking account of all elements of remuneration and be 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 against which individuals will then be tested. Such incentives should be relevant and stretching;
- other than for executive directors, provide long term incentives that encourage the involvement, in the long term, of the performance of the Company; and
- encourage executives, and in particular executive directors, to build and then maintain a meaningful shareholding in the Company.

Remuneration policy for executive directors

Element	Objective	Details	For 2013	For 2014
Base pay	Base pay to be set competitively so as to allow the motivation and retention of key executives of the calibre and skills necessary to support Centamin's short and long-term objectives	Pay is reviewed annually and any change ordinarily takes effect from the 1 January. Salaries are benchmarked against a number of comparator groups as described below to provide a balanced approach. Increases will take account of those of the general workforce. Increases will take account of the performance of the individual and the benchmarked data but any increase which exceeds that of the general work force may only normally be awarded in cases as a result of change in responsibility, or the complexity and nature of the role or size of the organisation or the pay level becoming out of line with the market data.	The base salary for 2013 is as follows. Josef El-Raghy GB£500,000 (US$782,112) Trevor Schultz A$ 550,000 (US$526,768)	There is no intended change in the policy for 2014 and no increase was awarded on the 2013 base pay figures.
Benefits	Benefits may be provided where necessary to ensure competitive remuneration packages are consistent with the market.	There are no payments nor is there any provision of benefits for the current executive directors. Where benefits are to be provided they will not currently exceed 15% of base pay.	No benefits	There is no intended change in the policy or the current application of the policy for the current directors in 2014
Pension	Positioned to ensure competitive packages and provision of appropriate income for executives in retirement.	A payment in lieu of pension will be made between 10% and not more than 20% of base pay depending on the seniority of the position.	Josef El-Raghy receives a cash payment in lieu of a pension equivalent to 20% of his base salary. Trevor Schultz does not receive any pension payment as he is above his normal retirement age.	There is no intended change in the policy for 2014.

Remuneration report continued

3. Our remuneration policy continued

Remuneration policy for executive directors				
Element	**Objective**	**Details**	**For 2013**	**For 2014**
Annual bonus	To provide a driver and reward for the delivery of short-term performance goals, normally over the course of the financial year.	Performance criteria, which are set at the beginning of each year, are based upon a balanced score card approach. The balanced score card shall be based 70% on financial targets and 30% on individual key tasks. For the Chairman, the maximum annual bonus opportunity is 175% of base salary, and for the other executive directors a lower amount will be set. For Trevor Schultz, whose performance criteria are strongly linked to the completion of Stage 4 expansion project, a multi-year project, the bonus amount and performance measures are aligned to the project.	Bonus maximum opportunity of 175%. Actual outcome for Josef El-Raghy was 75% of maximum. Bonus maximum opportunity for Trevor Schultz of 90% of base pay for 2013 and for the period up to the final commissioning of Stage 4.	There is no intended change in the policy for 2014
Long term incentives	To align the interests of the executive with that of the shareholders through a meaningful ownership of shares.	There is no long term incentive scheme in place for the executive directors at this time. For management, but not directors, the Company has 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 typically as to a third at the end of each 12, 24 and 36 month period.	No LTI's awarded to executive directors	Other than in the case of the recruitment of a new executive director there is no intended change in the policy for 2014
Share ownership require-ment	To encourage ownership of shares and thereby create a link of interest between shareholder and the executives.	There is no formal shareholding requirement but the executive directors are encouraged to hold a meaningful quantity of shares.	No formal policy. Josef El-Raghy has a shareholding equivalent to 7,859% of base pay which represents 6.5% as a direct shareholding in the Company (this includes certain shares held by the El-Raghy family).	There is no intended change in the policy for 2014
Remuneration policy for non executive directors				
Element	**Objective**	**Details**	**For 2013**	**For 2014**
Non executive director fees	To attract and retain high calibre non executive directors by the provision of competitive fees.	Non executive directors receive annual fees within an aggregate directors' fee pool limited to an amount which is approved by shareholders. Fees are reviewed every two years against the same comparator groups as used for the executive directors. Non executive directors do not participate in any incentive arrangements. Special arrangements exist regarding the fees for the Senior Independent Non Executive Director while the roles of CEO and Chairman are combined.	The fees were reviewed in 2013 and the following applied at 1 April 2013: Basic fee GB£65,000 (US$101,674) Chair of a Committee GB£10,000 (US$15,642) Member of a Committee GB£5,000 (US$7,821)	The fees will next be reviewed for 2015. Otherwise the fees will remain as for 2013.
Incentives	No incentives	The non executive directors do not participate in any short or long term incentive plans.		There is no intended change in the policy for 2014.

Remuneration arrangement across the Company

Our remuneration policy for executive directors is consistent with that across the Company and intends to attract and retain high-performing individuals and to reward success. Base pay and benefits are set competitively taking account of the individual's performance and market data. Annual incentives are typically linked to local business performance with a focus on performance against key strategic business objectives. Key management team members may also receive some of their annual bonus in shares which are deferred. At this time there are no all employee share arrangements but this is kept under review on a regular basis taking account of the locations the Company operates in and the appropriateness of share base rewards in such locations.

All employees of Sukari Gold Mine Company (the majority of whom are based at the Sukari mine site) are subject to a performance related bonus which is linked to the underlying operation performance and cost control measures at the mine. Further details on employee relations can be found on the CSR Report.

Policy if a new director is appointed

The Company has a track record of succession planning and growing and promoting talent internally.

When hiring a new executive director, or promoting an individual to the Board, the Committee will offer a package that is sufficient to attract and motivate while aiming to pay no more than is necessary taking account of market data, the impact on other existing remuneration arrangements, the candidate's location and experience, external market influences and internal pay relativities.

The structure of the remuneration package of a new executive director will follow the policy above, however in certain circumstances, the Committee may use other elements of remuneration if it considers appropriate, with due regard to the best interests of the shareholders. In particular, a service contract that contains a longer initial notice period, tapering down to twelve months over a set period of time, the buyout of short and or long term incentive arrangements (taking account of the performance measures on such incentives) as close as possible on a comparable basis, the provision of long term incentives and the provision of benefits such as housing allowance or similar particularly where it is an expatriate appointment.

The Committee may, where necessary and in the interest of shareholders, also offer recruitment incentives to facilitate the recruitment of an appropriate individual.

Policy on payment for loss of office

The Company's approach to payment on loss of office will take account of the circumstances of the termination of employment. In the case of a good leaver then the individual will be expected to work through the notice period and will be entitled to all the benefits under the service agreement during that period.

In the case of a termination as a result of poor performance or a breach of any of the material terms of the agreement then the Company may terminate with immediate effect without notice and with no liability to make any further payment to the individual other than in respect of amounts accrued due at the date of termination.

In the case that the Company wishes to terminate the agreement and make a payment in lieu of notice, this payment shall be phased in monthly or quarterly installments over a period of no longer than twelve months (or the notice period if less) and that any payment should be reduced in accordance with the duty on the executive to mitigate his loss. The Company will consider if any bonus amount is to be included in the calculation when determining the payment in lieu of notice. Normally, any bonus (if included at all) would be restricted to the director's actual period of service only.

In the case of notice given in connection with and shortly following a change of control then in the case of Josef El-Raghy he is entitled to payment in lieu of an amount equal to twelve month's basic salary plus bonus. Any bonus that may be due to him at the completion of the change of control, shall be determined by the Remuneration Committee, and such bonus (if any) would be based on the period only up to the completion of the change of control, taking account of all the relevant key performance indicators.

The only claw back provisions for executive directors relate to holiday taken in advance.

Remuneration report continued

3. Our remuneration policy continued

Policy on external Board appointments

The Company encourages the executive directors to have non executive external appointments provided that such appointments do not adversely impact on the duties required to be performed to the Company. Where there are external appointments the director will retain any fees for such appointments and will not be liable to account to the Company for such fees.

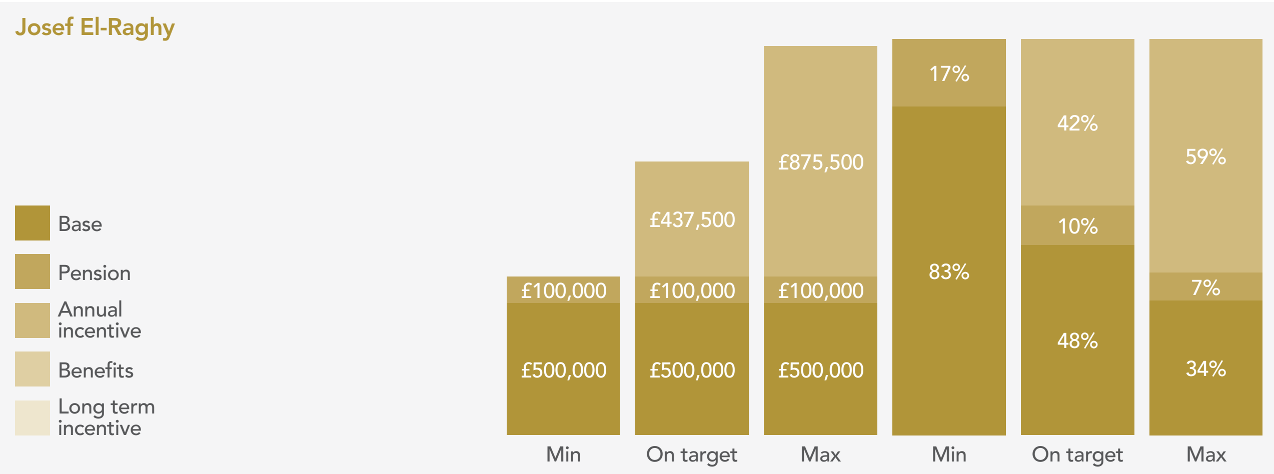
Of the executives, Trevor Schultz received remuneration from another external appointment.

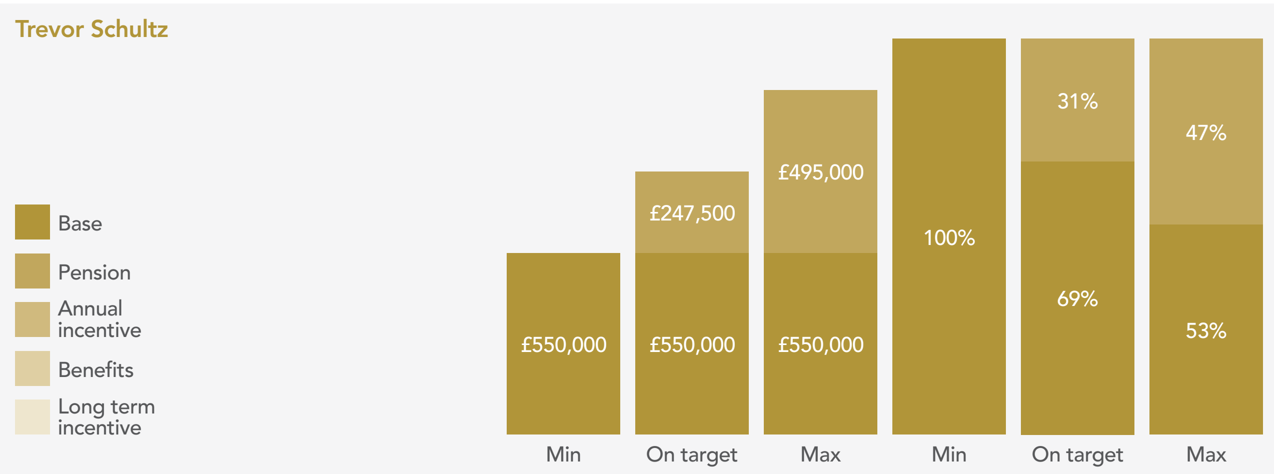
For Josef El-Raghy the graphs assumes a base salary as disclosed in this report of GB£500,000, pension contributions of 20% of base being GB£100,000 and bonus from zero at the minimum, to 50% of 175% at target, and 175% of base for the maximum. There are no benefits or long term incentive elements.

For Trevor Schultz a base salary of A$550,000 is assumed and a bonus of zero at the minimum, 50% of 90% at target, and 90% of base for the maximum. For T. Shultz there are no benefits, pension or long term incentives included.

Implementation of policy

The Company intends to implement the remuneration policy for 2014 as detailed in this report on remuneration.





4. Annual remuneration report

What did the executive directors and non executive directors earn in 2013?

Single figure table US$

Executives	Salary 2013	Salary 2012	Benefits 2013	Benefits 2012	Bonus 2013	Bonus 2012	Pension 2013	Pension 2012	LTI 2013	LTI 2012	Total 2013	Total 2012
Josef El-Raghy	782,112	734,676	—	—	1,082,028	983,747	156,422	202,221	—	—	2,020,562	1,920,644
Trevor Schultz	671,348	712,983	—	—	777,847		—	—	—	—	1,449,195	712,983
Total	1,453,460	1,447,659	—	—	1,859,875	983,747	156,422	202,221	—	—	3,469,757	2,633,627

Non executives	Base fees 2013	Base fees 2012	Benefits 2013	Benefits 2012	Bonus 2013	Bonus 2012	Pension 2013	Pension 2012	LTI 2013	LTI 2012	Total 2013	Total 2012
Edward Haslam	216,030	127,895	—	—	—	—	—	—	—	—	216,030	127,895
Bob Bowker	117,802	59,654	—	—	—	—	10,773	52,254	—	—	128,575	111,908
Mark Bankes	128,575	111,908	—	—	—	—	—	—	—	—	128,575	111,908
Mark Arnesen	117,802	102,668	—	—	—	—	10,773	9,240	—	—	128,575	111,908
Kevin Tomlinson	112,819	88,411	—	—	—	—	—	—	—	—	112,819	88,411
Total	693,028	490,536	—	—	—	—	21,546	61,494	—	—	714,574	552,030

1. The EDLFSP has no prospect of meeting the performance conditions and has therefore been excluded from this table.
2. The amounts shown in Salary in the table above for Trevor Schultz include Egyptian income taxes paid by the Company on behalf of Trevor Schultz. During 2013 Egyptian income taxes paid by the Company on behalf of Trevor Schultz amounted to US$ 144,580 in 2013 (2012: US$142,597).
3. Superannuation is payable to Bob Bowker and Mark Arnesen and this is included in the pension column.
4. Directors' remuneration paid in foreign currency was converted at an average rate during the year. The average A$:US$ exchange rate for 2013 is 0.9578 and the average GB£:US$ exchange rate for 2013 is 1.5642. Bonus accruals for 2013 applied an exchange rate of A$:US$ 0.8872 and GB£:US$ 1.6488.
5. The pension payable to Josef El-Raghy represents a cash payment in lieu of contributions to a pension scheme.
6. The Bonus for Trevor Schultz in 2013 represents the amount accrued in 2012 and paid in 2013 (this is restating the prior year to meet the new disclosure requirements and the bonus which was shown in 2012's table is now shown in 2013 and 2012 shows no bonus). The bonus amount accrued in 2013 referred to in this report may be payable in 2014 (see section 4, "annual bonus").

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:

	As at 31 December 2012	**As at 31 December 2013**
Annual base fee	GB£50,000 (US$79,235)	**GB£65,000 (US$101,674)**
Chairman of a Board Committee	GB£10,000 (US$15,847)	**GB£10,000 (US$15,642)**
Member of a Board Committee	GB£5,000 (US$7,923)	**GB£5,000 (US$7,821)**
Senior Independent Non Executive Director (when not performing the role in Note 1)	GB£10,000 (US$15,847)	**GB£10,000 (US$15,642)**

1. With effect from 1 April 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 GB£150,000 (US$247,231) per year 2012: GB£125,000 (US$198,088). In keeping with the Company's policy, Edward Haslam did not participate in any meeting during which his fees were discussed.
2. These amounts include any statutory superannuation payments where applicable.
3. The Company reviewed the NED fees during 2013. The increases in non executive director fees took effect from 1 April 2013.
4. The non executive directors do not participate in any of the Company's share plans or incentive plans.

Base pay

Remuneration of the executive directors and the senior management team is considered against three criteria – general pay levels and pay increases throughout the Company, the performance and skills of the individual and market data.

In respect of market data for the executive directors and the senior management team, a selection of five different comparator groups are used in order to gain a balanced view of the market data. These comparator groups consist of a bespoke list of UK and international mining companies, companies with a similar market capitalisation, companies with a similar turnover, the mining sector and the FTSE 250.

Remuneration report continued

4. Annual remuneration report continued

Base pay continued

Any increase which exceeds that of the general work force may only normally be awarded in cases as a result of change in responsibility, or the complexity and nature of the role or size of the organisation or the pay level becoming out of line with the market data.

Pay is reviewed annually and any change takes effect from the 1 January.

While performance of the executive directors has been satisfactory the Committee, taking account of market data has determined that there will be no increases in base pay for 2014. Therefore the base pay for Josef El-Raghy of GB£500,000 (US$782,112) will remain at this level during 2014. The base pay for Trevor Schultz of A$550,000 (US$526,768) will remain at this level in 2014 and there is no increase for 2014 whilst Trevor Schultz holds the position of executive director.

Annual bonus

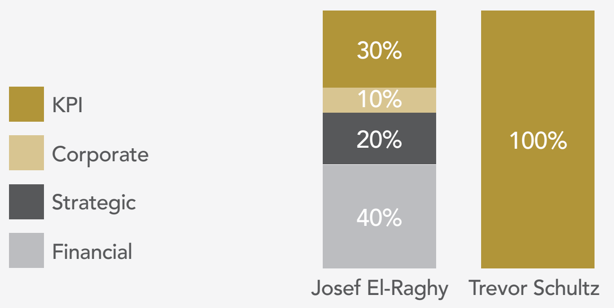
The bonus plan for the executive directors is based upon a balanced score card approach designed to encourage and reward the delivery of operational performance. For Josef El-Raghy the bonus is split 70% business and 30% individual targets as follows:

- 70% – the business targets are based on:
  - 40% – financial (profitability, cost against budget and operational efficiency);
  - 20% strategic measures (M&A opportunities, exploration in Egypt and other locations, project delivery); and
  - 10% corporate (corporate governance improvements, health and safety, production guidance and CSR development).
- 30% – the individual tasks are based on building management team and motivation, formalisation and communications of business strategy, in country stakeholder management and shareholder relations.

For Trevor Schultz the structure is weighted to the Stage 4 expansion project. In 2012, no bonus was paid, but a bonus was provided for and after review this was paid to Trevor Schultz in 2013. This was based upon the substantial satisfactory completion of the Stage 4 expansion project. The bonus payable in 2014 is dependent upon the successful hand over and commissioning of Stage 4.

The following graph shows the balance of the performance criteria.

Performance measure mix



2013 bonus

The Committee during the year reviewed the annual bonus scheme and the bonus scheme that operated for substantially all of 2013, which was based upon the same balanced score card approach as above. On this basis the Committee determined that 75% of the maximum bonus of 175% of Josef El-Raghy's 2013 base salary had been achieved. This resulted in a payment of GB£656,250 (US$1,082,028).

In 2012 the Company reserved A$750,000 in respect of the satisfactory progression of Stage 4 for Trevor Schultz. Notwithstanding considerable adversities it was determined that this had been achieved and as a result this sum had been earned and was paid in 2013.

2014 bonus

The bonus for 2014 will be based upon the balanced score card approach above.

- 70% – the business targets:
  - 40% – financial (an improvement in profitability, cost against budget and operational efficiency);
  - 20% strategic measures (M&A opportunities, exploration in In Egypt and other locations, project delivery); and
  - 10% corporate (corporate governance improvements, health and safety, production guidance CSR development).
- 30% – the individual tasks are based on building management team and motivation, formalisation and communications of business strategy, in country stakeholder management and shareholder relations.

For Trevor Schultz the bonus is based upon the satisfactory final commissioning of Stage 4 and hand over to Operations. The maximum amount is A$500,000 (US$443,616).

Pension arrangements and benefits in kind

Josef El-Raghy is entitled to a payment in respect of pension entitlement equal to 20% of base pay. Trevor Schultz has no such entitlement. Other than statutory superannuation for Australian resident directors, Bob Bowker and 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.

Long term incentives – shares award table

Neither executive director currently participates in any long term incentive arrangement. In 2012 Josef El-Raghy waived his outstanding share award as part of the restructuring of his remuneration package. He therefore has no outstanding award under any Company share arrangement. Josef El-Raghy holds a substantial shareholding in the Company and this is deemed to be sufficient to create a union of interest between the executive and other shareholders. The awards held by Trevor Schultz under the EDLFSP did not meet the performance criteria and therefore at the date of this report neither executive director has any outstanding awards under any Company share scheme.

	Trevor Schultz
Plan	EDLFSP
Date of grant	21 March 2011
Exercise price	US$2.045
Balance 31 December 2012	1,000,000
Awards	—
Vesting	—
Forfeited/waived	—
Balance 31 December 2013 (1)	1,000,000

(1) The award for Trevor Schultz under the terms of the EDLFSP did not vest on 21 March 2014 due to the performance conditions, having been tested and not having been achieved. At 31 December 2013, although there was no realistic possibility of the performance conditions being met, the value of the awards is reflected in the financial statements.

Payment to past directors

There are no payments to past directors of the Company.

Service agreements for directors

Service agreements for executive directors

Consistent with current best practice the executive directors have rolling contracts with a twelve months or less notice period.

	Josef El-Raghy	Trevor Schultz
Date of agreement	1 September 2010 (as amended subsequently)	15 August 2008 (as amended subsequently)
Notice period	Twelve month notice from either party	Six months' notice from the Company and three months from Trevor Schultz.
Expiry date	No fixed expiry date as rolling contract	No fixed expiry date as rolling contract.
Pension	Entitlement to 20% of base pay	No entitlement
Benefits	No entitlement	No entitlement
Annual bonus	Eligible to participate in an annual bonus arrangement as determined by the Committee from time to time.	Eligible to participate in an annual bonus arrangement as determined by the Committee from time to time.
Long term incentives	No current entitlement. Eligible to participate in a long term incentive plan.	Eligible to participate in the EDLFSP.
Termination payment	Entitled to be paid salary and pension in respect of the relevant notice period. 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 twelve month's basic salary together with any bonus that, in the opinion of the Remuneration Committee, would have been due to him at the time of the completion of the change of control taking into account all the relevant performance indicators.	Entitled to be paid salary and pension in respect of the relevant notice period.

Remuneration report continued

4. Annual remuneration report continued

Service agreements for 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. Copies of the employment contracts and terms of service are available at the Companies registered office or at the Annual General Meeting.

Directors' shareholdings

There is no formal shareholding requirement but the executive 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 (and family) currently directly own 6.49% of the issued share capital of the Company.

Name	**As at 31 December 2013**	As at 31 December 2012	Value of shareholding	% of base salary
Executive directors				
Josef El-Raghy	**71,445,086**	70,945,086	GB£39,294,797(1)	7,859%
Trevor Schultz	**1,030,000**	1,030,000	GB£566,500(1)	168%
Non executive directors				
Edward Haslam	**102,056**	102,056	GB£56,131(1)	41%
Mark Bankes	**120,000**	90,000	GB£66,000(1)	81%
Mark Arnesen	**15,000**	15,000	GB£8,250	10%

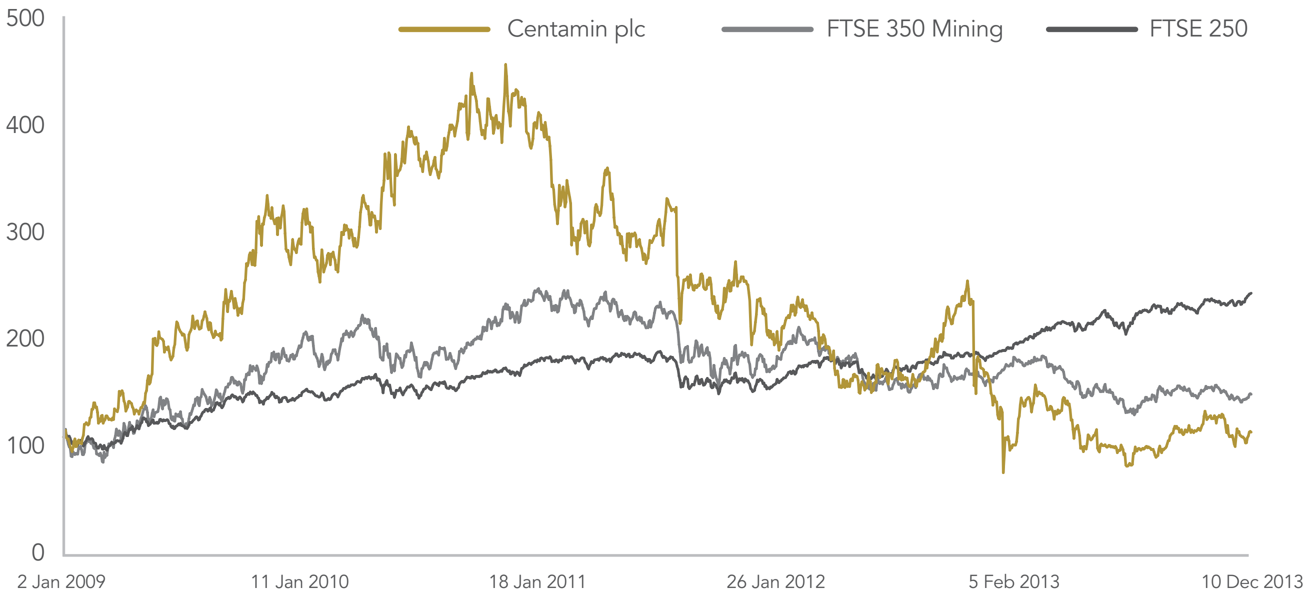
(1) Based on a share price of 55p per Centamin share.

5. Comparative remuneration data

Performance graph and CEO remuneration table

The graph below compares the TSR of the Company to the FTSE 250 and the FTSE 350 mining indices.
The graphs show the return for the last five years.

The Remuneration Committee considers that these indices are appropriate comparators of the Company.



	Single figure remuneration	Annual bonus as % of maximum	Long term incentives vesting as percentage of maximum
2011	US$1,290,742	166%	Nil
2012	US$1,920,644	175%	Nil
2013	**US$2,020,562**	**175%**	**Nil**

For 2011 the maximum bonus opportunity was A$1 million. For 2012 and 2013 the maximum bonus opportunity was 175% of base.
°The Loan Funded Share Plan award made in 2011 was voluntarily forfeited in 2012 for no compensation.

Percentage change in remuneration

The Company has chosen the comparator group as employees of the Centamin Group (excluding non executive directors).

	Total remuneration 2013 US$	Total remuneration 2012 US$	Percentage change
Comparator group	**52,581,000 (2013)**	42,374,000	24%
Chairman	**2,020,562 (2013)**	1.920,644	(less than 5%)

The total number of individuals employed by the Centamin Group in 2013 were 1,387 (2012: 1,174 employees).

6. Long term incentive arrangements

Introduction

The Company has had 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 last year and Committee concluding that the schemes were too complex and failed to provide any meaningful motivation or link to shareholder interests those scheme are no longer being used.

The existing executive directors no longer participate in any long term incentive arrangement and neither executive director has any outstanding award under any company share scheme.

There is a deferred share plan for senior management detailed below.

Deferred Bonus Scheme (not for directors)

This plan, introduced in 2013, allows the annual bonus to be matched with shares which are then ordinarily released in three annual tranches, conditional upon the continued employment with the Group. The plan was introduced as a review of annual bonus arrangements for management with the objectives of:

(1) increasing the variable pay element of remuneration;

(2) introducing a new retention element in the remuneration package; and

(3) linking part of that reward to the medium-term share performance of the Company.

For the initial year and to introduce the plan, on 4 June 2013, the Company offered to participants of existing plans the opportunity to replace awards with an initial one off award under the Deferred Bonus Share Plan.

The plan is not open to directors of the Company.

Remuneration report continued

6. Long term incentive arrangements continued

Historic long term incentive plan summary

Employee Loan Funded Share Plan 2011

There are no outstanding awards under this Plan and there is no current intention to make further awards under this plan. This was the rollover 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.

Director Loan Funded Share Plan 2011

After the year end, there were no outstanding awards under this Plan as the performance criteria were not met and awards lapsed. There is no current intention to use this Plan. The plan operated in the same way as the Employee Plan, except that there are mandatory performance conditions attached to the Director Plan, and that the shares vested in one tranche, three years from the date of grant.

At 31 December 2013, having carried out initial calculations, the participants had no prospect of the performance conditions being met, however the plan operated in the following way. The awards were due to vest three years from the date of grant, dependent on the achievement of comparative total shareholder return, with 50% based upon the FTSE 250 and 50% based upon comparator companies. 25% of the award would vest for median performance and 100% for upper quartile performance under each element. Comparator companies were selected by the Remuneration Committee from peers in the mining sector and were as follows: New Gold Inc; Centerra Gold Inc; Randgold Resources; Hochschild Mining; Alamos Gold Inc; European Goldfields Ltd; Eldorado Gold Corp; African Barrick Gold and Petropavlovsk Plc.

Employee Share Option Plan

There are no outstanding awards under this plan and there is no current intention to use the plan. Awards under the plan were subject to performance criteria for senior management based upon share price, financial, production or key tasks.

Statement of shareholder voting

At the AGM of the Company on the 23 May 2013 the following votes for and against the adoption of the Remuneration Report were as follows.

	For	Against	Abstention
Number of votes	497,530,533	79,959,130	572,771
Percentage	86.07%	13.83%	—

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

Edward Haslam
Chairman of the Remuneration Committee

21 March 2014

Audit and risk committee report

Statement by the Chairman of the Audit and Risk Committee, Mark Arnesen

Mark Arnesen
Chairman

Dear shareholders

During the financial year ended 31 December 2013, the Audit and Risk Committee ("AR Committee") comprised three independent non executive directors (including myself as Chairman, Mark Bankes and Edward Haslam).

In accordance with the Ontario Securities Commission requirements, all members of the AR Committee are considered financially literate (pursuant to section 1.5 of the Multilateral Instrument 52-110) and in compliance with the UK Corporate Governance Code (the "Code") I have the required relevant financial experience and am a professionally qualified accountant.

During the year the AR Committee reviewed and updated its Charter to take account of the Code and best practice guidance issued by the Financial Reporting Council, a copy of which can be found on the Company's website.

Details of the activities carried out by the AR Committee during the year are detailed in the Report and also required by the Code, the accounting issues highlighted during the year are summarised below (further details are set out at the end of the AR Committee report):

(1) impairment of assets (focusing on Sukari);

(2) litigation and the assessment of current litigation and appropriate disclosures;

(3) recovery of capitalised exploration evaluation and development expenditure;

(4) revenue recognition in respect to gold sales under the gold refining and sales contract;

(5) accounting treatment of Sukari Gold Mines and forecast cost recoveries; and

(6) going concern: significant judgments, estimates and calculations.

Each of the significant issues identified above are detailed in the notes to the financial statements.

The external auditor of the Group, Deloitte LLP ("Deloitte") have audited the Group for a number of years and I am satisfied that the audit engagement for the financial year ended 2013, headed by the Audit Partner, was both effective and value added to the Group.

The AR Committee continues to monitor the auditor's objectivity and independence and I am satisfied that Deloitte and the Group have appropriate policies and procedures in place to ensure that these requirements are not compromised. The non-audit work carried out by Deloitte during the year included the provision of tax and accounting services in relation to the take-over of Ampella Mining Ltd, tax advice on restructuring and compliance and statutory services for certain of the Group's subsidiaries.

Deloitte have open access to the Board of Directors at all times and the Audit Partner and certain of the Audit management team attended and presented to the AR Committee at key meetings throughout the year.

Audit and risk committee report continued

Deloitte have adopted a policy of rotating audit partners every five years. The last rotation of the audit partner occurred for the year ended 31 December 2012. Deloitte have provided audit services to the Centamin Group from the early 90's, whilst listed on the Australian Stock Exchange and pursuing exploration in Western Australia. More recently, Deloitte LLP (UK) have provided audit services since the redomicile in December 2011.

Following a review of its governance arrangements and in the light of recommendations in the Code, the Company envisages commencing an audit tender process in 2014 and will invite a number of leading audit firms to tender, including its current auditor, Deloitte. Pending the outcome of the tender, the AR Committee intend recommending that the Board reappoint Deloitte as Auditor at the forthcoming Annual General Meeting and approve the remuneration and terms of engagement of Deloitte.

Activity over the coming year, will include progressing a scoping document and further discussions with candidates in relation to the provision of internal audit services which will assist the Group and enhance the control and reporting environment for the financial reporting team.

Composition of the AR Committee and attendance

The AR Committee is made up of three independent non executive directors, namely Mark Arnesen (Chairman of the committee) and the members Edward Haslam and Mark Bankes. Mark Arnesen has extensive expertise in structuring of major resource projects and is a Chartered Accountant with over 20 years' experience in the international resources industry.

The AR Committee meetings are regularly attended by the CEO and Chairman, CFO and the Group Accountant along with the Company Secretary (who acts as the Secretary of the AR Committee). The external auditor is also invited to attend key meetings. Separate discussions outside a formal committee meeting are regularly held between the Audit Partner, the AR Committee Chairman and the CFO.

Every meeting during the year had full attendance of the AR Committee, with the exception of one meeting where a quorum of two members was present. The key activity undertaken during the year is summarised below:

Responsibility and activity of the AR Committee

The AR Committee assists the Board in discharging its responsibilities by exercising due care, diligence and skill in the following main areas:

(a) the application of accounting policies and reporting of financial information to shareholders, regulators and the general public;

(b) business risk management and internal control systems, including business policies and practices; monitoring and reviewing the effectiveness of the Company's internal audit function;

(c) corporate conduct and business ethics, including auditor independence and ongoing compliance with laws and regulation; and

(d) risk evaluation and review of mitigation.

(a) Reporting	(b) Internal controls	(c) External auditors	(d) Non-audit services
Consideration of the quarterly and full year results and the required disclosures.	Review and monitor adherence to policies and procedures.	Review the audit planning process and relationship between the auditors and management.	Review of non-audit services and appropriate safeguards.
Approach to significant accounting estimates and judgments as described in this report.	Monitor reports from management on compliance and breaches of policies and procedures.	Review of the audit letters and audit reports to management and adequacy of responses.	Review of proposals and engagement terms for the structuring of the Group.
Consideration of announcements to the LSE/TSX on performance.	Monitor the effectiveness of the internal control framework by reviewing reports by exception.	Review management's representation letters to the external auditor.	Review of tax compliance and tax structuring proposals.
	Involvement in development of an internal audit function.	Consideration of provisions under the Code, including for example tendering and partner rotation.	Consider the appointment of an internal auditor and scope of the engagement.

(a) Reporting

The AR Committee is responsible for reviewing the quarterly, half yearly and annual financial statements for submission to the Board for their approval.

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of the Group's financial reporting and compliance with generally accepted accounting principles in the Group's financial statements. Management evaluated at implementation the design of internal controls over financial reporting provided reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards ("IFRS") adopted by the European Union ("EU IFRS").

(b) Internal controls

In ensuring an effective internal control framework exists within the Group, the AR Committee has throughout the year and up to the date of this report, received regular internal reports from management, including analysis on forecasts, actual v budget analysis, information on adherence to internal controls and recommendations for improvements to the internal control framework in line with required guidelines.

The AR Committee monitored progress throughout the year on a number of enhancements to the control environment, including the following:

- development and implantation of a Whistleblowing and Treasury policy;
- enhanced formalities and record keeping of decisions between management and committees; and
- information flows between management and heads of department.

Due to the simplicity of the corporate structure and reporting framework, the Company has not required an internal audit function to date, however, as Stage 4 is complete and the Group is undertaking further joint venture arrangements and acquisitions, an internal auditor is considered appropriate for the Group. The AC Committee has reviewed an initial draft scoping document which sets out the parameters for an internal audit of the Group's internal controls, concentrating primarily on the systems and controls in the financial reporting framework. Following a tendering process, an external audit firm is likely to be engaged in the first half of 2014 to carry out the internal audit process.

(c) External auditors

Deloitte was re-engaged as the Group's auditors following the AGM in May 2013 and has acted as the Group's auditor throughout the year.

The AR 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 AR 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 AR Committee and that the AR Committee is the primary contact.

The AR Committee is satisfied that the independence and objectivity of the external auditor has not been compromised as a result of the provision on non-audit services and taken as a whole, the level of fees are not material relative to the total income of the external audit firm.

To assess the effectiveness of the external auditor, the AR 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;
- the robustness and perceptiveness of the auditor in their handling of the key accounting and audit judgments; and
- the external auditor's qualifications, expertise and resources.

Having considered the effectiveness of the external auditor the AR Committee concluded that the external auditor was effective.

(d) Non-audit services

The policy on non-audit services sets out the categories which the external auditor will and will not be allowed to provide to the Group, including those that need pre-approval by the AR Committee and those which require specific approval before they are contracted for, subject to de minimis levels.

Fees for audit services incurred during the year amounted to US$418,000 with non-audit fees amounting to US$305,000. Full details of audit and non-audit fees are set out in Note 22 to the financial statements.

During the year the non-audit work carried out by Deloitte included the provision of tax and accounting services in relation to the take-over of Ampella Mining Ltd, tax advice on Group structuring and compliance and statutory services for certain of the Group's subsidiaries.

To the extent necessary, the auditor obtained pre-approval from the AR Committee before performing these services and has used separate teams for the tax advisory services and other related services, than the team performing the audit.

Audit and risk committee report continued

(e) Risk assessment and risk mitigation

The Board delegated responsibility to the AR Committee to review and monitor the risk management systems. The Board have reviewed the significant risks facing the Group and considered the identification and mitigation of these key risks. The AR Committee aim to influence management's risk appetite to ensure they are aligned with the long-term objectives of the Group.

The Group conducts a variety of risk assessments throughout the year, which are reviewed by the Audit and Risk Committee and the Board in accordance with best practice guidelines and in compliance with the UK Corporate Governance Code and relevant Canadian requirements. The Group takes a number of measures to mitigate risks associated with the Company and underlying operational and exploration activity which are monitored and evaluated regularly. The exploration for and development of metals and mineral resources, together with the construction and development of mining operations is a speculative activity that involves a high degree of risk.

Due to the nature of these inherent risks, it is not possible to give absolute assurance that mitigating actions will be wholly effective. The table below describes the key risks affecting the Company and its underlying operational and exploration activities together with the measures to mitigate risk and the preserved risk by management.

A full list of the principal risks affecting the Centamin Group can be found in the MD&A.

Risk category	High	Moderate

Risk category	Description of potential risks	Mitigation/commentary
Single project dependency for near-term revenues	The Sukari Gold Mine currently constitutes Centamin's main mineral Resource and Reserve and near-term production and revenue. Any adverse development affecting the progress of the Sukari Project such as, but not limited to unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, or any other event leading to a reduction in production or closure of mines or other producing facilities, damage to life or property, environmental damage, hiring suitable personnel and engineering contractors, or securing supply agreements on commercially suitable terms.	Mitigating factors include continued growth and expansion through exploration and acquisition targets both inside and outside of Egypt. Until further production growth beyond Sukari is identified the risk remains high.
Sukari Project joint venture risk and relationship with EMRA	SGM is owned jointly by PGM and EMRA, with equal board representation, whilst responsibility for the day-to-day management of SGM rests with the general manager, who is appointed by PGM. The board of SGM operates by way of simple majority. As such, should the board of SGM be unable to reach consensus on a matter requiring board-level approval or in the event of any dispute arising between PGM and EMRA, which PGM is unable to amicably resolve, it may have to participate in arbitration or other proceedings to resolve the dispute, which could have a material and adverse effect on Centamin's business, results of operations, financial performance and prospects. Any dispute with EMRA may adversely affect the Centamin Group's ability to manage the Sukari Project in the most effective way. Such a dispute could arise under the cost recovery and profit share provisions of the Sukari Concession Agreement. 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 programmes and expenditures. EMRA inspectors are closely involved in monitoring all aspects of the Sukari operations. Current discussions with EMRA are focused 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 during the year.	Mitigating factors include ensuring co-operative relations with EMRA however the risk identified remains moderate.

Risk category	Description of potential risks	Mitigation/commentary
Failure to achieve production estimates	Centamin currently prepares estimates of future gold production for its existing and future development of the Sukari Gold Mine. There can be no assurance that Centamin will achieve its production estimates and such failure could have a material and adverse effect on Centamin's future cash flows, profitability, results of operations and financial condition. The realisation of production estimates are dependent on, amongst other things: the accuracy of mineral Reserve and Resource estimates; the accuracy of assumptions regarding ore grades and recovery rates; ground conditions (including hydrology); physical characteristics of ores; the presence or absence of particular metallurgical characteristics; the accuracy of estimated rates and costs of mining (including access to and permitting for sufficient quantities of ammonium nitrate and related blasting products), ore haulage, the availability of suitable machinery and equipment, skilled labour and processing capacity and all logistics for consumables and parts.	Whilst there can be no certainties, production to date has provided confidence in management's estimation and mine planning methods. The pending commissioning of the Stage 4 process plant means that the current risk rating remains high.
Currency and gold price risk	A significant portion of Centamin's operating expenses are incurred in US dollars, Egyptian pounds and Great British pounds, whilst its revenues from gold sales are in US dollars. Furthermore, Centamin does not currently maintain any facilities for hedging its exposure to currencies or the price of gold, which fluctuates as a result of a number of factors beyond Centamin's control. Any appreciation in currencies other than US dollars in which the Group incurs material expenses or adverse fluctuations in the gold spot price, could have a material and adverse effect on Centamin's business, results of operations, financial performance and prospects.	Centamin manages its exposure to gold price fluctuations by retaining a focus on keeping operating costs as low as possible. However, the risks relating to gold price reductions remain high. 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.
Litigation risks	Centamin's finances, and its ability to operate in Egypt, may be severely adversely affected by current and any future litigation proceedings and it is possible that further litigation could be initiated against Centamin at any time. Centamin is currently involved in litigation that relates both to (a) the validity of its exploitation lease at Sukari and (b) the price at which it can purchase diesel fuel oil.	In order to mitigate this risk Centamin has: (1) engaged appropriate legal advice and continues to actively pursue its legal rights with respect to the existing litigation and its legal advisers believe that Centamin will ultimately be successful in both of these cases; and (2) management and the Company's legal advisers 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 Centamin's adherence to local laws and agreements, as well as the Egyptian government's support of Centamin's investment and its proposals for a new investment law that could protect Centamin against litigation of this nature.
Reserve and resource estimates	The mineral resource and reserve estimates are prepared by Centamin Group personnel, with the assistance of independent geologists. By their nature, mineral resource and reserves 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 expected by Centamin 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 most recent technical update was completed in the Form 43-101F1 dated 30 January 2014 and is available at www.sedar.com reflecting a reduction in resource and reserve estimates. This takes into account the latest drill results, higher cost environment and the timing of the Stage 4 commissioning. Whilst there are no certainties, production to date has provided confidence in management's estimation and mine planning methods. Details of the resource and reserve estimate can be found in the Performance Review.

Audit and risk committee report continued

Significant Issues highlighted during the year by the AR Committee

The following significant issues were highlighted during the year by the AR Committee (full details and analysis are set out in Note 4 to the financial statements: The AR Committee discussed these critical accounting judgments and associated disclosures with management and as a committee).

(1) Impairment of assets (focusing on Sukari)

As a result of the decline in the gold price, the Group carried out an impairment test in relation to Sukari. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's assumptions of:

- forecast gold prices;
- discount rate;
- production volumes;
- reserves and resources report; and
- costs and recovery rates.

Based on the impairment test performed, management believe, and the AR Committee support management's analysis that no impairment write-downs were required. See Note 14.1 and 14.2 to the financial statements.

(2) 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.

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. The AR Committee has reviewed the documentation relating to the status of both legal actions and supports the view of management. See Note 20 to the financial statements for details of the litigation.

(3) Recovery of capitalised exploration evaluation and development expenditure

As described in Note 13 to the financial statements, management have taken the decision not to renew the Finarwa and Shehagne licences in respect of exploration rights held by Sheba Explorations Holding Limited, a wholly owned subsidiary of Centamin plc, and have thus written off all expenditure incurred to date including the acquisition costs in relation to those licences amounting to US$6,712,752.

Contained within Note 13 are details of the carrying value and write downs of investments held in other exploration companies. The AR Committee having considered management's view on the sampling, drill results and assay results, supports the approach taken by management in respect to the above. In addition, the AR Committee recommended the timely recording of the impairment of Nyota Minerals Limited and Sahar Minerals Limited during the year.

(4) Revenue recognition

The AR Committee has considered the terms of the previous and current contract with Johnson Matthey (Canada) effective from 1 March 2014. The papers put forward by management with regards to revenue recognition have been reviewed by the AR committee who agree with the approach.

(5) Going concern

Under guidelines set out by the UK Financial Reporting Council ("FRC") the directors of UK listed companies are required to consider whether the going concern basis is the appropriate basis of preparation of financial statements.

Based on a detailed cash flow forecast prepared by management, in which any reasonably possible changes in the key assumptions on which cash flow forecast have been set out, the directors have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future and the AR Committee agree with this view.

(6) 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 to the financial statements) and records all the assets, liabilities, income and expense of SGM on a 100% proportionate consolidation basis. The AR Committee reviewed papers from management and agree with the current accounting treatment as set out above.

Overview

As a result of its work during the year, the AR 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. A member of the AR Committee will be available at the Annual General Meeting along with the CFO to answer any questions in relation to this report.

Mark Arnesen
For and on behalf of
Audit and Risk Committee of Centamin plc

21 March 2014

Directors' report

Company legal form and structure

Centamin plc (the "Company") is incorporated in the island of Jersey with the company number 109180. The Company conducts limited activity in its own right, with certain of the subsidiary and jointly controlled entities carrying out exploration, development and mining activity. Details of all subsidiaries are listed in Note 21 to the financial statements.

The Company's principal asset, the Sukari Gold Project, is operated by the Sukari Gold Mining Company, a joint stock company established under the laws of Egypt, which is owned 50% by Pharaoh Gold Mines NL, a wholly owned subsidiary of the Company, and 50% held by the Egyptian Mineral Resource Authority.

Articles of Association

The Articles of Association govern many aspects of the management of the Company. The Articles may only be amended by a special resolution at a general meeting of the shareholders. The Articles of Association were adopted on 15 December 2011 and, together with the Memorandum of Association, are available for inspection at the Company's registered office during normal office opening hours.

The liability of each member arising from the members respective holding of a share in the Company is limited to the amount (if any) unpaid on it. The Company has unrestricted corporate capacity.

Capital structure

The capital structure of the Company is detailed in the schedule below, which reflects the total issued shares in the Company at 31 December 2013 and those held by trustees pursuant to the Company's share plans.

	As at 31 December 2013
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 and Deferred Bonus Share Plan	11,013,888

Subsequent to the year end and at the date of this report, 38,151,563 ordinary no par value shares were issued as fully paid in relation to the acquisition of Ampella Mining Ltd. The enlarged issued capital of the Company at the date of this report is 1,139,548,944 ordinary shares. A total of 50,860,577 Centamin shares will be issued at completion of the acquisition of Ampella Mining Ltd.

The Company may from time to time pass an ordinary resolution (by a simple majority) authorising the Board to allot relevant securities up to the amount specified in the resolution. The authority shall expire on the day specified in the resolution, not being more than five years after the date on which the resolution is passed.

Details of the share capital and reserves are set out in Note 17 to the financial statements.

Substantial shareholders

In December 2013, based on shareholder disclosure and register analysis, the following shareholders had holdings of more than 3% (being the applicable threshold adopted by Centamin in its Articles of Association, as though it were a UK issuer under the Disclosure and Transparency Rules of the UK Financial Conduct Authority) in the issued share capital of Centamin:

Rank	Shareholder	Centamin shares	% of issued capital
1	Josef El-Raghy	71,445,086(1)	6.49
2	Van Eck Associates	71,444,794	6.49
3	Norges Bank Investment Mgt	45,676,554	4.15
4	Franklin Templeton Investments	40,470,607	3.67
5	ICM	38,684,323	3.51
6	Allan Gray	35,986,959	3.27

(1) Includes the El-Raghy family.

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

Directors' report continued

Substantial shareholders continued

To the extent known to the Company:

(a) No person other than the substantial shareholders detailed above has an interest of 3% 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.

Dividend policy

The Company has not declared or paid any dividends to date as cash flows have been directed towards the staged growth of the Sukari Gold Mine. Centamin intends during the course of 2014 to outline its dividend policy following completion of the current expansion programme.

Directors

Directors may be appointed by ordinary resolution. The Board may appoint a director but such a director may hold office only until the dissolution of the next annual general meeting after his appointment unless he is reappointed during that meeting. Each appointed director shall retire from office at each annual general meeting and may, if willing to act, be reappointed.

All directors must notify the Company of any shares held, acquired or disposed of in the Company. A register of director shareholdings is held at the registered office which is open to inspection by the members. The directors are also required to disclose shares held by their connected parties.

Details of the interests of directors and their connected persons in the Company's shares are outlined in the Directors' Remuneration Report.

Corporate Governance Compliance Statement

The statement on compliance with the UK Corporate Governance Code (the "Code") for the reporting period is contained in the Corporate Governance Report.

Political donations

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

Supplier and payment policy

It is the Company'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. Further details on trade creditors are provided in Note 15 to the financial statements.

Employees

Information relating to employees is contained in the CSR Report together with details of the number of employees at Sukari. 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.

Strategic priority

The Centamin Group strategy is set out in the Strategic Report. In summary, the Sukari Project is set to double plant throughput to a nameplate rate of 10 million tonnes per annum ("Mtpa") with a long-term target production rate of 450-500,000 ounces per annum from 2015.

Exploration at Sukari Hill and over the rest of the Sukari concession area is continuing, with further significant resource and reserve growth expected, particularly from the high grade underground mine areas.

Operating experience in Egypt gives it a significant advantage in acquiring and developing other gold projects. In 2013 Centamin agreed a recommended takeover offer for ASX-listed Ampella Mining Ltd and formed a joint venture with AIM-listed Alecto Minerals plc, adding highly prospective licence packages in Burkina Faso and Ethiopia.

Environmental compliance

The directors are aware of their commitment to environmental, community and social responsibility, details of which can be found in the CSR Report.

An environmental policy has been established with the aim of ensuring environmental protection and sustainable development. The policy is based on pollution prevention and abatement approaches to protect the environment, community and indigenous people.

The environmental management scheme for the Sukari Project includes a monitoring programme designed to evaluate compliance with local environmental laws and regulations, company policies and international best practices. It provides information for periodic review and adjustment of the environmental management plan ensuring that environmental protection is achieved through early detection and mitigation of negative environmental impacts.

The Group is currently complying with relevant environmental regulations in the jurisdictions in which it operates and has no knowledge of any environmental orders or breaches against the Group.

Greenhouse gas emissions

The greenhouse gas emissions reporting required by Schedule 7 of The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended by The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, is a requirement only on UK incorporated quoted companies. Centamin is taking steps during 2014 to capture the data required by this legislation.

Directors' indemnity insurance

In accordance with Company's Articles of Association and to the extent permitted by law, the Company 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.

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 financial statements.

The going concern statement is detailed in full in Note 3 to the financial statements.

External auditors

So far as each current director of the Company is aware, there is no information relevant to the audit of which the Company's auditors are unaware, and each director has taken all the steps necessary as a director to make himself aware of any such information and to ensure that the Company's auditors are aware of that information.

Following a review of its governance arrangements and in the light of recommendations in the Code, the Company envisages commencing an audit tender process to be concluded in June 2014 and will invite a number of leading audit firms to tender, including its current auditor, Deloitte. Pending the outcome of the tender, the Audit and Risk Committee intend recommending to the Board the reappoint of Deloitte as auditor at the forthcoming Annual General Meeting.

Deloitte has expressed its willingness to continue in office as auditor and be included in the tender process.

Subsequent events

Subsequent to the year end, the Company acquired, via its wholly owned subsidiary, a controlling interest in Ampella Mining Ltd. The details of all subsequent events occurring after the reporting date are contained in Note 30 to the financial statements.

By order of the Board

Darren Le Masurier
Company Secretary

21 March 2014

Directors' responsibilities

Directors' responsibilities in respect of the annual report and financial statements

The directors are responsible for preparing the annual report and financial statements in accordance with the Companies (Jersey) Law, 1991 (the "Law") and applicable laws and regulations. The Law requires the Company to prepare financial statements in accordance with generally accepted accounting principles and Company has chosen to prepare the accounts in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

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 IFRS 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 Law. 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.

The directors are also responsible for the preparation of the Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement. These reports are contained within the annual report and financial statements.

The directors concluded that the annual report and financial statements, when taken as a whole, were fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

By order of the Board

Darren Le Masurier
Company Secretary

21 March 2014

Independent auditor's report

to the members of Centamin plc

Opinion on financial statements of Centamin plc

In our opinion the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2013 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union; and
- have been properly prepared in accordance with the Companies (Jersey) Law, 1991.

The financial statements comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related Notes 1 to 30. The financial reporting framework that has been applied in their preparation is applicable law and IFRS as adopted by the European Union.

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

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 and 20 to the financial statements concerning the 30 October 2012 judgment 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 Group has filed an appeal before the Supreme Administrative Court in Egypt to challenge this judgment and on 20 March 2013 the Court suspended the enforcement of the judgment 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 Group'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.

Going concern

We have reviewed the directors' statement on page 83 that the Group is a going concern. We confirm that:

- we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Our assessment of risks of material misstatement

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team:

Risk	How the scope of our audit responded to the risk
The appeal before the Supreme Administrative Court in Egypt concerning the validity of the Sukari exploitation lease Centamin has an ongoing legal case relating to the validity of its exploitation lease for Sukari. If Centamin lose the case they will lose the right to exploit the 160km^2 area previously provided within the concession agreement and will revert to a 3km^2 exploitation area. The outcome of this legal case is subject to significant uncertainty and accordingly we have included an emphasis of matter within our audit opinion as set out above.	We reviewed legal advice from management's external legal counsel in connection with the legal case. This advice specifically assessed the risk that the Group may not succeed in its appeal against the Administrative Court ruling. We held meetings with the Groups's internal and external legal counsel and evaluated management's assessment of the outcome of the court case. We have reviewed the disclosures within the financial statements for consistency with opinions given by the Group's internal and external legal counsel.
The assessment of the risk of impairment of the Sukari producing asset The Sukari producing asset is material by virtue of its size and nature to Centamin. In a reducing gold price environment there is a risk that the book value of the asset may not be recoverable.	We challenged management's assumptions and key inputs used in the impairment model for the Sukari producing asset including the discount rate, cash flow projections, the reserves, gold price and production profile. Where applicable, we assessed the key assumptions in line with observable industry benchmarks and compared them to external data, employing the use of internal specialists. We assessed whether the assumptions used were in accordance with IAS 36 Impairment of Assets. We also visited the Sukari mine as part of our audit procedures. Our visit enabled us to corroborate our understanding with operational staff and to observe that mining activity was consistent with the Group's mine plan.

Independent auditor's report continued

to the members of Centamin plc

Risk	How the scope of our audit responded to the risk
The claim before the Administrative Court in Egypt concerning diesel fuel disputes Centamin has an ongoing legal case relating to historical and current fuel subsidies. The potential amount that could be recouped relating to the current subsidy case is $97m and the potential amount that the Company could have to pay if they lose the historical case is $60m.	We reviewed legal advice from management's external legal counsel in connection with the legal case. We held meetings with the Group's internal and external legal counsel and evaluated management's assessment of the outcome of the court case. We have reviewed the disclosures within the financial statements for consistency with opinions given by the Group's internal and external legal counsel.
The assessment of the risk of impairment of exploration and evaluation assets The Group capitalises exploration and evaluation ("E&E") expenditure in line with IFRS 6: Exploration for and Evaluation of Mineral Resources. The assessment of each asset's future prospectively requires significant judgement. There is a risk that amounts are capitalised which no longer meet the recognition criteria of IFRS 6.	We considered and challenged the appropriateness of management's judgements in relation to the ongoing viability of their exploration and evaluation asset base. We participated in meetings with key operational and finance staff to understand the exploration and evaluation activities and gathered evidence relevant to the recoverability of exploration and evaluation assets carried forward, including drilling results, confirmations of any changes to license conditions, exploration and evaluation budgets and ongoing exploration activity. We also reviewed and challenged management's assessment of impairment indicators of exploration assets in accordance with IFRS 6 Exploration for and Evaluation of Mineral Resources.

The Audit Committee's consideration of these risks is set out on pages 78 and 79.

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Group to be $10 million, which is approximately 5% of the Group's profit before impairment charges and tax, and below 1% of equity. Impairment charges have been added back because, if included, they would distort the materiality assessment year on year.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £200,000, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our group audit was scoped by obtaining an understanding of the Group and its environment, including group-wide controls, and assessing the risks of material misstatement at the group level.

Based on that assessment, our group audit scope focused primarily on the Sukari Gold Mine, the Group's principal operation, which was subject to a full audit at a lower level of materiality. This location accounts for 95% of the Group's net assets, 100% of the Group's revenue and 100% of the Group's gross profit.

All audit work to respond to the risks of material misstatement was performed directly by the group audit engagement team. In the year, members of the group audit engagement team visited the Sukari mine site, the headquarters of the Egyptian office in Alexandria and the headquarters of Centamin plc in Jersey.

Other Group companies in Australia and Jersey, and exploration assets in other companies, were subject to specific audit procedures to address identified risks and other matters with all work performed by the group audit team. We did not employ the use of any component auditors for the purpose of the Group audit.

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

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

- we have not received all the information and explanations we require for our audit; or
- 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.

We have nothing to report in respect of these matters.

Corporate Governance Statement

Under the Listing Rules we are also required to review the part of the Corporate Governance Statement relating to the company's compliance with nine provisions of the UK Corporate Governance Code. We have nothing to report arising from our review.

Our duty to read other information in the Annual Report

Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed. We confirm that we have not identified any such inconsistencies or misleading statements.

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 certain elements of the report to the shareholders by the Board on directors' remuneration as if the company had been incorporated in the UK and have nothing to report to you in that respect.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities 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. We also comply with International Standard on Quality Control 1 (UK and Ireland). Our audit methodology and tools aim to ensure that our quality control procedures are effective, understood and applied. Our quality controls and systems include our dedicated professional standards review team, strategically focused second partner reviews and independent partner reviews.

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/or those further matters we have expressly agreed to report to them on in our engagement letter 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.

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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Douglas King FCA
For and on behalf of Deloitte LLP
Chartered Accountants and Recognised Auditor
London, UK

21 March 2014

Consolidated statement of comprehensive income

for the year ended 31 December 2013

		31 December 2013			31 December 2012		
	Note	**Before exceptional items US$'000**	**Exceptional items[1] US$'000**	**Total US$'000**	Before exceptional items US$'000	Exceptional items[1] US$'000	Total US$'000
Revenue	5	**503,825**	**—**	**503,825**	426,133	—	426,133
Cost of sales	6	**(226,433)**	**(51,004)**	**(277,437)**	(169,814)	(33,118)	(202,932)
Gross profit		**277,392**	**(51,004)**	**226,388**	256,319	(33,118)	223,201
Other operating costs	6	**(21,727)**	**—**	**(21,727)**	(25,505)	—	(25,505)
Impairment of available-for-sale financial assets	14.1	**(12,911)**	**—**	**(12,911)**	—	—	—
Impairment of associate	14.2	**(1,968)**	**—**	**(1,968)**	—	—	—
Impairment of exploration and evaluation assets	13	**(6,503)**	**—**	**(6,503)**	—	—	—
Finance income	6	**690**	**—**	**690**	898	—	898
Profit before tax		**234,973**	**(51,004)**	**183,969**	231,712	(33,118)	198,594
Tax	7	**(10)**	**—**	**(10)**	444	—	444
Profit for the year attributable to the Company		**234,963**	**(51,004)**	**183,959**	232,156	(33,118)	199,038
Other comprehensive income							
Items that may be reclassified subsequently to profit or loss:							
Losses on available-for-sale financial assets (net of tax)		**(6,150)**	**—**	**(6,150)**	(2,804)	—	(2,804)
Losses on available-for-sale financial assets transferred to profit for the year (net of tax)		**12,911**	**—**	**12,911**	—	—	—
Other comprehensive income for the year		**6,761**	**—**	**6,761**	(2,804)	—	(2,804)
Total comprehensive income attributable to the Company		**241,724**	**(51,004)**	**190,720**	229,352	(33,118)	196,234
Earnings per share:							
Basic (cents per share)	24	**21.551**	**(4.68)**	**16.873**	21.305	(3.039)	18.266
Diluted (cents per share)	24	**21.416**	**(4.65)**	**16.767**	21.299	(3.038)	18.261

(1) Refer to Note 6 for further details.

Consolidated statement of financial position

as at 31 December 2013

	Notes	**31 December 2013 US$'000**	31 December 2012 US$'000
Non-current assets			
Property, plant and equipment	12	**950,586**	747,571
Exploration and evaluation asset	13	**59,849**	45,669
Prepayments	11	**18,950**	—
Available-for-sale financial assets	14.1	**—**	5,613
Interests in associates	14.2	**—**	3,132
Total non-current assets		**1,029,385**	801,985
Current assets			
Inventories	10	**135,269**	94,636
Available-for-sale financial assets	14.1	**989**	—
Trade and other receivables	9	**25,427**	40,736
Prepayments	11	**1,678**	466
Cash and cash equivalents	25	**105,979**	147,133
Total current assets		**269,342**	282,971
Total assets		**1,298,727**	1,084,956
Non-current liabilities			
Provisions	16	**7,638**	5,544
Total non-current liabilities		**7,638**	5,544
Current liabilities			
Trade and other payables	15	**78,102**	54,606
Tax liabilities	7	**—**	—
Provisions	16	**139**	4,962
Total current liabilities		**78,241**	59,568
Total liabilities		**85,879**	65,112
Net assets		**1,212,848**	1,019,844
Equity			
Issued capital	17	**612,463**	612,463
Share option reserve	18	**5,761**	3,477
Accumulated profits		**594,624**	403,904
Total equity		**1,212,848**	1,019,844

The consolidated financial statements were approved by the Board of Directors, authorised for issue on 21 March 2014 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 2013

	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 2013	**612,463**	—	**3,477**	**403,904**	**1,019,844**
Profit for the year	—	—	—	**183,959**	**183,959**
Other comprehensive income for the year	—	—	—	**6,761**	**6,761**
Total comprehensive income for the year	—	—	—	**190,720**	**190,720**
Recognition of share-based payments	—	—	**2,284**	—	**2,284**
Balance as at 31 December 2013	**612,463**	—	**5,761**	**594,624**	**1,212,848**

	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 [(1)]	—	—	—	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

(1) The Group changed its accounting policy on production-phase stripping costs with effect from 1 January 2012.

Consolidated statement of cash flows

for the year ended 31 December 2013

	Notes	31 December 2013 US$'000	31 December 2012 US$'000
Cash flows from operating activities			
Cash generated in operating activities	25(b)	**245,833**	221,405
Finance income		**(690)**	(898)
Net cash generated by operating activities		**245,143**	220,507
Cash flows from investing activities			
Acquisition of property, plant and equipment		**(266,711)**	(223,567)
Exploration and evaluation expenditure		**(14,670)**	(14,556)
Acquisition of financial assets	14.1	**(2,456)**	(6,427)
Acquisition of interests in associates	14.2	**(500)**	(166)
Proceeds from sale of available-for-sale financial assets	14.1	**822**	—
Finance income	5	**690**	898
Net cash used in investing activities		**(282,825)**	(243,818)
Cash flows from financing activities			
Proceeds from the issue of equity and conversion of options	17	**—**	3,367
Share issue costs	17	**—**	(10)
Net cash provided by financing activities		**—**	3,357
Net decrease in cash and cash equivalents		**(37,682)**	(19,954)
Cash and cash equivalents at the beginning of the period	25	**147,133**	164,231
Effect of foreign exchange rate changes		**(3,472)**	2,856
Cash and cash equivalents at the end of the period	25	**105,979**	147,133

Notes to the consolidated financial statements

for the year ended 31 December 2013

1. General information

Centamin plc (the "Company") is a listed public company, incorporated in Jersey and operating through subsidiaries and jointly controlled entities operating in Egypt, Ethiopia, United Kingdom and Australia. It is the parent company of the Group, comprising the Company and its subsidiaries and jointly controlled entities.

Registered office and principal place of business

Centamin plc
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 and the Performance Review of the Annual Report.

2. Adoption of new and revised accounting standards

In the current year, no new and revised Standards and Interpretations have been adopted that have affected the amounts reported in these financial statements.

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 1 (amended) Government Loans	The amendment addresses how a first-time adopter would account for a government loan with a below-market rate of interest when transitioning to IFRS. The amendments mirror the requirements for existing IFRS preparers in relation to the application of amendments made to IAS 20 Accounting for Government Grants and Disclosure of Government Assistance in relation to accounting for government loans.
IFRS 7 (amended) Disclosures – Offsetting Financial Assets and Financial Liabilities	Amends the disclosure requirements to require information about all recognised financial instruments that are set off. The amendments also require disclosure of information about recognised financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32. The IASB believes that these disclosures will allow financial statement users to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with an entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.
IFRS 13 Fair Value Measurement	IFRS 13 establishes a single framework for measuring fair value when such measurements are required or permitted by other standards. The adoption of IFRS 13 has not had any significant impact on the fair value measurements carried out by the Group and the amounts reported within the unaudited interim condensed consolidated financial statements. IFRS 13 requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 Financial Instruments: Disclosures. IFRS 13 also results in an amendment to IAS 34 requiring that some of these disclosures relating to financial instruments are made in the unaudited interim condensed consolidated financial statements.
Improvements to IFRS 2009 – 2011	Aside from those items already identified above, the amendments made to standards under the 2009 – 2011 improvements to IFRS 2 have had no impact on the Group.

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

IFRS 9	Financial Instruments
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
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
IAS 36 (revised)	Recoverable Amount Disclosures for Non-Financial Assets

The directors are still considering the impact of adoption of new accounting standards and note that the main impacts upon the adoption of the new standards will be:

- IFRS 9 will impact both the measurement and disclosures of Financial Instruments;
- IFRS 10 and 11 will introduce revised definitions of control and joint arrangements and the Group will consider the accounting for the Concession Agreement under this guidance. The directors' determination of the appropriate treatment under the new accounting standards is not expected to have a material impact in the year of adoption; and
- IFRS 12 will impact the disclosure of interests the Group has in other entities.

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 ("IFRS") 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 2013 except as disclosed in Note 3 below "Changes in accounting policy".

Changes in accounting policy

IFRS 13 Fair Value Measurement

The Group adopted IFRS 13 Fair Value Measurement on its effective date of 1 January 2013. IFRS 13 establishes a single framework for measuring fair value when such measurements are required or permitted by other standards. The adoption of IFRS 13 has not had any significant impact on the fair value measurements carried out by the Group and the amounts reported within the Group financial statements. IFRS 13 requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 Financial Instruments: Disclosures.

A number of other amendments to accounting standards issued by the International Accounting Standards Board also apply for the first time in 2013. These do not have a significant impact on the accounting policies. 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 Holdings Limited and Sheba Exploration Limited that use the 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.

Notes to the consolidated financial statements continued
for the year ended 31 December 2013

3. Summary of significant accounting policies continued

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 SGM's 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 2013 have been prepared on a going concern basis, which contemplate the realisation of assets and liquidation of liabilities during the normal course of operations. During the year the operation of the mine was affected by two legal actions. A detailed summary of the litigation is available in Note 20 of these financial statements. 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 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.

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 fair value through profit or loss ("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 remeasurement 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.

Notes to the consolidated financial statements continued

for the year ended 31 December 2013

3. Summary of significant accounting policies continued

Accounting policies continued

Financial assets continued

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 estimated 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 ("AFS")

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 profits 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.

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 twelve 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 twelve 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:

(a) the rights to tenure of the area of interest are current; and

(b) at least one of the following conditions is also met:

- (i) 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
- (ii) 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 mine development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

Mine 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.

Notes to the consolidated financial statements continued

for the year ended 31 December 2013

3. Summary of significant accounting policies continued

Accounting policies continued

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 the 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
Mining equipment	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 from exploration and evaluation assets to mine development 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 units 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.

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). 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:

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

(b) the entity can identify the component of the ore body for which access has been improved; and

(c) 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.

Notes to the consolidated financial statements continued

for the year ended 31 December 2013

3. Summary of significant accounting policies continued

Accounting policies continued

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 is offset against the expenditure capitalised and carried in the Consolidated Statement of Financial Position. All revenues recognised after commencement of commercial production are recognised in accordance with the revenue policy stated above. The commencement date of commercial production is determined when stable and sustained production capacity has been achieved.

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, this royalty 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 IFRS. 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 Non-current Assets Held for Sale.

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 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.

Notes to the consolidated financial statements continued

for the year ended 31 December 2013

3. Summary of significant accounting policies continued

Accounting policies continued

Share-based payments continued

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 counterparty 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 judgments

Critical judgments in applying the entity's accounting policies

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:

Management has discussed its critical accounting judgments and associated disclosures with the Company's Audit and Risk Committee.

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

IFRS requires management to test for impairment if events or changes in circumstances indicate that the carrying amount of a finite lived asset may not be recoverable. As a result of the decline in the gold price, the Group carried out an impairment test over the assets, other than exploration and evaluation and financial assets.

Impairment testing is an area involving management judgment, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's assessment of:

- forecast gold prices;
- discount rate;
- production volumes ;
- reserves and resources report; and
- costs and recovery rates.

Each year, the Group prepares and approves a formal one year budget for its operations. The Group then extended the data produced in the budget over the life of mine for inclusion in the value in use calculations. The impairment test is highly sensitive to the gold price and an impairment would be required if the gold price falls below US$1,280 per ounce at a discount rate of 12%.

Notes to the consolidated financial statements continued

for the year ended 31 December 2013

4. Critical accounting judgments continued

Critical judgments in applying the entity's accounting policies continued

Litigation

The Group exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation, as well as other contingent liabilities (see Note 20 to the financial statements). Judgment is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement.

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 given 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.

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.

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.

As described in Note 13 to the financial statements, management have taken the decision not to renew the Shehagne or Finarwa/Winibo (Werie Lehe and Saharti) licences in respect of exploration rights held Sheba Explorations Holding Limited, a wholly owned subsidiary of Centamin plc, and have thus written off all expenditure incurred to date including the acquisition costs in relation to those licences amounting to US$6,712,752.

Revenue recognition

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.

Going concern

Under guidelines set out by the UK Financial Reporting Council ("FRC") the directors of UK listed companies are required to consider whether the going concern basis is the appropriate basis of preparation of financial statements.

Based on a detailed cash flow forecast prepared by management, in which any reasonably possible change in the key assumptions on which cash flow forecast is based, the directors have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future. Key assumptions under-pinning this forecast include:

- litigation as discussed in Note 20 to the financial statements;
- forecast gold price;
- production volumes; and
- costs and recovery rates.

These financial statements for the year ended 31 December 2013 have therefore been prepared on a going concern basis, which contemplate the realisation of assets and liquidation of liabilities during the normal course of operations, in preparing the financial statements

Accounting treatment of Sukari Gold Mines ("SGM")

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

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 cash flows. 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 which affect the unit of production used in depreciation calculations.

Depreciation of capitalised underground mine development costs

Depreciation of capitalised underground mine development costs at the Sukari mine is based on reserve estimates. Management and directors believe 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 estimated reserves may change with a consequent negative impact on the carrying value of capitalised underground mine development.

Depreciation of the Sukari plant

Sukari plant, capitalised within plant and equipment, is depreciated on a straight-line basis over a 45 year economic life. When determining the useful economic life of the plant, management has assumed that its exploration activities will lead to future reserves increases at the Sukari mine site which will extend its life beyond the current life of mine, which is 2029 based on current reserves. Management have the option to extend the concession agreement by 30 years beyond its current expiry date of 2035.

Notes to the consolidated financial statements continued

for the year ended 31 December 2013

5. Revenue

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

	31 December 2013 US$'000	31 December 2012 US$'000
Gold sales	**503,128**	425,812
Silver sales	**697**	321
	503,825	426,133
Finance income	**690**	898
	504,515	427,031

6. Profit before tax

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

	31 December 2013			31 December 2012		
	Before exceptional items US$'000	**Exceptional items US$'000**	**Total US$'000**	Before exceptional items US$'000	Exceptional items US$'000	Total US$'000
Cost of sales						
Mine production costs	**(184,608)**	**(53,130)**	**(237,738)**	(140,067)	(36,654)	(176,721)
Movement in inventory	**8,973**	**2,126**	**11,099**	5,854	3,572	9,426
Depreciation and amortisation	**(50,798)**	**—**	**(50,798)**	(35,601)	(36)	(35,637)
	(226,433)	**(51,004)**	**(277,437)**	(169,814)	(33,118)	(202,932)

	31 December 2013 US$'000	31 December 2012 US$'000
Finance income		
Interest received	**690**	898
Other operating costs		
Corporate compliance	**(3,188)**	(2,956)
Corporate consultants	**(793)**	(772)
Employee entitlements	**(118)**	(141)
Salary and wages	**(5,854)**	(8,314)
Travel and accommodation	**(1,205)**	(956)
Other administration expenses	**(278)**	(1,887)
Employee equity settled share-based payments	**(2,284)**	(1,981)
Fixed royalty – attributable to the Egyptian government	**(15,074)**	(12,769)
Foreign exchange gain, net	**9,621**	5,170
Provision for restoration and rehabilitation – unwinding of discount	**(563)**	(263)
Share of loss in associate (1)	**(1,664)**	(330)
Loss on disposal of property, plant and equipment	**(121)**	—
Lease payments	**(206)**	(306)
	(21,727)	(25,505)

(1) Share of loss in associate includes a US$1,414,000 Impairment of Exploration and Evaluation assets. Refer to Note 14 for further details.

Impairment of assets	31 December 2013 US$'000	31 December 2012 US$'000
Impairment of available-for-sale financial assets (1)	**(12,911)**	—
Impairment of exploration and evaluation assets (2)	**(6,503)**	—
	(19,414)	—

(1) Refer to Note 14 for further details.
(2) Refer to Note 13 for further details.

	31 December 2013 US$'000	31 December 2012 US$'000
Employee benefit expense (1)		
Short-term employee benefits	**50,285**	40,256
Long-term employee benefits	**2**	116
Post-employee benefits	**10**	21
Share-based payments	**2,284**	1,981
	52,581	42,374

(1) Included in employee benefit expense is an amount of US$8,703,736 (2012: US$5,602,318) capitalised to property, plant and equipment and US$2,977,684 (2012: US$2,183,300) capitalised to exploration and evaluation assets during the year.

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 2013 US$'000	31 December 2012 US$'000
Included in cost of sales		
Mine production costs	**(53,130)**	(36,654)
Movement in inventory	**2,126**	3,572
Depreciation and amortisation	—	(36)
	(51,004)	(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 (EG£403 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 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 every prospect of success. However, as a practical matter, and in order to ensure the continuation of supply, the Group has since January 2012 advanced funds to its fuel supplier, Chevron, based on the international price for diesel.

Notes to the consolidated financial statements continued

for the year ended 31 December 2013

6. Profit before tax continued

As at the date of the financial statements, 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 reclaiming funds from the government and for this reason has, fully provided against the prepayment of US$97.0 million, as an exceptional item, of which US$55.6 million was provided for during 2013 as follows:

(a) a US$51.0 million increase in cost of sales;

(b) a US$1.7 million increase in stores inventories;

(c) a US$2.1 million increase in mining stockpiles and ore in circuit; and

(d) a US$0.8 million increase in property, plant and equipment (capital WIP).

This has resulted in a net decrease of US$51.0 million in the profit and loss.

	31 December 2013 US$'000	31 December 2012 US$'000
Included in other operating costs		
Redomicile costs	—	(564)

The redomicile 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 in 2011.

7. Tax

Tax recognised in profit is summarised as follows:

Tax expense

	31 December 2013 US$'000	31 December 2012 US$'000
Current tax		
Current tax expense in respect of the current year	**10**	—
Adjustments recognised in the current year in relation to the current tax in prior periods	—	(444)
	10	(444)
Deferred tax		
Deferred tax expense relating to the origination and reversal of temporary differences	—	—
Tax losses and temporary differences not recognised	—	—
Total tax expense	**10**	(444)

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

	31 December 2013 US$'000	31 December 2012 US$'000
Profit before income tax	**183,969**	198,594
Add: share of loss in associate	**1,664**	330
	185,633	198,924
Tax expense calculated at 0% (2012: 0%) [(1)] of profit before tax	**—**	—
Tax effect of amounts which are not deductible/taxable in calculating taxable income:		
Non-deductible expenses	**—**	—
Tax effect of income not taxable in determining taxable profit	**—**	—
Tax losses and temporary differences not recognised	**—**	—
Effect of tax different tax rates of subsidiaries operating in other jurisdictions	**10**	—
Adjustments recognised in the current year in relation to the current tax in prior periods	—	(444)
Tax expense for the year	**10**	(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 (2012: 0%). There has been no change in the underlying corporate tax rates when compared to the previous financial period.

	31 December 2013 US$'000	31 December 2012 US$'000
Current tax liabilities		
Current tax payable	**—**	—

Tax consolidation

Relevance of tax consolidation to the consolidated entity

Companies within the Group's 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 metals only, which represents a single operating segment. The Board is the Group's chief operating decision maker within the meaning of IFRS 8.

Notes to the consolidated financial statements continued

for the year ended 31 December 2013

9. Trade and other receivables

	31 December 2013 US$'000	31 December 2012 US$'000
Gold sales debtors	**24,657**	40,736
Other receivables	**770**	—
	25,427	40,736

Trade and other receivables are classified as loans and receivables and are therefore measured at amortised cost. The average age of the receivables is 18 days (2012: 35 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 2013 US$'000	31 December 2012 US$'000
Mining stockpiles and ore in circuit	**33,899**	22,800
Stores	**101,370**	71,836
	135,269	94,636

During the year US$372,045 (2012: US$20,493) of inventory has been written off to cost of sales.

11. Prepayments

	31 December 2013 US$'000	31 December 2012 US$'000
Current		
Prepayments	**1,678**	466
Fuel prepayments	**—**	—
	1,678	466
Movement in fuel prepayments (1)		
Balance at the beginning of the year	**—**	—
Fuel prepayment recognised	**55,578**	41,417
Less: provision charged to: (2)		
Mine production costs (see Note 6)	**(53,130)**	(36,654)
Property, plant and equipment (see Note 6)	**(742)**	(4,157)
Inventories (see Note 6)	**(1,706)**	(606)
Balance at the end of the year	**—**	—

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

(2) The cumulative fuel prepayment recognised and provision charged as at 31 December 2013 is as follows:

Fuel prepayment recognised (US$'000)	96,995
Provision charged to:	
Mine production costs (US$'000)	(89,784)
Property, plant and equipment (US$'000)	(4,899)
Inventories (US$'000)	(2,312)

	31 December 2013 US$'000	31 December 2012 US$'000
Non-current		
EMRA (3)	**18,950**	—
	18,950	—

(3) With a view to demonstrating goodwill toward the Egyptian government, PGM made advance payments to EMRA which will be netted off against future Profit Share that becomes payable to EMRA.

12. Property, plant and equipment

	Office equipment US$'000	Land and buildings US$'000	Plant and equipment US$'000	Mining equipment US$'000	Mine development properties US$'000	Stripping asset US$'000	Capital WIP US$'000	Total US$'000
Cost								
Balance at 31 December 2012	3,595	171	278,366	105,276	176,407	—	259,856	823,671
Additions	54	—	55	—	1,742	—	252,173	254,024
Disposals	(188)	—	—	—	—	—	—	(188)
Transfers	1,164	—	6,481	73,098	4,825	—	(85,568)	—
Balance at 31 December 2013	**4,625**	**171**	**284,902**	**178,374**	**182,974**	**—**	**426,461**	**1,077,507**
Accumulated depreciation								
Balance at 31 December 2012	(2,516)	(16)	(28,252)	(29,707)	(15,609)	—	—	(76,100)
Depreciation and amortisation	(602)	(7)	(14,495)	(16,619)	(19,165)	—	—	(50,888)
Disposals	67	—	—	—	—	—	—	67
Balance at 31 December 2013	**(3,051)**	**(23)**	**(42,747)**	**(46,326)**	**(34,774)**	**—**	**—**	**(126,921)**
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)
Net book value								
As at 31 December 2012	1,079	155	250,114	75,569	160,798	—	259,856	747,571
As at 31 December 2013	**1,574**	**148**	**242,155**	**132,048**	**148,200**	**—**	**426,461**	**950,586**

During the year, as a result of the decline in the gold price, the Group carried out a review of the recoverable amount of the property, plant and equipment. The review did not lead to a recognition of an impairment loss. The discount rate used in measuring value in use was 12% per annum and the assumed average gold price was US$1,342 per ounce. No impairment was performed in 2012 as there was no indication of impairment.

Notes to the consolidated financial statements continued

for the year ended 31 December 2013

13. Exploration and evaluation asset

	31 December 2013 US$'000	31 December 2012 US$'000
Balance at the beginning of the period	**45,669**	31,113
Expenditure for the period	**20,683**	14,556
Impairment of exploration and evaluation asset	**(6,503)**	—
Balance at the end of the period	**59,849**	45,669

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 Holdings Limited (previously, Sheba Exploration (UK) plc) for US$10.2 million in relation to the licences of Finarwa/Winibo (Werie Lehe and Saharti), granted until 29 November 2013, Shehagne, granted until 21 September 2013 and the Una Deriam, granted until 19 March 2014. The Una Deriam licence is renewable for a period of one year, however, management has taken the decision not to renew the licences in respect of Finarwa/Winibo and Shehagne and have thus written off all expenditure incurred to date including the acquisition costs in relation to those licences.

14. Available-for-sale financial assets and interests in associates

14.1 Available-for-sale financial assets

	31 December 2013 US$'000	31 December 2012 US$'000
Balance at the beginning of the period	**5,613**	1,831
Acquisitions	**2,456**	6,427
Disposals	**(822)**	—
(Loss)/profit on foreign exchange movement	**(108)**	159
Loss on fair value of investment – other comprehensive income	**(6,150)**	(2,804)
Balance at the end of the period	**989**	5,613

The available-for-sale financial asset at period end relates to a 12.62% (2012: 13.62%) equity interest in Nyota Minerals Limited ("NYO"), a listed public company. During the year, management made the decision to sell its interest in Nyota and the financial asset has now been classed as a current asset.

As a result of the prolonged decline in the fair value of the investment in Nyota, an impairment loss has been recognised and the cumulative investments revaluation reserve balance within the accumulated profit reserve has been transferred to the Statement of Comprehensive Income as follows:

	31 December 2013 US$'000	31 December 2012 US$'000
Impairment loss – being the transfer of unrealised loss – from other comprehensive income	**12,911**	—

14.2 Interests in associates

	31 December 2013 US$'000	31 December 2012 US$'000
Balance at the beginning of the period	**3,132**	3,296
Acquisitions	**500**	166
Share of loss in associate (see Note 6)	**(1,664)**	(330)
Impairment in interest in associate	**(1,968)**	—
Balance at the end of the period	**—**	3,132

The interest in associate relates to the Group's 39.64% equity interest in Sahar Minerals Limited ("Sahar"), of which 33% was acquired in July 2011, 3% acquired in December 2012, and a further 4% acquired in September 2013. The associate holds exploration rights and continues to explore, however, management has taken the decision to write off the costs associated with the interest held in Sahar as a result of management's intention to put all assets into hibernation as a result of funding requirements.

15. Trade and other payables

	31 December 2013 US$'000	31 December 2012 US$'000
Trade payables	**59,996**	21,121
Other creditors and accruals	**18,106**	33,485
	78,102	54,606

Trade payables principally comprise the amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 69 days (2012: 38 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 2013 US$'000	31 December 2012 US$'000
Current		
Employee benefits (1)	**139**	625
Bonus provision	**—**	4,337
	139	4,962
Non-current		
Restoration and rehabilitation (2)	**7,638**	5,544
	7,638	5,544
Movement in restoration and rehabilitation provision		
Balance at beginning of the year	**5,544**	2,630
Additional provision recognised	**1,531**	2,651
Interest expense – unwinding of discount	**563**	263
Balance at end of the year	**7,638**	5,544
Movement in bonus provision		
Balance at beginning of the year	**4,337**	—
Provision recognised	**—**	4,337
Utilisation of provision	**(4,337)**	—
Balance at end of the year	**—**	4,337

(1) Employee benefits relate to annual, sick and long service leave entitlements. The current provision for employee benefits as at 31 December 2013 includes US$139,111 (31 December 2012: US$625,118) of annual leave entitlements. In the current year bonuses are classified within accruals.

(2) 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 7%. 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.

Notes to the consolidated financial statements continued

for the year ended 31 December 2013

17. Issued capital

	31 December 2013 US$'000	31 December 2012 US$'000
Balance at beginning of the period	**612,463**	608,596
Transfer from share options reserve	—	510
Other placements	—	3,367
Share issue costs	—	(10)
Balance at end of the period	**612,463**	612,463

During 2011 the Company redomiciled to Jersey and the presentation below is in line with the requirements of the Jersey Companies Act.

	31 December 2013		31 December 2012	
	Number	US$'000	Number	US$'000
Fully paid ordinary shares				
Balance at beginning of the period	**1,101,397,381**	**612,463**	1,096,297,381	608,596
Issue of shares under share/option schemes	—	—	5,100,000	3,357
Transfer from share option reserve	—	—	—	510
Balance at end of the period	**1,101,397,381**	**612,463**	1,101,397,381	612,463

At 31 December 2013 the Company held 11,013,888 ordinary shares in treasury [1] (2012: 11,347,222 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.

(1) Refers to shares held by the Trustee pursuant to the Loan Funded Share Plan and Deferred Bonus Share Plan.

18. Reserves

	31 December 2013 US$'000	31 December 2012 US$'000
Share option reserve	**5,761**	3,477
	5,761	3,477

	31 December 2013 US$'000	31 December 2012 US$'000
Share option reserve		
Balance at beginning of the period	**3,477**	2,006
Cost of share-based payments	**2,284**	1,981
Transfer to issued capital	—	(510)
Balance at the end of the period	**5,761**	3,477

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

(a) Capital expenditure commitments

	31 December 2013 US$'000	31 December 2012 US$'000
Plant and equipment		
Not longer than one year	**3,474**	55,978
Longer than one year and not longer than five years	**—**	—
Longer than five years	**—**	—
	3,474	55,978

(b) Operating lease commitments

	31 December 2013 US$'000	31 December 2012 US$'000
Office premises		
Not longer than one year	**73**	319
Longer than one year and not longer than five years	**244**	486
Longer than five years	**—**	60
	317	865

Operating lease commitments are limited to office premises in 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 EG£403 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 its 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 reclaiming funds from the government and for this reason has fully provided against the prepayment of US$97.0 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 2013.

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.

Notes to the consolidated financial statements continued

for the year ended 31 December 2013

20. Contingent liabilities and contingent assets continued

Contingent liabilities continued

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, insufficient evidence had 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 lodging a formal appeal before the Supreme Administrative Court on 26 November 2012. 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 under way.

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. The Company believes this demonstrates the government's commitment to our investment at Sukari and the desire to stimulate further investment in the Egyptian mining industry.

The Company does not yet know when the appeal will conclude, although it is 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 a number of leading Egyptian law firms who have confirmed that the proper steps were followed with regard to the grant of the 160km^2 lease. It therefore remains 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 Group's operation exceeds 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 case is heard.

Contingent assets

There were no contingent assets at the year end (31 December 2012: 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 2013 %	Ownership interest 31 December 2012 %
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**	100
Centamin Holdings Limited	Jersey	**100**	100
Sheba Exploration Limited	Ethiopia	**100**	100
Centamin Limited	Bermuda	**100**	100
Centamin West Africa Holdings Limited	United Kingdom	**100**	—
Unincorporated Joint Venture (3)	N/A	**51**	—

(1) Dormant company.

(2) Previously Sheba Exploration (UK) Plc.

(3) Conditional upon the terms of a JV Agreement between Centamin plc and Alecto Minerals plc.

22. Auditor's remuneration

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

	31 December 2013 US$'000	31 December 2012 US$'000
Fees payable to the Company's auditor and their associates for the audit of the Company's annual accounts	**301**	210
Additional fees relating to the prior year	**67**	191
Fees payable to the Company's auditor and their associates for other services to the Group		
– the audit of the Company's subsidiaries	**50**	48
Total audit fees	**418**	449
Non-audit fees:		
Audit related assurance services – interim review	**140**	126
Other assurance services	**49**	—
Tax compliance services	**56**	79
Tax advisory services	**60**	122
Total non-audit fees	**305**	327

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.

Notes to the consolidated financial statements continued

for the year ended 31 December 2013

23. Jointly controlled entities

The consolidated entity has material interests in the following ventures:

Name of joint venture	Principal activities	Percentage interest 31 December 2013 %	Percentage interest 31 December 2012 %
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 2013 US$'000	31 December 2012 US$'000
Current assets		
Cash	**2,297**	32,107
Trade and other receivables	**24,657**	40,734
Inventories	**127,242**	94,636
Prepayments	**1,361**	289
	155,557	167,766
Non-current assets		
Exploration, evaluation and development	**50,707**	32,002
	50,707	32,002
Current liabilities		
Trade and other payables	**73,780**	53,601
	73,780	53,601

Statement of comprehensive income

	31 December 2013 US$'000	31 December 2012 US$'000
Revenue	**503,825**	426,133
Cost of sales	**(254,108)**	(204,109)
Gross profit	**249,717**	222,024
Other operating income	**1,006**	37
Other operating costs	**(2,845)**	4,096
Profit before income tax	**247,878**	226,157
Tax expenses	**(4)**	—
Net profit for the year	**247,874**	226,157

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

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

In 2001 PGM, together with EMRA, were granted an Exploitation Lease over 160 square kilometres 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 manager, who is appointed by PGM.

The fiscal terms of the Concession Agreement require that PGM solely funds 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 2013, PGM has not recovered its cost and accordingly, no EMRA entitlement has been recognised to date, It is anticipated that the first payment to EMRA will become payable during 2015, 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
- 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; and
- legal title of all operating assets of PGM will pass to EMRA when cost recovery is completed. The right of use of all fixed and movable assets remains with PGM and SGM.

24. Earnings per share

	31 December 2013 Cents per share	31 December 2012 Cents per share
Basic earnings per share	**16.87**	18.27
Diluted earnings per share	**16.77**	18.26

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 2013 US$'000	31 December 2012 US$'000
Earnings used in the calculation of basic EPS	**183,959**	199,038

	31 December 2013 Number	31 December 2012 Number
Weighted average number of ordinary shares for the purpose of basic EPS	**1,090,242,853**	1,089,653,789

Notes to the consolidated financial statements continued
for the year ended 31 December 2013

24. Earnings per share continued
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 2013 US$'000	31 December 2012 US$'000
Earnings used in the calculation of diluted EPS	**183,959**	199,038

	31 December 2013 Number	31 December 2012 Number
Weighted average number of ordinary shares for the purpose of diluted EPS	**1,097,144,885**	1,089,977,621
Weighted average number of ordinary shares for the purpose of basic EPS	**1,090,242,853**	1,089,653,789
Shares deemed to be issued for no consideration in respect of employee options	**6,902,032**	323,832
Weighted average number of ordinary shares used in the calculation of diluted EPS	**1,097,144,885**	1,089,977,621

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 2013 US$'000	31 December 2012 US$'000
Cash and cash equivalents	**105,979**	147,133

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

	31 December 2013 US$'000	31 December 2012 US$'000
Profit for the year	**183,959**	199,038
Add/(less) non-cash items:		
Depreciation/amortisation of property, plant and equipment	**50,888**	35,637
Stock write-off	**372**	20
(Decrease)/increase in provisions	**(2,729)**	7,159
Foreign exchange rate gain, net	**(7,788)**	(4,320)
Impairment of available-for-sale financial assets	**12,911**	—
Share of loss in associate	**1,664**	330
Impairment of associate	**1,968**	—
Impairment of exploration and evaluation assets	**6,503**	—
Share-based payments	**2,284**	1,981
Changes in working capital during the period:		
Decrease/(increase) in trade and other receivables	**15,309**	(10,738)
Increase in inventories	**(40,633)**	(22,005)
(Increase)/decrease in prepayments	**(20,162)**	1,110
Increase in trade and other payables	**41,287**	13,193
Cash flows generated from operating activities	**245,833**	221,405

(c) Non-cash financing and investing activities
During the year there have been no non-cash financing and investing activities.

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 is 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, 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 2013 US$'000	31 December 2012 US$'000
Financial assets		
Available-for-sale assets	**989**	5,613
Cash and cash equivalents	**105,979**	147,133
Trade and other receivables	**25,427**	40,736
	132,395	193,482
Financial liabilities		
Trade and other payables	**78,102**	54,606
	78,102	54,606

(b) Financial risk management and objectives

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

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

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

Notes to the consolidated financial statements continued

for the year ended 31 December 2013

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 2013 US$'000	31 December 2012 US$'000	**31 December 2013 US$'000**	31 December 2012 US$'000	**31 December 2013 US$'000**	31 December 2012 US$'000
Financial assets						
Cash and cash equivalents	**535**	1,055	**17,430**	21,963	**898**	3,648
Available-for-sale assets	**580**	4,062	**409**	1,550	**—**	—
	1,115	5,117	**17,839**	23,513	**898**	3,648
Financial liabilities						
Trade and other payables	**549**	6,585	**4,923**	11,361	**35,980**	6,268
	549	6,585	**4,923**	11,361	**35,980**	6,268
Net exposure	**566**	(1,468)	**12,916**	12,152	**(35,082)**	(2,620)

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 2013 US$'000	31 December 2012 US$'000	**31 December 2013 US$'000**	31 December 2012 US$'000
US$/GB£ increase by 10%	**1**	133	**(53)**	(155)
US$/GB£ decrease by 10%	**(1)**	(133)	**53**	155
US$/A$ increase by 10%	**(1,144)**	(1,105)	**(29)**	(144)
US$/A$ decrease by 10%	**1,144**	1,105	**29**	144
US$/E£ increase by 10%	**3,003**	238	**—**	—
US$/E£ decrease by 10%	**(3,003)**	(238)	**—**	—

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 one month US$'000	One to twelve months US$'000	More than twelve months US$'000	Total US$'000
Consolidated					
31 December 2013					
Financial assets					
Variable interest rate instruments	**0.49**	**6,228**	**99,086**	**—**	**105,314**
Non-interest bearing	**—**	**27,081**	**—**	**—**	**27,081**
		33,309	**99,086**	**—**	**132,395**
Financial liabilities					
Variable interest rate instruments	**—**	**—**	**—**	**—**	**—**
Non-interest bearing	**—**	**78,102**	**—**	**—**	**78,102**
		78,102	**—**	**—**	**78,102**
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

Notes to the consolidated financial statements continued

for the year ended 31 December 2013

26. Financial instruments continued

(f) Liquidity risk

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

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

	Less than 1 month US$'000	One to twelve months US$'000	More than twelve months US$'000	Total US$'000
Liquidity risk:				
Consolidated				
31 December 2013				
Financial assets				
Variable interest rate instruments	**6,228**	**99,086**	**—**	**105,314**
Non-interest bearing	**27,081**	**—**	**—**	**27,081**
	33,309	**99,086**	**—**	**132,395**
Financial liabilities				
Variable interest rate instruments	**—**	**—**	**—**	**—**
Non-interest bearing	**78,102**	**—**	**—**	**78,102**
	78,102	**—**	**—**	**78,102**
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

(g) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties 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 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).

	2013			
	Level 1	**Level 2**	**Level 3**	**Total**
Available-for-sale financial assets	**989**	**—**	**—**	**989**

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

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 twelve months, with 50% vesting and exercisable after six months and the other 50% vesting and exercisable after twelve 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") and 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. No options have been offered under the EDLFSP and ELFSP in 2012.

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.

Notes to the consolidated financial statements continued

for the year ended 31 December 2013

27. Share-based payments continued

2011 Employee Option Scheme

Options were issued under the 2011 Employee 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 are 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. There are no current plans for options to be granted under 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. There are no outstanding awards under this plan and there is no current intention to use the plan.

Under the 2011 EOS the exercise price of the options is denominated in Great British pounds. 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.

On 4 June 2013, the Group offered to both the beneficiaries of the shares awarded under the ELFSP and to the majority of the beneficiaries of the options granted under the EOS the choice to replace their awards and options with awards under the DBSP. The Group has accounted for this change as modifications to the share-based payment plans and will be recognising the incremental fair value granted, measured in accordance with IFRS 2, by this replacement over the vesting period of the new DBSP awards.

Under this offer, each participant has been granted a number of awards under the DBSP equivalent to the number of shares or options held under the ELFSP and EOS respectively. Such DBSP awards shall be subject to the terms and conditions of the DBSP and shall ordinarily vest in three equal tranches on the anniversary of the grant date, conditional upon the continued employment with the Group. All offers made to participants were accepted.

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

	31 December 2013 US$'000	31 December 2012 US$'000
2011 EOS	**74**	110
LFSP	**596**	1,650
DBSP	**1,614**	221
	2,284	1,981

No LFSP awards or EOS options were granted during the year.

The fair value of share-based payments awarded under the LFSP and granted under the 2011 EOS were measured by the use of the Black 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)	EOS 2012(1)	LFSP 2011	LFSP 2011	LFSP 2011
Date of grant	5 April	5 April	15 August	21 March	21 June	30 September
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 (GB£)	0.6380	0.6380	0.6950	1.2590	1.1710	1.1710
Exercise price (GB£)	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) (GB£)	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 two 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.

Deferred share awards granted during the current and prior year:

	DBSP 2013(1)	DBSP 2012
Grant date	**4 June 2013**	11 October 2012
Number of instruments	**9,075,000**	1,000,000
Share price at grant date (GB£)	**0.3857**	1.0060
Share price at grant date (US$)	**0.5886**	1.6265
Vesting period (years) (2)	**1-3**	1-3
Expected dividend yield (%)	**n/a**	n/a
Fair value (GB£) (3)	**0.3857**	1.0060
Fair value (US$) (2)	**0.5886**	1.6265
Incremental fair value at grant date (weighted average) (GB£) (4)	**0.3277**	—
Incremental fair value at grant date (weighted average) (US$) (4)	**0.5000**	—

(1) Awards granted on 4 June 2013 to replace the awards under the ELFSP and the majority of the options granted under the EOS.

(2) Variable vesting dependent on one to three years of continuous employment.

(3) The fair value of shares in the DBSP was calculated by using the closing share price on grant date, converted at the closing GB£:US$ foreign exchange rate on that day, no other factors were taken into account in determining the fair value.

(4) The incremental fair value of the shares awarded under the DBSP were calculated by using the closing share price on grant date, converted at the closing GB£:US$ foreign exchange rate on that day less the fair value of the share-based payments awarded under the ELFSP and EOS immediately prior to the grant under the DBSP on 4 June 2013. No other factors were taken into account in determining the fair value of the shares awarded under the DBSP. 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 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.

Notes to the consolidated financial statements continued

for the year ended 31 December 2013

27. Share-based payments continued

Deferred share awards granted during the current and prior year: continued

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 2013		31 December 2012	
	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
Granted during the period	—	—	—	—
Expired/lapsed during the period	—	—	(1,630,150)	1.9228
Exercised during the period	—	—	—	—
Balance at the end of the period	—	—	—	—
Exercisable at the end of the period	—	—	—	—

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 2013		31 December 2012	
	Number of options	**US$ Weighted average exercise price**	Number of options	US$ Weighted average exercise price
Balance at beginning of the period	**1,400,000**	**1.0716**	—	—
Granted during the period	—	—	1,550,000	1.0718
Expired/lapsed during the period	**(600,000)**	**1.1136**	(150,000)	1.0730
Replaced with DBSP awards	**(300,000)**	**1.1250**	—	—
Cancelled and to be replaced with DBSP awards	**(500,000)**	**1.1250**		
Exercised during the period	—	—	—	—
Balance at the end of the period	—	—	1,400,000	1.0716
Exercisable at the end of the period	—	—	—	—

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

	31 December 2013		31 December 2012	
	Number of options	**US$ Weighted average exercise price**	Number of options	US$ Weighted average exercise price
Balance at beginning of the period	**10,137,222**	**1.5808**	7,472,222	2.00547
Granted during the period	—	—	5,100,000	1.0730
Expired/lapsed during the period	**(167,500)**	**1.5014**	(2,435,000)	1.8169
Replaced with DBSP awards	**(8,747,500)**	**1.5228**	—	—
Exercised during the period	—	—	—	—
Balance at the end of the period	**1,222,222**	**2.0758**	10,137,222	1.5808
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 2013 Number of awards	31 December 2012 Number of awards
Balance at beginning of the period	**1,000,000**	—
Granted during the period	**9,075,000**	1,000,000
Expired/lapsed during the period	**(787,500)**	—
Exercised during the period	**—**	—
Balance at the end of the period	**9,287,500**	1,000,000
Exercisable at the end of the period	**333,333**	—

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:

	31 December 2013 US$	31 December 2012 US$
Short-term employee benefits	**7,315,048**	7,916,848
Long-term employee benefits	**1,635**	116,226
Post-employment benefits	**31,153**	78,295
Share-based payments	**1,826,452**	1,209,491
Total	**9,174,288**	9,320,860

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 above.

Notes to the consolidated financial statements continued

for the year ended 31 December 2013

29. Related party transactions continued

(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 2013	Balance at 1 January 2013[2]	Granted as remuneration (LFSP)	Granted as remuneration (DBSP)	Received on exercise of options	Net other change[1]	**Balance at 31 December 2013**	**Balance held nominally**
J El-Raghy	70,945,086	—	—	—	500,000	**71,445,086**	—
T Schultz	1,030,000	—	—	—	—	**1,030,000**	—
G Haslam	102,056	—	—	—	—	**102,056**	—
M Arnesen	15,000	—	—	—	—	**15,000**	—
M Bankes	90,000	—	—	—	30,000	**120,000**	—
K Tomlinson	—	—	—	—	—	**—**	—
P Louw	1,737,500	—	1,200,000	—	(1,200,000)	**1,737,500**	—
A Pardey	1,785,000	—	510,000	—	(510,000)	**1,785,000**	—
H Brown	475,000	—	—	—	—	**475,000**	—
C Aujard	—	—	—	—	—	**—**	—
D Le Masurier	—	—	—	—	—	**—**	
L Gregory	—	—	—	—	—	**—**	
Y El-Raghy	510,000	—	—	—	—	**510,000**	—
A Davidson	—	—	—	—	—	**—**	—

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	—	—	—	—	—	—	—
D Le Masurier	—	—	—	—	—	—	
L Gregory	—	—	—	—	—	—	
Y El-Raghy	—	510,000	—	—	—	510,000	—
A Davidson	—	—	—	—	—	—	—

(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 and the replacement of awards under the ELFSP with shares awarded under the 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 2013	Balance at 1 January 2013	Granted as remuneration	Exercised	Other changes	**Balance at 31 December 2013**	Balance vested during the financial period	**Balance – vested and exercisable at 31 December 2013**
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)	—	—	—
D Le Masurier	—	—	—	—	—	—	—
L Gregory	—	—	—	—	—	—	—
Y El-Raghy	—	—	—	—	—	—	—
A Davidson	500,000	—	—	(500,000)	—	—	—

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	—	—
D Le Masurier	—	—	—	—	—	—	—
L Gregory	—	—	—	—	—	—	—
Y El-Raghy	—	—	—	—	—	—	—
A Davidson	—	500,000	—	—	500,000	—	—

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

e) Other transactions with key management personnel

The related party transactions for the year ended 31 December 2013 are summarised below:

Josef El-Raghy is a director and shareholder of El-Raghy Kriewaldt Pty Ltd ("El-Raghy Kriewaldt"). El-Raghy Kriewaldt provides office premises to the Company. All dealings with El-Raghy Kriewaldt are in the ordinary course of business and on normal terms and conditions. Rent and office outgoings paid to El-Raghy Kriewaldt during the period were A$48,278 or US$45,600 (31 December 2012: A$21,499 or US$22,103).

Notes to the consolidated financial statements continued

for the year ended 31 December 2013

29. Related party transactions continued

f) Transactions with the government of Egypt

Royalty costs attributable to the government of Egypt of US$15,074,098 (2012: US$12,769,084) were incurred in 2013.

With a view to demonstrating goodwill toward the Egyptian government, PGM has made advance payments to EMRA of US$18,950,000 (2012: nil) which will be netted off against any future profit share that becomes payable to EMRA.

g) Transactions with other related parties

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

During the 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 ongoing 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.

Subsequent to period end the Group reduced its interest in Nyota from 12.62% to 11.37% through the sale of 11 million shares held in Nyota and generated proceeds amounting to US$0.1 million.

On 20 February the Group announced that it had entered into an unconditional agreement for an off-market takeover for all the issued, and to be issued, shares of Ampella Mining Ltd (the "Offer"). Under the Offer, Ampella Mining Ltd ("Ampella") will receive one (1) new Centamin share for every five (5) Ampella shares held.

The acquisition of Ampella will add significant gold assets to Centamin's development portfolio, with c.2,200km^2 of exploration ground in Burkina Faso, including the Batie West gold project which hosts the Konkera Resource and c.1,200km^2 of exploration ground across the border from Batie West in Côte d'Ivoire. Centamin intends to progress a substantial exploration programme at Batie West, aimed at developing the potential for further significant resource growth and realising the project's full value, ultimately through development of a sizeable producing operation.

On 24 February 2014, the Group had a relevant interest in 126,321,285 shares or 51.14%. In respect to the Offer, the Company issued a further 38,151,563 ordinary shares to the Ampella shareholders who had accepted the Offer by 28 February 2014. The enlarged share capital of the Company at 7 March 2014 was 1,139,548,944 ordinary shares.

The numbers presented below are provisional and have been accounted for using the acquisition method of accounting.

The assumed acquisition consideration based on the terms of the Offer by Centamin will be as follows:

Number of Ampella shares on issue as at 24 February 2014	254,302,883*
Number of Ampella shares to be acquired	254,302,883*
Number of Centamin shares offered for every Ampella share	0.20
Total number of Centamin shares issued	50,860,577
Fair value of Centamin shares as at 24 February 2014 US$/share	0.96
Share consideration US$	48,826,154
Fair value of consideration US$	48,826,154

* This number assumes that all Ampella performance rights have vested in accordance with the terms of the Employee Performance Rights Plan. It also assumes that 1,500,000 Ampella shares issued under the Ampella Employee Share Acquisition Plan are cancelled.

Details of the assets, liabilities and mineral assets:

	Notes	Book value US$'000	Fair value adjustments US$'000	Fair value on acquisition US$'000
Current assets				
Cash and cash equivalents		11,961	—	11,961
Trade and other receivables		110	—	110
Prepayments		262	—	262
Inventories	(a)	30	—	30
Non-current assets				
Property, plant and equipment	(b)	1,497	—	1,497
Other non-current assets		26	—	26
Current liabilities				
Trade and other payables		643	—	643
Provisions		271	—	271
Fair value of net identifiable assets acquired		12,972		12,972
Mineral asset allocated on acquisition	(c)			46,610
Less: deferred tax liability	(c)			(10,756)
Total purchase consideration				48,826

The fair value of the identifiable assets, liabilities and contingent liabilities are subject to change following a detailed assessment of the fair values which is currently under way. For the purposes of the preparation of the financial statements, management has assumed the following:

(a) inventories have not been adjusted as management do not have sufficient information from which to estimate fair value;

(b) management have assumed that the book value of the property, plant and equipment is indicative of fair value as detailed valuations have not been performed; and

(c) management have allocated the excess of the fair value of the consideration of US$46.6 million over the fair value of the identifiable assets, liabilities and contingent liabilities acquired to mineral rights.

The premium on acquisition of Ampella has been calculated as follows:

	US$'000
Current assets	12,363
Non-current assets	1,523
Current liabilities	(914)
Mineral rights	35,854
Fair value of assets and liabilities acquired	48,826

Management have assumed that a deferred tax liability will arise for the full value of the uplift to the mine assets based on the limited information available and accordingly have recorded a deferred tax liability of US$10.8 million. The mineral right, inclusive of the deferred tax liability, amounts to US$46.6 million.

On completion of the detailed fair value exercise, certain intangible assets may be identified and recorded separately. This may also result in the recognition of additional deferred tax liabilities. Further, any intangible assets with a finite life identified in the business combination will be required to be amortised over their useful life.

Transaction costs are assumed to be approximately US$1.9 million.

There were no other significant events occurring after the reporting date requiring disclosure in the financial statements.

Glossary

AIF
Annual Information Form

AN
ammonium nitrate

ARE
Arab Republic of Egypt

assay
qualitative analysis of ore to determine its components

Au
chemical symbol for the element gold

Board
the Board of Directors of the Group

CA
Concession Agreement

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

EMRA
Egyptian Mineral Resource Authority

EOS
Employee Option Scheme

ESOP
Employee Share Option Plan

EGPC
the Egyptian General Petroleum Corporation

EMRA
Egyptian Mineral Resource Authority

EU IFRS
International Financial Reporting Standards as adopted by the European Union

FA
fatality

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

FRC
Financial Reporting Council

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

g/t
gram per metric tonne

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

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

IFRS
International Financial Reporting Standards

IOD
Institute of Directors

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

LFSP
Loan Funded Share Plan

LTI
lost time due to injury

LTIFR
lost time injury frequency rate

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

MD&A
Management's Discussion and Analysis of the Financial Condition and Results of Operations

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

Moz
million ounces

Mt
million tonnes

MTIF
Medical treatment injury frequency

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 costs

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)

PGM
Pharaoh Gold Mines NL

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

ROM
run of mine

SGM
Sukari Gold Mining Co.

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

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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 realisation 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 US 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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