



VALUE DRIVEN GROWTH



Centamin plc
Annual report 2014

Investment case

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 production which is rapidly increasing to an annualised rate of 450,000-500,000 ounces.

The major capital investment phase at Sukari is now complete allowing the generation of free cash flow and the opportunity for future growth and shareholder returns.



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Inside this report

Strategic report

A detailed look at the Company's strategic objectives for 2015, its progress on strategy and operational and performance highlights in 2014.

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Shareholder information

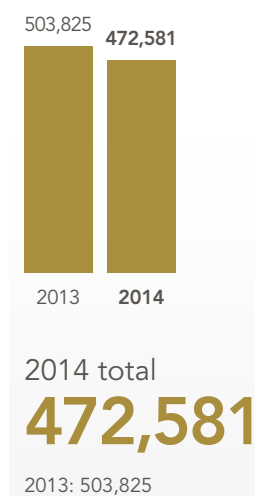
Summary information for the shareholders and stakeholders of the Company.

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Financial highlights

Our financial highlights demonstrate how we have delivered on our strategic priorities: **1** to generate substantial free cash flow from operations and **2** to provide returns to shareholders which stand out against our peer group.

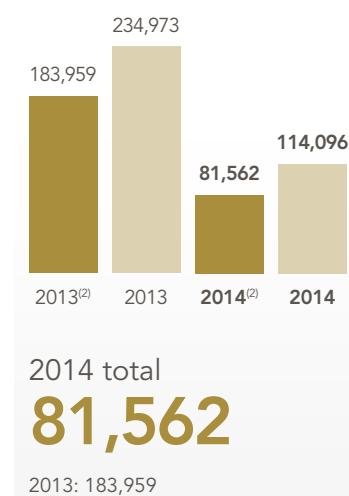
Revenue
(US\$'000)



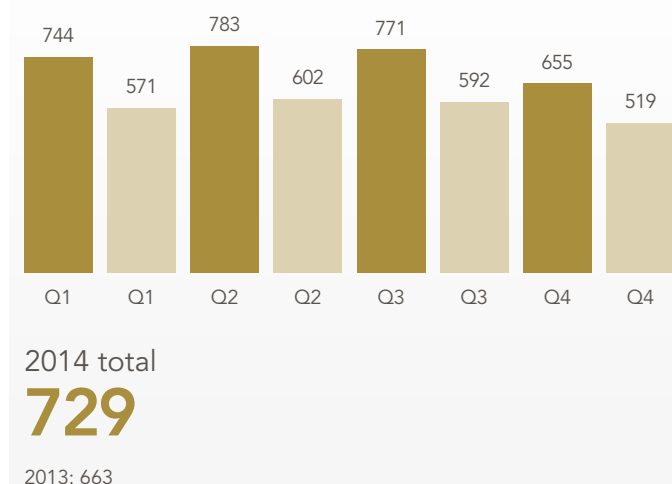
Cash in hand at year end
(US\$'000)



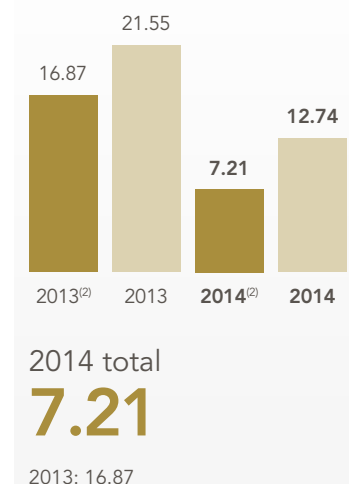
Profit before tax
(US\$'000)



2014 quarterly operating cash costs
(US\$ per ounce)⁽¹⁾



Earnings per share
(cents)



■ Excluding fuel subsidy⁽²⁾ ■ Including fuel subsidy

(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.

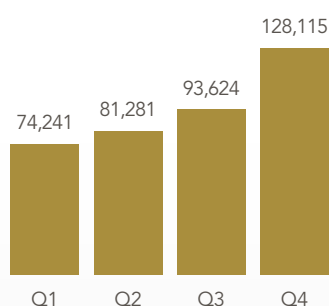
(2) Excluding fuel subsidy (full international price), this has been presented for comparative purposes to reflect the fuel price differential had the prepayments been expensed during the year (refer to Note 6 to the financial statements for further details).

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

Operational highlights

Our operational highlights illustrate how we have delivered on our strategic priority **3** to use cash reserves to fund our next stage of growth.

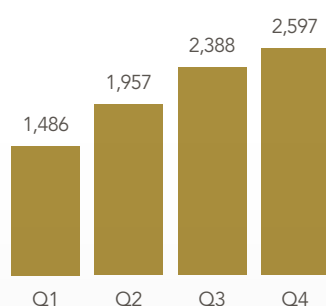
2014 quarterly production
(ounces)



2014 total
377,261

2013: 356,943

2014 quarterly ore processed
('000t)



2014 total
8,428

2013: 5,684

Sukari resources and reserves⁽¹⁾
(million ounces)

Proven & Probable⁽¹⁾

8.2

Measured & Indicated⁽²⁾

13.4

Inferred

1.4

Lost time incident frequency rate ("LTIFR") based on 200,000 man-hours: **0.39** (2013: 0.36)

(1) Resource and reserve statement announced on 18 December 2013.

(2) Includes production since 30 September 2013.

(3) Includes production since 30 June 2013.

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 10.9Mt in 2014. Mining was predominately from the Stage 3 area and development work progressed in the Gazelle and Eastern Hills area.



Further information in the operational review.



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Underground

The underground mine delivered a total of 1Mt of ore at 6.10g/t. The expansion of the underground mine continued with the further development in both the Ptah and Amun declines.





New thickener at the process plant

Raw water pond to feed the process plant



Production

Ore processed was a record year of 8.4Mt. Commissioning of the Stage 4 expansion to double capacity to nameplate 10Mtpa tonnes was completed in the second half of 2014. Nameplate capacity stood at 10Mtpa at the end of June 2014.



Further information in the operational review.



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Advanced exploration

A systematic drilling programme is under way to expand the resource on the licences in Burkina Faso and Côte d'Ivoire. A total of 9,302m (including 362.8m diamond drilling) have been drilled in 2014 following the acquisition of ASX listed, Ampella Mining Limited earlier in 2014.



Further information in the operational review.



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Centamin at a glance

Our flagship project, the large-scale and low-cost Sukari Gold Mine, is located in the eastern desert of Egypt where production is rapidly increasing to an annualised rate of 450,000-500,000 ounces.

Sukari mine



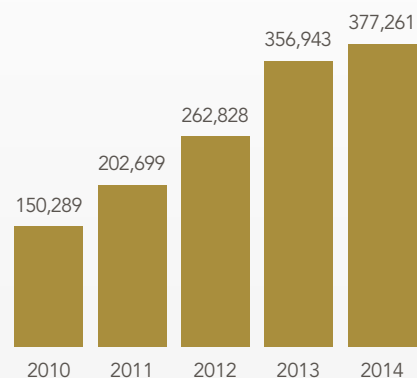
The location of the Sukari Gold Mine.

Sukari has been operating since 2010 and has an estimated 20-year mine life based on the 8.2 million ounce reserve (as at 30 September 2013), with significant potential for further growth.

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

- production of 377,261 ounces, a 6% increase on 2013 and a 5th successive year of production growth;
- cash cost of production of US\$729 per ounce;
- average realised gold price of US\$1,257 per ounce;
- completion of the US\$331.2 million Stage 4 expansion project; and
- processing throughput exceeded the expanded 10Mtpa plant nameplate capacity in the fourth quarter.

Production history since 2010 (ounces)



Open pit



Open pit mining operation

The open pit delivered total material movement of 44,820kt for the year, an increase of 7% on the prior year.

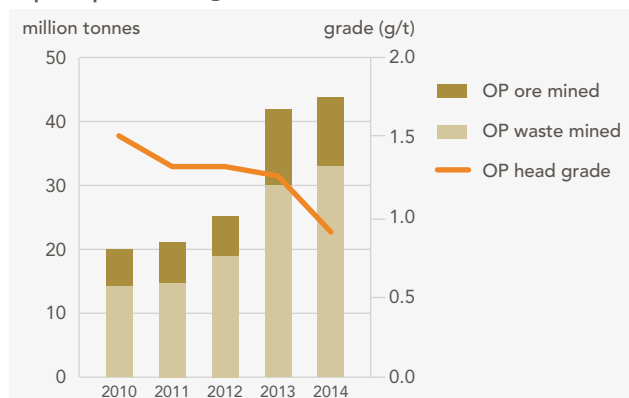
Sukari Hill exploration

Surface drilling from January to April 2014 continued in the northern portions of the Sukari Hill deposit (through the Ra and Gazelle zones and into the northern Pharaoh Zone).

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.

Open pit mining



Underground



Underground mining operation

Ore production from the underground mine was a record 968kt, a 65% increase on 2013.

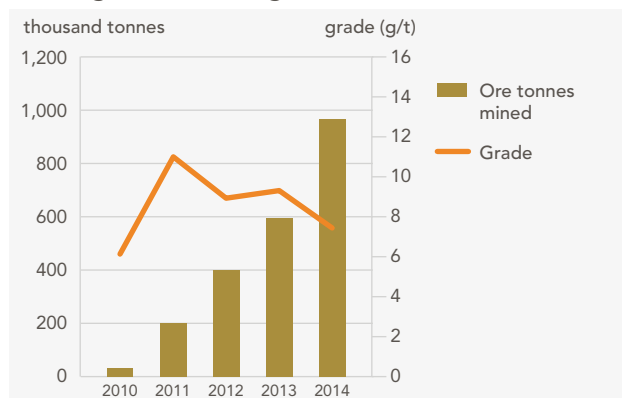
Amun and Ptah declines

A total of 6,625m of development was completed, including 5,701m which was mineralised (4,737m in Amun, and 961m in Ptah) and associated with stoping blocks planned for mining in 2015-17.

Sukari underground exploration

Drilling from underground remains a focus of the Sukari exploration programme and was progressively stepped up during the year. Continued underground development provided improved access to test potential high-grade extensions of the deposit, which remains open to the north and at depth.

Underground mining



Centamin at a glance continued

The Stage 4 expansion project represented US\$331.2 million of capital expenditure to double the processing plant's nameplate capacity from five million tonnes per annum ("Mtpa") to 10Mtpa.

Sukari mine continued

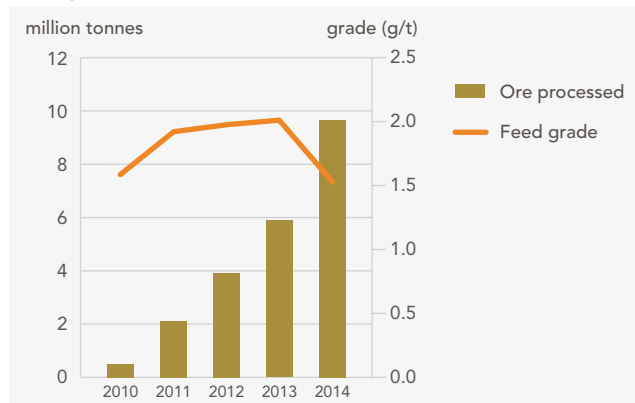
Production

Processing

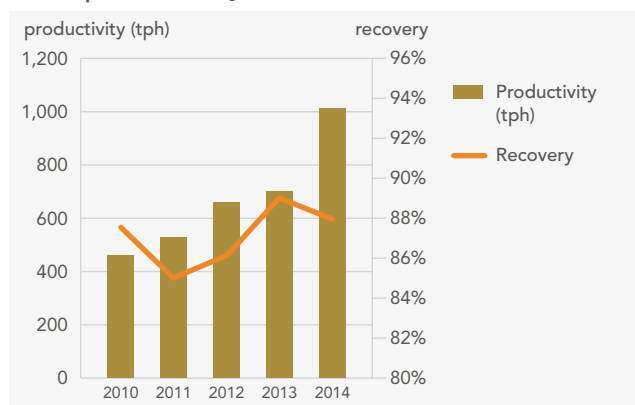
The Sukari plant processed 8.4Mt of ore in 2014, a 48% increase on 2013 (5.7Mt), reflecting the commencement of ore treatment through the new Stage 4 plant circuit. The Stage 4 expansion project represented US\$331.2 million of capital expenditure to double the processing plant's nameplate capacity from five million tonnes per annum ("Mtpa") to 10Mtpa. Commissioning of the new circuit was successfully completed in the second half of 2014.



Ore processed and feed grade



Plant productivity



Centamin's portfolio includes advanced exploration in Burkina Faso and early exploration in Ethiopia and Côte d'Ivoire.

Exploration



Advanced exploration: Burkino Faso

In March, Centamin acquired ASX-listed Ampella Mining Limited, thus gaining exploration rights over a highly prospective circa 2,200km² region of Burkina Faso ("Batie West") containing a 1.9Moz Indicated and 1.3Moz Inferred resource at the Konkera Prospect. Fieldwork is aimed at expanding the near-surface resource through a systematic drilling, sampling and surveying programme over the numerous highly prospective target areas within this district.

Konkera resource (million ounces)

Measured
& Indicated

1.92

Inferred

1.33



Early stage exploration

Centamin's portfolio also includes early stage exploration in highly prospective areas of Côte d'Ivoire and Ethiopia.

Côte d'Ivoire

As part of the Ampella transaction, Centamin acquired three licences in Côte d'Ivoire covering a circa 1,200km² area across the border from Batie West in Burkina Faso. A further four licences are under application.

An ongoing programme of mapping, rock chip sampling auger drilling and geochemistry is aimed at processing a rapid and efficient assessment of the exploration permits potential and then either move prospects into advanced exploration or move to new permit areas.

Ethiopia

Centamin continued exploration on its tenement in Una Deriem in northern Ethiopia, and in total, 2,547.9m were drilled in 2014 bringing total drilling for the region to 13,783m. A new licence known as the 'Ondonok Dabus' Licence was awarded and regional works are under way. A limited exploration programme was carried out on two licence areas under joint venture with AIM-listed Alecto Minerals. Initial results were not as anticipated and as such led to the cancellation of this agreement in early 2015.

Chairman's statement

“

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

”

Josef El-Raghy
Chairman



Centamin's corporate strategy seeks to deliver peer-leading shareholder returns by taking gold projects from exploration, through development and into production. In this respect, 2014 was a pivotal year for the Company. Our flagship Sukari Gold Mine saw the successful commissioning of the US\$331 million Stage 4 process plant expansion, marking the project's transition out of the investment phase and into a sustainable period of free cash flow generation over an expected minimum 20-year mine life. In recognition of this and due to the Company's strong financial position, the Board of Directors initiated a dividend programme during 2014 with a maiden interim dividend of 0.87 US cents per share. The Company is now pleased to announce the approval of a final dividend for 2014 of 1.99 US cents per share (totalling approximately US\$23 million) which represents for the full year, a pay-out level of approximately 30% of our free cash flow as defined by our dividend policy.

The strong ramp-up in production rates associated with the expansion presented a number of operational challenges during 2014. Although our strong track record of delivery against annual gold production guidance was affected by lower-than-expected processing rates and underground grades, resulting in revised guidance, the fourth quarter saw annualised rates in excess of our long term 450-500,000 ounce target. Full year production of 377,261 ounces was a 6% increase on 356,943 ounces in 2013. This strong end to the year was achieved as plant throughput exceeded the expanded 10Mtpa nameplate capacity and open pit grades increased in line with the mine plan.

Cost control remains an absolute focus of the Company and it is pleasing to note that, despite full year production of around 10% lower than forecast at the start of the year, the cash operating cost of US\$729/oz was only marginally above our original US\$700/oz guidance. In line with the strong production rate, Q4 cash operating costs of US\$655/oz point towards the long-term potential of the operation to deliver highly-competitive cash margins.



Processing plant at Sukari

The impact of a weaker gold price environment contributed towards a 29% year-on-year reduction of EBITDA to US\$165.4 million. Profit after tax of US\$81.6 million was down 56% on 2013 and earnings per share of 7.21 cents compare with 16.87 cents in 2013. Gold production guidance for 2015 is 420,000 ounces at a cash operating cost of US\$700/oz and all-in-sustaining cost ("AISC") of US\$950/oz. The northern and eastern walls of the open pit are a focus for 2015 and, as mining progresses through the upper portions of the next stage of pit development, grades are scheduled to progressively increase to the reserve average in the second half of the year, when production is expected to increase to the 450-500,000 ounce per annum rate.

Over the medium term, continued optimisation and higher productivity rates, in particular within the processing and underground mining operations, offer good potential for further production growth and reductions in AISC for no additional capital expenditure for expansion. We therefore remain confident that Sukari will continue to deliver further incremental growth over the coming years.

Centamin remains committed to its policy of being 100% exposed to the gold price through its unhedged position and our balance sheet remains strong, with US\$162.8 million in cash, bullion on hand, gold sales receivables and available-for-sale financial assets as at 31 December 2014.

During 2014 Centamin made good progress in securing its longer-term growth objectives. The completion of the Ampella Mining acquisition in March gave us a substantial footprint in the highly prospective regions of Burkina Faso and Côte d'Ivoire. Subsequent to completion of the acquisition, a systematic exploration programme was initiated aimed at developing the potential for further significant growth of the 1.9Moz Indicated and 1.3Moz Inferred resource.

Chairman's statement continued

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.

Whilst disciplined and sustainable growth on our existing projects remains a key focus, we continue to evaluate opportunities to grow through the acquisition of projects which offer the potential for the Company to deliver on its strategic objectives.

The two litigation actions, Diesel Fuel Oil and Concession Agreement, progressed in line with our expectations during the year and are described in further detail in Note 20 to the financial statements. In respect of the latter, the Company continues to believe that it has a strong legal position and, in addition, that it will ultimately benefit from the new law no. 32 of 2014, which came into force in April 2014 and which restricts the capacity for third parties to challenge any contractual agreement between the Egyptian government and an investor. This new law is currently under review by the Supreme Constitutional Court of Egypt. We are aware of the potential for the legal process in Egypt to be slow and for cases to be subject to delays and adjournments but we remain confident of the merits of the two cases.

The Group continues to benefit from the full support of the Ministry of Petroleum and EMRA, both in the Concession Agreement 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, having transitioned from its initial period of construction, sets the stage for a new era of gold mining in Egypt.

Subsequent to the year end, Andrew Pardey was appointed as Chief Executive Officer ("CEO") and joined the Board as an executive director from 1 February 2015. Andrew has been a driving force behind Sukari's growth into one of the world's leading gold mines and of Centamin's development from a junior exploration company into one of the largest gold producers in North Africa. His experience and stewardship will be of invaluable benefit to the business as it continues to develop and realise its next stages of growth. In my role as Chairman I look forward to continuing to work with the Company towards delivering substantial shareholder value through further development of our portfolio of assets.

Trevor Schultz resigned as an executive director and was appointed as a non-executive director from 1 May 2014, coinciding with the successful completion of construction of the Stage 4 expansion and hand over to operations for commissioning. Trevor has made an invaluable contribution to the establishment of Sukari as a globally-significant gold mining operation, in particular with his recent role in overseeing the construction of the Stage 4 process plant. Such a major construction project that was completed with minimal cost and time overruns is testament to his strong leadership and experience. I am delighted that the Company and its shareholders continue to benefit from Trevor's counsel in his role as a non-executive director.

Subsequent to the year-end, Professor G Robert Bowker (aged 65) retired as a non-executive director, effective from 26 January 2015. Bob has been involved with the Company since 2008 and during this time the Centamin team have benefited greatly from his insightful view of the political landscape in Egypt and the wider region. Bob has provided valued counsel to those that he has worked with over the years and has been a part of the evolution of the Company from explorer to Egypt's first modern gold miner. All of us at Centamin wish him well in the future.

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, Burkina Faso, Côte d'Ivoire, Jersey and Perth for their efforts in 2014 as Centamin continued on its journey to becoming an established cash-generative gold producer.

Your Company remains well positioned to deliver outstanding shareholder returns in the coming years as we adhere to our philosophy of focusing on free cash flow generation, returns to shareholders and growth through exploration. I look forward to updating you further over the course of 2015, and would welcome you to join us at our AGM, which this year will be held in London on 18 May 2015.

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

23 March 2015



[Blast hole drilling in Sukari pit](#)



Chief Executive Officer's report

“

Centamin is entering a sustainable period of cash generation, which it will use to reward shareholders through dividends and ongoing growth.

”

Andrew Pardey
Chief Executive Officer



Dear shareholders

2014 was another year of production growth for Sukari and overall performance bodes well for the potential of the operation to generate significant free cash flow over the coming years. The Stage 4 project to double nameplate capacity at the process plant to 10 million tonnes per annum (Mtpa) was completed during the first half of the year for a total capital expenditure of US\$331.2 million. The project was completed on budget and with limited timeline over-runs, representing a solid achievement in itself, but is all the more notable when set against the various external challenges that were faced, particularly during the early stages of the construction period.

Whilst affected by periods of below-expected productivity, progressive increases in plant throughput continued as commissioning activities took effect and the nameplate 10Mtpa capacity was reached, and exceeded, from September onwards.

The fourth quarter was another record for both open pit and underground mining rates and productivity in both of these areas remains strong. Following government approval in the fourth quarter for the increase in Ammonium Nitrate (“AN”) usage, the open pit is now on a secure footing to deliver the scheduled material movements as required for the expanded operation. The underground mine continued to deliver strong increases in volumes through 2014, achieving above-target levels by year end, although with lower grades than originally forecast. With the operation now appropriately scaled for the higher processing rate, the focus for 2015 is on reducing grade volatility and thereafter leveraging the potential for additional productivity increases.

The efficiency gains delivered with the production ramp-up are indicated by a material year-on-year decrease in operating costs per tonne, in both the mining and processing areas. This is a trend we expect to continue in the coming quarters as the expanded operation continues to be optimised.

Our strategic priorities

As the new Chief Executive Officer, I have summarised below the strategic aims for the Company over the coming years, which are threefold:



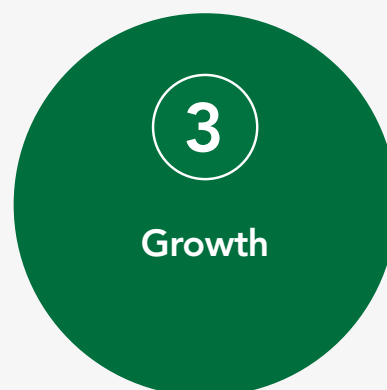
To generate substantial free cash flow from operations.

➔ See page 18



To provide returns to shareholders which stand out against our peer group.

➔ See page 20



To use cash reserves to fund our next stage of growth.

➔ See page 22

Centamin's track record of safety is an aspect of our performance of which I am both pleased and eager to improve. Developing a strong culture of health and safety awareness onsite has resulted in improved reporting of incidents compared to previous years and our LTI frequency rate of 0.39 per 200,000 man-hours in 2014 (0.36 in 2013) is a solid achievement, especially when considering Sukari is the first modern gold mine in Egypt. Nevertheless, there remains room for improvement and our target is for zero injuries and having every person go home safely every day.

Subsequent to the year end, an unfortunate incident occurred in Burkina Faso on a public road near the Konkera village which resulted in one of our local employees being fatally wounded and another sustaining injuries. The wellbeing of our employees is a priority for Centamin and a thorough investigation into this bandit attack, on two of our vehicles, has been carried out. Further additional security measures have been proposed following the incident and these are being implemented. There was no impact on operational activity as a result of the incident.

Chief Executive Officer's report continued

The focus for 2015 is to continue production growth at Sukari whilst maintaining a strong control on costs, with the objective of generating substantial free cash flow even under challenging gold price assumptions.

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 has, however, provided information relating to this legislation in the CSR report.

➔ See pages 46 to 57

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, and further details of our various initiatives can be found in the CSR report.

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.

Outlook

The focus for 2015 is to continue production growth at Sukari whilst maintaining a strong control on costs, with the objective of generating substantial free cash flow even under challenging gold price assumptions. We intend to return 15-30% of this cash flow to our shareholders, in line with our dividend policy, and to allocate the remainder towards our medium and long-term objective of organic growth aimed at realising incremental shareholder value and returns.

Safety remains a priority and our target is a lost time injury rate of zero during 2015.

Guidance for 2015 is for 420,000 ounces at US\$700/oz cash operating cost and US\$950/oz all-in-sustaining cost. Production is expected to achieve the 450-500,000 ounce per annum target rate from second half of 2015 onwards.

In the open pit, the focus will continue on the northern and eastern cutback to expose higher grade ore from the second half of the year. This will ensure that the operation is on a secure footing to sustain, on an annual basis, the required tonnages at reserve-average grades.

We aim to build on the significant productivity increases from the underground mine by targeting a reduction in grade volatility.

As we achieve these targets, and during the next two to three year period, we intend to continue optimising the various areas of the expanded Sukari operation with the ultimate aim of delivering further production increases. The productivity levels achieved during 2013 in the pre-expansion process plant, together with the various design improvements implemented during the Stage 4 project build, provide us with confidence that the expanded plant will achieve, in time, production levels materially above nameplate capacity. At the underground mine, as stable grade delivery is achieved at the current mined volumes, we see potential for further incremental productivity increases.

The additional shareholder value that can be gained from the continued drive for efficiency has the potential to be significant and requires no significant capital expenditure.

No capital expenditure for expansion or project development is planned for 2015.

Exploration at Sukari continues to prioritise extensions of the high-grade underground resource and reserve and we expect to continue to deliver positive news in line with the strong results to date. A resource and reserve update is planned during 2015.

Outside of Sukari, we expect a total exploration expenditure of circa US\$20 million in 2015, with the largest proportion on the advanced exploration programme in Burkina Faso. Our exploration tenements in Côte d'Ivoire and Ethiopia are no less prospective, requiring a lower exploration spend due to their earlier stage. In line with our overall exploration strategy, the actual expenditure on these projects is results driven and the current estimated expenditures are therefore subject to ongoing revisions.

We will continue to evaluate potential opportunities to grow the business through the acquisition of projects offering the potential for the Company to deliver on its strategic objectives.

Finally, I would like to thank all my colleagues for their hard work over the years including the employees onsite at Sukari, those on the exploration sites in Burkina Faso, Ethiopia and Côte d'Ivoire as well as those in the corporate and administration offices in Jersey and Australia. I would also like to thank your Board of Directors for their support over the years and I am very much looking forward to 2015 and beyond.

Andrew Pardey
Chief Executive Officer
23 March 2015



[Processing plant at Sukari](#)



Strategic priority

1

Cash generation

Competitive costs, rising production and completion of expansion capex

Highlights

- No debt
- No hedging
- Investment phase complete



www.centamin.com

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.



Target production

Production continues to rise towards the
450k-500k
ounce per annum level



New processing plant completed following Stage 4 expansion



Haulage truck with Sukari Hill in the background

With the completion of the Stage 4 expansion project in 2014, the Sukari operation has transitioned out of its investment phase, where cash flows were used to fund the staged construction, and into a sustainable period of free cash flow generation over the remaining life of mine. As production continues to rise towards the 450-500,000 ounce per annum level, all-in-sustaining costs are expected to be in the range of US\$900-950 per ounce. Centamin has no debt or hedging and is therefore financially robust, is well positioned to benefit from a recovery in the gold price, and has the financial flexibility to grow both organically and through strategic acquisitions.

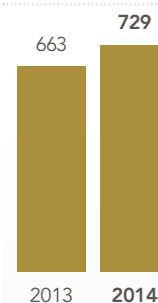
Cash in hand at year end (US\$'000)



2014 total
125,659

2013: 105,979

Cash operating cost of production (US\$ per ounce)



2014 total
729

2013: 663

Strategic priority

2

Shareholder returns

Dividend returns a priority, with excess cash flow to fund next-stage growth

Highlights

- Annual dividend range 15-30% of net cash flow
- Maiden interim dividend of 0.87 US cents per share
- Final dividend of 1.99 US cents per share



www.centamin.com



Our Company is placed in a strong competitive position, with a profile of low cost production, solid growth potential and a stable balance sheet.



Returns

Interim dividend of
0.87 US cents
/share

Final dividend of
1.99 US cents
/share



Safe assembly of the conveyor belt under the primary crusher



Employees charging the blast holes

Having successfully built a substantial gold mining operation through a staged expansion programme and with a total of circa US\$1 billion capital investment in Egypt, the Company is placed in a strong competitive position, with low cost production, solid growth potential and a stable balance sheet. In recognition of this, the Board of Directors declared in August 2014 a maiden interim dividend of 0.87 US cents per share, which totalled an approximate US\$9.9 million payout. An additional final dividend for 2014 of 1.99 US cents per share (totalling approximately US\$23 million) will be paid to shareholders following the AGM on 18 May 2015. The ex-dividend date is 23 April 2015 for LSE listed shareholders and 22 April 2015 for TSX listed shareholders. The Record Date for both exchanges is 24 April 2015.

Dividend policy aim

Annual dividend within the range of 15-30% of the Company's net cash flow after sustaining capital costs and following the payment of profit share due to the EMRA.

Strategic priority

3

Growth

Developing a well-balanced project pipeline, with potential to add incremental shareholder value as a priority over increasing group production

Highlights

- Ramp up production to circa 500k ounces per annum
- Advanced exploration in Burkino Faso
- Ongoing evaluation of M&A opportunities



www.centamin.com



Become a multi-asset gold producer maintaining lowest quartile cost profile.



Growth

2015 guidance of
420,000 ounces
 at cash cost of US\$700 per ounce



Open pit at Sukari



Drill rig in place at the open pit

Our strategy with regard to growth is summarised in the table below

Near term (1-2 years)
Continuing the production ramp up at Sukari to 450-500,000 ounces per annum
Resource/reserve replacement and expansion at Sukari, with a focus on underground high grade
Resource expansion in Burkina Faso through systematic drilling prospects
Target generation and maiden resource in Ethiopia and Côte d'Ivoire
Continue to evaluate selective M&A opportunities with the potential to develop low-cost projects
Medium term (3-5 years)
Exceed 500,000 ounces per annum at Sukari through optimising productivity and continued expansion of the underground operation
Resource/reserve expansion at Sukari, with a focus on underground high grade
Development/production in Burkina Faso
Results-driven progression of Côte d'Ivoire and Ethiopia exploration
Continue to evaluate selective M&A opportunities with the potential to develop low-cost projects
Long term (5+ years)
Continue to expand Group reserves and production through exploration
Become a multi-asset gold producer maintaining lowest quartile cost profile
Continue to evaluate selective M&A opportunities with the potential to develop low-cost projects

Strategic priority



Growth continued

Six successive years of growth achieved at Sukari

Sukari – production growth

Forecast production from the Sukari Gold Mine for 2015 is 420,000 ounces at a cash operating cost of US\$700 per ounce. This would represent an 11% increase on 2014 production of 377,261 ounces and would become the sixth successive year of growth at Sukari.

From the second half of 2015, we expect sustained production from Sukari at an annualised rate of between 450,000-500,000 ounces. This is based on the following target operational parameters:

		Target rate per annum
Tonnes milled (total)	'000t	10,000-11,000
Open pit tonnes milled	'000t	9,000-10,000
Underground tonnes milled	'000t	1,000
Open pit head grade	g/t	1.0-1.1
Underground head grade	g/t	6.5
Recovery	%	88%
Gold production	'000oz	450-500

Over the coming quarters, continued optimisation and higher productivity rates throughout the operation offer good potential for further production growth and reductions in AISC for no additional capital expenditure.

Over time we will be seeking to obtain performance from the enlarged plant at a throughput rate in line with the performance of the pre-expansion plant, which operated at 15-20% above nameplate capacity (5Mtpa) throughout 2013.

Results from the underground resource drilling programme continue to provide support that the operation can sustain production and grade levels in excess of the above assumptions. It is our objective to demonstrate this potential over the coming quarters.

Sukari – resource and reserve expansion

Centamin has a large resource and reserve base and, through the continued exploration of Sukari Hill and the 160km² Sukari tenement area, there is significant potential to further extend the already significant life of mine.

Drilling from underground remains a focus and was progressively stepped up through 2014. New development provided improved access to test potential high-grade extensions of the deposit, which remains open to the north and at depth. Results to date are highly encouraging and provide support to our expectation for a significant life of the underground operation.

Surface exploration has identified seven other prospects besides Sukari Hill 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.

The current resource and reserve statements were published in December 2013 and an updated reserve and resource statement is expected to be announced in 2015.

Advanced exploration – Burkina Faso

The Company progressed its long-term growth strategy during 2014 by acquiring ASX listed Ampella Mining Limited, which held exploration rights over a highly prospective circa 2,200km² region of Burkina Faso ("Batie West") containing a 1.9Moz Indicated and 1.3Moz Inferred resource at the Konkera Prospect.

Fieldwork subsequent to the acquisition continues to be aimed at expanding the near-surface resource through a systematic drilling, sampling and surveying programme over the numerous highly prospective target areas within this district. Our current expectation is to commit, in due course, to an economically viable and low-cost project, and we will continue to test the results of the exploration programme on an on-going basis with this objective in mind.

Early stage exploration – Côte d'Ivoire and Ethiopia

Centamin's exploration strategy on its early-stage projects is to process a rapid and efficient assessment of each permit's potential and then either develop selected prospects or move to new areas.

As part of the Ampella transaction, Centamin acquired three licences in Côte d'Ivoire covering a circa 1,200km² area across the border from Batie West in Burkina Faso. The objective for 2015 is to be in a position where the three current permits are geologically covered with prospects identified and first pass RC drilling completed, with a path towards resource development in 2016. A further four licences are under application and are expected to be granted in early 2015. These will be covered by regional surface geochemistry and anomalies identified for the first pass aircore drilling in 2016.

Our exploration programme in Ethiopia is focused on the Una Deriem tenement in the north, where drill results indicate the presence of high-grade mineralisation warranting further exploration, and the recently acquired 'Ondonok Dabus' licence in the west where regional works are under way.

➔ See operational review on pages 30 to 37

Business model

Our value chain starts from early stage explorer to precious metal extractor and the people, investment and culture drive that success.

Value chain



Along this journey, relationships with employees, governments, suppliers, local communities and stakeholders are key to the success of the Company.



Employees: welfare, training, professional development, wages, benefits, sustainable operations.

Governments: profit share, GDP, new industries, job creation, engagement, resource allocation.

Communities: infrastructure, conservation, healthcare, engagement, concessions.

Suppliers: local economy, local suppliers, government suppliers, contracts, imports.

Refiners: exports, commodities.

Shareholders: governance, strategy, engagement.

Our key strengths:

How we generate free **1** cash flow and deliver **2** shareholder returns

- **Track record of project delivery**
Completion: investment phase at Sukari complete.

- **Production**
2015 guidance of 420,000oz, rising to 450-500,000oz annualised from H2 2015.

- **Focus on cost control**
Capex: Sukari staged construction delivered on budget.
Low operating cost: Sukari guidance of US\$700/oz.
Low all-in-sustaining capex: Sukari guidance US\$950/oz in 2015.

- **Optimising production**
Upside: further production and cost upside potential.
Long life: Sukari has an estimated 20 year mine life.
Explore: further exploration potential to extend mine life.

- **Stable finances and shareholder returns**
Capex: no further expansion capex at Sukari.
Cash: US\$125.7 million cash and equivalents.
Debt free: unhedged and debt free, cash flows used to fund staged growth.
Dividend: competitive dividend policy.

- **Next stage of growth**
Cash flow: excess cash flow to fund future exploration.
Acquisitions: financial flexibility to acquire value-accretive projects.
Advanced exploration projects: Burkina Faso at Batie West.
Early-stage exploration projects: Ethiopia and Côte d'Ivoire.

How we **3** grow from exploration to gold mine producer

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

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

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.

Progress on strategy

Our KPIs and targets for 2015 are set out below:

Strategic priority	KPIs achieved during 2014	KPIs set for 2015
<p>1</p> <p>Cash generation</p>	<ul style="list-style-type: none"> • Cash operating cost of US\$729 per ounce. • 377,261 ounces produced (re-guided in the year). 	<ul style="list-style-type: none"> • Targeted US\$700 cash operating cost per ounce. • Targeted US\$950 per ounce all-in sustaining cost. • 420,000 ounces forecast for 2014.
<p>2</p> <p>Shareholder return</p>	<ul style="list-style-type: none"> • Dividend policy announced in 2014 and maiden dividend of 0.87 US cents/share. 	<ul style="list-style-type: none"> • Annual dividend of between 15-30% net cash flow after sustaining capex and profit share.
<p>3</p> <p>Growth</p>	<ul style="list-style-type: none"> • Commissioning of Stage 4 and scale up to nameplate capacity of 10Mtpa in Q3 2014. • Systematic drilling programmes at Sukari underground to deliver further resource and reserve growth. • Exploration programme over licence areas in Burkina Faso. • Exploration programme over licence areas in Ethiopia and Côte d'Ivoire. • Maintaining low yearly LTIFR. 	<ul style="list-style-type: none"> • Target production rate: increase to a rate of 450,000-500,000 per annum during the second half of 2015. • Resource/reserve replacement and expansion at Sukari, with a focus on underground high grade. • Resource expansion through systematic drilling programmes. • First pass drilling on priority targets, providing the foundation for resource development in 2016. • Reduction in LTIFRs.

In 2014 Centamin's strategy was to maximise free cash flow, through the value of our current assets and to increase our reserve and resource base.

KPI		Q4 2014	Q4 2013	2014	2013
CASH					
Cash operating cost of production	US\$ per ounce	655	711	729	663 ⁽²⁾ /515 ⁽³⁾
Cash generated from operations	US\$'000	32,791	30,497	111,602	245,143
PROFITABILITY					
Profit before tax ⁽³⁾	US\$'000	51,178	42,269	144,096	234,973
Profit before tax and post-exceptional item ⁽¹⁾⁽²⁾	US\$'000	33,819	30,661	81,562	183,969
EPS ⁽³⁾	Cents	4.48	3.88	12.74	21.55
EPS post-exceptional item ⁽¹⁾⁽²⁾	Cents	2.96	2.81	7.21	16.87
PRODUCTIVITY					
Open pit ore mined	'000t	4,123	3,161	10,936	11,664
Underground ore mined	'000t	284	174	968	587
Ore processed	'000t	2,597	1,400	8,428	5,684
Gold recovery	%	87.0	89.9	87.8	88.6
Gold produced	Ounces	128,115	91,546	377,261	356,943
Revenue	US\$'000	151,117	111,200	472,581	503,825
GOVERNANCE					
Health and safety	Frequency rate per 200,000 man-hours	0.30	0.48	0.39	0.36

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

(1) Results reflect an exceptional provision against prepayments to reflect the removal of fuel subsidies. Subsidies were removed in January 2012 (refer to Note 6 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).

Operational review

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

Health and safety – Sukari

The LTIFR for 2014 was 0.39 per 200,000 man-hours (2013: 0.36 per 200,000 man-hours), with a total of 5,620,444 man-hours worked during 2014 (2013: 6,702,908). Developing the health and safety culture onsite has resulted in improved reporting of incidents compared to previous years and, although there remains further 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

The open pit delivered total material movement of 44,820kt for the year, an increase of 7% on the prior year and related to an increase in mining fleet capacity. Whilst mining rates for the year were below the original forecast, as a result of delays in receipt of government approval for an increase in daily usage of AN (received in October 2014), this did not impact production and rates have increased to the required level to feed the expanded plant. The additional AN has allowed us to review our cut back strategies to ensure a continuous supply of ore from the open pit to feed the plant.

Ore production from the open pit was 10.94Mt at 0.80g/t with an average head grade fed to the plant of 0.97g/t. The ROM ore stockpile balance increased by 0.42kt to 2.17kt by the end of the year. Mining was primarily from the Stage 3A area, which provided access to higher-grade sulphide portions of the ore-body during the second half of the year.

Underground mine

Ore production from the underground mine was a record 968kt, a 65% increase on 2013. The ratio of stopping-to-development ore mined increased, with 52% of stopping ore (504kt) and 48% of development ore (464kt). Ore tonnages from stopes increased by 78% on the previous year.

An average head grade of 6.1g/t was mined in 2014, with stope production grade of 6.6g/t and development grade of 5.5g/t during the year. Grade from development ore was below original expectations and was a decline from 2013, impacted by mining dilution with locally complex geological structures offsetting some areas of high-grade mineralisation. Drill results support continuity of the higher grades into areas planned for further development.

Ore production from the underground mine was a record 968kt, a 65% increase on 2013.

Sukari Gold Mine production summary	Year ended 31 December 2014	Q4 2014	Year ended 31 December 2013	Q4 2013
Open pit mining				
Ore mined ⁽¹⁾ ('000t)	10,936	4,123	11,664	3,161
Ore grade mined (g/t Au)	0.80	1.00	0.81	0.77
Ore grade milled (g/t Au)	0.97	1.31	1.25	1.27
Total material mined ('000t)	44,820	13,804	41,718	9,642
Strip ratio (waste/ore)	3.1	2.4	2.6	2.1
Underground mining				
Ore mined from development ('000t)	464	115	304	87
Ore mined from stoping ('000t)	504	169	283	87
Ore grade mined (g/t Au)	6.10	5.43	9.66	8.25
Ore processed ('000t)	8,428	2,597	5,684	1,400
Head grade (g/t)	1.56	1.71	2.12	2.13
Gold recovery (%)	87.8	87.0	88.6	89.9
Gold produced – dump leach (oz)	15,564	2,564	12,382	3,804
Gold produced – total ⁽²⁾ (oz)	377,261	128,115	356,943	91,546
Cash cost of production ⁽³⁾⁽⁴⁾ (US\$/oz)	729	655	663	711
Open pit mining	241	228	271	291
Underground mining	59	48	44	50
Processing	375	334	297	293
G&A	54	45	51	77
Gold sold (oz)	375,300	125,416	363,576	88,856
Average realised sales price (US\$/oz)	1,257	1,203	1,384	1,249

(1) Ore mined includes 221kt @ 0.46g/t delivered to the dump leach in Q4 2014 (1,015kt @ 0.45g/t in Q4 2013). 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 glossary for definition.

(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).

Operational review continued

Development in mineralised areas took place between the 875 and 755 levels. A total of 5,701 metres of mineralised development (4,737 metres in Amun, and 961 metres in Ptah) were completed during the year, associated with stoping blocks planned for mining during 2015 to 2017. Total development for the mine was 6,625 metres including Amun and Ptah decline development.

The exhaust ventilation circuit for the Ptah decline was progressed, ensuring sufficient ventilation as the decline extends deeper into the orebody. Ore drive development continued on the Ptah 860 and 875 levels and exploration drill buddies were also completed on the 875 and 860 levels.

A total of 10,925 metres of grade control diamond drilling were completed during 2014, aimed at short-term stope definition, drive direction optimisation and underground resource development. A further 36,971 metres of HQ and NQ drilling continued to test the depth extensions below the current Amun and Ptah zones.

Processing

The annual throughput of the Sukari plant was 8.4Mt in 2014, a 48% increase on 2013 and reflecting the commencement of ore treatment through the new Stage 4 plant circuit. Whilst slightly behind the start-of-year schedule, commissioning activities proceeded well and supported a ramp-up to the expanded 10Mt per annum nameplate capacity in the third quarter of 2014. The trend towards higher levels of throughput continued in the fourth quarter, with plant productivity of 1,330 tonnes per hour (tph) representing an 87% increase on 2013 annual productivity rates.

Productivity levels have now increased for eight successive quarters. Our objective is for the process plant in due course to run at a throughput rate comparable with the performance of the pre-expansion plant, which operated at 15-20% above nameplate capacity (5Mt/tpa) throughout 2013.

Metallurgical recoveries were 87.8%, which is a 0.8% decrease on 2013. Work is continuing to optimise the operational controls and improve circuit stability to ensure recoveries return to previous levels above 88% at the increased rate of throughput. The commissioning of the new carbon regeneration kiln was completed in mid 2014 and has seen a positive impact.

The dump leach operation produced 15,411oz in 2014, a 26% increase on 2013.

2014 capital expenditure

A breakdown of capital expenditure during 2014 is as follows:

	US\$ million
Stage 4 processing plant	3.4
Operational fleet expansion	4.5
Total expansion – Sukari	7.9
Open pit development	20.7
Underground mine development ⁽¹⁾	31.1
Other sustaining capital expenditure	8.6
Total sustaining – Sukari	60.4
Exploration capitalised⁽²⁾	64.2

(1) Includes underground exploration drilling

(2) Includes the Ampella Mining Ltd asset acquisition for a total consideration of US\$48.5 million (which includes a cash component of US\$9.3 million and additional assets of US\$1.6 million), with the balance representing exploration expenditure on other licence areas (excluding Sukari underground drilling).

Capital expenditure – Stage 4 expansion

The Stage 4 process plant expansion to double the Sukari process plant throughput was 100% completed during the first half of 2014 for a total capital expenditure of US\$331.2 million. Nameplate capacity stood at 10Mt/tpa at the end of June.

A breakdown of the major cost areas of the total project expenditure, up to 31 December 2014 is as follows:

	US\$ million
Mining equipment	53.7
Processing plant	168.6
Power plant	38.9
Other	70.0
Total Stage 4 project expenditure	331.2

Exploration

Sukari

Drilling from underground remains a focus of the Sukari exploration programme and drilling rates were progressively increased 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 to the north, south or at depth and further underground drilling of the Sukari deposit will take place during 2015, predominantly from both the Amun and Ptah declines.

Select results received during the fourth quarter from the underground drilling programme which have not yet been included in the resource base and which are in addition to results previously-reported during 2014, include the following:

Hole number	Depth (m)		Interval (m)	Au (g/t)
	From	To		
UGRSD0216	10.9	13	2.1	22.08
UGRSD0217	138	147.4	9.4	25.7
	146.55	147.4	0.85	258
UGRSD0218	99.6	100.4	0.8	44.48
	106	108	2	11.58
UGRSD0226	126.3	132	5.7	12.7
UGRSD0228	136	137.4	1.4	19.39
UGRSD0230	168.7	174	5.3	29.9
UGRSD0232	159	165.35	6.35	7.57

Hole number	Depth (m)		Interval (m)	Au (g/t)
	From	To		
UGRSD0524	7	11	4	6.6
	74.6	88	13.4	4.2
UGRSD0525	90.3	93	2.7	14.7
	113	130.9	17.9	5.2
	148	155.6	7.6	10.3
	207	224	17	4.1
UGRSD0528	21	26.3	5.3	5.8
UGRSD0531	78	83	5	25.5
UGRSD0532	216.15	218	1.85	50.5
UGRSD0537	57.15	62	4.85	7.6
	111.6	122.5	10.9	4.1
	133	135	2	10.7
	330.6	333.1	2.5	27.5

Surface drilling from January to April 2014 continued in the northern portions of the Sukari Hill deposit (through the Ra and Gazelle zones and into the northern Pharaoh Zone).

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. Reverse circulation (24,441m) and diamond drilling (703m) programmes were completed during 2014 on the Quartz Ridge prospect to the east of the hill. Diamond drilling to the south at the Kurdeman prospect (1,459m) was also completed.

Operational review continued

Resources and reserves – Sukari

Mineral resources and reserves at Sukari are shown in the following tables. Mineral resources were calculated as at 30 June 2013 and reserves were effective as of 30 September 2013⁽¹⁾.

The relevant NI43-101 resource and reserve report was filed in January 2014 on SEDAR and is available at www.sedar.com or on the Company's website. The work satisfies the reporting requirements of the JORC (2012) and CIM (2004) guidelines for reporting mineral resources.

An updated reserve and resource statement is expected to be issued during 2015.

(1) Proven and Probable mineral reserves are included in mineral resources. The reserves include ounces produced since September 2013.

Open pit resource

Cut off	Measured		Indicated		Measured plus Indicated			Inferred		
	Tonnes Mt	Grade g/t Au	Tonnes Mt	Grade g/t Au	Tonnes Mt	Grade g/t Au	Contained gold (Moz)	Tonnes Mt	Grade g/t Au	Contained 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 relevant NI43-101 resource and reserve report was filed in January 2014 on SEDAR and is available at www.sedar.com or on the Company's website.
- 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 9700mN to 12200mN and to a maximum depth of 0mRL (a maximum depth of approximately 1,000 metres below wadi level).

Underground resource

Mineral resources for the underground have been independently estimated from, and are exclusive of, the open pit resource.

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.

Sukari open pit reserve

Resource	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.
- 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.

Sukari underground reserve

Resource	Tonnes ('000 t)	Grade (g/t Au)	Contained gold ('000oz)
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.
- Based on mined surface as at 30 September 2013 and a gold price of US\$1,300 per ounce.
- 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.

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

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

Operational review continued

Burkina Faso

Centamin's tenements in Burkina Faso, collectively known as the Batie West permits, are Danhal, Donko, Dounkou, Gbingbina, Mabera, Tiopolo, Niorka, Bottara, Kaldera, Kpere Batie, Timboura and Kpere.

Subsequent to the Ampella acquisition, Centamin has recommenced field activities at Batie West, with a systematic programme including RC, diamond and auger drilling, geophysical surveys, geochemical sampling and geological mapping. Drilling has been completed at the Pampouna (2,685m), Konkera South (230m), Tonsu (491m) and Tonior (3,303m) prospects for a total of 9,302m, including 362.8m of diamond drilling.

A geophysical survey at the Wadaradoo prospect has identified continuous chargeability and resistivity anomalies which are proving to be useful for defining drill targets. Further work is being undertaken at the Napelepera East prospect.

Konkera resource

A summary of the February 2013 resource estimate is as follows, using a cut-off of 0.5g/t Au:

- Indicated resource of 34.2 million tonnes at 1.7g/t gold for 1.92 million ounces gold.
- Inferred resource of 25.0 million tonnes at 1.7g/t gold for 1.33 million ounces gold (using an 0.5g/t gold cut-off).

Cut off	Measured		Indicated		Measured plus Indicated			Inferred		
	Tonnes Mt	Grade g/t Au	Tonnes Mt	Grade g/t Au	Tonnes Mt	Grade g/t Au	Contained gold (Moz)	Tonnes Mt	Grade g/t Au	Contained gold (Moz)
0.5	0.0	0.0	34.2	1.7	34.2	1.7	1.92	25.0	1.7	1.33
1.0	0.0	0.0	26.3	2.0	26.3	2.0	1.72	16.8	2.1	1.37
2.0	0.0	0.0	9.2	3.2	9.2	3.2	0.93	6.6	3.2	0.68

The resource, reported in February 2013 by Ampella, was prepared using JORC (2004) guidelines. In accordance with NI 43-101 section 7.1 (2) the Qualified Person (QP), Don Maclean of Ravensgate has reviewed the classification criteria for JORC (2004) and National Instrument (NI) 43-101 Resources and is of the opinion that in this instance there are no material differences and that the Konkera February 2013 Resource Estimate meets the criteria to be classified as a NI 43-101 Inferred and Indicated resource.

Summary details in relation to the HSES aspects of exploring in Burkina Faso are set out in the CSR report.

Ampella's mining licence application in relation to the Tiopolo Permit was passed to the Council of Ministers during 2014. The signed ministerial decree was issued in the post-reporting period, on the 5 March 2015 and an application is being made to postpone development and continue exploration, as provided for in the Burkina Faso Mining Code.

Essential components of our health and safety management systems are being integrated into our exploration programme at Batie West. This process includes an orientation and induction for employees and contractors to ensure adherence to our strict policies and procedures. The Batie West camp site has a well-equipped clinic which includes a full-time paramedic.

The strategy for 2015 is to continue to systematically explore the entire 160km strike length of the belt and drill-test the prospectivity of the prospects. It is expected this will lead into further resource development work in late 2015 progressing into 2016.

Côte d'Ivoire

Centamin has three licences in Côte d'Ivoire covering a circa 1,200km² area across the border from Batie West in Burkina Faso. A further four licences are currently under application.

Field work commenced with the technical team completing mapping, rock chip sampling and auger drilling geochemistry. Permits and authorisations for an airborne magnetic and radiometric survey were being prepared.

The objective for 2015 is to geologically assess the three current permits, identify prospects and undertake first pass RC drilling on priority targets, aimed at a path towards resource development in 2016.

The four permits that are under application are expected to be granted in early 2015, and are planned to be covered by regional surface geochemistry aimed at identifying anomalies for first-pass aircore drilling in 2016.

Ethiopia

Centamin continued exploration on its tenement in Una Deriem in northern Ethiopia, and in total, 2,548m were drilled in 2014 totalling 13,783m for the region.

Trench intercepts including 20m at 1.08g/t and 22m at 1.48g/t indicate the presence of significant surface mineralisation. Drilling continued to test continuity of mineralisation and positive drill results along strike. Results received for four holes (UDM44-47) indicated patchy mineralisation.

A new permit known as the 'Ondonok Dabus' Licence, located in the west of Ethiopia close to the regional capital of Asosa, has been awarded. Early-stage regional works are underway, including access tracking and introductions to the local authorities.

In September 2013 Centamin entered into joint venture with AIM-listed Alecto Minerals plc to pursue existing and new opportunities identified by Alecto in Ethiopia. The initial joint venture projects related to two exploration licences Wayu Boda and Aysid Meketel. The Company gave formal notice to Alecto in February 2015 terminating the joint venture. Centamin's rights in the Wayu Boda and Aysid Metekel licences have reverted back to Alecto, such that Alecto will hold 100% of the licences and will assume responsibility for the ongoing commitments in respect of the licences.

Andrew Pardey

Chief Executive Officer
23 March 2015



View of processing plant from the top of the ore stockpile conveyor



Financial review

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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.

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Pierre Louw
Chief Financial Officer



The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and adopted for use by the European Union and in accordance with the Companies (Jersey) Law 1991. The Group financial statements comply with Article 4 of the EU IAS Regulation.

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, with average realised gold prices of US\$1,257 per ounce being US\$127 per ounce lower than in the prior year. Now in its sixth year of production, the Sukari Gold Mine remains highly cash generative, with a competitive cash operating cost of production of US\$729 per ounce and solid EBITDA of US\$165.4 million.

Centamin remains committed to its policy of being 100% exposed to the gold price through its unhedged position, and maintained a robust cash and cash equivalents balance of US\$125.7 million as at 31 December 2014.

Centamin announced a maiden interim dividend in August 2014 of 0.87 US cents per ordinary share (US\$9.9 million total distribution) and, subject to shareholder approval at the AGM on 18 May 2015, a final dividend of 1.99 US cents per share (totalling approximately US\$23 million) is proposed to be paid on 29 May 2015 to shareholders on the register as of 24 April 2015. The ex-dividend date is 23 April 2015 for LSE listed shareholders and 22 April 2015 for TSX listed shareholders.

During the first half of the year the Group acquired Ampella Mining Limited for a total consideration of US\$48.5 million. This included a cash component of US\$9.3 million and assets of US\$1.6 million. The transaction has been accounted for as an asset acquisition, using fair value measurement principles, with exploration rights covering an area of 2,200km² in Burkina Faso and 1,200km² on Côte d'Ivoire, recorded as an addition to mineral properties in the period.

The Company proposed a final dividend for 2014 of 1.99 US cents per share (approx. US\$23 million), for a total full year dividend of 2.86 US cents per share.

Revenue

Revenue from gold and silver sales has decreased by 6% to US\$473 million, as a result of a 3% increase in gold sold to 375,300 ounces offset by a 9% decrease in the average gold price to US\$1,257 per ounce.

Cost of sales

Cost of sales represents the cost of mining, processing, refinery, transport, site administration and depreciation and amortisation, as well as pre-production costs incurred prior to commercial production and movement in production inventory. Cost of sales is inclusive of exceptional items of US\$62.5 million (refer to Note 6 to the financial statements for further information) and has increased by 29% to US\$358.3 million, as a result of:

- (a) a 16% increase in mine production costs to US\$275.9 million, primarily due to an increase in activity year on year with tonnes moved increasing by 7% and tonnes treated by 48%;
- (b) a 66% increase in depreciation and amortisation from US\$50.8 million to US\$84.2 million, a result of an increase in the underlying and mine development properties due to the commissioning of Stage 4 in addition to the change in accounting estimate of the useful economic life of the Sukari plant and equipment capitalised within plant and equipment; offset by
- (c) a US\$1.9 million credit for movement in production inventory a result of an increased addition to the ROM ore stockpile.

Other operating costs

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 increased by 40% to US\$30.4 million, as a result of:

- (a) a US\$12.5 million increase in net foreign exchange movements from a US\$9.5 million gain to a US\$2.9 million loss; and
- (b) a US\$1.1 million donation (loss on disposal of assets) of two generators to Marsa Alam; offset by
- (c) a US\$1.6 million decrease in the share of loss of associate, as a result of having written off the costs associated with the interest held in Sahar during 2013;
- (d) a US\$0.9 million decrease in royalty paid to the government of the ARE in line with the decrease in gold sales revenue; and
- (e) a US\$2.3 million decrease in corporate costs.

Other charges

Impairment charges have been recorded as follows:

- (a) a US\$2.3 million write off of capitalised exploration costs in relation to the joint venture with Alecto Minerals plc; and
- (b) a US\$0.4 million impairment loss recognised in relation to the investment in Nyota Minerals Limited.

Financial review continued

Finance income

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.

Net profit

As a result of the factors outlined above, the Group recorded a net profit before tax for the year ended 31 December 2014 of US\$81.6 million (2013: US\$184.0 million).

Earnings per share

Earnings per share of 7.21 cents compare with 16.87 cents in 2013. The decrease was driven by the lower net profit, as outlined above, as well as an increase of 4.4% in share count as a result of the Ampella acquisition.

Comprehensive income

Other comprehensive income has decreased by US\$6.8 million to US\$0.1 million as a result of the revaluation of available-for-sale financial assets. The prior increase was a result of the cumulative loss that had been recognised in other comprehensive income being reclassified from equity to profit.

Financial position

At 31 December 2014, the Group had cash and cash equivalents of US\$125.7 million compared to US\$106.0 million at 31 December 2013. The majority of funds have been invested in international rolling short-term higher interest money market deposits.

Current assets have increased by US\$24.0 million or 9% to US\$293.4 million, as a result of:

- (a) stores inventory has increased by US\$3.6 million to US\$104.9 million as a result of the commissioning of Stage 4. Mining stockpiles and ore in circuit inventory has increased by US\$1.9 million to US\$35.8 million as a result of the increase in gold in circuit at period end;
- (b) the completion of the Stage 4 expansion resulting in an increase in the cash inflows and a US\$19.0 million increase in the cash reserves; offset by
- (c) a US\$0.6 million decrease in gold sale receivables.

Non-current assets have increased by US\$48.0 million or 5% to US\$1,077.4 million, as a result of:

- (a) exploration and evaluation assets have increased by US\$64.2 million to US\$124.0 million as a result of the drilling programmes in Sukari Hill, the Sukari tenement area, Ethiopia, Burkina Faso and Côte d'Ivoire, this increase is inclusive of a US\$2.3 million write off of expenditure in relation to the joint venture with Alecto Minerals plc;
- (b) a US\$4.8 million increase in prepayments to EMRA in relation to advance payments against future profit share;
- (c) a US\$65.0 million increase in property, plant of equipment, mainly relating to net capitalised work-in-progress costs of US\$68.3 million (comprising US\$3.4 million for the Stage 4 processing plant, US\$4.5 million for the open pit mining fleet expansion, US\$20.7 million for open pit development, US\$31.1 million for underground development and US\$8.6 million for other sustaining capital expenditure) and US\$4.3 million in relation to the acquisition of Ampella Mining Limited, offset by a US\$5.2 million reduction in the rehabilitation asset and disposals of US\$2.3 million. This is offset further by a depreciation and amortisation charge of US\$84.2 million; and
- (d) a US\$0.6 million decrease in the available-for-sale financial assets to US\$0.4 million as a result of:
 - i) a US\$1.0 million devaluation (including foreign exchange loss) in the shares held in Nyota together with the sale of eleven million shares for US\$0.1 million; offset by
 - ii) a US\$0.4 million increase as a result of the receipt of the KEFI shares.

Current liabilities have decreased by US\$43.9 million to US\$34.4 million as a result of the management of creditor days.

Non-current liabilities reported during the period have decreased by US\$4.6 million as a result of:

- (a) a change in estimate of the future rehabilitation costs as a result of a detailed review having being undertaken as at year end as a result of the commission of Stage 4; and
- (b) the unwinding of the discount on the provision for rehabilitation.

Issued capital has increased by US\$49.1 million due to the issue of shares in relation to the acquisition of Ampella and vesting of awards offset by US\$1.7 million of own shares acquired.

Share option reserves reported have decreased by US\$1.6 million to US\$4.1 million as result of the forfeiture and vesting of awards and the resultant transfer to accumulated profits and issue capital respectively, offset by the recognition of the share-based payments expense.

Accumulated profits increased by US\$73.1 million as a result of the increase in the profit for the year attributable to the shareholders of the Company of US\$81.6 million together with a US\$0.1 million loss on available-for-sale financial assets in relation to the KEFI shares and a US\$1.5 million transfer from the share options reserve as a result of the forfeiture of awards, offset by the US\$9.9 million interim dividend payment.

Cash flows

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 decreased by US\$133.5 million to US\$111.6 million, primarily attributable to:

- a decrease in revenue, due to a lower average realised price offset by higher gold sales;
- an increase in cash outflows flows in relation to receivables and payables;
- a decrease in gross margins as a result of the decrease in the average realised gold price; offset by
- a decrease in cash outflows in relation to inventories and prepayments, as a result of the commissioning of Stage 4.

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 outflows have decreased by US\$204.1 million to US\$78.8 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, the open pit and underground development, additional mining assets and exploration expenditures incurred, which was offset by US\$9.3 million cash acquired through the assets acquired in Ampella Mining Limited.

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

- 1.7 million of the Company's own shares valued at US\$1.7 million were acquired and awarded as part of the Deferred Bonus Share Plan; and
- a US\$9.9 million interim dividend was paid during the year.

Effects of exchange rate changes have decreased by US\$2.0 million as a result of the strong performance of the US\$ to the Euro and A\$.

Pierre Louw

Chief Financial Officer
23 March 2015

		Year ended 31 December 2014	Year ended 31 December 2013	Percentage change
Revenue ⁽¹⁾	US\$'000	472,581	503,825	(6%)
Profit before tax ⁽²⁾	US\$'000	81,564	183,969	(56%)
Basic EPS ⁽³⁾	Cents	7.21	16.87	(57%)
Diluted EPS ⁽³⁾	Cents	7.11	16.77	(58%)
EBITDA ⁽²⁾⁽³⁾	US\$'000	165,384	234,167	(29%)
Net cash generated from operations ⁽³⁾	US\$'000	111,602	245,143	(54%)
Cash and cash equivalents	US\$'000	125,659	105,979	19%
Group production	Ounces	377,261	356,943	6%
Attributable sales	Ounces	375,300	363,576	3%
Group cash operating costs ⁽²⁾⁽³⁾	US\$ per ounce	729	663	10%
Total assets	US\$'000	1,370,737	1,298,727	6%

(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 reflect an exceptional provision against prepayments to reflect the removal of fuel subsidies (refer to Notes 3 and 6 to the financial statements for further details).

Principal risks

Centamin takes a number of measures to mitigate risks associated with its underlying operational and exploration activity which are monitored and evaluated regularly.

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.

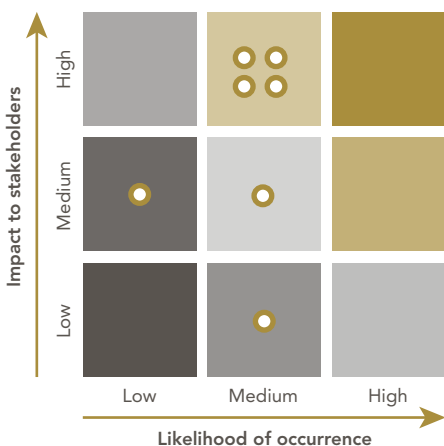
Centamin takes a number of measures to mitigate risks associated with its underlying operational and exploration activity which are monitored and evaluated regularly. Due to the nature of these inherent risks, it is not possible to give absolute assurance that mitigating actions will be wholly effective.

The descriptions below describe the current status of the key risks affecting Centamin and its operational and exploration activities together with the measures to mitigate risk and the preserved risk by management.

Risks identified are rated in two distinct categories, 'probability of occurrence' and 'overall impact on the Company'.

Both categories are rated as high (H), medium (M) or low (L). The first category concerns how likely the risk is to occur and the second is based on the relative impact on the Company if the risk did occur. This is balanced by the mitigation steps in place.

Assessed risks



Principal risks



The table above shows the risk matrix structure and review and hierarchy

Risk category	Description of potential risks	Mitigation/commentary
<p>Loss of revenues due to single project dependency for near-term revenues</p> <p>Likelihood: medium Impact: high</p>	<p>The Sukari project currently constitutes Centamin's main mineral resource and sole mineral reserve and near-term production and revenue. The Project itself has two distinct ore sources (open pit and underground), the processing plant has two separate flotation circuits and two separate power stations. Whilst one project the nature of the design of the plant provides adequate mitigation and reduces the relative likelihood of dependence compared to a single layer plant design.</p> <p>However, there is still a risk of any adverse development affecting the progress of the Sukari Project such as, but not limited to, restrictions on operating, import and export permissions, 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.</p>	<p>Mitigating factors include continued longer term growth and expansion through exploration and acquisition targets both inside and outside of Egypt. The regional exploration of the licence portfolio in Burkina Faso and Côte d'Ivoire continues on the existing 1.92Moz Indicated and 1.33Moz Inferred resource.</p> <p>Until further production growth beyond Sukari is identified the potential impact remains high, however, safeguarding the project is paramount to the Company and the required systems, policies and practices are in place to identify, assess and reduce these threats.</p>
<p>Sukari Project joint venture risk and relationship with EMRA</p> <p>Likelihood: medium Impact: medium</p>	<p>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.</p> <p>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.</p> <p>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 and the interpretation of certain provisions of the Concession Agreement. Centamin has shown its willingness to assist EMRA through prepayments in relation to future profit share made in 2013 and 2014. Whilst the impact of any dispute could have the potential to be problematic, management believes there is a low probability of a material deterioration in relationships with EMRA.</p>	<p>Mitigating factors also include ensuring co-operative and timely correspondence and maintaining good relations with EMRA.</p>

Principal risks continued

Risk category	Description of potential risks	Mitigation/commentary
<p>Failure to achieve production estimates</p> <p>Likelihood: low Impact: medium</p>	<p>Centamin currently prepares estimates of future gold production for its ongoing 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 ore haulage, the availability of suitable machinery and equipment and consumables (including access to and permitting for sufficient quantities of ammonium nitrate and related blasting products), skilled labour and processing capacity and all logistics for consumables and parts. During 2014 due to various factors previously disclosed it was necessary to reduce the guidance for 2014 and this also had an impact on the guidance for 2015.</p>	<p>Whilst there can be no certainties, production to date has provided confidence in management's estimation and mine planning methods and with the expanded processing plant becoming fully operational in 2014, the prospect of improvements in reliable forecasting is increased the risk of failure to meet production estimates has been reduced from high to moderate likely occurrence.</p> <p>The impact on the Company (and investors) remains moderate, as failure to achieve production estimates can adversely affect the profitability of the Company and its share price.</p>
<p>Reserve and resource estimates</p> <p>Likelihood: medium Impact: low</p>	<p>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 technical and economic factors. There can be no guarantee that the anticipated tonnages or grades expected by Centamin will be achieved.</p>	<p>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 took 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.</p>
<p>Currency and gold price risk</p> <p>Likelihood: medium Impact: high</p>	<p>A significant portion of Centamin's operating expenses are incurred in US dollars, Australian 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.</p> <p>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.</p>	<p>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, as it is the Group's policy not to hedge its gold price exposure. The Group has not entered into forward foreign exchange contracts. Natural hedges are utilised wherever possible to offset foreign currency liabilities.</p>
<p>Litigation risks</p> <p>Likelihood: medium Impact: high</p>	<p>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.</p>	<p>In order to mitigate this risk Centamin has:</p> <ol style="list-style-type: none"> 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 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. <p>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 the new law 32 of 2014 that should protect Centamin against litigation of this nature as well the fact that Egypt and Australia have in place a bilateral investment treaty.</p>

Risk category	Description of potential risks	Mitigation/commentary
<p>Political risk</p> <p>Likelihood: medium Impact: high</p>	<p>Centamin's exposure to production and exploration activities are primarily 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).</p> <p>The Concession Agreement with EMRA and the Egyptian government, was declared into Egyptian Law No. 222 of 1994 which further protects the Company's licence rights. The Law received full parliamentary approval as required by Egyptian law.</p> <p>In 2014, Centamin acquired ASX-listed Ampella Mining Limited and now operates on exploration licences in Burkina Faso and Côte d'Ivoire. Centamin continues to operate on its existing exploration licences in the North of Ethiopia and also on licences held in the south and west of Ethiopia through the tenements held through the joint venture with Alecto Minerals plc.</p> <p>There is no assurance that future political and economic conditions in these countries will not result in the governments adopting different policies in respect to foreign development and ownership of exploration and exploitation licences.</p>	<p>Centamin actively monitors legal and political developments in Egypt, West Africa and Ethiopia and actively engages in dialogue with relevant government and legal policy makers to discuss all key legal and regulatory developments.</p> <p>In respect to the Company's operations in Egypt, 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.</p> <p>In respect to West Africa and Ethiopia, policy has developed over many years to encourage foreign investment and the development of mining operations, which continues to be the focus of governments in these regions.</p>

Corporate social responsibility statement

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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.

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Trevor Schultz

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 plc.

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.

In compliance with the reporting requirements set out in the Committees Charter, during the year the HSES Committee worked closely with management to:

- develop and implement HSES policies in Burkina Faso and Côte d'Ivoire following the acquisition of Ampella Mining Limited in 2014;
- develop internal reporting to help identify and mitigate events which impact upon 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.

We aspire to the highest standard of corporate social responsibility and take our duty to ensure safe and sustainable operations very seriously at all stages, from initial and advanced exploration through to production.

Key issues were raised by the Committee during the year, such as the need to remove or reduce the scrap yard at Sukari and understanding the improvements (quarter on quarter) in HSES records. The Committee was encouraged by the following during the year:

- improvements in LTIFR during Q3 2014 which remained at low levels over the course of the year (although slightly above 2013 and higher than target rates);
- hygiene standards improved progressively during the year;
- regular and progressive training programmes at Sukari; and
- management of the scrap area at Sukari.

The Committee visit Sukari at least annually and take the opportunity to meet with senior personnel onsite as well as members of the HSES department. This helps the Committee have a clear understanding of the controls, procedures and HSE practices in place onsite.

In addition, the Committee considered the sustainability and environmental issues in relation to the newly acquired resource in Burkina Faso. The Committee were encouraged by the proposals set out in the EIA for Burkina Faso which allowed the Committee to consider the likely resource needs for future operational activity.

The report below covers the key HSES issues for Sukari and concludes with information relating to the newly acquired resource in Burkina Faso.

Trevor Schultz

Chairman of HSES Committee
23 March 2015



Corporate social responsibility statement continued

Health, Safety, Environmental and Sustainability Committee

The Health, Safety, Environment and Sustainability Committee members at the date of this report are Trevor Schultz (Chairman), Mark Bankes and Kevin Tomlinson, all of whom are independent directors of the Company. Bob Bowker, who retired in January 2015, served as Chairman of the Committee during 2014.

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 2014, we maintained low levels of lost time injury frequency rate ("LTIFR") whereby we aim to operate in an injury free environment, however 2014 was above our target and slightly above our 2013 rate.

Safety conscious culture

Safety is the responsibility of each and every employee (including members of staff, senior management and heads of department) and the level of safety is a function of the collective behaviour of all individuals. Accordingly we invest in maintaining a safety conscious culture in our work place, encouraging individual accountability for working safely. This is done via ongoing training and safety initiatives as set out further below.

We continuously work on developing the safety culture of our employees through strengthening their accountability for the safe conduct of work place and imbedding the concepts of doing work the right safe way. Safety is discussed at pre-shift meetings, daily planning meetings and weekly safety meetings. Safety alerts are also periodically issued and sent to all employees.

Environmental policy

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.

Case study – tool box talk

The tool box talks are an effective and easy tool for safety communication. 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.

The talk provides an environment for interactive discussion and promotes a safety conscious culture. This timely safety communication addresses numerous safety aspects and supplements formal training. Our safety professionals are continuously developing material for the talks in a simple form using brief text, photos and drawings. The tool has proved to be a very successful method of continuous safety learning.

Training

A training plan is set and safety-specific training is rolled out to employees based on business and employee needs. All training is undertaken by the onsite HSE department.

Mandatory training is rolled out for all departments, area-specific training, field training and coaching.

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

- a tailored safety induction programme for new employees, contractors and visitors;
- incident investigation;
- training modules addressing job hazard analysis, risk assessments, incident investigations, work permits, first aid, fire extinguishing, and hazard identification; and
- technical competence tuition, such as isolation training, lifting procedures, confined space entry, hot work and working at height.

Training is repeated regularly through refresher courses and employees are all tested to ensure a high level of understand and application.

Proactive approach and emergency response planning

Centamin implements a rigorous approach to emergency preparedness and response. Such programmes represent an important element of our safety management system. Being alert and fully prepared for any emergency should minimise the magnitude and consequences for any unprecedented event. We have developed a detailed emergency plan with full emergency response procedures for different scenarios.

Case study – establishing a capable emergency team

Creating and maintaining a qualified emergency team is an essential element of emergency preparedness. At Sukari, we have structured a very competent response and rescue team to be immediately and efficiently mobilised in case of emergency situations. The team has received ample training and was coached for a year by a resident emergency response expert. The capacity building programme includes theoretical and practical training as well as drills to simulate different emergency situations. The team is equipped with the required response equipment, supplies and rescue facilities. A training plan is implemented to ensure full competence of the team.

Our emergency arrangements include fire response drills, fire control panel testing (with manual call points) and smoke detectors, foam and water fire suppression systems as well as a fire truck for intense fires. A medical evacuation scheme (MEDIVAC) is in place supported by first aid facilities, a fully equipped clinic with doctors and qualified nurses as well as an ambulance for transportation to the nearest medical centres or hospitals. In addition, we coordinate with external entities and authorities for support during a fire. These include the local fire station, air transport companies, police and hospitals.

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 2014, we rehearsed 102 emergency drills of different types at Sukari.

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

Contractor management

Contractors are integrated into the Company's health and safety onsite programme whether for long periods of time or for short assignments and contractor safety is a key element of our safety management system. Currently there are nearly 500 permanent contractors at Sukari.

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 and safety performance indicators

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 that everyone shares and contributes in a responsible manner to creating a safe working environment.

A core element of our management system is to assess our safety performance and identify needs for improvement.



Briefing meeting before shift



Corporate social responsibility statement continued

Our safety performance in 2014 saw a considerable improvement in the medical treated injury (“MTI”) frequency rate, with a small increase in our lost time injury (“LTI”) frequency rate. We have had no fatal incidents at Sukari.

The monitoring plan at Sukari covers the following key areas:

- workplace environment to detect areas that might need further controls;
- stability of structures to detect any potential movement, cracks or other instabilities;
- occupational health parameters to detect health impacts due to work-related matters;
- fitness to work to detect cases under the influence of alcohol or illegal drugs; and
- implementation of safety procedures and standards to ensure they are adhered to and well assimilated.

Monitoring methodology includes measurements, medical surveillance, auditing, visual inspection, as well as systematic observation of the work and behaviour of staff. Measurements are performed through in-house capabilities as well as third-party entities.

The information collated from these processes is reported to the Committee on a monthly and quarterly basis.

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



Face shovel in open pit



Case study – traffic safety on site

Traffic safety at Sukari is a key aspect of our safety management system. We have a well-developed system of standards for traffic management and ensure the safe interaction of surface mobile equipment on roads, within and adjoining the site property and facilities.

A permit system at Sukari is adopted for site driving with more stringent requirements for in-pit driving. Different areas of site have set speed limits and are equipped with traffic signage showing instructions to follow. Vehicle pre-start checking is a fixed practice each shift.

All vehicles are equipped with specialised safety features, flashlights and whip aerials and flags for improved visibility. Road maintenance, grading and sheeting are routinely carried out to maintain a consistent gradient and smooth surface. Inspection is periodically undertaken to make sure procedures and standards are adhered to.

A defensive driving practical training course is rolled out to operators and evaluations are periodically undertaken.

	2014 Frequency rate ⁽¹⁾	2013 Frequency rate ⁽¹⁾	2012 Frequency rate ⁽¹⁾	2011 Frequency rate ⁽¹⁾
Fatality (“FA”)	—	—	—	—
Lost time injury (“LTIF”)	0.39	0.36	0.69	1.25
Medical treatment injury (“MTIF”)	0.39	1.28	1.37	1.07

(1) based on 200,000 working hours

We are now focusing on our exploration project in Batie to ensure the full integration of health and safety procedures and systems. Data is being reported periodically to feed into Centamin’s performance monitoring system performance.

Health and wellbeing

Sukari has a well-equipped clinic providing health and emergency related services on a 24/7 basis. A doctor and qualified nurse manage the clinic and provide professional services in normal conditions. It is also equipped to respond to emergency situations. An equipped ambulance is continuously on call to transfer any cases that need higher medical treatment to the Marsa Alam hospital, about 40km away from Sukari.

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.

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 2014, a wellbeing programme focused on hygiene and food safety management was undertaken, with in-house hygiene professionals supervising, inspecting and auditing standards at Sukari as well as periodic external audits. In 2014, the programme yielded very satisfactory results and a higher level of hygiene was achieved and maintained. Detected discrepancies were addressed by corrective actions.

In 2014, the following audits were also carried out and the outcomes were as follows:

- internal environmental audits confirmed the results were within acceptable limits;
- water quality testing carried out by an external laboratory confirmed no major anomalies;
- air quality audits conducted by Cairo University recorded no anomalies and confirmed that Sukari was compliant with required standards; and
- 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 1,296 people of whom 95% are Egyptian nationals and 5% are experienced mining professionals, which is well below the legal percentage of 10% as per the Egyptian laws. 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 away from their children. A greater percentage of women are employed throughout the Centamin administrative offices.

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 2014	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011	Year ended 31 December 2010	Year ended 30 June 2010	Year ended 30 June 2009
Egypt	1,296	1,340	1,120	1,106	985	816	362
Australia	1	1	2	2	3	3	2
Jersey	10	9	7	2	—	—	—
Ethiopia	31	37	45	47	—	—	—
Burkina Faso	64	—	—	—	—	—	—
Côte d'Ivoire	11	—	—	—	—	—	—
Total	1,413	1,387	1,174	1,157	988	819	364

The table above excludes contractors onsite. The number of contractors onsite at Sukari, Egypt during the year averaged 491 individuals.

Corporate social responsibility statement continued

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 their ability 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 and 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' workforces.

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 values of honesty and integrity. All employees are encouraged to treat their fellow colleagues with respect, dignity and common courtesy. We believe this will foster a safe working environment.

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. Around 5% of the Sukari workforce are experienced expatriate mining personnel and 95% of the workforce at Sukari are Egyptian nationals which is increasing further as new and existing employees gain more skills and experience. Moreover, more Egyptians are being promoted to higher managerial levels.

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.



Training conducted onsite with employees and contractors

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 2014.

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.

An environmental and social impact assessment ("ESIA") was prepared as part of the project feasibility study at Sukari. We strive to maintain high standards of environmental performance and meet, and when practical exceed relevant legal requirements. The system is supported by a robust documentation system that ensures the maintenance of required registers, documents and renewal of required permits.

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 include containment, automatic alarms and shut-off systems. Preventative maintenance programmes 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 component of our training programme and 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.

The sea water pumped to site is used, and reused 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 2014, 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.

In 2014, we used a total of 8,298,474m³ per year with an increase of 82% on 2013 4,210,886m³ due to the expansion in operations in 2014. About 99% of the water consumed at Sukari is sea water and therefore there is no impact on fresh water resources.

Corporate social responsibility statement continued

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 use not industrial needs.

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

In 2014, Sukari consumed a total of 109,422,636 litres of diesel, an increase of 36% from 2013's 80,228,770 litres. This was due to the construction phase and the consequent expanded plant. About 66% of this quantity is used in power generation and the rest is used in operating mobile equipment and vehicles and in operation.

Calculation of the direct greenhouse gases (GHG) emissions is based on the Intergovernmental Panel on Climate Change ("IPCC") Guidelines for National Greenhouse Gas Inventories. In 2014, the Sukari mine generated 308,146.6⁽¹⁾ tonnes of CO₂ equivalent against production of 377,261 oz/yr. The emissions intensity for 2014 was 0.82 tonnes of CO₂ equivalent per ounce of gold produced for 2014. This is compared to the consumption of 80,228,770 litres of diesel in 2013 to produce 356,943 oz/yr. The GHG generated in 2013 was 229,181.4 tonnes of CO₂ equivalent, with 0.64 emissions intensity.

(1) Scope 1 emissions are direct emissions occurring from sources that are controlled directly through the operating company, Sukari Gold Mines. There are no material external purchases of power. Exploration beyond Sukari and overheads occurring at the corporate offices in other locations are not considered material for the purposes of these calculations.

Case study – creating value from garbage

Our solid waste management system acknowledges the value of garbage and sees it as a benefit for others.

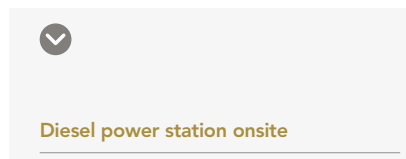
We adopt a system for waste segregation at source. We segregate our food waste from other inorganic waste in the kitchen. Employees dispose of waste in the different designated bins. The food waste bins are stored in the waste refrigerator overnight to preserve the food until HEPCA, our solid waste contractor collects both types of wastes.

HEPCA, the Hurgghada Environmental Protection and Conservation Association is our partner in the solid waste management system. As per our mutual agreement, our organic waste is delivered to neighbouring Bedouins to be used as animal fodder. The inorganic waste is mechanically processed by HEPCA in preparation for further processing in specialised recycling facilities. The material recovery unit is totally operated by Bedouin employees who were trained and are now working in different positions in the unit. We are very proud that we are part of this community development project.

	Fuel consumption (litres)	CO ₂ equivalent (tonnes)	CO ₂ equivalent per ounce of gold
2013	80,228,770	229,181	0.64
2014	109,422,636	308,146	0.82

Forecast emissions based on the 2014 intensity and targeted production of 420,000 oz/yr are estimated at 344,400 CO₂ equivalent (tonnes).

A review of alternative fuel sources to supply the processing plant is ongoing, but to date there have been no viable alternatives.



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 2014 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.

The waste management system in place at Sukari, Egypt sets out the correct handling of storage and disposal of waste material. The system is focused on:

- waste minimisation through adequate storage management to avoid stockpiling;
- maximising onsite recycling and reuse of different types of wastes;
- recovery of valuable material;
- reuse of treated wastewater streams; and
- disposal of material in an environmentally acceptable manner.

A key focus for the Committee has been improving the rate in which waste material is transferred offsite or recycled.

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.



Processing plant at Sukari

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 2014.

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 will be given to environmental and social impacts to avoid long-term challenges for parties that 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 proper 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.

Corporate social responsibility statement continued

Community and society

Centamin recognises that it has a responsibility to support and enhance the community in which it operates, and to minimise its impact on the environment and local people at every stage of its 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 2014, 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:

Infrastructure:

- provision of generators of capacity 3.2Mw to upgrade Marsa Alam power station;
- continuing to supply electricity to a neighbouring Bedouin settlement of 200 people;
- supporting the youth centre at Marsa Alam;
- financing the maintenance activities undertaken in Marsa Alam institutes and schools; and
- maintenance of Sukari statues in Marsa Alam.

Social involvement:

- sponsoring local events and celebrations including the orphans' day, police day and the environment day; and
- donation of equipment and furniture to local authorities in Marsa Alam. Such as the civil defence authority and groundwater department.

Social welfare:

- financing the surgery for Bedouins in Marsa Alam hospital;
- financing daily Iftars during Ramadan for unprivileged individuals in Marsa Alam; and
- distributing food at feasts.

Enhancing education:

- training of 60 geology and engineering students at Sukari in the summer vacation; and
- organising field visits to Sukari for students and officials.



Raw seawater pond at Sukari



Advanced exploration

Burkina Faso

Health and safety

Following the acquisition of Ampella Mining Limited in 2014, essential components of our health and safety management system have been implemented in Burkina Faso. These include employee and contractor orientation and induction training. The Batie camp site has a well-equipped clinic operated by ISOS and the clinic has a full-time paramedic. Vehicle safety and travel is also an important aspect of the system.

As reported in the operational review, subsequent to the year end, an unfortunate incident occurred on a public road near the Konkera village which resulted in one of our local employees being fatally wounded and another sustaining injuries. The wellbeing of our employees is a priority for Centamin and a thorough investigation into this bandit attack, on two of our vehicles, has been carried out. Further additional security measures have been proposed following the incident and these are being implemented. There was no impact on operational activity as a result of the incident.

Environmental assessment and community projects

Centamin has contributed to a number of projects for the local community of Batie in Burkina Faso. An environmental impact assessment study ("EIA") has been carried out in accordance with Burkina Faso legislation and regulations.

Of particular note in connection with the EIA were the specific issues relating to the human environment and these were identified, as follows:

- relocation of communities directly impacted;
- relocation of cashew tree plantations;
- identification of sacred and religious sites;
- social acceptability and job creation;
- economic impact assessment; and
- community projects.

The process in developing the EIA included a comprehensive stakeholder consultation for the project and the relocation requirements associated with the project. In comparison to Sukari, Batie project extends in villages and occupied areas and thus a relocation for some farms, houses and public areas will be carried out.

A comprehensive relocation plan has been prepared while calculating all financial aspects. This process engaged all concerned stakeholders including farmers, land owners, local chiefs and local committees have been formed to follow-up the process. With the further optimisation and design of the project, the relocation plan will be refined accordingly.

To date, the following projects have been taken forward by Centamin since the acquisition of Ampella:

- provision of essential anti-venoms to Batie;
- establishment of a water bore in Wadarado village;
- repair of a school in Djikando Village; and
- sponsorship of local events and school sports activities.

Stakeholder engagement remains a key element throughout the exploration and advanced exploration phase. This will become increasingly important as the Company proves the resource and is able to develop an operating mine in the region. Centamin, through the Ampella local subsidiaries, will continue to engage with the local community for our projects in Batie in Burkina Faso.



Board of Directors



Josef El-Raghy

Chairman
(and CEO until January 2015)

Josef El-Raghy has been responsible for overseeing the transition of the Company from small explorer, through construction and into production.

Andrew Pardey

Chief Executive Officer
(COO since May 2012)

Andrew Pardey was appointed CEO and director of the Board of Centamin plc on 1 February 2015. Andrew served as General Manager – Operations at the Sukari Gold Mine before his previous appointment as Chief Operating Officer in May 2012.

Trevor Schultz

Executive director
(and non-executive director since 1 May 2014)

Trevor Schultz has made an invaluable contribution to the establishment of Sukari as a globally significant gold mining operation, and in particular for his recent role in overseeing the construction of the Stage 4 process plant. He was executive director – operations since 20 May 2008.

G Edward Haslam

Senior independent
non-executive director

In addition to his role as senior independent director, Edward Haslam has carried out additional corporate governance functions over the past few years for Centamin, while the roles of CEO and Chairman were combined.

Director since
26 August 2002

Board meetings attended
5/5

Experience

Josef holds a Bachelor of Commerce degree from the University of Western Australia and subsequently became a director of both CIBC Wood Gundy and Paterson Ord Minnett.

Director since
1 February 2015

Board meetings attended
5/5

Experience

Andrew was a major driving force in bringing Sukari into production, having joined during the mine's construction phase and was instrumental in the successful transition of the operation through construction and into production.

Andrew holds a BSc in Geology and has over 25 years' experience in the mining and exploration industry, having previously held senior positions in Africa, Australia and other parts of the world with Guinor Gold Corporation, AngloGold Ashanti and Kalgoorlie Consolidated Gold Mines.

Director since
20 May 2008

Board meetings attended
5/5

Experience

With more than 40 years' experience at executive and board level, Trevor Schultz has a Masters Degree in Economics from Cambridge University, a Masters of Science degree in mining from the Witwatersrand University and has completed the Advanced Management Program at Harvard University.

Director since
23 March 2011

Board meetings attended
5/5

Experience

Edward has been non-executive director (and chairman) from June 2007 to April 2012 of the LSE listed Talvivaara plc and since 1 May 2004 has been a non-executive director of Aquarius Platinum Ltd. In 1981, Edward joined Lonmin, he was appointed a director in 1999 and chief executive officer in November 2000 before retiring in April 2004. Edward is a Fellow of the Institute of Directors (UK).

Committee memberships
HSES Committee

Committee memberships
Audit and Risk Committee
Remuneration Committee
Nomination Committee
Compliance and Corporate Governance Committee



Mark Bankes

Independent
non-executive director

Mark Bankes is an international corporate finance lawyer. Mark specialises in international securities, mining policy and agreements, mergers and acquisitions and international restructurings for the resource sector.

Director since
24 February 2011

Board meetings attended
5/5

Experience

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.

Committee memberships

Compliance and Corporate Governance Committee
HSES Committee
Audit and Risk Committee



Mark Arnesen

Independent
non-executive director

Mark Arnesen has extensive expertise in the structuring and negotiation of finance for major resource projects. Mark is a chartered accountant with over 20 years' experience in the resources industry.

Director since
24 February 2011

Board meetings attended
5/5

Experience

Mark is currently the sole director of ARM Advisors Proprietary Limited and has also been on the board of Gulf Industrials Limited. Mark holds a Bachelor of Commerce and Bachelor of Accounting degrees from the University of the Witwatersrand.

Committee memberships

Audit and Risk Committee
Compliance and Corporate Governance Committee
Remuneration Committee
Nomination Committee



Kevin Tomlinson

Independent
non-executive director

Kevin Tomlinson was previously managing director of Investment Banking at Westwind Partners/Stifel Nicolaus Weisel where he advised a number of gold, base metal and nickel companies, including Centamin.

Director since
17 January 2012

Board meetings attended
5/5

Experience

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, where he has held the positions of chief executive officer and exploration manager.

Committee memberships

HSES Committee
Remuneration Committee
Nomination Committee

Senior management

Finance

Pierre Louw

Chief Financial Officer

Pierre is a senior manager with broad hands-on experience gained over the past 25 years within the mining industry in both major and mid-tier gold and copper producing companies. He has a National Diploma in Financial Accounting from the University of Johannesburg and is a member of the South African Institute of Professional Accountants. Pierre has extensive international experience having worked in Tanzania, Australia, Zambia and his native South Africa. His professional experience include working at AngloGold Ashanti, Equinox and JCI.

Since 19 April 2011

Liesel Sobey

Group Accountant

Liesel is a chartered accountant with over 16 years' experience in the corporate sector and public practice. Before joining Centamin in June 2012 Liesel served as a director within the Assurance and Advisory division at Deloitte Touche Tohmatsu in Perth. Through her role at Deloitte, Liesel had been associated with the Company since 2006. Liesel is a member of the South African Institute of Chartered Accountants, the 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.

Since 11 June 2012

Business development

Andrew Davidson

Head of Investor Relations

Prior to joining Centamin in August 2012, Andy 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 where he was 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.

Since 13 August 2012

Richard Osman

Business Development Manager

Richard Osman is a geologist and holds a Master's degree in Mining Geology from the Camborne School of Mines. He has over 16 years' experience in the mining industry, having worked in exploration, open pit mining and the evaluation of mineral properties internationally. Richard previously worked at the Company's Sukari mine in Egypt for over twelve years in exploration, resource development and as open pit mine manager. Prior to this Richard was employed for five years at the Big Bell operation in Western Australia owned by Harmony Gold.

Since 3 February 2014

Operations

Youssef El-Raghy

GM – Egyptian Operations

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

Since 13 April 2006

Terry Smith

GM – Sukari

Terry Smith is a qualified mining engineer and member of the Australasian Institute of Mining and Metallurgy. Terry has 35 years' experience in the mining industry and over 20 years' experience in general management and site management roles.

Terry has worked in both open pit and underground operations for both owners and contracting firms. His experience covers the gold, copper, lead, zinc, diamonds and coal industries in Australasia, Africa and South America.

Since 14 June 2012

Chris Boreham

Underground Mine Manager

Chris Boreham holds a BEng (mining) degree from the University of Sydney and a graduate diploma of business, first class mine manager's certificate in WA, Queensland and New South Wales. He is a member AusIMM and has over 27 years' experience in the mining industry, having worked predominantly in gold and copper mines.

Chris' significant experience in the design and operation of hard rock mining, extends to managing personnel, risk mitigation and operational health and safety.

Since January 2010

Corporate and compliance

Lynne Gregory

General Counsel

Before joining Centamin, Lynne was legal director at Charles Russell LLP, prior to which she was a solicitor at Allen & Overy and Baker & McKenzie in London. 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.

Since 1 September 2013

Doaa Abou Elailah

Group Sustainability and Business Development Manager

Doaa has worked closely with Centamin for ten years initially as an adviser before joining the Company in 2013. Doaa has more than 18 years of experience as a consultant in health and safety, environment and community affairs. Doaa has provided technical support to numerous industries and facilities in Egypt and the Middle East across a broad range of sectors including mining, oil and gas, industrial production, infrastructure and tourism. Doaa holds MSc and BSc honours degrees in Chemical Engineering from the University of Cairo.

Since 1 May 2013

Darren Le Masurier

Company Secretary

Darren Le Masurier is a Fellow 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.

Since 8 July 2013

Heidi Brown

Subsidiary director and secretary

Heidi Brown is a Fellow Chartered Secretary (FCIS, FGIA) with over 17 years' experience in the finance and securities industries. She holds a Graduate Certificate of Applied Finance and Investment and a Diploma of Financial Advising from the Financial Services Institute of Australasia. Heidi was the Company Secretary of Centamin from 2004 until 2012, and continues to act as Company Secretary and director of Centamin's Australian subsidiaries.

Since 23 January 2003

Corporate governance

“

The communication channels between senior management and the Board have enabled open discussion on the requirement and content of public disclosures, to meet regulatory obligations as well as ensuring the shareholders are properly informed about key events.

”

Mark Bankes

Chairman of the Compliance/
Corporate Governance Committee



Dear shareholders

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

- (a) the implementation, maintenance and monitoring of the Company's corporate compliance programme and its Code of Conduct, taking account of applicable government and industry standards, legal and business trends and public policy issues; and
- (b) the Company's activities in the area of corporate compliance that might impact upon its business operations or public image.

The Company is incorporated in Jersey, Channel Islands. The Company is by virtue of the Listing Rules, subject to the Corporate Governance Code ("Code") issued by the UK Financial Reporting Council and therefore the Company must confirm that it has complied with all relevant provisions of the Code or to explain areas of non-compliance. The Code can be found on the Financial Reporting Council's website www.frc.org.uk.

In addition, the Company is required to follow the principles of corporate governance set out in the best practice recommendations of the Toronto Stock Exchange, in particular those recommendations in National Policy 58-201 – Corporate Governance Guidelines ("NP 58-201").

This report sets out 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 of the effectiveness of the Board.

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

The key areas of activity for the development of the Company's approach to corporate governance are listed below:

- external audit tender process resulting in the appointment of PWC.
➔ **See Audit and Risk Committee report**
- appointment of the new CEO and separate role of Chairman.
➔ **See nomination report**
- development of the executive remuneration and further disclosure.
➔ **See remuneration report**
- evaluation of Board and Committee composition changes.
➔ **See nomination report**

I am able to advise that, following the recent appointment of our new Chief Executive Officer, Andrew Pardey, the previously combined roles of Chairman/CEO are now separate.

The communication channels between senior management and the Board have enabled open discussion on the requirement and content of public disclosures, to meet regulatory obligations as well as ensuring the shareholders are properly informed about key events.

Having consulted with the non-executive directors we believe that the format of the Board, in conjunction with the activities of the various Board Committees allows open debate with the directors able to engage on matters of executive management policy, performance and risk management. This framework allows them to effectively monitor the performance of management and develop proposals on strategy.

Mark Bankes

Chairman of the Compliance/
Corporate Governance Committee
23 March 2015

Corporate governance continued

Compliance statement

Throughout the year ended 31 December 2014, the Company has been in compliance with the provisions set out in the Code with the exception of the following matters:

The roles of Chairman and Chief Executive Officer ("CEO") were both exercised by Josef El-Raghy during 2014. This matter has now been addressed, following the appointment of Andrew Pardey as the Company's CEO effective from 1 February 2015. Josef El-Raghy, the Company's interim CEO, will continue in his role as Chairman.

Some of the additional responsibilities undertaken by the senior independent non-executive director will, over the course of 2015, revert to the Chairman. The enhanced role undertaken by the senior independent non-executive director was put in place to ensure that control of certain key areas of Board responsibility was devolved away from the Chairman while the roles were combined.

It should be noted that both the Code and best practice recommendations favour that the Chairman be an independent director on appointment. Josef El-Raghy is not an independent non-executive Chairman within the meaning of the Code. As such, the senior independent non-executive director will continue to take an active role to ensure the Board's ongoing effectiveness in all respects.

It is noted that in the case of the directors' remuneration report, the disclosures have exceeded the obligations on the Company given its incorporation in Jersey. However, the Company considers such enhanced disclosure is appropriate to allow shareholders to compare the Company with UK incorporated FTSE 350 listed companies. It has also incorporated many additional and voluntary disclosures in its strategic report.

How the Board of Directors operates

The Board sets and implements the strategic aims and values of the Company, providing strategic direction to management. The specific matters reserved to the Board are set out in the Board Charter which is available on the Company's website at www.centamin.com. The matters reserved for the Board include any significant matters affecting the Group. The key activities and standing agenda items for the Board are summarised below.

For further information on key Board activity

➔ **See strategic report**

📄 www.centamin.com

Key activities of the Board in 2013/14:

- review, approval and implementation of the business case and acquisition of Ampella Mining Limited;
- review and approval of the updated resource and reserve statements and associated compliance document (43-101);
- review, approval and implementation of the JV with Alecto Mineral plc;
- approval of the appointment of the Company's new external auditor, PWC, following the formal audit tender process;
- approve dividend policy and maiden interim dividend;
- review of KPIs for the executive directors and senior management and reviewing performance appraisals;
- review of succession planning, diversity and Board performance and evaluation; and
- monitor the Group's relationship with EMRA and review and approve any advance payments to EMRA.

Standing agenda items for the Board:

- reports and updates from the Chairmen of the respective Board Committees;
- Sukari operational review and monthly reporting;
- exploration updates for the sites in Burkina Faso, Côte d'Ivoire and Ethiopia;
- setting budgets and production guidance for the year;
- litigation updates on the Company's ongoing court hearings (details of which can be found in Note 4);
- review and approval of the Company's quarterly, half yearly and annual financial statements;
- review of the AGM circular, dividend proposals and compliance reports and policies;
- review of the Company's principal risks and orchestrating the ongoing development of the Company's risk appetite;
- review of material contracts; and
- review of business development opportunities.

As indicated 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 available on the Company's website at www.centamin.com.

📄 www.centamin.com

Leadership

The Chairman, Josef El-Raghy, is responsible for ensuring the business is run in accordance with the Board's strategy. Following the appointment of the new CEO, Josef's previous responsibilities for implementing strategy and overseeing the day-to-day running of the business will be handed over to Andrew Pardey during the course of 2015. The management team and Board are relatively few in number and are, therefore, actively involved in, and made aware of, all the major activities of the Group. They can therefore ensure the Company's actions are aligned with the strategic aims of the Group.

Areas of focus for the Board in 2015

Strategic planning – the Board regularly reviews and approves strategic plans and initiatives put forward by management and the executive, including geographical diversification. Details of the strategic objectives for cash generation, shareholder return and the growth of the Company can be found in the strategic report.

Communications – the Board oversees the Company's public communications with shareholders and other stakeholders and plans further developments to aid the flow of information between the Company's operations, senior management and the Board.

Risk assessment – the Board has primary responsibility for identifying the principal risks in the Company's business and to ensure the implementation of appropriate systems to manage these risks. The Board will be reviewing the updates to the 2014 Code and further evaluating the processes for identifying and mitigating both operational and corporate risks.

Internal control – the Board, with assistance from the Audit and Risk Committee oversees the Group's internal control and management information systems. The Board will be reviewing the conclusions of the committee with regard to the appointment of an externally appointed internal auditor.

Reporting and audit – the Board, through the Audit and Risk Committee are reviewing proposals to enhance and streamline the accounting function. The Board will also be working closely with the newly appointed auditor to assess whether there are areas where reporting could be improved further to enhance the business.

Relationship with stakeholders – maintaining, developing and monitoring relationships with key stakeholders including EMRA in relation to Sukari and other governments in Burkina Faso, Côte d'Ivoire and Ethiopia.

The responsibilities of the Board and key roles within the organisation are set out below:

The Chairman:

- lead the Board and ensure it operates effectively;
- ensure all matters on the agenda are given due consideration and that directors have the opportunity to contribute to the Board discussion;
- communicate with shareholders in relation to the Company's strategic aims and policies; and
- represent the Group before key stakeholders including government officials (including EMRA).

Non-executive directors:

- challenge and help develop the Group's strategy;
- participate as members of the Board and on certain committees;
- monitor the performance of management;
- be satisfied as to the adequacy and integrity of financial and other reporting;
- determine appropriate levels of remuneration for executive directors; and
- raise any concerns with the Board.

Chief Executive Officer:

- develop and implement, short, medium and long term corporate strategies;
- responsible for day-to-day management of the business and the implementation of the Board's strategic aims; and
- promote the highest standards of safety, corporate compliance and adherence to codes of conduct.

For senior management roles and responsibilities

➔ **See strategic report**

Detailed knowledge of the Group's activities is essential and, each year, the Board visit Sukari where they are shown the underground operation, open pit site and the operations plant, accompanied by the heads of department based at Sukari. In addition to regular site visits to Sukari, the senior members of the management team and executive visit the exploration sites in Burkina Faso, Côte d'Ivoire and Ethiopia to ensure the activities in these regions are aligned with the corporate objectives of the Group.

Corporate governance continued

Board appointments and independence

There were no Board appointments during the course of 2014, however, in 2015 the vacancy for the position of CEO, who has also been appointed as an executive director, was filled. The Nomination Committee, through the process of succession planning, had ensured that adequate support and development were given to Andrew Pardey to prepare him for the role of CEO. After a thorough assessment of the experience and expertise of Andrew Pardey and his performance as COO, the Nomination Committee recommended, and the Board unanimously agreed, to appoint Andrew Pardey as the Company's new CEO effective from 1 February 2015.

The Nomination Committee and the Board also considered and approved that Josef El-Raghy, interim CEO, continue in his role as Chairman of the Board.

As disclosed in the 2013 annual report, following the completion and commissioning of Stage 4, Trevor Schultz resigned as an executive director and was appointed a non-executive director. Trevor Schultz was subsequently appointed Chairman of the HSES Committee following the retirement of Bob Bowker. The Nomination Committee and the Board were in agreement with the recommendation to retain the skills, knowledge and experience of Trevor Schultz on the Board of the Company.

The Company remains compliant with the provisions of the Code that the Board should have a greater number of non-executive directors than executive directors. The Company continues to be compliant following the resignation of Bob Bowker in January 2015.

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 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.

For a summary of the social conditions in Egypt and the Middle East and provides an explanation as to the gender balance in the workforce

➔ See CSR report on page 46

Managing risks and internal controls

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 reports to the Board on the Group's key risks and the extent to which it believes these risks are being appropriately managed and mitigated.

During the year, the Company conducted an assessment of the control environment of the Group, summarised by the following key headings:

- corporate governance framework;
- management reporting framework;
- procedures for forecasting and budgeting;
- external reporting obligations and procedures;
- information technology environment; and
- corporate and operational principal risk assessment.

The Board made the following key recommendations following the review:

- development of segregation of duties and signatory controls for new exploration assets;
- data capture, information and file sharing procedures for newly acquired assets;
- enhanced treasury procedures for the diversification of cash deposits;
- enhanced reporting to the Board for contractor management and key deliverables;
- the appointment of an outsourced internal auditor; and
- further development of the risk register to include levels of probability and likely impact of principal risks.

It was noted that the above recommendations were not seen as significant failings or weaknesses, but reflect the breadth and scope of the review.

Strategic report covering evaluation and risk mitigation
➔ See page 42

Audit and risk report covering the control environment
➔ See page 88

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. 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, Chief Executive Officer, four independent non-executive directors and one non-executive director.

➔ See directors' details on pages 58 and 59

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.) 5 of 5	Attended 8 of 8		Attended (C.) 4 of 4	Attended 4 of 4 / 2 of 2
Trevor Schultz	Attended 4 of 5		Attended 1 of 1		
Mark Arnesen	Attended 5 of 5	Attended (C.) 8 of 8	Attended 3 of 3	Attended 1 of 1	Attended 4 of 4 / 2 of 2
Mark Bankes	Attended 5 of 5	Attended 7 of 8	Attended 4 of 4	Attended (C.) 4 of 4	
Bob Bowker	Attended 5 of 5		Attended (C.) 4 of 4	Attended 4 of 4	Attended 4 of 4 / 2 of 2
Kevin Tomlinson	Attended 5 of 5		Attended 4 of 4		Attended 4 of 4 / 2 of 2
Executive					
Josef El-Raghy	Attended (C.) 5 of 5				

This table excludes meetings held by written resolution or sub-committees and reflects the membership during 2014.

Mark Arnesen joined the CGC Committee in September 2014 and was replaced on the HSES Committee by Trevor Schultz. (C.) denotes the Chairperson. Edward Haslam chaired the majority of the Board meetings (in line with the delegation of certain of the Chairman roles noted 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 occur frequently between the directors and management. Details of the activity of the committees is set out below.

HSES Committee and CSR ➔ See page 46

Nomination Committee ➔ See page 69

Remuneration Committee ➔ See page 72

Audit and Risk Committee ➔ See page 88

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.

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. 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.

Corporate governance continued

Compliance/Corporate Governance Committee

As at the date of this report, the Compliance/Corporate Governance Committee is chaired by Mark Bankes and its other members are Edward Haslam and Mark Arnesen.

The committee's primary functions and responsibilities are set out in the charter which can be found on the Company's website. The activities undertaken during the year included the following:

- review of progress in respect to the Concession Agreement court hearing and the DFO litigation (as detailed further in Note 20 to the financial statements);
- review the implementation plans following the acquisition of Ampella Mining Limited;
- review the reporting and disclosure requirements as required by the LSE and TSX;
- assist the Board and management on the requirements to make public disclosures; and
- monitoring the Company's systems and controls (including a review of the policies and procedures).

Shareholder communication

All shareholders are encouraged to attend our AGM on 18 May 2015, which will be held in London. 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 via written and electronic communications.

The Chairman, CEO, other directors and our head of investor relations communicate with major shareholders on a regular basis through face-to-face meetings, telephone conversations, and analyst and broker briefings to help better understand the views of the shareholders. Any material feedback is then discussed at Board level. In particular the feedback from the certain of the proxy advisory companies, which provide guidance and voting recommendations to shareholders, were discussed by the Board.

Shareholder communication policy reporting to shareholders through:

- the annual report;
- the annual information form;
- quarterly and half-yearly reports;
- continuous disclosure requirements;
- webcasts on quarterly results;
- the Annual General Meeting;
- the Company's website;
- registrar services; and
- electronic and postal notifications.

Key shareholder and investor relations activities throughout the year:

Date:	Activity
January/February 2014	<ul style="list-style-type: none"> • Investor conference, London • Investor, analyst site visit, Sukari • Investor conference, South Africa
March/April 2014	<ul style="list-style-type: none"> • Investor marketing, North America • Investor marketing, London • Analyst and investor conference calls following annual results
May/June 2014	<ul style="list-style-type: none"> • Investor marketing, Edinburgh • Investor marketing, London • Analyst and investor conference call following Q1 results
July/August/September 2014	<ul style="list-style-type: none"> • Marketing, Zurich • Conference, Denver • Investor, analyst site visit, Sukari • Analyst and investor conference calls following Q2 results
October/November 2014	<ul style="list-style-type: none"> • Investor marketing, London • Analyst and investor conference call following Q3 results

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 this occurs. Details of the Company's policies can be found on the Company's website. A sub-committee of the Board monitors and advises on the Company's continuous disclosure obligations. All actions and decisions of the sub-committee are presented to the CGC Committee at the next available meeting.

Details of the Company's policies and procedures can be found on the Company's website.

Shareholder resolutions

In 2014 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.

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.

Nomination report

Reviews of management capabilities and potential are performed on a routine basis and resources allocated to assist with this continued development.

Dear shareholders

I am presenting this report as Chairman of the Nomination Committee, a committee established by the Board of the Company whose primary functions and responsibilities (as set out in the committee charter) 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 activities undertaken by the committee during the year include the following:

- reviewing the structure, size and composition of the Board and Board Committees which resulted in recommendations to the Board to:
 - appoint Mark Arnesen to the CGC Committee;
 - appoint Trevor Schultz as a non-executive director and appoint him to the HSES Committee in place of Mark Arnesen;
 - appoint Andrew Pardey as CEO and recommend that Josef El-Raghy continue as Chairman; and
 - appoint Trevor Schultz as Chairman of the HSES Committee following the retirement of Bob Bowker.
- appointing Heidi Brown to be director of the Group's Australian subsidiary companies, to remain compliant with the Corporations Act;
- considering the requirements for Board diversity (including gender diversity);
- reviewing the Board succession plans which resulted in the recommendation and appointment of Andrew Pardey as the Company's Chief Executive Officer; and
- making recommendations for the appointment and re-election of directors to the Board at the AGM.

Within the remit of the Nomination Committee, there is a 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.

The report provides more detail on the activities, decisions and policies of the Nomination Committee and Board.

G Edward Haslam

Chairman of the Nomination Committee
23 March 2015

Nomination report continued

Nomination Committee

As at the date of this report, the Nomination Committee comprises Edward Haslam (Chairman), Mark Arnesen and Kevin Tomlinson, all of whom are independent non-executive directors of the Company. All appointed members attended all four committee meetings held during the year.

Board diversity

The Board considered the recommendations of the Nomination Committee in connection with Board diversity and in particular gender diversity and the Board has agreed that whilst all appointments should be continued to be made on merit, female candidates will be considered routinely as part of the recruitment process. It is our intention to identify a suitable female candidate during the course of the next twelve months. In addition, and as part of our succession planning, we will continue to appoint and encourage female professionals to ensure a progressive pipeline of talent within the Company's management and senior management team.

In this last context the committee noted that a number of females already hold senior positions within the Company, in the areas of legal, accountancy, HSES and subsidiary directorships. However, as set out in the CSR report, mining is traditionally a male dominated industry and of our Egyptian workforce only 1% are female. This is mainly due to social conditions in Egypt and in the Middle East where in general female employees are not encouraged to work at remote sites. A greater percentage of females are employed throughout the Group in the administrative offices and at the Company's headquarters.

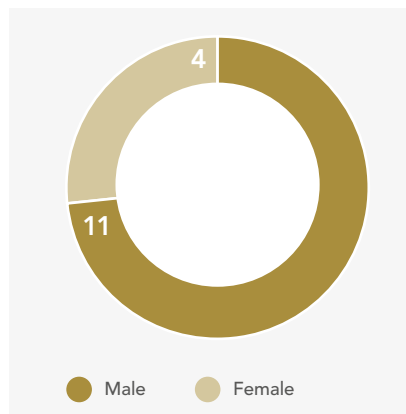
In developing the Company's policy on diversity, the Board has considered the requirements of the Code and the National Instrument 58-101.

The Board, through the recommendations of the Nomination Committee, will provide an update on the recruitment process in future reporting disclosures.

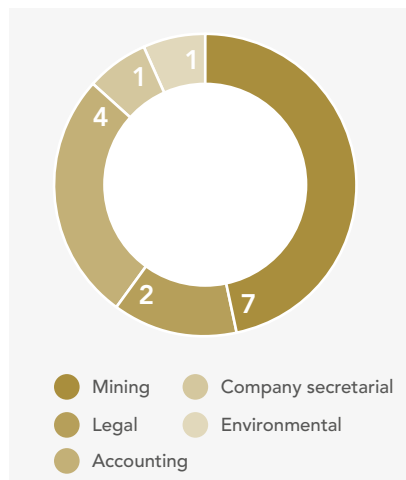
Details of the current composition of the Board and the wider management team are set out in the directors' report.

Executive and management team

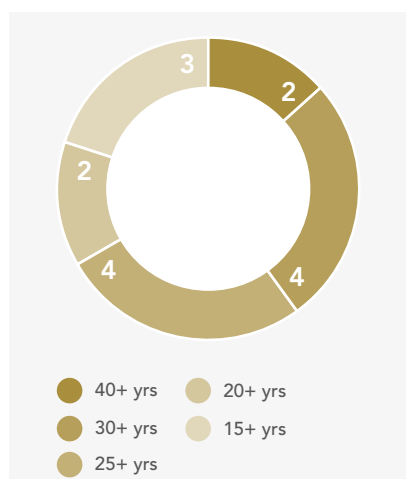
Gender diversity



Industry experience



Years' experience



Performance evaluation

The senior independent non-executive director held meetings with the non-executive directors without the executive directors present, providing feedback to the full Board. These meetings focused primarily on the evaluation of the Board's performance, a performance evaluation of the Chairman, discussing the quality of reporting and information flows to the Board and discussions on the strategic aims and objectives for the Group. The non-executives also discussed openly with the executive directors, the areas they could assist further in relation to business development.

An evaluation of the Board and its committees was undertaken during the year and was concluded in March 2015. The Board, in conducting their evaluation, reviewed the activity, composition and expertise of the committees and considered their effectiveness taking account of the following:

- the responsibilities set out in their respective charters;
- activities carried out during the year, taking account of their mandated duties and responsibilities;
- progress made in respect of their duties and responsibilities;
- attendance and contribution to the committees; and
- reporting and updates provided to the Board.

The Board noted in particular that the relevant committees had adapted well to the changes to their composition during the year and in 2015. The Board also noted the efforts of the committees to streamline their arrangements, ensuring that the members of the management team who were invited to attend and present at the meetings did so in a concise and orderly fashion.

The Board reviewed its own membership and performance and this review was concluded in March 2015. The Board focused primarily on the recent retirement of Bob Bowker and the skills, knowledge and experience that Bob provided to the Board. The Board noted that Bob had been with the Company since 2008, serving as Chairman of the HSES Committee during that time. The Nomination Committee had recommended that Trevor Schultz be appointed to replace Bob as HSES Committee chair. The Board, whose views were supported by the Nomination Committee, were agreed that the Board continued to have the required breadth of expertise and there was no immediate need to seek a replacement for Bob Bowker.

In addition, the Board discussed in detail the scope and remit of the new CEO, Andrew Pardey, and specifically the KPIs and areas of focus for Andrew Pardey and the handover of certain of Josef El-Raghy's assumed responsibilities as acting CEO.

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. During 2015/16 a further evaluation will be conducted.

The performance of all directors is constantly reviewed by the Chairman and, periodically, by the Nomination Committee. The Company deployed a formal process for evaluation of the Board, the Board members, the 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, carried out by PricewaterhouseCoopers LLP – topics included contractor management, identifying principal risks and accounting judgments and estimates. Further training sessions on listing rule requirements given by London law firms were attended by the Board and senior management.

Remuneration report

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With a fifth successive year of growth at Sukari and completion of its capital investment, the Company is positioned to deliver further cash generation, shareholder returns and future growth.

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G Edward Haslam

Chairman of the Remuneration Committee



1. Introduction and annual statement

Background to remuneration decisions

With a fifth successive year of growth at Sukari and completion of its capital investment, the Company is positioned to deliver further cash generation, shareholder returns and future growth:

Cash generation:

- year gold production 377,261 ounces (6% increase on 2013);
- 'Stage 4' expansion project was completed during the year with throughput exceeding nameplate capacity from September 2014;
- cash operating costs of US\$729 per ounce in line with budget of US\$700 per ounce); and
- safety record of 0.39 LTIFR in 2014 (maintaining a good track record).

Shareholder returns:

- maiden interim dividend of 0.87 US cents per share paid in October 2014;
- final dividend of 1.99 US cents per share announced on 23 March 2015; and
- strong financial position US\$125.7 million cash and cash equivalents at year end, post interim dividend.

Growth:

- successful completion of the recommended takeover offer of Ampella Mining Limited and the implementation of the work programmes to establish the extent of the resource; and
- systematic exploration continued in Ethiopia on the Company's tenements and the licences.

There are still challenges in respect of the litigation, details of which are set out in Note 20 to the financial statements. However, from an operational and financial perspective this has been another successful year and it is within this context that the key remuneration decisions for 2014 described below have been taken by the Remuneration Committee.

We would like to thank shareholders for their constructive feedback on the remuneration report. I will continue to engage with shareholders, proxy advisory firms and other stakeholders throughout 2015.

I have taken the views of shareholders and proxy advisory services and further developed our remuneration policy and practice. We would like to thank shareholders for their constructive feedback on the remuneration report. I will continue to engage with shareholders, proxy advisory firms and other stakeholders throughout 2015. The Company has taken steps following the AGM in 2014, to address the concerns of shareholders which resulted in 25% of the shareholders voting against the remuneration report. The steps taken include the following:

- separate resolutions in the AGM in 2015 for the approval of the remuneration policy and application of the policy (on an advisory basis);
- additional disclosure on executive bonus and the percentage awarded against the targets; and
- other improvements to the governance structure as set out in the corporate governance report.

Simple approach to remuneration

The simple approach to remuneration adopted over the last few years will be continued through to 2015, with the three elements of base pay, contribution to a pension and annual bonus.

This year, following the recent appointment of our new CEO, Andrew Pardey, we are proposing the introduction of a new long term incentive scheme, for approval at the AGM on 18 May 2015.

It is intended that Andrew Pardey (CEO) will participate in the new LTIP in 2015, although Josef El-Raghy (Chairman) is not due to participate in the scheme in 2015 because as a shareholder with a 6.2% interest in the Company, he remains aligned with the interests of shareholders. Josef El-Raghy's participation in the new scheme will be reviewed in 2016. The remuneration policy described below includes details of the proposed new LTIP.

This year we have also introduced a shareholding requirement for the executive directors.

We believe this simple approach to remuneration allows a cleaner line of sight for the delivery of performance in the short term while ensuring that the executives have a meaningful actual shareholding to directly link their interests with those of the shareholders. There is no better union of interest between shareholder and executives than for executives to be substantial shareholders in their own right.

The Deferred Bonus Share Plan ("DBSP"), now in its third year, provides a simple yet effective incentive to senior management and senior employees below board level, motivating and retaining individuals over the longer term. 40 employees participate in the DBSP, including heads of department and senior personnel based onsite, as well as members of the senior management team located at the head office.

Changes in the Board

Andrew Pardey was appointed Chief Executive Officer on 1 February 2015 with Josef El-Raghy, interim CEO, standing down as CEO but continuing in his role as executive Chairman. On 26 January 2015, Bob Bowker retired from office. Trevor Schultz stood down as an executive director in May 2014 and was appointed non-executive director.

Key remuneration decisions for 2014

Base salary for Josef El-Raghy, which is paid in sterling, remains unchanged for the third consecutive year at GBP500,000 (US\$821,582) for 2014 and will remain at this level for 2015.

The bonus outcome for Josef El-Raghy for 2014 was 80% of the maximum opportunity which equates to GBP700,000 (US\$1,087,294) and represents 140% of base salary. As Josef El-Raghy does not participate in any long term incentive plan no awards were either granted or vested and hence the annual bonus plan is the sole incentive arrangement for Josef El-Raghy. The bonus calculation is made by reference to a balanced scorecard which comprises of a combination of financial, operational and individual performance criteria.

➔ Full details are on page 81

Remuneration report continued

1. Introduction and annual statement continued

Key remuneration decisions for 2014 continued

The executive bonus opportunity and structure for 2014 will remain the same in 2015. For the executives the maximum bonus opportunity is 175%. This bonus opportunity for executives will be reduced to a maximum bonus opportunity of 125% in any year where an award under the new LTIP is made.

Josef El-Raghy does not currently participate in a share scheme and whilst permitted to participate in the new LTIP, there are no current plans to award grants to Josef El-Raghy. This will be reviewed annually by the Remuneration Committee.

Following the successful completion of the Stage 4 construction, commissioning and hand over of the processing plant to operations, Trevor Schultz stood down as an executive director and was appointed a non-executive on 1 May 2014. Trevor Schultz was paid the bonus award of A\$500,000 (US\$443,616) in May 2014, as disclosed and accrued in the 2013 annual report.

Trevor Schultz's fees as a non-executive director, effective from 1 May 2015, are detailed in Section 4 'Annual remuneration report'.

It has been agreed by the Remuneration Committee that Josef El-Raghy's (Chairman) base pay for 2015 will remain at the same rate for 2014.

The Remuneration Committee will review Andrew Pardey's (CEO) base salary (which is currently £390,000 (US\$640,834) and ensure the overall remuneration is in line with the market. Any such increase will be phased in two stages over a two-year period. Andrew Pardey will likely be offered the following:

- phase one increase in base salary of between 10% and 15%;
- a pension, provided as a cash supplement, of between 10% and 20% of base salary;
- annual participation in the LTIP, with awards to be made in line with the LTIP policy;
- bonus opportunity of 125% of base salary (on the basis awards are made under the LTIP).

The following report has been made available to the auditors; PricewaterhouseCoopers LLP, and section 4 (where indicated), 'Annual remuneration report' has been audited by PricewaterhouseCoopers LLP.

G Edward Haslam

Chairman of the Remuneration Committee

2. The Committee

The Committee membership

The Remuneration Committee is a committee of the Company and following the retirement of Bob Bowker, is now represented by three non-executive directors, namely, Edward Haslam (Chairman of the committee), 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, position and attendance details are shown in the table below. The Company Secretary acts as secretary to the Committee.

Name	Position	Attendance in 2014	Attendance in 2013
Edward Haslam	Chairman	4 of 4 meetings	6 of 6 meetings
Kevin Tomlinson	Member	4 of 4 meetings	6 of 6 meetings
Mark Arnesen	Member	4 of 4 meetings	6 of 6 meetings
Bob Bowker	Member	4 of 4 meetings	6 of 6 meetings

Activities of the Committee

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

Committee meeting date	Activity
5 February 2014	<p>Review the DRR for the annual report and finalise the 2014 remuneration policy.</p> <p>Review the balanced scorecards and key performance measures for the executive and senior management.</p> <p>Make recommendations to the Board to grant shares to new and existing participants of the deferred bonus share plan to senior employees.</p> <p>Confirmed the forfeiture of awards under the executive director loan funded share plan, as the performance criteria were not achieved and noted that there were no further participants under this scheme.</p>
13 May 2014	<p>Review of the feedback from shareholders and proxy advisory organisations in relation to the DRR and remuneration policy.</p> <p>Finalising the awards to the new and existing members of the deferred bonus share plan.</p>
1 September 2014	<p>Detailed review of the proxy advisory feedback and action plan to address any concerns.</p> <p>Review the proposal to develop a long term incentive plan for executive directors, for approval by the shareholders.</p>
11 December 2014	<p>Performance reviews for the executive and management team, taking account of the balanced scorecards, industry benchmarking and making recommendations to the Board for executive and management bonuses. Review of non-executive director fees.</p> <p>Further analysis on the proposed performance criteria for a new LTIP and finalising the remuneration policy for approval at the AGM in 2015.</p> <p>Evaluation of the committee and charter.</p>

Terms of reference

The responsibilities of the Committee are set out in the charter which was updated in 2014 and includes:

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

Advisers to the Committee

During the year the Committee was supported by the Company Secretary. MEIS Executive Compensation Data 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 GBP7,000 for a twelve month period. MEIS were originally appointed on the recommendation of the Remuneration Committee and are regarded by the Committee as providing independent advice as they have no connections with the directors and officers of the Company other than this engagement.

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 report (including the policy and application of the policy) was put to shareholders on an advisory basis at the AGM in 2014 and the resolution was passed by a 74% majority. The remuneration policy and application of the policy will be subject to separate non-binding advisory vote at the AGM on 18 May 2015. The remuneration policy will be effective following the AGM.

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;
- 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 report continued

3. Our remuneration policy continued

Introduction continued

Remuneration policy for executive directors				
Element	Objective	Details	For 2014	For 2015
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.	<p>Pay is reviewed annually and any change ordinarily takes effect from the 1 January.</p> <p>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.</p> <p>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 a 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.</p>	<p>The base salary for 2014 was as follows:</p> <p>Josef El-Raghy GBP500,000 (US\$821,582).</p>	<p>There is no intended change in the policy for 2015 and no increase is to be awarded on the 2014 base pay figures for Josef El-Raghy.</p> <p>Following the changes to the Board in 2015, a review of the remuneration for the CEO, Chairman and SNED will take place in May 2015.</p>
Benefits	Benefits may be provided where necessary to ensure competitive remuneration packages are consistent with the market.	<p>The normal benefits that may be provided include such items as car or car allowance, life assurance, private medical provision, subscriptions and phones. Normal benefits will not currently exceed 5% of base pay.</p> <p>Where necessary, due to the location of operations of the business, it may be necessary to provide additional benefits such as private security, accommodation and reasonable travel costs or enhanced provision of other benefits. Additional benefits may not exceed 10% of base pay.</p> <p>Therefore normal benefits and additional benefits will not currently exceed 15% of base pay.</p>	No benefits.	Normal benefits and additional benefits will not exceed 15% of base pay.
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. Where any payment is required to be made under a statutory provision then this amount will be included within the above limit.	Josef El-Raghy receives a cash payment in lieu of a pension equivalent to 20% of his base salary.	<p>There is no intended change to the pension contribution for Josef El-Raghy.</p> <p>A pension contribution between 10% and 20% of salary for Andrew Pardey will be considered by the Remuneration Committee.</p>

Remuneration policy for executive directors				
Element	Objective	Details	For 2014	For 2015
Annual bonus	To provide a driver and reward for the delivery of short term performance goals, normally over the course of the financial year.	<p>Performance criteria, which are set at the beginning of each year, are based upon a balanced scorecard approach. The balanced scorecard shall be based 70% on financial, operational and strategic targets and 30% on individual key tasks.</p> <p>The performance measures are selected to provide an appropriate balance between incentivising executive directors to meet financial/operational targets for the year and incentivising them to achieve specific strategic objectives. In selecting the performance conditions for each year, consideration will be given to market expectations and the performance measures that are generally regarded as reflective of the performance of the industry. These will normally be selected from financial performance measures (profitability, cost against budget and operational efficiency), strategic measures (M&A opportunities, exploration and project delivery), corporate measures (health and safety and corporate governance) and individual tasks.</p> <p>For executive directors, the maximum annual bonus opportunity is 175% of base salary, however a lower amount will be set for executive directors who participate in the proposed LTIP. On target bonus is just above half of the maximum opportunity at 57% of the maximum.</p> <p>The Committee may apply claw back to any bonus where the Committee is of the view that facts have come to light, which had they been known at the time would have affected the Committee's decision to pay part or all of any bonus.</p>	Bonus maximum opportunity of 175%. Actual outcome for Josef El-Raghy was 80% of maximum.	Bonus maximum opportunity of 175%, reducing to a maximum opportunity of 125% of base salary in any year an award is made to an executive under the new LTIP.
Long term incentives	To align the interests of the executive with that of the shareholders through a meaningful ownership of shares.	<p>A new long term incentive scheme is proposed for approval at the 2015 AGM.</p> <p>Details of the new LTIP are set out in section 6 on page 85.</p> <p>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.</p>	No LTIs awarded to executive directors.	<p>Awards to Andrew Pardey are proposed following approval of the LTIP at the AGM in May 2015.</p> <p>The LTIP is available to all executives (and senior management), however there are no current plans to make awards to Josef El-Raghy.</p>
Share ownership requirement	To encourage ownership of shares and thereby create a link of interest between shareholder and the executives.	While there was no formal shareholding requirement for executive directors in 2014, it is proposed in the remuneration policy that a formal policy be adopted in 2015.	No formal policy. Josef El-Raghy has a shareholding equivalent to 9,288% of base pay which represents 6.2% as a direct shareholding in the Company (this includes certain shares held by the El-Raghy family).	Executive directors are required to build a holding of shares in the Company equivalent to 150% of base salary over a five year period from appointment. Vested shares are to be included in the calculation.

Remuneration report continued

3. Our remuneration policy continued

Policy if a new director is appointed

The Company has a track record of succession planning and growing and promoting talent internally as demonstrated by the appointment of the new CEO.

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 subject to the following limits:

- annual bonus plus buy out short term incentives as described above will not exceed 175% of base pay; and
- long term incentives will be limited to an aggregate of 250% in the first year or where there is a buy-out of long term incentives as described above to 150%.

To facilitate the buy-out awards outlined above the Committee may grant awards to a new executive director under the Listing Rule 9.4.2. The total package offered to a new recruit will not exceed the overall limits set out in the Company's remuneration policy.

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 instalments 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. 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.

Claw back provisions for executive directors relate to bonus and holiday taken in advance.

In relation to the LTIP, 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 all unvested awards and all vested but unreleased awards will lapse.

In the case of death, annual bonus will be determined by the Remuneration Committee, which shall determine the bonus to be paid taking account of the duration in employment and performance of the Company and long term incentives shall be treated in the same way as a good leaver.

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 during 2014 from another external appointment with Base Resources Limited amounting to US\$70,000.

Remuneration policy for non-executive directors				
Element	Objective	Details	For 2014	For 2015
Non-executive director fees	To attract and retain high calibre non-executive directors by the provision of competitive fees.	<p>Non-executive directors receive annual fees within an aggregate directors' fee pool limited to an amount which is approved by shareholders.</p> <p>Fees are reviewed every two years against the same comparator groups as used for the executive directors.</p> <p>Non-executive directors do not participate in any incentive arrangements.</p> <p>Special arrangements exist regarding the fees for the senior independent non-executive director while the roles of CEO and Chairman were combined. This arrangement is under review while the orderly hand over of Chairman duties is returned to the Chairman.</p>	<p>The fees were reviewed in 2013 and the following applied from 1 April 2013:</p> <ul style="list-style-type: none"> basic fee GBP65,000 (US\$106,806); chair of a Committee GBP10,000 (US\$16,432); and member of a Committee GBP5,000 (US\$8,216). 	<p>The fees payable to the senior non-executive director will be reviewed during the year.</p> <p>The fees for the other non-executives will next be reviewed for 2016. Otherwise the fees will remain as for 2013.</p>
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 aims 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.

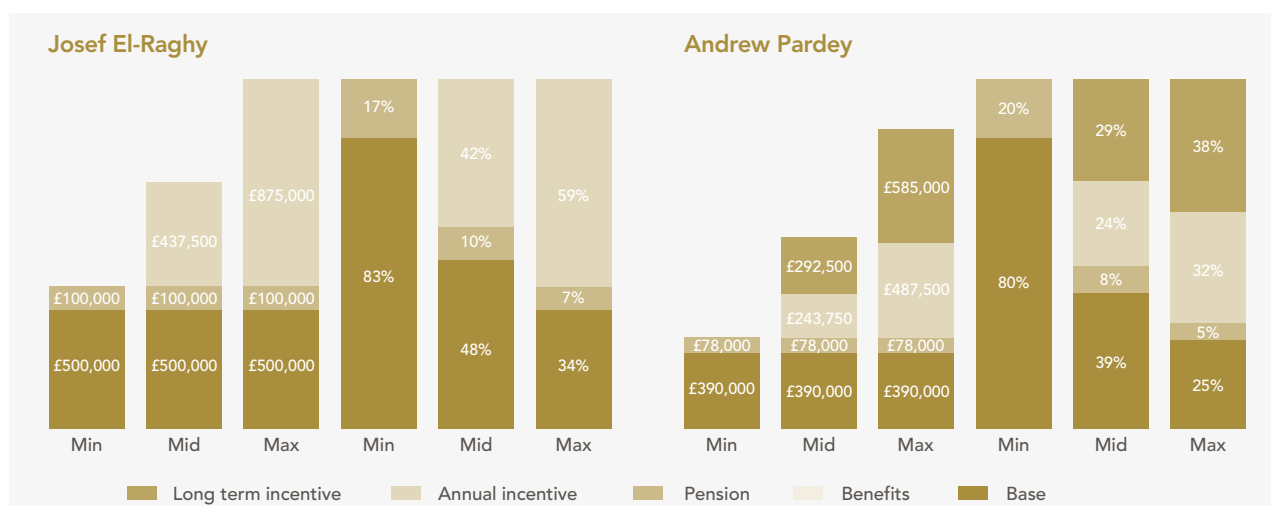
All employees of Sukari Gold Mine Company (the majority of whom are based at the Sukari mine site) are subject to a performance related bonus which is linked to the underlying operation performance, and cost control measures at the mine. Further details on employee relations can be found in the CSR report.

For Josef El-Raghy the graphs assumes a base salary as disclosed in this report of GBP500,000, pension contributions of 20% of base being GBP100,000 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 Andrew Pardey, the graphs assume a base salary of GBP390,000, pension contributions of up to 20% of base and bonus from zero, to 50% of 125% at target and 125% of base for the maximum. The graph assumes that Andrew Pardey will be awarded shares under the terms of the new LTIP of 150% of his base salary with an initial award of up to 150% of his base salary. For the LTI the assumed values are zero for minimum, to 50% of the face value of the award at target and the face value of the award for the maximum.

Implementation of policy

The Company intends to implement the remuneration policy for 2015 as detailed in this report on remuneration.



Remuneration report continued

4. Annual remuneration report

What did the executive and non-executive directors earn in 2014?

Single figure table US\$ (Audited)

Executives	Salary 2014	Salary 2013	Benefits 2014	Benefits 2013	Bonus 2014	Bonus 2013	Pension 2014	Pension 2013	LTI 2014	LTI 2013	Total 2014	Total 2013
Josef El-Raghy	821,582	782,112	—	—	1,087,294	1,082,028	164,316	156,422	—	—	2,073,192	2,020,562
Trevor Schultz	276,513	671,348	—	—	443,616	777,847	—	—	—	—	720,129	1,449,195
Total	1,098,095	1,453,460	—	—	1,530,910	1,859,875	164,316	156,422	—	—	2,793,321	3,469,757
Non-executives	Base fees 2014	Base fees 2013	Benefits 2014	Benefits 2013	Bonus 2014	Bonus 2013	Pension 2014	Pension 2013	LTI 2014	LTI 2013	Total 2014	Total 2013
Edward Haslam	244,228	216,030	—	—	—	—	—	—	—	—	244,228	216,030
Bob Bowker	100,180	117,802	—	—	—	—	38,215	10,773	—	—	138,395	128,575
Mark Bankes	138,396	128,575	—	—	—	—	—	—	—	—	138,396	128,575
Mark Arnesen	126,535	117,802	—	—	—	—	11,862	10,773	—	—	138,397	128,575
Kevin Tomlinson	122,114	112,819	—	—	—	—	—	—	—	—	122,114	112,819
Trevor Schultz	72,357	—	—	—	—	—	—	—	—	—	72,357	—
Total	803,810	693,028	—	—	—	—	50,077	21,546	—	—	853,887	714,574

- Josef El-Raghy is paid in sterling and his base salary remained unchanged for the third consecutive year at GBP500,000 per annum.
- 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 2014 Egyptian income taxes paid by the Company on behalf of Trevor Schultz amounted to US\$68,026 in 2014 (2013: US\$144,580).
- Superannuation is payable to Bob Bowker and Mark Arnesen and this is included in the pension column.
- Directors' remuneration paid in foreign currency was converted at an average rate during the year. The average A\$:US\$ exchange rate for 2014 is 0.8973 and the average GBP:US\$ exchange rate for 2014 is 1.6431. Bonus accruals for 2014 applied an exchange rate of A\$:US\$0.8156 and GBP:US\$1.5533.
- The pension payable to Josef El-Raghy represents a cash payment in lieu of contributions to a pension scheme.
- The bonus for Trevor Schultz represents the bonus accrued in 2013 which was paid following the successful completion of Stage 4, commission and hand over of the plant to operations in 2014, as disclosed in the 2013 annual report. Trevor served as an executive director until April 2014 and was appointed a non-executive on 1 May 2014. The salary paid to Trevor Schultz includes accumulated entitlement for the period to 30 April 2014, with fees paid as a non-executive director, effective from 1 May 2014.

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 2013	As at 31 December 2014
Annual base fee	GBP65,000 (US\$106,806)	GBP65,000 (US\$101,674)
Chairman of a Board Committee	GBP10,000 (US\$16,432)	GBP10,000 (US\$15,642)
Member of a Board Committee	GBP5,000 (US\$8,216)	GBP5,000 (US\$7,821)
Senior independent non-executive director (when not performing the role in Note 1)	GBP10,000 (US\$16,432)	GBP10,000 (US\$15,642)

- With effect from 1 April 2013, the fees payable to Gordon Edward Haslam in his capacity as senior independent director were increased to take account of the additional duties undertaken while the roles of CEO and Chairman were combined. The total fees paid to him, on an annual basis, were GBP150,000 (US\$244,228) per year. Following the changes to the Board in 2015, these fees will be subject to a review during 2015. However, given that the Company has an executive Chairman, it is anticipated that he will continue with an enhanced role with fees commensurate with that role. In keeping with the Company's policy, Mr Haslam did not and will not participate in any meeting discussing his fees.
- These amounts include any statutory superannuation payments where applicable.
- The Company reviewed the NED fees during 2014. No increases in NED fees were proposed in 2015.
- 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.

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 changes ordinarily take effect from the 1 January. However, with the appointment of a new CEO in February 2015, the annual review of pay for 2015 has been deferred to May 2015.

Taking account of market data has however been determined that there will be no increases in base pay for 2015 for Josef El-Raghy. Therefore the base pay for Josef El-Raghy of GBP500,000 (US\$821,582) will remain at this level during 2015.

The appointment of the new CEO, Andrew Pardey will likely see a change in his remuneration package over the next 24 months which may include an increase of base salary in line with the market, a cash payment in lieu of a pension equivalent of between 10% and 20% of his base salary and annual awards under the new LTIP equivalent to 150% of base salary with an initial annual award of 150%.

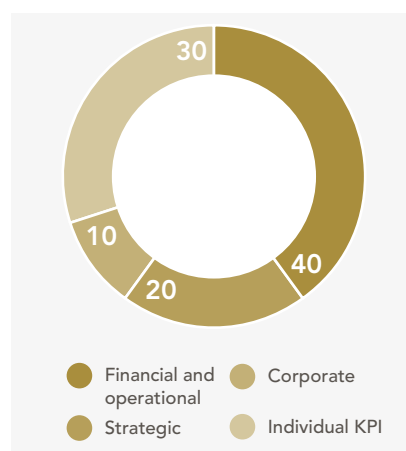
Annual bonus

The bonus plan for the executive directors is based upon a balanced scorecard 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/financial position, 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.

The following graph shows the balance of the performance criteria.

Performance criteria



Remuneration report continued

4. Annual remuneration report continued

2014 bonus (audited)

In reviewing performance against the criteria and in arriving at the decision the committee considered the key milestones achieved during the year which Josef El-Raghy was instrumental in delivering, which included the following:

Financial and operational:

- profitability/financial position – recommending and paying to shareholders the Company's maiden dividend;
- profitability/financial position – strong financial position US\$125.7 million cash and cash equivalents at year end after the payment of an interim (US\$106 million cash and cash equivalents at 31 December 2013);
- cost against budget – cash operating costs of US\$729 per ounce (slightly above budget of US\$700 per ounce);
- production achievement – annual gold production 377,261 ounces (5% increase on 2013); and
- operational efficiency – processing throughput above the expanded 10Mtpa nameplate capacity in the fourth quarter.

Strategic:

- M&A opportunities – successfully completing the recommended takeover of Ampella;
- exploration in Egypt and other locations – systematic exploration continued in Ethiopia on the Company's tenements and those licences; and
- project delivery – completing the investment phase of Sukari (Stage 4 complete).

Corporate:

- corporate governance improvements – engagement programme with shareholders;
- corporate governance improvements – appointment of CEO and separation of CEO and Chairman roles; and
- health and safety – safety record of 0.39 LTIFR in 2014 (maintaining a good track record although below the rate in 2013).

Individual KPIs:

- securing approval for the increase in the daily supply of AN; and
- M&A activity culminated in a recommended takeover offer of Ampella Mining Limited to extend exploration into prospective Burkina Faso.

On this basis the Committee determined that 80% of the maximum bonus, of 175% of Josef El-Raghy's 2014 base salary had been achieved. This resulted in a payment of GBP700,000 (US\$1,087,294).

Further details on performance targets cannot be disclosed as these are commercially sensitive.

2015 bonus

The bonus for 2015 will be based upon the balanced scorecard 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 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 communication of business strategy, in country stakeholder management and shareholder relations. These tasks will include:
 - orderly handover of CEO responsibilities to Andrew Pardey;
 - direct stakeholder and investor engagement to include attending and presenting at roadshows and conferences throughout the year; and
 - maintaining his role as the Company's Egyptian political interface.

For Andrew Pardey the bonus opportunity will be based on a balance scorecard approach which will be finalised by the Committee in May 2015, but will apply similar business targets as identified above.

Further details on performance targets cannot be disclosed as these are commercially sensitive.

Pension arrangements and benefits in kind (audited)

Josef El-Raghy is entitled to a payment in respect of pension entitlement equal to 20% of base pay. Andrew Pardey is likely to be entitled to a pension entitlement of up to 20% of base pay. 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.

Long term incentives – shares award table (audited)

Josef El-Raghy does not currently participate in any long term incentive arrangement. There is a deferred share plan for senior management. Andrew Pardey has participated in this plan but is no longer eligible for new awards following his appointment to the Board. Full details can be found section 6 below.

Payment to past directors

There are no payments to directors for loss of office.

Payment for loss of office (audited)

There are no payments to past directors of the Company.

	Performance measure:	% Target:	% Max	% Awarded of target	Subtotal
Financial and operational	Financial and operational	40%	70%	80%	32%
	Strategic	20%	35%	80%	16%
	Corporate	10%	17.5%	90%	9%
Individual	Individual KPI	30%	52.5%	75%	23%
	Total	100%	175%		80%

Service agreements for directors

Service agreements for executive directors

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

Letters of appointment 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 appointment letters including the terms of service are available at the Company's registered office or at the Annual General Meeting. Each of the non-executive directors have formal letters of appointment and there is no provision for payments for loss of office.

	Josef El-Raghy	Andrew Pardey
Date of agreement	1 September 2010 (as amended subsequently).	1 February 2015.
Notice period	Twelve months' notice from either party.	Three months' notice from either party.
Expiry date	No fixed expiry date as rolling contract.	No fixed expiry date as rolling contract.
Pension	Entitlement to 20% of base pay.	No current entitlement.
Benefits	Entitlement in accordance with the remuneration policy.	Entitlement in accordance with the remuneration policy.
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	Eligible to participate in the new LTIP.	Eligible to participate in the new LTIP.
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. In the case of notice given in connection with and shortly following a change of control, Andrew Pardey 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.

Remuneration report continued

4. Annual remuneration report continued

Directors' shareholdings (audited)

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 at the date of this report. Josef El-Raghy (and family) currently own 6.2% of the issued share capital of the Company.

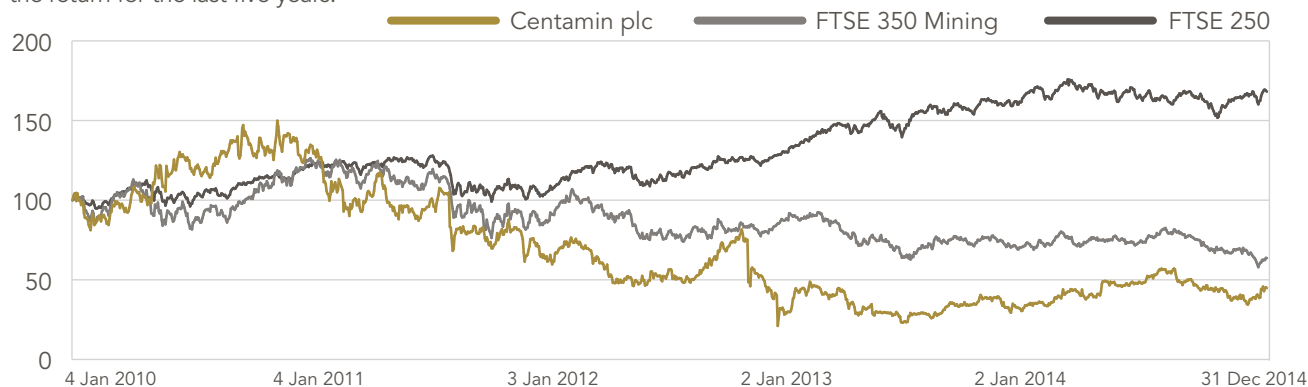
Name	As at 31 December 2014	As at 31 December 2013	% of base salary/fees
Executive directors			
Josef El-Raghy	71,445,086	71,445,086	9288%
Andrew Pardey	2,185,000 ⁽¹⁾	1,785,000 ⁽¹⁾	364%
Non-executive directors			
Trevor Schultz	30,000	1,030,000 ⁽²⁾	26%
G Edward Haslam	102,056	102,056	44%
Mark Banks	150,000	120,000	115%
Mark Arnesen	15,000	15,000	11%
Kevin Tomlinson	24,400	—	21%

(1) Includes shares granted under the DBSP.
(2) Includes shares granted under the EDLFS which lapsed in 2014 as the performance conditions were not met.

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	65%	Nil
2012	US\$1,920,644	80%	Nil
2013	US\$2,020,562	75%	Nil
2014	US\$2,073,192	80%	Nil

1. For 2011 the maximum bonus opportunity was A\$1m. For 2012 and 2013 the maximum bonus opportunity was 175% of base. The Loan Funded Share Plan award made in 2011 to Josef El-Raghy was voluntarily forfeited in 2012 for no compensation.

Percentage change in remuneration

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

	Total remuneration 2014	Total remuneration 2013	Percentage change
Comparator group	US\$50,985,000	US\$52,581,000	3%
Chairman	US\$2,073,192	US\$2,020,562	2%

1. The total number of individuals employed by the Centamin Group in 2014 were 1,413 (2013: 1,387 employees).

6. Long term incentive arrangements

Introduction

Neither executive director currently participates in any long term incentive arrangement. There is a deferred share plan for senior management detailed below. Andrew Pardey was a member of this scheme but is no longer eligible for new awards following his appointment as director.

Centamin is proposing the introduction of a new long term incentive scheme, for approval at the AGM on 18 May 2015. The aim of the Plan is to introduce a long term incentive plan that can provide a suitable recruitment and retention tool for any new or promoted executives and in particular individuals at executive director level. The Plan, which complies with best practice guidelines, is to provide a platform, as part of the remuneration policy, to be used to provide a long term reward tool for participants. Full details can be found in the appendix to this report below.

New long term incentive plan

Restricted share plan ("Plan")

The Plan provides the right for the Company to grant awards to employees of the Company or any of its subsidiaries (the "Group"). Awards may take the form of: (a) conditional share awards, where shares are transferred conditionally upon the satisfaction of performance conditions; or (b) share options which may take the form of nil cost options or have a nominal exercise price, the exercise of which is again subject to satisfaction of applicable performance conditions.

Conditional share awards and options together constitute "awards" under the Plan and those in receipt of awards are "award holders".

(A) Eligibility

Awards may be granted under the Plan to all persons who at the date at which the award is granted under the Plan are employees of the Group, though at present it is envisaged that Awards will be reserved for senior management in the Group. The Remuneration Committee decides to whom awards are granted, the number of ordinary shares falling under an award and the precise nature of the performance conditions. No awards may be granted more than ten years after the date on which the Plan was adopted by the Company.

(B) Granting of awards

Awards may be granted under the Plan at any point during the 28 day period following adoption of the Plan, the 42 day period following the announcement of the annual results of the Company or at any other period in which the directors of the Company deem that awards should be granted due to exceptional circumstances. In no circumstances shall awards be made at a time when their grant would be prohibited by or in breach of any law, regulation with force of law, or rule of an investment exchange on which shares are listed or traded, part of the Model Code or any other non-statutory rule with a purpose similar to any part of the

Model Code that binds the Company. Awards may not be made following the expiry of ten years from the date of adoption of the Plan.

The shares to be transferred pursuant to vested awards may either be newly issued shares, treasury shares, or existing shares to be transferred pursuant to the Company's employee benefits trust, the trustees of which are Computershare Trustees (Jersey) Limited.

(C) Anti-dilution and scheme limits

The overall number of shares transferred or transferable pursuant to awards, when aggregated with all employee share plans operated by the Company (dilutive shares) cannot exceed 10% of the issued share capital of the Company in any ten year rolling period when added to the dilutive shares.

The overall number of shares transferred or transferable pursuant to awards for the benefit of executives, when aggregated with all executive share plans operated by the Company (executive dilutive shares) cannot exceed 5% of the issued share capital of the Company in any ten year rolling period when added to the executive dilutive shares.

For the purposes of these limits, treasury shares will count as newly issued shares where required by institutional investor guidelines. Awards or other rights to acquire shares which have lapsed or have been renounced do not count towards this limit.

The aggregate market value of any award received by an award holder may not (assessed on the value of the shares at the date of granting the award), exceed 150% of the award holder's total remuneration as at the date of the grant of the award. In circumstances the Remuneration Committee determine as being exceptional, that limit may be increased to 250% by the Remuneration Committee for a particular award.

(D) Award price

Award holders are not required to make any payment to participate in the Plan and no price is payable by the award holders to enable shares to be transferred in satisfaction of conditional share awards. Options will either have no exercise price or a nominal exercise price.

Remuneration report continued

6. Long term incentive arrangements continued

New long term incentive plan continued

(E) Vesting of awards

Awards will vest following the passing of three years from the date of the award. Vesting will be subject to satisfaction of Performance Conditions. For the purpose of the performance conditions, the award will be divided into up to three tranches to be assessed against separate performance conditions measured over a three year period. Although the precise performance conditions may vary between awards, at the date of adoption of the Plan, the intention is that the performance conditions will be assessed as follows:

- 20% of the award shall be assessed by reference to a target total shareholder return ("TSR"). If the top end of the TSR target is met (currently anticipated to be if the Company is ranked equal to or better than the upper quarter total shareholder return of selected comparator companies, see below) all 20% of the award tranche shall vest. If the Company is ranked at the median level in a table of comparator companies by reference to TSR, 25% of the award tranche shall vest (i.e. 5% of the award). Proportionate amounts of the award tranche will vest for results in between. The comparator group is as follows: Agnico Eagle Mines Ltd, AngloGold Ashanti, Centerra Gold, Eldorado Gold, Gold Fields Ltd, Kinross Gold Corporation, IMGold Resources Inc, Petropavlovsk, Polyus Gold, Randgold Resources, Yamana Gold, Inc, Acacia Mining plc/African Barrick, Alacer Gold, B2 Gold Corp and Endeavour Mining;
- 50% of the Award shall be assessed by reference to absolute growth in earnings per share ("EPS"). If a compound annual growth rate in EPS of the Company of 12% is achieved, all 50% of the award tranche shall vest. If a compound annual growth rate in EPS of the Company of 8% is achieved 25% of the award tranche shall vest (i.e. 12.5% of the Award). Proportionate amounts of the award tranche will vest for results in between. With the onset of profit share (expected from 2017) likely to impact the growth of EPS, the Remuneration Committee will have the discretion to make a fair and equitable adjustment, if necessary, to reflect the impact of profit share when assessing the growth over the period of the grant. Any such adjustment will be discussed with key shareholders at the time; and
- 30% of the award shall be assessed by reference to compound growth in gold production. If a compound annual growth rate of 10% of gold production is achieved, all 30% of the award tranche shall vest. If a compound annual growth rate of 6% of gold production is achieved 25% of the award tranche shall vest (i.e. 7.5% of the award). Proportionate amounts of the award tranche will vest for results in between.

The above measures are assessed by reference to current market practice and the Remuneration Committee will have regard to current market practice when establishing the precise performance conditions for awards.

Where the performance conditions have been met, in the case of conditional awards, 50% of the total shares under the award will be issued or transferred to the award holders on or as soon as possible following the specified vesting date, with the remaining 50% being issued or transferred on the second anniversary of the vesting date. In the case of options, following the vesting date the options will then be exercisable with the resulting shares being issued or transferred to the award holders on or as soon as possible following the exercise, with the remaining 50% being issued or transferred on the second anniversary of the vesting date.

(F) Exit events

In the event of a takeover, scheme of arrangement, winding up or compulsory acquisition of the Company, the vesting of an award may be accelerated. A proportion of the shares subject to an award equivalent to proportion of the vesting period which has passed at the date of the exit event (rounded down to the nearest month) shall vest, subject to the extent the performance conditions have been met, to be determined at the discretion of the Remuneration Committee.

In the event of an internal reorganisation of the Group which results in a new holding company and where the shareholders of the new holding company, immediately after it has obtained control, are substantially the same as the shareholders of the Company, awards may not vest or lapse but will be replaced by new awards over shares in the new holding company.

(G) Leavers

Where an award holder leaves employment with the Group, their award will immediately suspend and will lapse upon the expiry of 30 days from the date of leaving, unless the Remuneration Committee determines that the award holder should be entitled to retain their award. Where the Remuneration Committee permits the leaver to retain their award, a proportion of the award will vest over a proportion of the award shares which is equivalent to the proportion of the vesting period which has passed at the date of leaving (rounded down to the nearest month) subject to the extent the performance conditions have been met, to be determined at the discretion of the Remuneration Committee. The resulting shares will be issued or transferred to the award holder on the date they would have received them, had they not left (subject to the same transfer in two equal tranches).

An award granted under the Plan is not transferable. Awards will also lapse if an award holder is declared bankrupt or attempts to assign their award.

(H) Status of shares

The shares acquired under the Plan will rank *pari passu* with the Company's issued ordinary shares.

(I) Pensionable benefits

The value of any benefit realised under the Plan by award holders shall not be taken into account in determining any pension or similar entitlements.

(J) Alteration of awards

If there is a variation of the share capital of the Company, including a rights issue, consolidation, sub-division or reduction of share capital that effects the value of awards under the Plan, the Remuneration Committee may adjust the awards in a manner that they deem to be fair and reasonable. In any such circumstances, in the case of awards which are options, such an adjustment may not increase the exercise price of the options.

(K) Amendments to the Plan and assumption of awards

The Plan may at any time, on the recommendation of the Remuneration Committee be amended or added to in any respect, provided that prior approval of the Company has been obtained in a general meeting for alterations or additions to the rules of the Plan which are to the advantage of award holders in respect of the rules governing eligibility, entitlement to acquisition of shares under an award, to whom awards can be granted, Plan limits and individual limits on participation and the adjustment of awards on a variation of share capital. Awards granted under previous schemes operated by the Company may be assumed into, or satisfied under, the Plan.

Minor amendments to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for award holders or Group companies would not require approval in a general meeting.

The right is also reserved up to the date of shareholder approval of the Plan to make such amendments to the Plan as are considered appropriate, provided they do not conflict in any material respect with this summary of the rules of the Plan.

Deferred bonus scheme (not for directors)

This plan, introduced in 2012, 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:

- increasing the variable pay element of remuneration;
- introducing a new retention element in the remuneration package; and
- linking part of that reward to the medium term share performance of the Company.

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 and in June 2014, the participants who met the vesting criteria, received their first tranche, representing one third of the original award. In addition, a further grant was awarded to new and existing participants which will vest over the next three years.

The plan is not open to directors of the Company and any shares used for the plan are not newly issued shares.

Historic long term incentive plan summary**Employee Loan Funded Share Plan ("ELFSP")**

There are no outstanding awards under this plan and there is no intention to make further awards under this plan. This was the rollover plan for the Centamin Egypt Ltd 2011 ELFSP. Under the plan, employees receive a loan to buy shares in the Company. The shares were then held in trust for the employee and at the end of three years the employees can repay the loan and receive the shares. This plan is no longer in use.

Director loan funded share plan 2011

There are no outstanding awards under this plan and as the performance criteria were not met, the awards to the remaining participants lapsed in 2014. The plan is no longer in use.

Employee share option plan

There are no outstanding awards under this plan and the plan is no longer in use. 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 16 May 2014 the following votes for and against the adoption of the remuneration report were as follows:

	For	Against	Withheld
Number of votes	392,308,097 (74.02%)	137,672,263 (25.98%)	137,834,974

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

G Edward Haslam

Chairman of the Remuneration Committee 23 March 2015

Audit and Risk Committee report

“

The committee were satisfied that the controls over the accuracy and consistency of the information in the 2014 annual report were sufficiently robust, having received monthly, quarterly and annual reviews on the control environment and approach to key accounting policies, estimates and judgments.

”

Mark Arnesen

Chairman of the Audit and Risk Committee



Dear shareholders

The Audit and Risk Committee is made up of three independent non-executive directors, myself as Chairman, Mark Bankes and Edward Haslam. Biographies of the members of the committee can be found on page 58.

➔ **Biographies can be found on page 58**

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

The committee operates within the terms of reference set out in its charter, which were reviewed and updated during the year and can be found at www.centamin.com/centamin/investors/corporate-governance.

The committee was satisfied that the controls over the accuracy and consistency of the information in the 2014 annual report were sufficiently robust, having received monthly, quarterly and annual reviews on the control environment and approach to key accounting policies, estimates and judgments.

The committee has, at the request of the Board, also considered whether the annual report is fair, balanced and understandable. In arriving at that decision, the committee has been involved in reviewing, at an early stage, the content of both the financial statements and the strategic, performance and governance reporting. The assessment of each component by the committee can be summarised as follows:

- is the annual report fair and balanced? The committee concluded that the annual report was 'fair' and 'balanced' having considered the activity of the Company during the period and how this activity, KPIs and overall performance were presented throughout annual report. An example is the reporting of the positive key achievements during the year, such as the increase in throughput following completion of the expanded plant, but which has been balanced fairly against the backdrop of a lower gold price and reduced production guidance in 2014 and 2015; and
- is the annual report clear and understandable? The Committee recommended the removal and separate filing of the MD&A compliance document (which is a Canadian requirement) from the annual report to further assist with clear and concise messaging. In addition, the three strategic priorities are imbedded throughout the report, which aid the user in understanding the strategy and how this has impacted upon our KPIs and overall operational and financial performance.

The activities of the committee, its principal responsibilities and its engagement with the external auditor are set out below.

External auditor

As set out in the 2013 annual report, the committee was satisfied with Deloitte LLP, having assessed their independence, ethical standards and objectivity. However, following over ten years of external audit provided by Deloitte, it was decided that the audit for the Company should be put out to tender. Details of the tender process are set out in the following section. The tender process was conducted in compliance with best practice guidelines and there are no matters in connection with Deloitte's resignation as auditor which, in the view of the committee and the Board, need to be brought to the attention of shareholders. PricewaterhouseCoopers LLP ("PWC"), were appointed on 23 June 2014 and have since carried out the review engagement for the half year ended 30 June 2014 and the statutory audit for the year end 31 December 2014.

➔ The audit opinion can be found on page 95

There has been no rotation of audit partner since PWC's appointment. The Company's policy is to tender the external audit every ten years.

The committee continues to monitor the auditor's objectivity and independence and I am satisfied that PWC and the Group have appropriate policies and procedures in place to ensure that these requirements are not compromised. I am also satisfied that the audit engagement for the financial year ended 2014 was both effective and added value to the Group.

PricewaterhouseCoopers carried out the half year review and annual statutory audit. The auditor presented to the committee its audit planning approach in the run up to both audits. The committee, having reviewed the plans, assessed the content and scope of the audit, ensuring that the key audit areas were identified and that the audit approach was appropriate for the Company, given the committee has a detailed understanding of the controls in place. The committee then met following each audit and assessed the efficiency and timeliness in which the audit was carried out. The committee also reviewed the recommendations of the auditor and the implementation by management of those proposals.

There was no material non-audit work carried out by PWC during the year, with the majority of the tax advisory services continuing to be provided by the Deloitte LLP tax teams in the UK and Australia. The Group's policy for non-audit services sets out the categories which the external auditor will and will not be allowed to provide to the Group and those engagements that need pre-approval of the Group. Fees for audit services incurred during the year amounted to US\$500,000 including the interim review fee of US\$100,000. Non-audit fees for PWC were US\$125,000. Full details are set out in Note 22 to the financial statements.

A summary of our policy on non-audit services and auditor independence can be found on our website.

PWC have open access to the Board of Directors at all times and the audit partner and certain of the audit management team attend and present at relevant committee meetings throughout the year.

External audit tender process

The committee noted in the 2013 annual report and proxy materials that having reviewed the Company's governance arrangements, taking account of recommendations in the Code, the committee envisaged commencing an audit tender process for the Company's external auditor.

In 2014, the committee carried out a tender for the annual statutory audit, approaching a number of firms including mid-tier and the big four audit firms. The firms were selected based on their experience, industry knowledge and matters which, may otherwise, compromise their independence and objectivity. Deloitte LLP was also invited to tender for the audit.

Aided by management, the committee assessed each of the selected firms and shortlisted four firms. These shortlisted firms were given access to information, materials and personnel to allow them to prepare for their presentations to the Committee and senior members of the finance team.

Those involved in the final selection process included all three members of the committee, Pierre Louw (CFO), Lynne Gregory (General Counsel) and Liesel Sobey (Group Accountant).

Audit and Risk Committee report continued

External audit tender process continued

The members of this selection panel were impressed by the quality of the tenders which made the decision difficult, however, the committee ultimately recommended the appointment of PricewaterhouseCoopers LLP as the Company's external auditor. The Board agreed with the committee's recommendation and PWC were then formally appointed as the Company's auditor on 23 June 2014. Deloitte resigned as auditor effective the same date.

PWC will continue to fill the casual vacancy created and the Board will be recommending the appointment of PWC to shareholders at the AGM on 18 May 2015.

Internal controls

Activity over the coming year will include progressing a scoping document 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. Whilst this was initially an objective for 2014, an internal auditor has not been appointed to date, as the relative size and simplicity of the Group did not warrant such an appointment. However, following the ramp up of the processing plant and the growth of our exploration programmes, it is proposed that the committee identifies a suitable firm to carry out the internal audit. The committees will utilise the external statutory audit to assist in identifying key areas of focus for the provision of internal audit services.

Controls over financial reports and financial statements

The consolidated financial statements and annual report are prepared at the Company's head office in Jersey, where the Group Accountant and Chief Financial Officer are based. The accounting information from the Group's operations is provided to the head office where the ledgers are consolidated. Appropriate reconciliations and reviews are performed at the level of the operation and at the Group's head office by way of the performance of monthly, quarterly and annual reconciliations.

Committee activity in 2014/15

Details of the activities carried out by the committee during the year are detailed in the table below.

Audit and Risk Committee members

Mark Arnesen (Chairman of the committee)
Edward Haslam (Member)
Mark Banks (Member)

The AR Committee meetings are regularly attended, by invitation, by the Chairman, CEO, CFO and the Group Accountant along with the Company Secretary and General Counsel. PWC are also invited to attend key meetings. Separate discussions outside a formal committee meeting are regularly held between the Audit Partner, the committee Chairman and the CFO.

Eight meetings of the committee were held during the year. With the exception of one meeting, where a quorum of two was present, all other meetings had full attendance by its members.

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:

Topic	Summary	Activities of the Committee during 2014/15
Financial reporting and shareholder communication	The application of accounting policies and reporting of financial information to shareholders, regulators and the general public.	<ul style="list-style-type: none"> The review of quarterly, half year and annual results. Key accounting policies judgments and estimates (see Note 4). Adoption of new accounting standards (see Note 3). Review of the annual report, to ensure the content is fair, balanced and understandable for the users of the annual report. Attendance by the committee Chairman at the AGM to answer any shareholder queries. Details of the risk management and internal controls are summarised in the corporate governance report together with the assessment which was undertaken by the Board during the year. Further principal risks and the risk management framework are detailed in the strategic report.

Topic	Summary	Activities of the Committee during 2014/15
Internal controls	Management and internal control systems, including business policies and practices; monitoring and reviewing the effectiveness of the Company's internal audit function.	<p>The review of regular internal reports from management including analysis on forecasts, actual budget financial and production reports, information on adherence to internal controls and recommendations for improvements to the internal control framework.</p> <p>The review and monitoring of the Company's internal control and risk management systems, in compliance with the Code, resulted in a number of recommendations by the committee, to include:</p> <ul style="list-style-type: none"> • review of the processes and approvals as set out in the concession agreement (to include timing and modelling of cost recovery and profit share); • visibility of the ongoing review and monitoring of key contractors; • IT resilience and data security; and • treasury and banking procedures (including branch accounts). <p>The committee also reviewed both mandatory and voluntary reporting requirements, by virtue of its domicile in Jersey, Channel Islands, taking into account stakeholder expectations on the reporting disclosures of the Group.</p> <p>The proposed appointment of an internal auditor in compliance with Code C.3.6 is set out in 2015 objectives above.</p> <p>Details of the risk management and internal controls are summarised in the corporate governance report together with the assessment which was undertaken by the Board during the year.</p> <p>The Group maintains a whistleblowing policy, a copy of which can be found on the Company's website.</p>
External audit	Corporate conduct and business ethics, including auditor independence and ongoing compliance with laws and regulation.	<ul style="list-style-type: none"> • Review of the audit planning at the half year and full year and monitor its implementation. • Assess auditor effectiveness, ensuring the external auditor maintains their independence and objectivity. • The adequacy of the auditor's qualifications, expertise and resources. • The robustness and perceptiveness of the auditor in its handling of the key accounting and audit judgments.
Risk evaluation and mitigation	Assessment of the principal risks facing the Group and effectiveness of the risk management systems.	<p>The committee reviews the corporate risk registers and operational risk assessments throughout the year, giving due consideration to the adequacy of controls and safeguards as well as the approach to risk mitigation. The committee aims to ensure that the Company's risk appetite is aligned with the long-term objectives of the Group. The committee made the following recommendations to enhance risk reporting and disclosures:</p> <ul style="list-style-type: none"> • quarterly reports to the committee summarising the conclusions and discussions of senior management about actual or perceived risks; • granularity of the risk weighting, to include both the probability and likelihood of the principal risks; and • enhanced reporting to capture the data, allowing the committee to comply with the revised 2014 Code. <p>The exploration for and development of metals and mineral resources, together with the construction and development of mining operations is an 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 set out in the strategic report describes the key risks affecting the Company and its underlying operational and exploration activities together with the measures to mitigate risk. A full list of the principal risks affecting the Centamin Group can be found in the strategic report.</p>
Accounting for transactions	Concession Agreement.	<ul style="list-style-type: none"> • Cost recovery and accounting treatment across SGM and PGM. • Maintenance of the PPE register and asset allocation. • Timing and modelling of future profit share with government. • Future accounting treatment and recognition of EMRA's minority interest.
General	Other.	<ul style="list-style-type: none"> • Review of the committees' terms of reference taking account of the revisions to the Code in 2014. • Review of the effectiveness of the committee. • Review of subsidiary audit and accounts preparation including consolidation of Ampella Mining Limited into the Group. • Review of the carrying value of the investments in other exploration companies.

Audit and Risk Committee report continued

Significant issues highlighted during the year by the committee

The following significant issues were highlighted during the year by the committee (full details and analysis are set out in Note 4 to the financial statements).

Topic	Significant issue	How the committee addressed these issues
External audit	Completion of tender for external auditor.	Details of how the committee carried out the tender process resulting in the appointment of PWC are set out in the table above.
Accounting for transactions	Impairment of assets (other than exploration and evaluation and financial assets).	<p>Management have concluded that there is no indication that an impairment exists, nor have any indicators arisen after the reporting period and are therefore not required to perform a full impairment review under IAS 36.</p> <p>In making its assessment as to the possibility of whether impairments losses having arisen, Management considered the following indications:</p> <ul style="list-style-type: none"> • internal sources of information; • external sources of information; • litigation; • the key assumptions applied in the 31 December 2013 impairment review; • forecast gold prices; • discount rate; • production volumes; • reserves and resources report; and • costs and recovery rates. <p>The committee reviewed the papers presented by management in respect to IAS 39 and are in agreement with the conclusions set out above.</p>
Accounting for transactions	Litigation.	<p>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.</p> <p>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 3km² 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.</p> <p>The Committee have reviewed the external legal opinions, the opinions of the Company's General Counsel and the facts associated with the litigation and are in agreement with management on the accounting judgments and agree that 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.</p>

Topic	Significant issue	How the committee addressed these issues
Accounting for transactions	Going concern.	<p>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.</p> <p>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:</p> <ul style="list-style-type: none"> • litigation as discussed in Note 20 to the financial statements; • forecast gold price; • production volumes; and • costs and recovery rates. <p>These financial statements for the year ended 31 December 2014 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.</p>
Accounting for transactions	Accounting treatment of Sukari Gold Mines ("SGM").	<p>SGM is consolidated within the Centamin Group of companies, reflecting the substance and economic reality of the Concession Agreement (see Note 21 to the financial statements). The Group, in considering the relevant activities of SGM, its power over these activities and exposure to the variable returns has concluded that the Group consolidate this interest. A non-controlling interest is recorded in relation to the equity in the subsidiaries that are not attributable to the Group. Note 21 to the financial statements sets out in detail the accounting treatment for all the assets, liabilities, income and expense of SGM. The committee reviewed papers from management and agree with the accounting treatment as set out above.</p>

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 auditor

So far as each current director of the Company is aware, the auditor has had full access to all relevant information and the committee has answered any questions raised by the auditor allowing the auditor to carry out its duties.

The committee recommends to the Board the appointment of PWC as auditor at the forthcoming Annual General Meeting. PWC has expressed its willingness to continue in office as auditor.

Overview

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

During the year, the committee carried out an evaluation of its own performance, taking into consideration the contribution to the quarterly and annual accounts and the risk review and risk assessment process. The committee also considered its composition, the competency, availability and contribution of its members and did not recommend any further changes to the Board.

Mark Arnesen

For and on behalf of Audit and Risk
Committee of Centamin plc
23 March 2015

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 and applicable law.

Under the Law, the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing these financial statements, accounting standards require that directors:

- select suitable accounting policies and apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Law. They are also responsible for safeguarding the assets of the Company and 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. Due to the Company's place of incorporation and its dual listing, it is subject to legislation in the United Kingdom, Canada and Jersey governing the preparation and dissemination of financial statements, which may differ from legislation in other jurisdictions.

The directors are also responsible for the preparation of the strategic report, directors' report, directors' remuneration report, nomination report and corporate governance statement. These reports are contained within the annual report and financial statements.

These financial statements for the year ended 31 December 2014 have 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.

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

The Board receives written assurances from the CEO and CFO 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, they confirm that the Group's risk management and internal compliance is operating efficiently and effectively. The Board recognises that internal control assurances from the CEO and CFO can only be reasonable rather than absolute, and therefore they are not and cannot be designed to detect all weaknesses in control procedures.

The financial statements have been audited by the independent audit and accounting firm, PricewaterhouseCoopers LLP, who were given unrestricted access to all financial records and related information, including minutes of all shareholder, Board and committee meetings.

The financial statements were approved by the Board of Directors on 23 March 2015 and signed on their behalf by:

Andrew Pardey
Chief Executive Officer

Pierre Louw
Chief Financial Officer

Independent auditor's report

to the members of Centamin plc

Report on the Group financial statements

Our opinion

In our opinion, Centamin plc's Group financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's affairs as at 31 December 2014 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"); and
- have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

What we have audited

Centamin plc's financial statements comprise:

- the consolidated statement of financial position as at 31 December 2014;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the annual report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRS as adopted by the European Union.

Our audit approach

Overview

Overall Group materiality: US\$7.7 million which represents a three-year average of 5% of profit before tax, after exceptional items.

- All audit work on the areas of focus was performed by the Group audit engagement team.
- We focused our audit work on the Sukari Gold Mine in Egypt and its holding company, Pharaoh Gold Mines. This involved three site visits to the Group's Egyptian operations during the course of the audit.
- The appeal before the Supreme Administrative Court in Egypt concerning the validity of the Sukari Concession Agreement.
- Accounting for the Group's interest in Sukari Gold Mine.
- Impairment of the Sukari Gold Mine.
- The claim before the Administrative Court concerning diesel fuel disputes.

Independent auditor's report continued

to the members of Centamin plc

The scope of our audit and our areas of focus

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)").

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgments, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are identified as "areas of focus" in the table below. We have also set out how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole, and any comments we make on the results of our procedures should be read in this context. This is not a complete list of all risks identified by our audit.

Area of focus	How our audit addressed the area of focus
<p>The appeal before the Supreme Administrative Court in Egypt concerning the validity of the Sukari Concession Agreement</p> <p>Refer to pages 115 and 127 (Notes 4 and 20 to the financial statements) and page 42 (principal risks and uncertainties).</p> <p>Centamin is in the process of appealing a ruling passed by the Egyptian Administrative Court in October 2012.</p> <p>If the ruling is upheld, the Group's operations at the Sukari site will be significantly reduced and there is, therefore, a risk of material impairment in property, plant and equipment at Sukari, which had a carrying value of US\$999.7 million at 31 December 2014.</p> <p>The outcome of this case is subject to significant uncertainty due to ongoing political, social and economic volatility in Egypt.</p>	<p>We read legal advice from the Group's external legal counsel regarding the risk that the Group may not succeed in its appeal against the Administrative Court and met with the Group's internal and external legal counsel to evaluate the directors' assessment of the outcome of the court case.</p> <p>We assessed the competence, capability and objectivity of internal and external legal counsel by considering professional qualifications, fee arrangements and other relevant factors.</p> <p>We also obtained a copy of the Concession Agreement, as signed by the relevant parties.</p> <p>The directors have assessed that the Group's case has strong legal merit and will ultimately be successful. Based on our work, we determined that the directors had reflected all available information in their assessment.</p> <p>We tested the disclosures in Note 20 to the financial statements and determined that they were consistent with the requirements of IFRS and the results of our audit work.</p>
<p>Accounting for the Group's interest in Sukari Gold Mine</p> <p>Refer to pages 107 and 128 (Notes 3 and 21 to the financial statements) and page 42 (principal risks and uncertainties).</p> <p>The Group, through its interest in Pharoah Gold Mines NL ("PGM"), is a 50% shareholder in Sukari Gold Mining Company ("SGM"), the holder of the Sukari Concession Agreement and operator of Sukari Gold Mine. The remaining 50% is owned by the Egyptian Mineral Resources Authority ("EMRA").</p> <p>There is an accounting judgment as to whether, for the purposes of IFRS 10 'Consolidated financial statements' ("IFRS 10"), the Group controls SGM, or whether joint control exists as defined by IFRS 11 'Joint arrangements' ("IFRS 11").</p> <p>The directors determined that the Group controls SGM and should therefore consolidate 100% of its assets, liabilities and results in the financial statements. This determination included consideration of whether the Group had power over SGM, exposure or rights to variable returns from its involvement in SGM and its ability to use its power over SGM to affect the amount of those returns.</p> <p>Were SGM to be treated as jointly controlled, this would result in SGM being accounted for using the equity method of accounting and, as a result, different recognition, presentation and disclosure in the financial statements.</p>	<p>Through the procedures set out below, we considered and challenged the directors' assessment of control, based on the recognition principles set out in IFRS 10.</p> <p>We read the signed Concession Agreement between the Group and the Arab Republic of Egypt and determined that the facts of the arrangement, including commercial terms, were reflected appropriately in the directors' assessment.</p> <p>We read the by-laws of SGM and assessed the impact of these on the arrangement. We examined Board meeting minutes to understand the practical application of these by-laws and the Concession Agreement. We then completed a thorough analysis of the requirements of IFRS 10, including the directors' assessment of power and, therefore, the balance of substantive and protective rights present in the arrangement. The evidence we obtained supported the directors' assessment that the Group has power over SGM.</p> <p>We confirmed, by reading the Concession Agreement, that the Group is, and will continue to be, exposed and have the right to variable returns.</p> <p>Based on the procedures above, we also confirmed that the Group has the ability to use its power over SGM to affect the amount of its returns.</p> <p>The evidence we obtained supported the directors' assessment that the Group controls SGM.</p>

Area of focus	How our audit addressed the area of focus
<p>Impairment of the Sukari Gold Mine</p> <p>Refer to pages 107, 115 and 123 (Notes 3, 4 and 12 to the financial statements) and page 42 (principal risks and uncertainties).</p> <p>The Sukari mine is the only "producing" asset within the Group. Following an impairment assessment in the prior year, prompted by a decrease in the gold price, the directors have considered whether any of the following further indicators have occurred in the year:</p> <ul style="list-style-type: none"> • significant adverse movements in world gold prices; • a material change in the factors affecting the discount rate, such as country risk premium; or • significant under-performance against budget. <p>The directors have concluded that none of these or any other indicators of impairment has occurred in the year and therefore that no impairment review is necessary.</p> <p>In the absence of a formal impairment assessment, there is a risk that any unidentified material impairment of the asset's carrying value of US\$999.7 million is not reflected in the financial statements.</p> <p>Consequently, we focused our work on the directors' conclusions regarding the occurrence of any impairment indicators, including those described above.</p>	<p>We assessed whether any potential impairment indicators, including those identified by the directors, had occurred. To this end, we performed the following procedures:</p> <ul style="list-style-type: none"> • we obtained consensus gold pricing data and compared this to the pricing included in the directors' assessment, finding that changes in gold prices during 2014 were not sufficient to indicate that an impairment review was needed; • we used our valuation expertise to assess whether the reduction in the discount rate considered in the indicator assessment was within a reasonable range, taking into account a country risk premium for Egypt and found that it was; • we determined that, despite a shortfall in gold production against stated market guidance, there had been no significant underperformance against budget; • we determined that there had been no material reduction in reserves and resources; and • we used our knowledge of the Group and of the mining industry to question whether any other events had occurred during the year that would give rise to an impairment indicator without identifying any. <p>Having tested the directors' impairment indicator assessment, we concurred that, in spite of the ongoing low price of gold and lower than expected production, no impairment indicator had occurred in the year ended 31 December 2014.</p>
<p>The claim before the Administrative Court concerning diesel fuel disputes</p> <p>Refer to page 127 (Note 20 to the financial statements) and page 42 (principal risks and uncertainties).</p> <p>Centamin is involved in an ongoing legal case relating to historical and current fuel subsidies. The potential amount that could be recouped by the Group relating to the current subsidy case is US\$165.7 million and the potential amount that the Group could have to pay if they lose the historical case is US\$60.5 million.</p> <p>To date, the Group has not provided for the historical case, based on internal and external assessments of the merits of the case, but has made disclosure of a contingent liability.</p> <p>In 2014, the Group has disclosed the impact of the current subsidy case, being the difference between international and subsidised diesel price that has impacted the Group's results for the year, as an exceptional item in the consolidated statement of comprehensive income. No contingent asset has been recognised.</p>	<p>We read the legal advice obtained by the directors from their external legal counsel in connection with the legal case and held meetings with the Group's internal and external legal counsel. We used this information to evaluate the directors' assessment of the outcome of the case.</p> <p>We assessed the competence, capability and objectivity of internal and external counsel, by considering professional qualifications, fee arrangements and other relevant factors.</p> <p>The results of the procedures we performed, as described above, supported the directors' accounting treatment, under which no liability was recognised in respect of the historical case and no asset was recognised in respect of the current subsidy case.</p> <p>We challenged the presentation of the impact of the difference between international and subsidised diesel prices as an exceptional item and concluded that it was still appropriate because of the strength of the Group's case.</p>

We also considered the sufficiency of the disclosure regarding the case and concluded that it was consistent with the requirements of IFRS and gave a balanced description of the cases.

Independent auditor's report continued

to the members of Centamin plc

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the geographic structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

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 group level. The Group is headquartered in Jersey and has production operations in Egypt, with exploration activity in Ethiopia, Burkina Faso and Côte d'Ivoire.

Based on that assessment, our group audit scope focused primarily on the Sukari Gold Mine in Egypt, the Group's principal operation, which was subject to a full-scope audit, as was Pharoah Gold Mines, which holds the Group's interest in Sukari. We made site visits to Sukari and conducted audit fieldwork in Alexandria. During these visits, we observed and discussed mining operations, including how the Concession Agreement is managed, with local management and met with the Group's external in-country legal counsel in Cairo.

We also performed specific audit procedures on material balances in other Group companies in order to address identified risks and other matters.

Furthermore, we performed work over the consolidation of the Group's components and significant head office and consolidation adjustments. All audit work was performed by the group audit team.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgment we determined materiality for the financial statements as a whole as follows:

Overall Group materiality	US\$7.7 million.
How we determined it	Three-year average of 5% of profit before tax after exceptional items.
Rationale for benchmark applied	We used the profit before tax after exceptional items benchmark, a generally accepted auditing practice and took a three-year average to eliminate the effects of gold price volatility.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above US\$385,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Going concern

The directors have voluntarily complied with Listing Rule 9.8.6(R)(3) of the Financial Conduct Authority and provided a statement in relation to going concern, set out on page 94, required for UK companies with a premium listing on the London Stock Exchange.

The directors have requested that we review the statement on going concern as if the Company were a premium listed UK company. We have nothing to report having performed our review.

As noted in the directors' statement, the directors have concluded that it is appropriate to prepare the financial statements using the going concern basis of accounting. The going concern basis presumes that the Group and Company have adequate resources to remain in operation, and that the directors intend them to do so, for at least one year from the date the financial statements were signed. As part of our audit we have concluded that the directors' use of the going concern basis is appropriate.

However, because not all future events or conditions can be predicted, these statements are not a guarantee as to the Group's and Company's ability to continue as a going concern.

Other required reporting

Consistency of other information

ISAs (UK & Ireland) reporting	
<p>Under ISAs (UK & Ireland) we are required to report to you if, in our opinion:</p> <ul style="list-style-type: none"> information in the annual report is: <ul style="list-style-type: none"> 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. 	We have no exceptions to report arising from this responsibility.
<ul style="list-style-type: none"> The statement given by the directors on page 94, in accordance with provision C.1.1 of the UK Corporate Governance Code ("the Code"), that they consider the annual report taken as a whole to be fair, balanced and understandable and provides the information necessary for members to assess the Group's performance, business model and strategy is materially inconsistent with our knowledge of the Group acquired in the course of performing our audit. 	We have no exceptions to report arising from this responsibility.
<ul style="list-style-type: none"> The section of the annual report on page 90, as required by provision C.3.8 of the Code, describing the work of the Audit and Risk Committee does not appropriately address matters communicated by us to the Audit and Risk Committee. 	We have no exceptions to report arising from this responsibility.

Independent auditor's report continued

to the members of Centamin plc

Adequacy of information and explanations received

Under 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. We have no exceptions to report arising from this responsibility.

Corporate governance statement

Under the Listing Rules, we are required to review the part of the Corporate Governance Statement relating to the parent company's compliance with ten provisions of the UK Corporate Governance Code. We have nothing to report having performed our review

Other voluntary reporting

Opinions on additional disclosures

Directors' remuneration report

The Company voluntarily prepares a directors' remuneration report in accordance with the provisions of the Companies Act 2006. The directors have requested that we audit the part of the directors' remuneration report specified by the Companies Act 2006 to be audited as if the Company were a quoted company.

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate Governance Statement

The Company prepares a corporate governance statement that includes the information with respect to internal control and risk management systems and about share capital structures required by the Disclosure Rules and Transparency Rules of the Financial Conduct Authority. The directors have requested that we report on the consistency of that information with the financial statements.

In our opinion, the information given in the Corporate Governance Statement set out on pages 62 to 68 with respect to internal control and risk management systems and about share capital structures is consistent with the financial statements.

Opinion on other matters

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 94, 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Article 113A of the Companies (Jersey) Law 1991 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

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.

We primarily focus our work in these areas by assessing the directors' judgments against available evidence, forming our own judgments, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.



Richard Spilsbury

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Recognised Auditor
London
23 March 2015

- (a) The maintenance and integrity of the Centamin plc website is the responsibility of the directors; the work carried out by the auditor does not involve consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Consolidated statement of comprehensive income

for the year ended 31 December 2014

	Note	31 December 2014			31 December 2013		
		Before exceptional items	Exceptional items ⁽¹⁾	Total	Before exceptional items	Exceptional items ⁽¹⁾	Total
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Revenue	5	472,581	—	472,581	503,825	—	503,825
Cost of sales	6	(295,763)	(62,534)	(358,297)	(226,433)	(51,004)	(277,437)
Gross profit		176,818	(62,534)	114,284	277,392	(51,004)	226,388
Other operating costs	6	(30,368)	—	(30,368)	(21,727)	—	(21,727)
Impairment of available-for-sale financial assets	14.1	(436)	—	(436)	(12,911)	—	(12,911)
Impairment of associate	14.2	—	—	—	(1,968)	—	(1,968)
Impairment of exploration and evaluation assets	13	(2,328)	—	(2,328)	(6,503)	—	(6,503)
Finance income	6	410	—	410	690	—	690
Profit before tax		144,096	(62,534)	81,562	234,973	(51,004)	183,969
Tax	7	—	—	—	(10)	—	(10)
Profit after tax		144,096	(62,534)	81,562	234,963	(51,004)	183,959
EMRA profit share	3	—	—	—	—	—	—
Profit for the year after EMRA profit share		144,096	(62,534)	81,562	234,963	(51,004)	183,959
Profit for the year attributable to:							
– the owners of the parent		144,096	(62,534)	81,562	234,963	(51,004)	183,959
– non-controlling interests		—	—	—	—	—	—
Other comprehensive income							
Items that may be reclassified subsequently to profit or loss:							
Losses on available-for-sale financial assets (net of tax)	14.1	(80)	—	(80)	(6,150)	—	(6,150)
Losses on available-for-sale financial assets transferred to profit for the year (net of tax)	14.1	—	—	—	12,911	—	12,911
Other comprehensive income for the year		(80)	—	(80)	6,761	—	6,761
Total comprehensive income attributable to:							
– the owners of the parent		144,016	(62,534)	81,482	241,724	(51,004)	190,720
– non-controlling interests		—	—	—	—	—	—
Earnings per share:							
Basic (cents per share)	24	12.735	(5.527)	7.208	21.551	(4.68)	16.873
Diluted (cents per share)	24	12.567	(5.454)	7.113	21.416	(4.65)	16.767

(1) Refer to Note 6 for further details.

Consolidated statement of financial position

as at 31 December 2014

	Notes	31 December 2014 US\$'000	31 December 2013 US\$'000
Non-current assets			
Property, plant and equipment	12	928,964	950,586
Exploration and evaluation asset	13	123,999	59,849
Prepayments	11	23,750	18,950
Interests in associates	14.2	—	—
Other receivables	9	645	—
Total non-current assets		1,077,358	1,029,385
Current assets			
Inventories	10	140,628	135,269
Available-for-sale financial assets	14.1	409	989
Trade and other receivables	9	24,973	25,427
Prepayments	11	1,710	1,678
Cash and cash equivalents	25	125,659	105,979
Total current assets		293,379	269,342
Total assets		1,370,737	1,298,727
Non-current liabilities			
Provisions	16	3,015	7,638
Total non-current liabilities		3,015	7,638
Current liabilities			
Trade and other payables	15	34,042	78,102
Tax liabilities	7	—	—
Provisions	16	307	139
Total current liabilities		34,349	78,241
Total liabilities		37,364	85,879
Net assets		1,333,373	1,212,848
Equity			
Issued capital	17	661,573	612,463
Share option reserve	18	4,098	5,761
Accumulated profits		667,702	594,624
Total equity attributable to:			
– owners of the parent		1,333,373	1,212,848
– non-controlling interest		—	—
Total equity		1,333,373	1,212,848

The consolidated financial statements were approved by the Board of Directors, authorised for issue on 23 March 2015 and signed on its behalf by:



Andrew Pardey
Chief Executive Officer



Pierre Louw
Chief Financial Officer

Consolidated statement of changes in equity

for the year ended 31 December 2014

	Issued capital US\$'000	Share options reserve US\$'000	Accumulated profits US\$'000	Total US\$'000
Balance as at 1 January 2014	612,463	5,761	594,624	1,212,848
Profit for the year	—	—	81,562	81,562
Other comprehensive income for the year	—	—	(80)	(80)
Total comprehensive income for the year	—	—	81,482	81,482
Issue of shares	48,218	—	—	48,218
Own shares acquired	(1,743)	—	—	(1,743)
Transfer of share-based payments	2,635	(4,156)	1,521	—
Recognition of share-based payments	—	2,493	—	2,493
Dividend paid	—	—	(9,925)	(9,925)
Balance as at 31 December 2014	661,573	4,098	667,702	1,333,373
	Issued capital 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

Consolidated statement of cash flows

for the year ended 31 December 2014

	Notes	31 December 2014 US\$'000	31 December 2013 US\$'000
Cash flows from operating activities			
Cash generated in operating activities	25(b)	112,012	245,833
Finance income		(410)	(690)
Net cash generated by operating activities		111,602	245,143
Cash flows from investing activities			
Acquisition of property, plant and equipment		(62,305)	(266,711)
Exploration and evaluation expenditure		(26,201)	(14,670)
Acquisition of financial assets	14.1	—	(2,456)
Acquisition of interests in associates	14.2	—	(500)
Cash acquired through AML asset acquisition		9,254	—
Proceeds from sale of available-for-sale financial assets	14.1	91	822
Finance income	6	410	690
Net cash used in investing activities		(78,751)	(282,825)
Cash flows from financing activities			
Own shares acquired during the period	17	(1,743)	—
Dividend paid		(9,925)	—
Net cash provided by financing activities		(11,668)	—
Net increase/(decrease) in cash and cash equivalents		21,183	(37,682)
Cash and cash equivalents at the beginning of the period		105,979	147,133
Effect of foreign exchange rate changes		(1,503)	(3,472)
Cash and cash equivalents at the end of the period	25	125,659	105,979

Notes to the consolidated financial statements

for the year ended 31 December 2014

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 strategic report 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 Standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2014:

IFRS 10 'Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. See Note 3 for the impact on the financial statements.

IFRS 11 'Joint arrangements' focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportional consolidation of joint arrangements is no longer permitted. See Note 3 for the impact of adoption on the financial statements.

IFRS 12 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles. This amendment did not have a significant effect on the Group financial statements.

Had the Group adopted IFRS 10, IFRS 11 and IFRS 12 effective 1 January 2013 as required by the IFRS as issued by the IASB, there would have been no material impact on the financial statements.

Amendment to IAS 32 'Financial instruments: presentation' on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on the Group financial statements.

Amendment to IAS 36 'Impairment of assets', on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in IAS 36 by the issue of IFRS 13. This amendment did not have a significant effect on the Group financial statements.

Amendment to IAS 39 'Financial instruments: recognition and measurement' on the novation of derivatives and the continuation of hedge accounting. This amendment considers legislative changes to 'over-the-counter' derivatives and the establishment of central counterparties. Under IAS 39 novation of derivatives to central counterparties would result in discontinuance of hedge accounting.

The amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument meets specified criteria. This amendment did not have a significant effect on the Group financial statements.

IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37 'Provisions'. The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognised. The Group is subject to royalty payments to the Egyptian Mineral Resource Authority ("EMRA") which meets the definition of a levy, however, the impact on the Group of adopting this interpretation is not material.

Other standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2014 are not material to the Group.

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.

New standards, amendments and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are for annual periods beginning after 1 January 2014, and have not been effectively applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

IFRS 9 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through profit and loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured

at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39.

For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Group is yet to assess IFRS 9's full impact.

IFRS 15 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. The Group is assessing the impact of IFRS 15.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

3. Summary of significant accounting policies

Basis of preparation

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 the UK subsidiaries which are denominated in Great British pounds and the Australian subsidiaries which are denominated in Australian dollars. All financial information presented in United States dollars has been rounded to the nearest thousand dollars, unless otherwise stated.

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and adopted for use by the European Union, the Companies (Jersey) Law 1991, and IFRS as issued by the IASB, therefore the Group financial statements comply with Article 4 of the EU IAS Regulation.

The consolidated financial statements have been prepared on a going concern basis and under the historical cost convention, as modified by available-for-sale financial assets, and financial assets and financial liabilities (including derivative) instruments at fair value through profit and loss.

There are no changes in these accounting policies for the year ended 31 December 2014 except as disclosed below 'Changes in accounting policy'.

Changes in accounting policy

On 1 January 2014, the Group adopted IFRS 10 'Consolidated financial statements', IFRS 11 'Joint arrangements', IFRS 12 'Disclosure of interests in other entities', a revised version of IAS 27 'Separate financial statements' and a revised version of IAS 28 'Investments in associates and joint ventures' which have been amended for conforming changes based on the issuance of IFRS 10 and IFRS 11. The Group adopted the amendments to the transition guidance for IFRS 10 and IFRS 11 as well as IFRIC 21 'Levies'.

IFRS 10 replaces IAS 27 'Consolidated and separate financial statements' and SIC-12 'Consolidation – special purpose entities', and establishes a single control model that applies to all entities, including those that were previously considered special purpose entities under SIC-12. An investor controls an investee when it has power over the relevant activities, exposure to variable returns from the investee, and the ability to affect those returns through its power over the investee. The assessment of control is based on all facts and circumstances and the conclusion is reassessed if there is an indication that there are changes in facts and circumstances.

On adopting IFRS 10, the Group has assessed its interest in its principal asset, Sukari Gold Mine ("SGM") which is jointly owned by the Group's wholly owned subsidiary Pharaoh Gold Mines NL ("PGM") and EMRA on a 50% equal basis. The Group has considered the relevant activities of SGM and who has the power over these activities and is exposed to variable returns from its involvement with SGM and has the ability to affect those returns through its power over the relevant activities of SGM. Accordingly, the Group has consolidated this interest.

A Non-Controlling Interest ("NCI") is recorded in relation to the equity in the subsidiaries that is not attributable to the parent.

There has been no impact upon the comparatives as SGM has previously been 100% proportionally consolidated within the Group reflecting the substance and economic reality of the Concession Agreement.

IFRS 12 'Disclosure of interests in other entities (including amendments to the transition guidance for IFRS 10–12 issued in June 2012)', which requires annual disclosures of the nature, associated risks, and financial effects of interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities became effective for annual periods beginning on or after 1 January 2013.

Notes to the consolidated financial statements continued

for the year ended 31 December 2014

3. Summary of significant accounting policies continued

Basis of preparation continued

Changes in accounting policy continued

Changes in accounting estimate

On 1 January 2014, the Group changed its accounting estimate in relation to the useful economic life of Sukari plant and equipment capitalised within plant and equipment. Plant and equipment was previously depreciated on a straight-line basis over a 45 year economic life, however, as a result of the commissioning of Stage 4, the current life of mine is 20 years and as such the useful economic life of the Sukari plant and equipment has been reduced to 20 years from 1 January 2014.

The impact of this change is shown below:

Depreciation expense for the year ended 31 December 2014 (old basis)	5,843
Depreciation expense for the year ended 31 December 2014 (new basis)	11,143

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. Subsidiaries are all entities (including structured entities) over which the Group has control, as defined in IFRS 10 'Consolidated 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. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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 owned 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 21) and will therefore recognise a non-controlling interest ("NCI") for EMRA's participation. Furthermore based on the requirements of the Concession Agreement, payments to NCI meet the definition of a liability and will be recorded in the income statement and statement of financial position (below profit after tax), as the EMRA profit share, on the date that a net production surplus becomes available. Payment made to EMRA pursuant to the provisions of the Concession Agreement is based on the net production surplus available as at 30 June, being SGM's financial year end. 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 the Arab Republic of Egypt ("ARE")) (a) all current operating expenses incurred and paid after the initial commercial production; (b) exploration costs, including those accumulated to the commencement of commercial production (at the rate of 33.3% of total accumulated cost per annum); and (c) exploitation capital

costs, including those accumulated prior to the commencement of commercial production (at the rate of 33.3% of total accumulated cost per annum).

EMRA is entitled to a share of 50% (except for, in accordance with the terms of the Concession Agreement, in the first four years where it shall be 40% for the first two years and 45% for the following two years) of SGM's net production surplus ("EMRA Profit Share") (defined as revenue less payment of the fixed royalty to Arab Republic of Egypt ("ARE") and recoverable costs). Based on the Company's calculation there was no net profit share due to EMRA as at 31 December 2014, nor is any likely to be due as at 30 June 2015. 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 (below profit after tax) of Centamin, which will lead to a reduction in the earnings per share.

Going concern

These financial statements for the year ended 31 December 2014 have been prepared on a going concern basis, which contemplate the realisation of assets and liquidation of liabilities during the normal course of operations.

The Group meets its day-to-day working capital requirements through existing cash resources, as discussed in Note 20, during 2012 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 to Sukari, and the second arose as a result of a judgment of the Administrative Court in relation to, amongst other matters, the Company's 160km² exploitation lease. With regard 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 the matter may take some time.

With respect to the legal action, 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. Sukari has operated as usual throughout the period.

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.

After making enquiries, the directors have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing these 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. These policies have been consistently applied to all the years presented, unless otherwise stated.

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 re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the income statement.

Other financial liabilities

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

Derecognition of financial liabilities

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

Financial assets

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

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

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts 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.

Notes to the consolidated financial statements continued

for the year ended 31 December 2014

3. Summary of significant accounting policies continued

Accounting policies continued

Financial assets continued

Available-for-sale financial assets ("AFS") continued

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 (defined contribution schemes) 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.

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 except for the UK subsidiaries which are denominated in Great British pounds and the Australian subsidiaries which are denominated in Australian dollars.

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

The Group applies IFRS 11 to joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. Joint ventures are accounted for using the equity method. In relation to its interests in joint operations, the Group recognises its share of assets and liabilities; revenue from the sale of its share of the output; and its share of expenses.

SGM is wholly consolidated within the Centamin group of companies, reflecting the substance and economic reality of the Concession Agreement (see Note 21).

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. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. The cost of property, plant and equipment includes the estimated restoration costs associated with the asset.

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.

Notes to the consolidated financial statements continued

for the year ended 31 December 2014

3. Summary of significant accounting policies continued

Accounting policies continued

Property, plant and equipment ("PPE") continued

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 – 20 years
Office equipment	3 – 7 years
Mining equipment	2 – 13 years
Buildings	4 – 20 years

The gain or loss arising on the disposal or scrapping 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). 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.

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). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units).

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 a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the cash-generating unit is reduced to its recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the 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 cash-generating unit in prior years.

A reversal of an impairment loss is recognised immediately in profit or loss, 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.

Production royalty

The Arab Republic of Egypt ("ARE") is entitled to a royalty of 3% of net sales revenue (revenue net of freight and refining costs) 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 but rather in other operating costs.

Other income

Interest income

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

Business combinations

Acquisitions of businesses as defined by IFRS 3 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 IFRS 3 either in profit or loss or as a change to other comprehensive income. Changes in the fair value of contingent consideration classified as equity are not re-measured, and its subsequent settlement is accounted for within equity.

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.

Notes to the consolidated financial statements continued

for the year ended 31 December 2014

3. Summary of significant accounting policies continued

Accounting policies continued

Business combinations continued

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, 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.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit/(loss) of associates in the income statement.

Dilution gains and losses arising in investments in associates are recognised in the income statement.

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.

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 fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specific period of time).

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

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

Ordinary shares are classified as equity. 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.

Restoration and rehabilitation

A provision for restoration and rehabilitation is recognised when there is a present legal or constructive 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.

Notes to the consolidated financial statements continued

for the year ended 31 December 2014

4. Critical accounting judgments continued

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. Management have concluded that there is no indication that an impairment exists, nor have any indicators arisen after the reporting period and are therefore not required to perform a full impairment review under IAS 36.

In making its assessment as to the possibility of whether impairments losses having arisen, Management considered the following indications:

- internal sources of information;
- external sources of information;
- litigation;
- the key assumptions applied in the 31 December 2013 impairment review;
- forecast gold prices;
- discount rate;
- production volumes;
- reserves and resources report; and
- costs and recovery rates.

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 3km² 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 3km².

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, in February 2015, the Company gave formal notice to Alecto Minerals plc ("Alecto") terminating the joint venture agreement entered into between the Company and Centamin in September 2013 with regards to the development of Alecto's licences in Ethiopia.

Centamin's rights in the Wayu Boda and Aysid Metekel licences have reverted back to Alecto, such that Alecto will hold 100% of the licences and will assume responsibility for the ongoing commitments in respect of the licences on termination of the joint venture and have thus written off all expenditure incurred to date including the acquisition costs in relation to those licences, amounting to US\$2,327,778.

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 underpinning 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 2014 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 consolidated within the Centamin Group of companies, reflecting the substance and economic reality of the Concession Agreement (see Note 21 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 complex 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.

5. Revenue

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

	31 December 2014 US\$'000	31 December 2013 US\$'000
Gold sales	471,776	503,128
Silver sales	805	697
	472,581	503,825

All gold and silver sales during the year were made to a single customer in North America.

Notes to the consolidated financial statements continued

for the year ended 31 December 2014

6. Profit before tax

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

	31 December 2014			31 December 2013		
	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	(214,370)	(61,564)	(275,934)	(184,608)	(53,130)	(237,738)
Movement in inventory	2,839	(970)	1,869	8,973	2,126	11,099
Depreciation and amortisation	(84,232)	—	(84,232)	(50,798)	—	(50,798)
	(295,763)	(62,534)	(358,297)	(226,433)	(51,004)	(277,437)
				31 December 2014 US\$'000	31 December 2013 US\$'000	
Finance income						
Interest received				410	690	
Other operating costs						
Corporate compliance				(1,339)	(3,188)	
Corporate consultants				(381)	(793)	
Employee entitlements				(116)	(118)	
Salary and wages				(6,135)	(5,854)	
Travel and accommodation				(899)	(1,205)	
Other administration expenses				(243)	(278)	
Employee equity settled share-based payments				(2,493)	(2,284)	
Fixed royalty – attributable to the Egyptian government				(14,144)	(15,074)	
Foreign exchange (loss)/gain, net				(2,900)	9,621	
Provision for restoration and rehabilitation – unwinding of discount				(538)	(563)	
Share of loss in associate ⁽¹⁾				—	(1,664)	
Loss on disposal of property, plant and equipment				(1,093)	(121)	
Lease payments				(87)	(206)	
				(30,368)	(21,727)	
				31 December 2014 US\$'000	31 December 2013 US\$'000	
Impairment of assets						
Impairment of available-for-sale financial assets ⁽¹⁾				(436)	(12,911)	
Impairment of exploration and evaluation assets ⁽²⁾				(2,328)	(6,503)	
				(2,764)	(19,414)	

(1) Refer to Note 14 for further details.

(2) Refer to Note 13 for further details.

	31 December 2014 US\$'000	31 December 2013 US\$'000
Employee benefit expense^{(1) (2)}		
Short-term employee benefits	48,481	50,285
Long-term employee benefits	2	2
Post-employee benefits	9	10
Share-based payments	2,493	2,284
	50,985	52,581

(1) Included in employee benefit expense is an amount of US\$3,067,856 (2013: US\$7,713,163) capitalised to property, plant and equipment and US\$1,288,211 (2013: US\$2,616,573) capitalised to exploration and evaluation assets during the year.

(2) The average number of people (including executive directors) employed was 1,395 (2013: 1,281).

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 2014 US\$'000	31 December 2013 US\$'000
Included in cost of sales		
Mine production costs	(61,564)	(53,130)
Movement in inventory	(970)	2,126
	(62,534)	(51,004)

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 understood that EGPC itself took the decision to issue this instruction because it had received legal advice from the Legal Advice Department of the Council of State (an internal government advisory department) that the companies operating in the gold mining sector in Egypt were not entitled to such subsidies. In addition, the Company during the year received a demand from Chevron for the repayment of fuel subsidies received in the period from late 2009 through to January 2012, amounting to some US\$60 million (EGP403 million).

The Group has taken detailed legal advice on this matter (and, in particular, on the opinion given by Legal Advice Department of the Council of State) and in consequence in June 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.

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\$165.7 million, as an exceptional item, of which US\$68.7 million was provided for during 2014 as follows:

- a) a US\$62.5 million increase in cost of sales (2013: US\$51.0 million increase);
- b) a US\$0.2 million increase in stores inventories (2013: US\$1.7 million increase);
- c) a US\$1.0 million decrease in mining stockpiles and ore in circuit (2013: US\$2.1 million increase); and
- d) a US\$7.0 million increase in property, plant and equipment (capital WIP) (2013: US\$0.8 million increase).

This has resulted in a net charge of US\$62.5 million in the profit and loss.

Notes to the consolidated financial statements continued

for the year ended 31 December 2014

7. Tax

Tax recognised in profit is summarised as follows:

Tax expense

	31 December 2014 US\$'000	31 December 2013 US\$'000
Current tax		
Current tax expense in respect of the current year	—	10
	—	10
Deferred tax		
Total tax expense	—	10

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.

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

	31 December 2014 US\$'000	31 December 2013 US\$'000
Profit before income tax	81,562	183,969
Add: share of loss in associate	—	1,664
	81,562	185,633
Tax expense calculated at 0% (2013: 0%) ⁽¹⁾ of profit before tax	—	—
Tax effect of amounts which are not deductible/taxable in calculating taxable income:		
Effect of tax different tax rates of subsidiaries operating in other jurisdictions	—	10
Tax expense for the year	—	10

(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 (2013: 0%). There has been no change in the underlying corporate tax rates when compared to the previous financial period.

	31 December 2014 US\$'000	31 December 2013 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 in 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.

Non-current assets other than financial instruments by country:

	31 December 2014 US\$'000	31 December 2013 US\$'000
Egypt	999,745	1,007,161
Ethiopia	3,835	3,067
Burkina Faso	48,893	—
Côte d'Ivoire	977	—
Australia	2	1
United Kingdom	156	206
	1,053,608	1,010,435

9. Trade and other receivables

	31 December 2014 US\$'000	31 December 2013 US\$'000
Non-current		
Deposits	24	—
Value added taxation refund	621	—
	645	—
	31 December 2014 US\$'000	31 December 2013 US\$'000
Current		
Gold sales debtors	24,057	24,657
Other receivables	916	770
	24,973	25,427

Trade and other receivables are classified as loans and receivables and are therefore measured at amortised cost.

The average age of the receivables is 21 days (2013: 18 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.

Notes to the consolidated financial statements continued

for the year ended 31 December 2014

10. Inventories

	31 December 2014 US\$'000	31 December 2013 US\$'000
Mining stockpiles and ore in circuit	35,768	33,899
Stores	104,860	101,370
	140,628	135,269

Inventory write-offs of US\$16,174 (2013: US\$372,045) were recognised during the year.

11. Prepayments

	31 December 2014 US\$'000	31 December 2013 US\$'000
Current		
Prepayments	1,710	1,678
Fuel prepayments	—	—
	1,710	1,678
Movement in fuel prepayments⁽¹⁾		
Balance at the beginning of the year	—	—
Fuel prepayment recognised	68,737	55,578
Less: provision charged to: ⁽²⁾		
Mine production costs (see Note 6)	(61,564)	(53,130)
Property, plant and equipment (see Note 6)	(6,953)	(742)
Inventories (see Note 6)	(220)	(1,706)
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 2014 is as follows:

Fuel prepayment recognised (US\$'000)	165,732
Provision charged to:	
Mine production costs (US\$'000)	(151,348)
Property, plant and equipment (US\$'000)	(11,852)
Inventories (US\$'000)	(2,532)

	31 December 2014 US\$'000	31 December 2013 US\$'000
Non-current		
EMRA ⁽³⁾	23,750	18,950
	23,750	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	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 2013	4,625	171	284,902	178,374	182,974	—	426,461	1,077,507
Additions	17	—	8	—	6,979	—	61,252	68,256
Decrease in rehabilitation asset	—	—	—	—	(5,161)	—	—	(5,161)
Acquisition of subsidiary	1,080	1,131	814	1,224	—	—	3	4,252
Disposals	(571)	(160)	(724)	(391)	—	—	(574)	(2,420)
Transfers	232	—	280,811	41,447	43,400	—	(365,890)	—
Balance at 31 December 2014	5,383	1,142	565,811	220,654	228,192	—	121,252	1,142,434
Accumulated depreciation								
Balance at 31 December 2013	(3,051)	(23)	(42,747)	(46,326)	(34,774)	—	—	(126,921)
Acquisition of subsidiary	(765)	(146)	(649)	(1,224)	—	—	—	(2,784)
Depreciation and amortisation	(730)	(8)	(24,456)	(24,373)	(34,723)	—	—	(84,290)
Disposals	292	—	108	125	—	—	—	525
Balance at 31 December 2014	(4,254)	(177)	(67,744)	(71,798)	(69,497)	—	—	(213,470)
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)
Net book value								
As at 31 December 2013	1,574	148	242,155	132,048	148,200	—	426,461	950,586
As at 31 December 2014	1,129	965	498,067	148,856	158,695	—	121,252	928,964

During the prior 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 review was performed in 2014 as no indicators of impairment were identified.

Notes to the consolidated financial statements continued

for the year ended 31 December 2014

13. Exploration and evaluation asset

	31 December 2014 US\$'000	31 December 2013 US\$'000
Balance at the beginning of the period	59,849	45,669
Expenditure for the period	28,841	20,683
Acquisition of Ampella Mining Limited	37,637	—
Impairment of exploration and evaluation asset	(2,328)	(6,503)
Balance at the end of the period	123,999	59,849

The exploration and evaluation asset relates to the drilling, geological exploration and sampling of potential ore reserves. During the first half of the year the Group acquired a 100% interest in Ampella Mining Limited for a total consideration (through the issue of shares in Centamin plc) of US\$48.5 million including a cash component of US\$9.3 million and additional assets of US\$1.6 million. The transaction has been accounted for as an asset acquisition, using fair value measurement principles, with exploration rights covering an area of 2,350km², recorded as an addition to mineral properties in the period. The tenements collectively known as the Batie West permits are Danhal, Donko, Dounkou, Gbingbina, Mabera, Tiopolo, Niorka, Bottara, Kaldera, Kpere Batie, Timboura and Kpere.

In February 2015 the Company gave formal notice to Alecto Minerals plc (the AIM quoted mineral exploration company) terminating the joint venture agreement dated September 2013, with regards to the development of Alecto's licences in Ethiopia.

Centamin's rights in the Wayu Boda and Aysid Metekel licences have reverted back to Alecto, such that Alecto will hold 100% of the licences and will assume responsibility for the ongoing commitments in respect of the licences on termination of the joint venture 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 2014 US\$'000	31 December 2013 US\$'000
Balance at the beginning of the period	989	5,613
Acquisitions	379	2,456
Disposals	(91)	(822)
Loss on foreign exchange movement	(352)	(108)
Loss on fair value of investment – other comprehensive income	(80)	(6,150)
Impairment loss	(436)	—
Balance at the end of the period	409	989

The available-for-sale financial asset at period end relates to a 11.34% (2013: 12.62%) equity interest in Nyota Minerals Limited ("Nyota"), 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.

In 2013, 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 2014 US\$'000	31 December 2013 US\$'000
Impairment loss – being the transfer of unrealised loss – from other comprehensive income	—	12,911

14.2 Interests in associates

	31 December 2014 US\$'000	31 December 2013 US\$'000
Balance at the beginning of the period	—	3,132
Acquisitions	—	500
Share of loss in associate (see Note 6)	—	(1,664)
Impairment in interest in associate	—	(1,968)
Balance at the end of the period	—	—

In the prior year the interest in associate related 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 took the decision to write off the costs associated with the interest held in Sahar due to Sahar's intention to put all assets into care and maintenance as a result of funding requirements.

15. Trade and other payables

	31 December 2014 US\$'000	31 December 2013 US\$'000
Trade payables	17,067	59,996
Other creditors and accruals	16,975	18,106
	34,042	78,102

Trade payables principally comprise the amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 16 days (2013: 69 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 2014 US\$'000	31 December 2013 US\$'000
Current		
Employee benefits ⁽¹⁾	307	139
	307	139
Non-current		
Restoration and rehabilitation ⁽²⁾	3,015	7,638
	3,015	7,638
Movement in restoration and rehabilitation provision		
Balance at beginning of the year	7,638	5,544
(Provision derecognised)/additional provision recognised	(5,161)	1,531
Interest expense – unwinding of discount	538	563
Balance at end of the year	3,015	7,638

(1) Employee benefits relate to annual, sick and long service leave entitlements. The current provision for employee benefits as at 31 December 2014 includes US\$150,493 (31 December 2013: US\$139,111) of annual leave entitlements.

(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 12% (2013: 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, being 20 years. A detailed review was undertaken as at 31 December 2014 as a result of the commissioning of Stage 4 which has resulted in the US\$4,623,470 decrease in the provision.

Notes to the consolidated financial statements continued

for the year ended 31 December 2014

17. Issued capital

	31 December 2014		31 December 2013	
	Number	US\$'000	Number	US\$'000
Fully paid ordinary shares				
Balance at beginning of the period	1,101,397,381	612,463	1,101,397,381	612,463
Issue of shares	50,710,603	48,218	—	—
Own shares acquired during the period	—	(1,743)	—	—
Transfer to share option reserve	—	2,635	—	—
Balance at end of the period	1,152,107,984	661,573	1,101,397,381	612,463

The authorised share capital is an unlimited number of no par value shares.

At 31 December 2014 the Company held 9,821,383 ordinary shares in treasury⁽¹⁾ (2013: 11,013,888 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 Deferred Bonus Share Plan.

18. Reserves

	31 December 2014 US\$'000	31 December 2013 US\$'000
Share option reserve	4,098	5,761
	4,098	5,761

	31 December 2014 US\$'000	31 December 2013 US\$'000
Share option reserve		
Balance at beginning of the period	5,761	3,477
Share-based payments expense	2,493	2,284
Transfer to accumulated profits	(1,521)	—
Transfer to issued capital	(2,635)	—
Balance at the end of the period	4,098	5,761

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

19. Commitments for expenditure

(a) Capital expenditure commitments

	31 December 2014 US\$'000	31 December 2013 US\$'000
Plant and equipment⁽¹⁾		
Not longer than one year	—	3,474
Longer than one year and not longer than five years	—	—
Longer than five years	—	—
	—	3,474

(1) As a result of the completion of Stage 4, the Group had no commitments for capital expenditure as at 31 December 2014.

(b) Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	31 December 2014 US\$'000	31 December 2013 US\$'000
Office premises		
Not longer than one year	63	73
Longer than one year and not longer than five years	195	244
Longer than five years	—	—
	258	317

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 EGP403 million (approximately US\$60.5 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 2012 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 2014.

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.

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 160km² "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 160km² was not valid although it stated that there was in existence such a lease in respect of an area of 3km². Centamin, however, is in possession of the executed original lease documentation which clearly shows that the 160km² 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 was 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.

Notes to the consolidated financial statements continued

for the year ended 31 December 2014

20. Contingent liabilities and contingent assets continued

Contingent liabilities continued

Concession Agreement court case continued

EMRA lodged its own appeal in relation to this matter on 27 November 2012, the day after the Company's appeal was lodged, supporting the Group's view in this matter. 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 160km² 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 3km² referred to in the original court decision.

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

Contingent assets

There were no contingent assets at year end (31 December 2013: nil).

21. Subsidiaries

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

	Ownership interest		
	Country of incorporation	31 December 2014 %	31 December 2013 %
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 (voluntarily struck off)	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	100
Ampella Mining Limited	Australia	100	—
Ampella Share Plan Ltd	Australia	100	—
Ampella Mining Gold Pty Ltd	Australia	100	—
West African Gold Reserve Pty Ltd	Australia	100	—
Ampella Mining Gold SARL	Burkina Faso	100	—
Ampella Mining SARL	Burkina Faso	100	—
Ampella Mining Côte d'Ivoire	Côte d'Ivoire	100	—

(1) Dormant company.

(2) Previously Sheba Exploration (UK) Plc.

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 2005 PGM, together with EMRA, were granted an exploitation lease over 160km² 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 2014, 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 2017. Any payment made to EMRA pursuant to these provisions of the Concession Agreement will be recognised as a variable charge in 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 or 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\$ 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.

Notes to the consolidated financial statements continued

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22. Auditor's remuneration

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

	31 December 2014 US\$'000	31 December 2013 US\$'000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	300	301
Additional fees relating to the prior year	—	67
Fees payable to the Company's auditor and its associates for other services to the Group		
– the audit of the Company's subsidiaries	100	50
Total audit fees	400	418
Non-audit fees:		
Audit related assurance services – interim review	100	140
Other assurance services	125	49
Tax compliance services	—	56
Tax advisory services	—	60
Other expenses	—	—
Total non-audit fees	225	305

The Audit and Risk 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 and Risk Committee.

The amounts paid in 2014 were paid to our current external auditors and the amounts paid in 2013 were paid to our previous external auditors.

23. Joint arrangements

The consolidated entity has an interest in the following joint arrangement:

Name of joint operation	Percentage interest	
	31 December 2014 %	31 December 2013 %
Egyptian Pharaoh Investments ⁽¹⁾ exploration	50	50

(1) Dormant company.

The Group has a US\$1 (cash) interest in the above joint operation. The amount is included in the consolidated financial statements of the Group. Capital commitments arising from the Group's interests in joint operation are disclosed in Note 19.

24. Earnings per share

	31 December 2014	31 December 2013
	Cents per share	Cents per share
Basic earnings per share	7.208	16.873
Diluted earnings per share	7.113	16.767

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 2014	31 December 2013
	US\$'000	US\$'000
Earnings used in the calculation of basic EPS	81,562	183,959

	31 December 2014	31 December 2013
	Number	Number
Weighted average number of ordinary shares for the purpose of basic EPS	1,131,521,652	1,090,242,853

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 2014	31 December 2013
	US\$'000	US\$'000
Earnings used in the calculation of diluted EPS	81,562	183,959

	31 December 2014	31 December 2013
	Number	Number
Weighted average number of ordinary shares for the purpose of basic EPS	1,131,521,652	1,090,242,853
Shares deemed to be issued for no consideration in respect of employee options	15,098,842	6,902,032
Weighted average number of ordinary shares used in the calculation of diluted EPS	1,146,620,494	1,097,144,885

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 2014	31 December 2013
	US\$'000	US\$'000
Cash and cash equivalents	125,659	105,979

Notes to the consolidated financial statements continued

for the year ended 31 December 2014

25. Notes to the statements of cash flows continued

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

	31 December 2014 US\$'000	31 December 2013 US\$'000
Profit for the year	81,562	183,959
Add/(less) non-cash items:		
Depreciation/amortisation of property, plant and equipment	84,290	50,888
Stock write-off	11	372
Decrease in provisions	(5,234)	(2,729)
Foreign exchange rate gain/(loss), net	4,455	(7,788)
Impairment of available-for-sale financial assets	436	12,911
Share of loss in associate	—	1,664
Loss on disposal of property, plant and equipment	1,093	—
Impairment of associate	—	1,968
Impairment of exploration and evaluation assets	2,328	6,503
Share-based payments expense	2,493	2,284
Changes in working capital during the period:		
Decrease in trade and other receivables	454	15,309
Increase in inventories	(5,359)	(40,633)
Increase in prepayments	(4,832)	(20,162)
(Decrease)/increase in trade and other payables	(49,685)	41,287
Cash flows generated from operating activities	112,012	245,833

(c) Non-cash financing and investing activities

During the year there have been no non-cash financing and investing activities other than the Ampella asset acquisition as disclosed in Note 13.

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, Burkina Faso, Côte d'Ivoire 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, and the exploration projects in Ethiopia, Burkina Faso and Côte d'Ivoire.

Categories of financial assets and liabilities:

	31 December 2014 US\$'000	31 December 2013 US\$'000
Financial assets		
Available-for-sale assets	409	989
Cash and cash equivalents	125,659	105,979
Trade and other receivables	25,618	25,427
	151,686	132,395
Financial liabilities		
Trade and other payables	34,042	78,102
	34,042	78,102

(b) Financial risk management and objectives

The Group's overall risk management programme 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 and Risk 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.

(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. 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. Revenue is received in United States dollars. 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 2014 US\$'000	31 December 2013 US\$'000	31 December 2014 US\$'000	31 December 2013 US\$'000	31 December 2014 US\$'000	31 December 2013 US\$'000
Financial assets						
Cash and cash equivalents	127	535	7,405	17,430	1,246	898
Available-for-sale assets	390	580	19	409	—	—
	517	1,115	7,424	17,839	1,246	898
Financial liabilities						
Trade and other payables	1,492	549	18	4,923	3,339	35,980
	1,492	549	18	4,923	3,339	35,980
Net exposure	(975)	566	7,406	12,916	(2,093)	(35,082)

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 2014 US\$'000	31 December 2013 US\$'000	31 December 2014 US\$'000	31 December 2013 US\$'000
US\$/GBP increase by 10%	4	1	(35)	(53)
US\$/GBP decrease by 10%	(4)	(1)	35	53
US\$/A\$ increase by 10%	(583)	(1,144)	(2)	(29)
US\$/A\$ decrease by 10%	583	1,144	2	29
US\$/EGP increase by 10%	102	3,003	—	—
US\$/EGP decrease by 10%	102	(3,003)	—	—

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 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.

Notes to the consolidated financial statements continued

for the year ended 31 December 2014

26. Financial instruments continued

(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
31 December 2014					
Financial assets					
Variable interest rate instruments	0.23	26,863	98,770	—	125,633
Non-interest bearing	—	25,325	—	23,750	49,075
		52,188	98,770	23,750	174,708
Financial liabilities					
Variable interest rate instruments	—	—	—	—	—
Non-interest bearing	—	34,042	—	—	34,042
		34,042	—	—	34,042
31 December 2013					
Financial assets					
Variable interest rate instruments	0.49	6,228	99,086	—	105,314
Non-interest bearing	—	27,081	—	18,950	46,031
		33,309	99,086	18,950	151,345
Financial liabilities					
Variable interest rate instruments	—	—	—	—	—
Non-interest bearing	—	78,102	—	—	78,102
		78,102	—	—	78,102

(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 one month US\$'000	One to twelve months US\$'000	More than twelve months US\$'000	Total US\$'000
31 December 2014				
Financial assets				
Variable interest rate instruments	26,863	98,770	—	125,633
Non-interest bearing	25,325	—	23,750	49,075
	52,188	98,770	23,750	174,708
Financial liabilities				
Variable interest rate instruments	—	—	—	—
Non-interest bearing	34,042	—	—	34,042
	34,042	—	—	34,042
31 December 2013				
Financial assets				
Variable interest rate instruments	6,228	99,086	—	105,314
Non-interest bearing	27,081	—	18,950	46,031
	33,309	99,086	18,950	151,345
Financial liabilities				
Variable interest rate instruments	—	—	—	—
Non-interest bearing	78,102	—	—	78,102
	78,102	—	—	78,102

(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, nor have they been impaired. Also, the cash balances held in 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).

	2014			Total
	Level 1	Level 2	Level 3	
Available-for-sale financial assets	409	—	—	409
	2013			
	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets	989	—	—	989

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

Notes to the consolidated financial statements continued

for the year ended 31 December 2014

27. Share-based payments

Executive Directors Loan Funded Share Plan ("EDLFSP") and Employee Loan Funded Share Plan ("ELFSP")

Shares were issued to executive directors under the 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, 2013 or 2014.

2011 Employee Option Scheme ("2011 EOS")

Options were issued under the 2011 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 ("DBSP")

During the year the Company implemented a 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 2014	31 December 2013
	US\$'000	US\$'000
2011 EOS	68	74
LFSP	(15)	596
DBSP	2,440	1,614
	2,493	2,284

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:

Date of grant	LFSP 2012 5 April	EOS 2012 ⁽¹⁾ 5 April	EOS 2012 ⁽¹⁾ 15 August	LFSP 2011 21 March	LFSP 2011 21 June	LFSP 2011 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 (GBP)	0.6380	0.6380	0.6950	1.2590	1.1710	1.1710
Exercise price (GBP)	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) (GBP)	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.

Notes to the consolidated financial statements continued

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27. Share-based payments continued

Deferred share awards granted during the current and prior year:

	DBSP 2014 ⁽¹⁾	DBSP 2013
Grant date	4 June 2014	4 June 2013
Number of instruments	4,360,836	9,075,000
Share price at grant date (GBP)	0.6285	0.3857
Share price at grant date (US\$)	1.0526	0.5886
Vesting period (years) ⁽²⁾	1-3	1-3
Expected dividend yield (%)	n/a	n/a
Fair value (GBP) ⁽³⁾	0.6285	0.3857
Fair value (US\$) ⁽²⁾	1.0526	0.5886
Incremental fair value at grant date (weighted average) (GBP) ⁽⁴⁾	0.6285	0.3277
Incremental fair value at grant date (weighted average) (US\$) ⁽⁴⁾	1.0526	0.5000

(1) Awards granted on 4 June 2014.

(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 GBP: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 on 4 June 2013 under the DBSP was calculated by using the closing share price on grant date, converted at the closing GBP: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. 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. The incremental fair value of the shares awarded on 4 June 2014 under the DBSP were calculated by using the closing share price on grant date, converted at the closing GBP:US\$ foreign exchange rate on that day. No other factors were taken into account in determining the fair value of the shares awarded under the DBSP.

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 2014		31 December 2013	
	Number of options	US\$ Weighted average exercise price	Number of options	US\$ Weighted average exercise price
Balance at beginning of the period	—	—	—	—
Granted during the period	—	—	—	—
Expired/lapsed during the period	—	—	—	—
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 2014		31 December 2013	
	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	—	—	—	—
Expired/lapsed during the period	—	—	(600,000)	1.1136
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	—	—	—	—
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 2014		31 December 2013	
	Number of options	US\$ Weighted average exercise price	Number of options	US\$ Weighted average exercise price
Balance at beginning of the period	1,222,222	2.0758	10,137,222	1.5808
Granted during the period	—	—	—	—
Expired/lapsed/forfeited during the period	(1,222,222)	2.0758	(167,500)	1.5014
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
Exercisable at the end of the period	—	—	—	—

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

	31 December 2014	31 December 2013
	Number of awards	Number of awards
Balance at beginning of the period	9,287,500	1,000,000
Granted during the period	4,360,836	9,075,000
Expired/lapsed during the period	(754,171)	(787,500)
Exercised during the period	(3,225,834)	—
Balance at the end of the period	9,668,331	9,287,500
Exercisable at the end of the period	—	333,333

Notes to the consolidated financial statements continued

for the year ended 31 December 2014

28. Key management personnel compensation

Key management personnel 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 2014 US\$	31 December 2013 US\$
Short-term employee benefits	7,567,732	8,079,116
Long-term employee benefits	1,642	1,635
Post-employment benefits	59,285	31,153
Share-based payments	2,106,223	1,826,452
Total	9,734,882	9,938,356

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 jointly controlled arrangements

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.

(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 2014	Balance at 1 January 2014 ⁽²⁾	Granted as remuneration (DBSP)	Received on exercise of options	Net other change ⁽¹⁾	Balance at 31 December 2014	Balance held nominally
J El-Raghy	71,445,086	—	—	—	71,445,086	—
T Schultz	1,030,000	—	—	(1,000,000)	30,000	—
G Haslam	102,056	—	—	—	102,056	—
M Arnesen	15,000	—	—	—	15,000	—
M Bankes	120,000	—	—	30,000	150,000	—
K Tomlinson	—	—	—	24,400	24,400	—
P Louw	1,737,500	400,000	—	—	2,137,500	—
A Pardey	1,785,000	400,000	—	—	2,185,000	—
R Osman	600,000	200,000	—	—	800,000	—
H Brown	475,000	75,000	—	—	550,000	—
D Le Masurier	—	300,000	—	—	300,000	—
L Gregory	—	300,000	—	—	300,000	—
Y El-Raghy	510,000	170,000	—	(42,586)	637,414	—
T Smith	—	300,000	—	—	300,000	—
L Sobey	300,000	100,000	—	(10,000)	390,000	—
A Davidson	—	450,000	—	—	450,000	—

31 December 2013	Balance at 1 January 2013 ⁽²⁾	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	—
R Osman	—	600,000	—	—	600,000	—
H Brown	475,000	—	—	—	475,000	—
D Le Masurier	—	—	—	—	—	—
L Gregory	—	—	—	—	—	—
Y El-Raghy	510,000	—	—	—	510,000	—
T Smith	—	—	—	—	—	—
L Sobey	—	300,000	—	—	300,000	—
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 2014	Balance at 1 January 2014	Granted as remuneration	Exercised	Other changes	Balance at 31 December 2014	Balance vested during the financial period	Balance – vested and exercisable at 31 December 2014
J El-Raghy	—	—	—	—	—	—	—
T Schultz	—	—	—	—	—	—	—
G Haslam	—	—	—	—	—	—	—
M Arnesen	—	—	—	—	—	—	—
M Bankes	—	—	—	—	—	—	—
K Tomlinson	—	—	—	—	—	—	—
P Louw	—	—	—	—	—	—	—
A Pardey	—	—	—	—	—	—	—
R Osman	—	—	—	—	—	—	—
H Brown	—	—	—	—	—	—	—
D Le Masurier	—	—	—	—	—	—	—
L Gregory	—	—	—	—	—	—	—
Y El-Raghy	—	—	—	—	—	—	—
T Smith	—	—	—	—	—	—	—
L Sobey	—	—	—	—	—	—	—
A Davidson	—	—	—	—	—	—	—

There were no options held, granted or exercised during the year by directors or senior management in respect of ordinary shares in Centamin plc.

Notes to the consolidated financial statements continued

for the year ended 31 December 2014

29. Related party transactions continued

d) Key management personnel share option holdings continued

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	—	—	—	—	—	—	—
R Osman	—	—	—	—	—	—	—
H Brown	—	—	—	—	—	—	—
D Le Masurier	—	—	—	—	—	—	—
L Gregory	—	—	—	—	—	—	—
Y El-Raghy	—	—	—	—	—	—	—
T Smith	—	—	—	—	—	—	—
L Sobey	—	—	—	—	—	—	—
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 2014 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\$57,898 or US\$51,920 (31 December 2013: A\$48,278 or US\$45,600).

f) Transactions with the government of Egypt

Royalty costs attributable to the government of Egypt of US\$14,143,710 (2013: US\$15,074,098) were incurred in 2014.

With a view to demonstrating goodwill toward the Egyptian government, PGM has made advance payments to EMRA of US\$4,800,000 (2013: US\$18,950,000) which will be netted off against any future profit share that becomes payable to EMRA.

g) During the year two generators were donated to Marsa Alam. These generators had a carrying value of US\$1,093,129.

h) 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. Dividends per share

The dividends paid in 2014 were US\$9,923,308 (0.87 US cents per share) (2013: nil).

A dividend in respect of the year ended 31 December 2014 of 1.99 US cents per share, totalling circa US\$23 million has been approved by the Board of Directors and is subject to shareholder approval at the annual general meeting on 18 May 2015. These financial statements do not reflect this dividend payable.

31. Subsequent events

As referred to in Note 13, In February 2015 the Company gave formal notice to Alecto Minerals plc (the AIM quoted mineral exploration company) terminating the joint venture agreement entered into between the company and Centamin in September 2013 with regards to the development of Alecto's licences in Ethiopia.

As referred to in Note 20, subsequent to the year end 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 160km² exploitation lease.

As referred to in Note 30, subsequent to the year end the Board of Directors announced the approval of a final dividend for 2014 of 1.99 US cents per share. Subject to shareholder approval at the annual general meeting on 18 May 2015, the final dividend will be paid on 29 May 2015 to shareholders on the register as of 24 April 2015.

There were no other significant events occurring after the reporting date requiring disclosure in the financial statements.

Company legal form and structure

Centamin plc, number 109180 (the "Company") is a mineral exploration, development and mining company dual listed on the London Stock Exchange (LSE: CEY) and the Toronto Stock Exchange (TSX: CEE).

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.

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.

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.

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 2014 and those held by trustees pursuant to the Company's share plans.

	As at 31 December 2014
Issued capital (including shares issued and held under the Deferred Bonus Share Plan)	1,152,107,984
Total shares in issue under the Deferred Bonus Share Plan	9,821,383

During the year 50,710,603 ordinary no par value shares were issued as fully paid in relation to the acquisition of Ampella Mining Ltd. The issued capital of the Company at the date of this report is 1,152,107,984 ordinary shares.

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

Based on shareholder disclosure and register analysis⁽¹⁾, 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	Van Eck Global	183,887,526	15.96
2	Blackrock Inc	119,074,265	10.34
3	Josef El-Raghy ⁽²⁾	71,445,086 ⁽²⁾	6.20
4	Norges Bank Investment Mgt	42,780,087	3.71
5	Franklin Resources	39,054,132	3.39

(1) Information at 26 February 2015.

(2) Includes the El-Raghy family.

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

To the extent known to the Company:

- 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
- there are no arrangements, the operation of which may at a subsequent date result in a change of control of the Company.

Dividend policy

Centamin announced its dividend policy on 16 May 2014 which is based on the financial condition of, and outlook for, the Company and its cash flow and financing needs. When determining the amount to be paid the Board will take into consideration the underlying profitability of the Company. Specifically, the Board aims to approve an annual dividend within the range of 15-30% of the Company's net cash flow after sustaining capital costs and following the payment of profit share due to the government of Egypt. The following dividends have been declared in respect to the financial year ended 31 December 2014:

Interim dividend

An interim dividend of 0.87 US cents per share (US\$0.0087) on Centamin plc ordinary shares (totalling approximately US\$9.9 million) was declared on 14 August 2014. The interim dividend for the half year period ending 30 June 2014 was paid on 3 October 2014 to shareholders on the register on the Record Date of 5 September 2014.

Final dividend

A final dividend of 1.99 US cents per share (US\$0.0199) on Centamin plc ordinary shares (totalling approximately US\$23 million) was declared on 23 March 2015. The final dividend for the financial year ended 31 December 2014 will be paid on 29 May 2015 to shareholders on the register on the Record Date of 24 April 2015. The ex-dividend date is 23 April 2015 for LSE listed shareholders and 22 April 2015 for TSX listed shareholders.

AGM

All shareholders are encouraged to attend our AGM on 18 May 2015, which will be held in London. This will be an excellent opportunity to meet Board members and our senior management team.

Financial calendar

9 April 2015	Q1 2015 Preliminary Production Results
13 May 2015	Results for the quarter ended 31 March 2015
29 May 2015	Dividend payment date
9 July 2015	Q2 2015 Preliminary Production Results
12 August 2015	Results for the quarter ended 30 June 2015
8 October 2015	Q3 2015 Preliminary Production Results
11 November 2015	Results for the quarter ended 30 September 2015

Glossary

AIF

Annual Information Form

ASIC

Australian Securities Investments Commission

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

cash cost per ounce

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

cash and cash equivalents, bullion on hand, gold sales receivable and available-for-sale financial assets

cash and cash equivalents, bullion on hand, gold sales receivables and available-for-sale financial assets is a non-GAAP financial measure any other companies may calculate these measures differently. Bullion on hand is valued at the year-end spot price

DBSP

Deferred Bonus Share Plan

DFO

diesel fuel oil

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

EBITDA

EBITDA is a non-GAAP financial measure, which excludes the following from profit before tax:

- i) finance costs;
- ii) finance income; and
- iii) 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

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 Resource Mineral 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

SGM

Sukari Gold Mining Co.

Advisers

Registrar services

Jersey, Channel Islands

Computershare Investor Services (Jersey) Plc

Queensway House

Hilgrove Street

St Helier

Jersey JE1 1ES

Canada

Computershare

100 University Avenue

8th Floor

Toronto ON M5J 2Y1

Brokers

GMP Securities Europe LLP

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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 "principal risks" section of the strategic report. 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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